

APPRAISAL REPORT

of

5504 West State Street
Milwaukee, Wisconsin 53208



Client: Ms. Marcel Maul
Deputy Division Administrator
Division of Facilities and Transportation Services
Bureau of Real Estate Management
State of Wisconsin Department of Administration
101 East Wilson Street, 7th Floor
Madison, Wisconsin 53707-7866

Appraisers: Troy J. Kruser, MAI
Wisconsin Certified General Appraiser #1425

David B. Greenhalgh, MAI
Wisconsin Certified General Appraiser #1866

Appraisal #: 22R-134

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2825 North Mayfair Road, Suite 204
Wauwatosa, Wisconsin 53222*

L. A. DUESTERBECK & ASSOCIATES, INC.

2825 NORTH MAYFAIR ROAD, SUITE 204 · WAUWATOSA, WISCONSIN 53222
PHONE 414-763-4190

PART ONE INTRODUCTION

LETTER OF TRANSMITTAL

June 20, 2022

Ms. Marcel Maul
Deputy Division Administrator
Division of Facilities and Transportation Services
Bureau of Real Estate Management
State of Wisconsin Department of Administration
101 East Wilson Street, 7th Floor
Madison, Wisconsin 53707-7866

Re: Market value appraisal of 5504 West State Street, Milwaukee, Wisconsin 53208

Dear Ms. Maul:

In fulfillment of our agreement as outlined in the letter of engagement dated March 1, 2022, we are pleased to transmit herewith an appraisal report of our opinion of market value of the fee simple interest in the referenced real estate as of June 7, 2022. The report sets forth our value conclusion, along with supporting data and reasoning that form the basis of our opinion.

The land is improved with one-story, masonry sided, single-tenant light industrial and office facility. The building contains approximately 6,020 square feet, per measurements taken at the time of the viewing. The building was built c. 1935, per the Director of Commercial Products for Beyond Vision (the tenant in place at the subject property), Mr. Egon Muelder. Approximately 3,157 square feet, or 52% of the gross building area, is finished office area, and the remainder of the building is unfinished manufacturing/warehouse area. There is also a partial, finished basement area of approximately 552 square feet. Total land area is 16,533 square feet, or 0.38 acre.

This appraisal was prepared in accordance with the intended use and with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation, and the Wisconsin Department of Safety and Professional Services. The appraisal also complies with the prevailing guidelines issued under Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA).

The value opinion reported is qualified by certain definitions, limiting conditions and certifications that are set forth in Part One of this report.

This report was prepared for and our professional fee billed to State of Wisconsin Department of Administration, Division of Facilities and Transportation Services. It is intended only for use by your internal management, your auditor and appropriate regulatory authorities. It may not be distributed to or relied upon by other persons or entities without our written permission.

The property was viewed by David B. Greenhalgh, MAI, and the report was prepared by David B. Greenhalgh, MAI and Troy J. Kruser, MAI. If you have any questions concerning the report, please contact us at (414) 763-4190.

As a result of our analysis, we have formed an opinion that the market value of the fee simple interest in the subject property (as defined in the report), subject to the definitions, certifications and limiting conditions set forth in the attached report, as of June 7, 2022, is:

Two Hundred Ninety-Five Thousand Dollars (\$295,000).

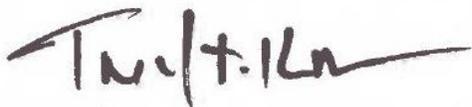
The appraisal is subject to the following extraordinary assumptions: 1) that the building insurance and environmental testing expenses provided by Mr. McHenry are reasonably accurate, and 2) that the existing contamination present at the subject property will continue to not restrict the use of the building on the subject property from its highest and best use as a single-tenant light industrial and office facility.

The reliance on an extraordinary assumption may impact the results of the appraisal assignment. If either of the extraordinary assumptions noted above is found to be untrue, we reserve the right to modify our appraisal conclusions.

As of the effective date of the appraisal, the COVID-19 pandemic, or Coronavirus, is ongoing, but the widespread distribution of vaccines has resulted in significant easing of restrictions and general reopening of businesses. The pandemic impacted markets to varying degrees with the hospitality, some retail, and service sectors having been most heavily impacted nationally due to the early stay at home orders, travel restrictions, social distancing measures. Most restrictions have been lifted, but cautious behavior by some consumers is likely to continue. The industrial, multifamily and essential retail sectors have experienced no major impact but the timing for full recovery of hospitality and some service sectors is still somewhat uncertain. Further, the office sector may continue to be impacted as many office users have effectively acclimated to employees working from home which may continue to limit demand for office space moving forward.

THIS LETTER MUST REMAIN ATTACHED TO THE REPORT, WHICH CONTAINS 60 PAGES PLUS RELATED EXHIBITS, IN ORDER FOR THE VALUE OPINION SET FORTH TO BE CONSIDERED VALID.

Respectfully submitted,



Troy J. Kruser, MAI
Wisconsin Certified General Appraiser #1425
tkruser@laduesterbeck.com



David B. Greenhalgh, MAI
Wisconsin Certified General Appraiser #1866
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TJK/DBG: ag/jm

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PART ONE – INTRODUCTION

Letter of Transmittal

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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, and we have not knowingly withheld any significant information.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- All assumptions and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in the report).
- 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 appraisers 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. The opinion of market value in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
- Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- Our compensation for the 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.

- The reported analyses, opinions, and conclusions are developed, and this report is prepared in conformity with the Code of Professional Ethics, the Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- David B. Greenhalgh, MAI personally viewed the subject property on June 7, 2022. Troy J. Kruser, MAI, did not personally view the subject property.
- The appraisal assignment is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- No one other than the undersigned provided significant professional assistance in the production of analyses, opinions, and conclusions that are contained in this report. No change of any item in the appraisal report shall be made by anyone other than us, and we shall have no responsibility for any such unauthorized change.
- As of the date of this report, Troy J. Kruser, MAI, and David B. Greenhalgh, MAI have completed the continuing education program of the Appraisal Institute.

Date: June 20, 2022



Troy J. Kruser, MAI
Wisconsin Certified General Appraiser #1425



David B. Greenhalgh, MAI
Wisconsin Certified General Appraiser #1866

SUMMARY OF CONCLUSIONS

Level of Report Provided:	Appraisal Report
Property Appraised:	5504 West State Street Milwaukee, Wisconsin 53208
Appraisal Purpose and Intended Use:	To provide an opinion of the market value of the fee simple interest in the real estate only, as-is, as outlined in the report, with the intended use for planning purposes.
Date of Appraisal Report:	June 20, 2022
Effective Date:	June 7, 2022
Extraordinary Assumptions:	The appraisal is subject to the following extraordinary assumptions: 1) that the building insurance and environmental testing expenses provided by Mr. McHenry are reasonably accurate, and 2) that the existing contamination present at the subject property will continue to not restrict the use of the building on the subject property from its highest and best use as a single-tenant light industrial and office facility.
Land Area:	16,533 square feet, or 0.38 acre
Improvements:	The land is improved with one-story, masonry sided, single-tenant light industrial and office facility. The building contains approximately 6,020 square feet, per measurements taken at the time of the viewing. The building was built c. 1935, per the Director of Commercial Products for Beyond Vision (the tenant in place at the subject property), Mr. Egon Muelder. Approximately 3,157 square feet, or 52% of the gross building area, is finished office area, and the remainder of the building is unfinished manufacturing/warehouse area. There is also a partial, finished basement area of approximately 552 square feet. Other improvements include an asphalt paved driveway and parking lot with space for approximately seven vehicles, concrete service walks and aprons, and some decorative landscaping.
Legal Characteristics:	Zoned IL2 (Industrial-Light District) No adverse easements or site restrictions.

Highest and Best Use as though Vacant:	A light industrial use.	
Highest and Best Use as Improved:	Present use, a single-tenant light industrial and office facility.	
Indications of Market Value:	Sales Comparison Approach	\$295,000
	Income Capitalization Approach	\$285,000
	Cost Approach	N/A
Opinion of Market Value of Fee Simple Interest:		\$295,000

PART TWO

IDENTIFICATION OF THE APPRAISAL PROBLEM AND SCOPE OF WORK

CLIENT, INTENDED USER, AND INTENDED USE OF THE APPRAISAL

The client and the intended user of the appraisal is State of Wisconsin Department of Administration, Division of Facilities and Transportation Services. This report is not intended for any other users. The intended use of the appraisal is for planning purposes. This report is not intended for any other use.

IDENTIFICATION OF THE SUBJECT PROPERTY

The real estate of 5504 West State Street, Milwaukee, Wisconsin 53208, is the subject of this appraisal report as defined in USPAP, Standard 2-2. The appraisal complies with all USPAP standards.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to form an opinion of market value of the fee simple interest in the real estate only as of June 7, 2022.

PROPERTY RIGHTS APPRAISED

At the request of the client, the real property rights appraised are fee simple interest. It should be noted that the subject property is currently leased to a tenant, however the lease in place has been disregarded for purposes of our analysis. Further, the tenant is expected to vacate the subject property near the end of 2022 or a little after such, per Mr. Egon Muelder of Beyond Vision (the tenant in place at the subject property).

Fee simple interest is defined as: "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."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015

DEFINITION OF VALUE APPLIED

For the purpose and intended use of the appraisal, market value is being considered.

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:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) 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.

Source: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994

EFFECTIVE DATE

The effective date of our opinion of market value is June 7, 2022.

EXTRAORDINARY ASSUMPTIONS

Extraordinary Assumption is defined as, “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”

Source: USPAP, 2020-2021 Edition, Effective January 1, 2020 through December 31, 2022, DEFINITIONS

The appraisal is subject to the following extraordinary assumptions: 1) that the building insurance and environmental testing expenses provided by Mr. McHenry are reasonably accurate, and 2) that the existing contamination present at the subject property will continue to not restrict the use of the building on the subject property from its highest and best use as a single-tenant light industrial and office facility.

The reliance on an extraordinary assumption may impact the results of the appraisal assignment. If either of the extraordinary assumptions noted above is found to be untrue, we reserve the right to modify our appraisal conclusions.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the appraisers appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth in the report.

1. We assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do we render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. We have made no survey of the property.
3. We 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.
4. Any distribution of our concluded market value between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. We assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. We assume no responsibility for such conditions, or for engineering that might be required to discover such factors.
6. Information, estimates, and opinions furnished to us, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, we assume no responsibility for accuracy of such items furnished to us.
7. Disclosure of the contents of the appraisal report is governed by the bylaws and regulations of the professional appraisal organizations with which we are affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the appraisers, professional designations, reference to any professional appraisal organizations, or the firm with which we are connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without our previous written consent; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without our written consent and approval.
9. 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 workmanlike manner.

10. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. We are not qualified to detect such substances. We urge the client to retain an expert in this field if desired.
11. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event.
12. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.
13. Unless otherwise stated in the report, we observed no adverse easements or encroachments that would affect market value.
14. The appraisal is subject to the following extraordinary assumptions: 1) that the building insurance and environmental testing expenses provided by Mr. McHenry are reasonably accurate, and 2) that the existing contamination present at the subject property will continue to not restrict the use of the building on the subject property from its highest and best use as a single-tenant light industrial and office facility. The reliance on an extraordinary assumption may impact the results of the appraisal assignment. If either of the extraordinary assumptions noted above is found to be untrue, we reserve the right to modify our appraisal conclusions.

APPRAISER COMPETENCY DISCLOSURE

The Competency Rule of USPAP states that an appraiser must describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report. Troy J. Kruser, MAI, has had extensive experience in the appraisal of light industrial properties similar to the subject. This includes the valuation of both typical and atypical properties since 2003, and also includes experience in the immediate geographical area of the subject. David B. Greenhalgh, MAI, has had similar appraisal experience since 2010, including an extensive number of assignments as a primary appraiser for this property type.

Furthermore, the appraisers' qualifications are included in this report.

The following section, scope of work, describes the steps taken by the appraisers to complete the assignment competently.

SCOPE OF WORK

The scope of work during the appraisal process encompasses the necessary research and analysis to prepare an appraisal report, in accordance with the intended use and with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation, and the Wisconsin Department of Safety and Professional Services, as of June 20, 2022. The appraisal also complies with the prevailing guidelines issued under Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). In accordance with these requirements, the following steps were taken.

- 1) The subject property was viewed on June 7, 2022, by Mr. David B. Greenhalgh, MAI, with appropriate photographs taken, and presented in the addendum to this report. The Director of Commercial Products for Beyond Vision (the tenant in place at the subject property), Mr. Egon Muelder, was present during the viewing, and provided current and historical information pertaining to the subject property. The Director of Facilities for the owner, Mr. Brock McHenry, provided some additional current and historical information pertaining to the subject property.
- 2) We examined the surrounding land uses and the condition of contiguous properties.
- 3) We gathered regional, city, county and neighborhood data from Milwaukee County and the City of Milwaukee, and utilized it along with assorted data gathered by L. A. Duesterbeck & Associates, Inc., over the last several years.
- 4) We determined the highest and best use of the subject property after making an analysis of data compiled in the steps noted above. In addition, we made a study of the real estate market in the subject area to help determine the economic use of the subject.
- 5) We developed approaches to value from the income and market data utilized in the report collected from the files of L. A. Duesterbeck & Associates, Inc.; from interviews with local property managers, realtors, and other persons knowledgeable of the subject property market; and from the governmental offices of the applicable municipality. The cost approach is not utilized due to the subject building being older in age, with depreciation adjustments considered more subjective and less reliable. Further, a typical buyer in the subject property would likely not consider the cost approach in a purchase decision. Therefore, the cost approach is not utilized in this appraisal and exclusion of the cost approach does not limit the credibility of the assignment results.
- 6) After assembling and analyzing the data defined in this scope of the work, we formed an opinion of the market value of the fee simple interest in the real estate, excluding any equipment or personal property of the owner.
- 7) We determined the owner of record as State of Wisconsin, and researched a three year sales history, as of June 7, 2022.
- 8) We determined the present use of the subject property as a single-tenant light industrial and office facility.

PART THREE

PRESENTATION OF DATA

LEGAL DESCRIPTION

The subject property is 5504 West State Street, Milwaukee, Wisconsin 53208, which is further described by the following abbreviated legal description.

Assessor's Plat No. 126 of the City of Milwaukee, Milwaukee County, Wisconsin, in the Northwest $\frac{1}{4}$ and the Northeast $\frac{1}{4}$ of Section 26, Town 7 North, Range 21 East, Block 2, Lot 5, except street.

PERSONAL PROPERTY OR OTHER INCLUSIONS

The appraisal includes the real estate only.

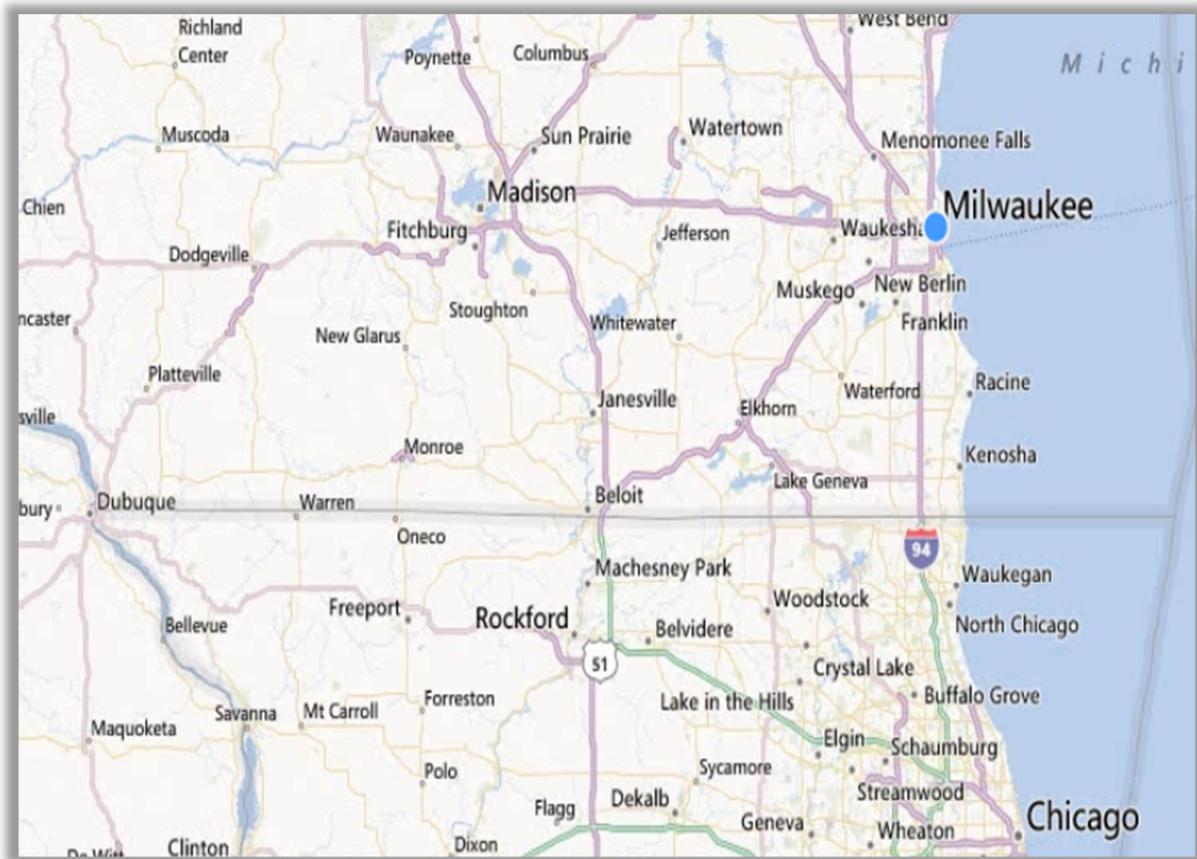
OWNERSHIP AND SALE HISTORY

The current owner of record of the subject property is State of Wisconsin.

As required under USPAP standards, an investigation was made to ascertain any sales history of the subject property for the last three years. There has been none. The subject property is currently not offered for sale.

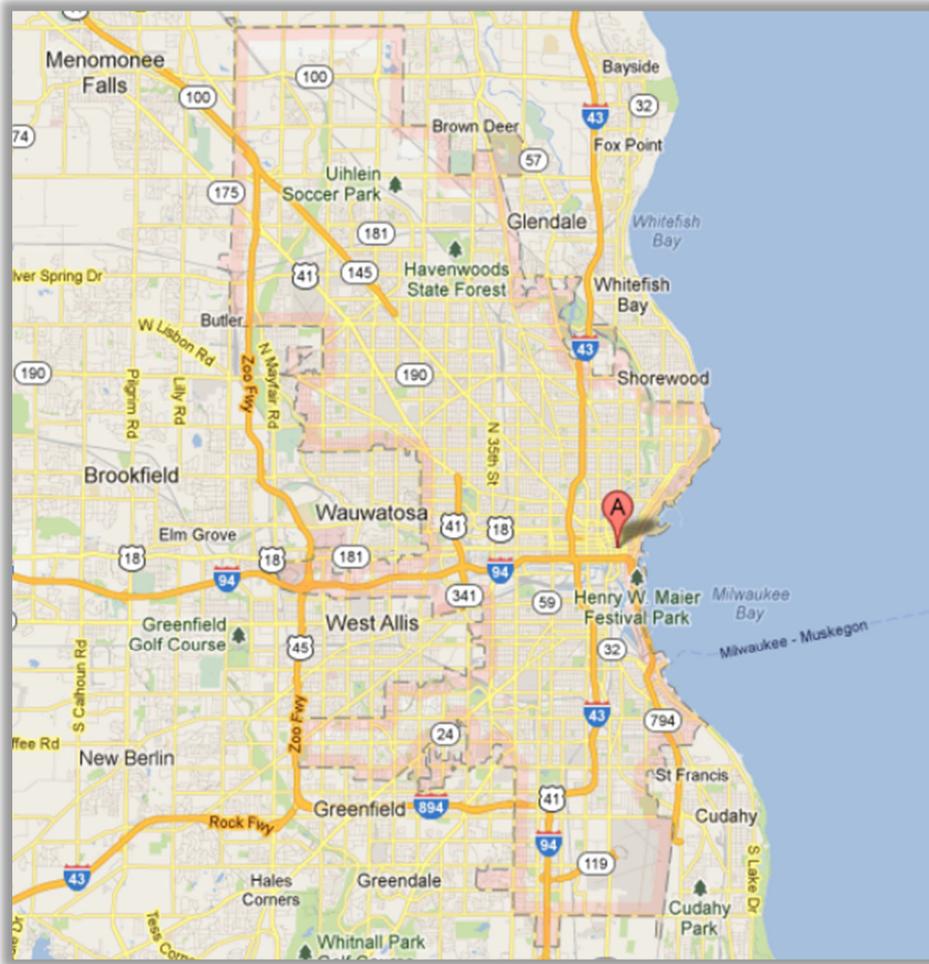
AREA ANALYSIS

The location is the City of Milwaukee, Wisconsin. Milwaukee is the county seat of Milwaukee County, the largest city in Wisconsin and the center of a metropolitan statistical area comprised of Milwaukee, Ozaukee, Washington, and Waukesha Counties. The city is a major Great Lakes port, traditionally known for manufacturing and breweries. In recent years, Milwaukee has reemerged as a primary cultural and entertainment center for the Upper Midwest.



As illustrated by the map above, major cities and their proximities to the general area are: Madison, the state capital, 79 miles west; Rockford, Illinois, 93 miles southwest; and Chicago, Illinois, 94 miles south.

The following map of the City of Milwaukee outlines the general city limits.



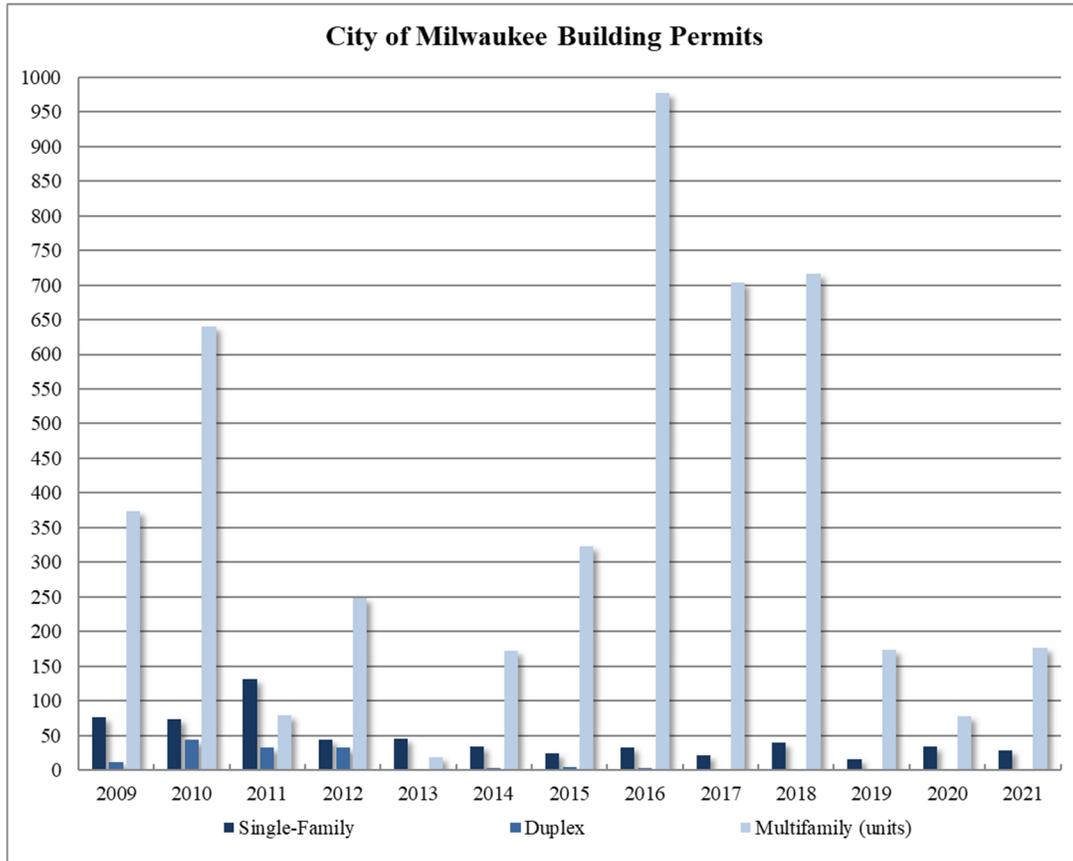
City of Milwaukee Total Area (square miles)	
Land	96.12
Water	0.68
Total area	96.80

The 2021 estimated population for the City of Milwaukee was 587,976, which was a decrease from both the 2000 and 2010 populations. The recent population statistics and trends are shown on the following table.

Population Estimates					
	2000	2010	2021	% Change from 2000	% Change from 2010
State of Wisconsin	5,363,675	5,686,986	5,901,473	10.03%	3.77%
Milwaukee County	940,164	947,735	947,241	0.75%	-0.05%
City of Milwaukee	596,974	594,833	587,976	-1.51%	-1.15%

Source: U.S. Census Bureau - State and County QuickFacts

The following numbers of new construction building permits have been issued in recent years.



The major employers in Milwaukee County are listed on the following chart.

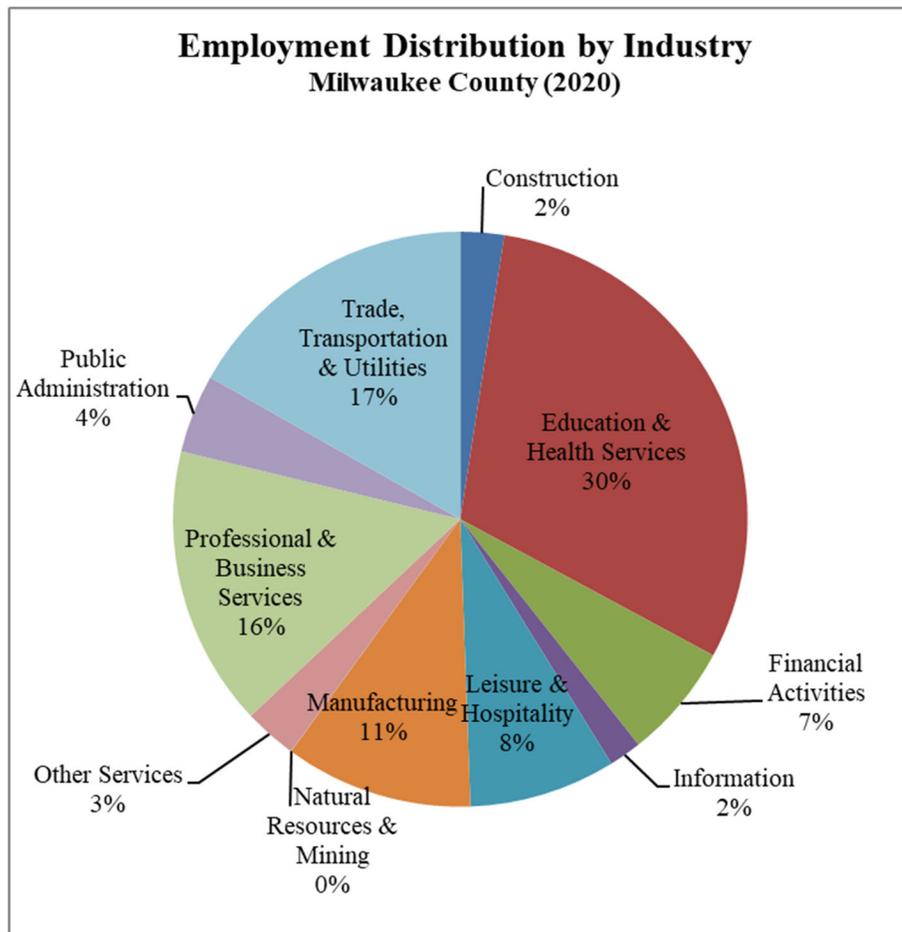
Major Employers in Milwaukee County	
General Mitchell International-MKE	GE Healthcare
River Woods Urgent Care Center	Milwaukee County Transit System
UW-M Sheldon B. Lubar School of Business	Patrick Cudahy
Aurora St. Luke's Medical Center	Aurora West Allis Medical Center
Northwestern Mutual Life Insurance	ACL Laboratories
Rockwell Automation Inc.	ATI Forged Products
FIS	Brady Corporation
University of Wisconsin-Milwaukee	Manpowergroup, Inc.
WEC Energy Group, Inc.	Milwaukee Area Technical College
Children's Hospital & Health	Street Lighting- Milwaukee City
Potawatomi Hotel & Casino	We Energies
Johnson Controls, Inc.	YMCA Youth Leadership Academy, Inc.
Sendik's Food Market	

Source: jobcenterofwisconsin.com

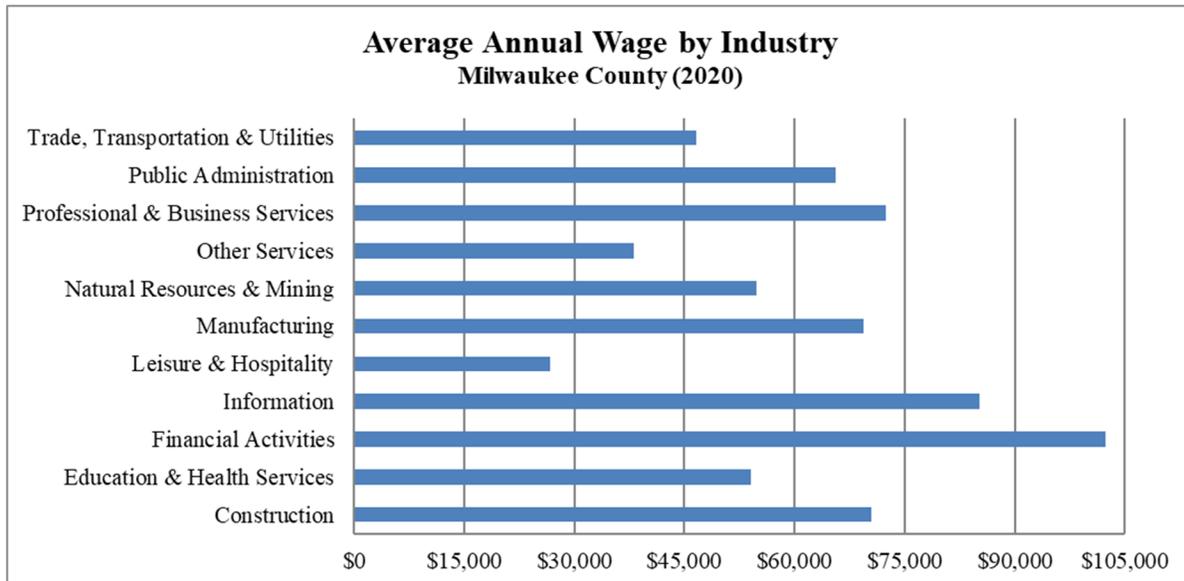
Milwaukee is home to six *Fortune* 1000 manufacturers (Johnson Controls, Northwestern Mutual, ManpowerGroup, Harley-Davidson Inc., Rockwell Automation, and Marshall & Ilsley Corporation). The metropolitan area places among the top manufacturing centers in the United States, ranking second among major metropolitan areas in the percentage of its workforce in manufacturing. The economy is dominated by small to medium-sized firms, with representatives in nearly every industrial classification.

Metropolitan area firms are engaged primarily in the manufacture of machinery; contrary to Milwaukee's reputation as a brewery capital, less than 1% of the city's industrial output is related to brewing. In recent years, the region earned a reputation as a center for precision manufacturing. It leads the nation in the production of industrial controls, X-ray equipment, steel foundry parts, and mining machinery. The area is also considered a printing and publishing center, housing more than 11% of the top 70 printing companies in North America. Publishers and printers combined employ more than 21,000 people, about 2.5% of the workforce.

The industry with the biggest impact on Milwaukee County is Education & Health. With 137,180 employees, Education & Health represents about 30% of all jobs.



With an average wage of \$102,369, Financial Activity jobs are among some of the top paying jobs in the county. Information jobs are second with an average wage of \$85,132.



According to the Department of Workforce Development (DWD), the unadjusted unemployment rate for the City of Milwaukee was 5.00% as of April 2022 and 7.60% as of April 2021. The unadjusted unemployment rates were 4.30% and 6.30% for Milwaukee County and 3.00% and 4.30% for the State of Wisconsin as of the same times. In March and April 2020, there were massive layoffs due to the COVID-19 pandemic that resulted in very high unemployment; however, unemployment has since rebounded.

Employment Status			
	April 2021	April 2022	Net Change
City of Milwaukee			
Labor Force	275,024	272,846	-0.79%
Employed	254,167	259,194	1.98%
Unemployed	20,857	13,652	-34.54%
Unemployment Rate	7.60%	5.00%	-2.60%

Unemployment Rates Not Seasonally Adjusted			
	April 2021	April 2022	% Change
United States	5.70%	3.30%	-2.40%
State of Wisconsin	4.30%	3.00%	-1.30%
Milwaukee County	6.30%	4.30%	-2.00%
City of Milwaukee	7.60%	5.00%	-2.60%

Source: jobcenterofwisconsin.com

Tourism is also a major contributor to the local economy. Milwaukee hosts many festivals and parades throughout the year, and is home to nationally recognized museums, a zoo, professional sports teams, and entertainment venues. Altogether these attractions bring more than 5 million tourists and generate \$1.9 billion annually.

Milwaukee, has also advertised itself as the "City of Festivals," emphasizing an annual lakefront fair called Summerfest. Listed in the Guinness Book of World Records as the largest music festival in the world, Summerfest attracts around 1,000,000 visitors a year to its 12 stages. Along with Summerfest, Milwaukee is home to a variety of ethnic and socially themed festivals throughout the summer. Held primarily on the lakefront Summerfest grounds, these festivals span several days (typically Friday plus the weekend) and celebrate Milwaukee's history and diversity.

Transportation

Highways - Interstate Highways 43, 94, 794 and 894, US Highways 18, 42 and 45, State Highways 24, 32, 36, 38, 57, 59, 62, 100, 145, 181, 190, and County Highways D, E, F, G, N, S, T, U, Y, EE, NN, PP, and ZZ serve the city.

Air Service - The nearest airports with scheduled airlines are General Mitchell International Airport located 7.5 miles south of downtown Milwaukee; the Lawrence J. Timmerman Airport, located 10 miles northwest of downtown; and Chicago's O'Hare International Airport, located 77 miles southwest.

Railway Service – The Milwaukee area is served by the Canadian Pacific Railway, Union Pacific Railroad, Wisconsin Central, Ltd., and Wisconsin & Southern Railroad Company.

Water - The Port of Milwaukee offers major harbor facilities, dockage, heavy lift equipment capable of handling both bulk and containerized shipments, and an intermodal transportation system useful in rerouting shipments, via trucking establishments and the railroads, to their final destination.

Other Statistics	
Income/Housing	
Median household income Milwaukee County (2021):	\$53,006
Per capita income Milwaukee County (2021):	\$29,687
Median household income City of Milwaukee (2021):	\$43,605
Per capita income City of Milwaukee (2021):	\$23,249
Total Housing Units:	260,703
Occupied Housing Units (Households):	230,080
Owner Occupied Housing:	94,673
Renter Occupied Housing:	135,407
Community Facilities	
Government:	Mayor/Council
Police:	2,762 Full-time personnel
Fire:	1,108 Full-Time personnel, including 1,108 EMT's
Schools:	Elementary 125; Middle 16; High School 18 + 23 Middle/High Schools combined; more than 100 private elementary and secondary schools serve metropolitan Milwaukee. Choices include 7 Montessori schools, 21 charter schools, and 11 year-around schools as well as a number of parochial schools. Colleges/Universities 10+; Technical Schools 3+

Overall Market Conditions in Region

Economic characteristics affecting supply and demand for property include the availability of labor, the availability of capital, and the economic base of the region.

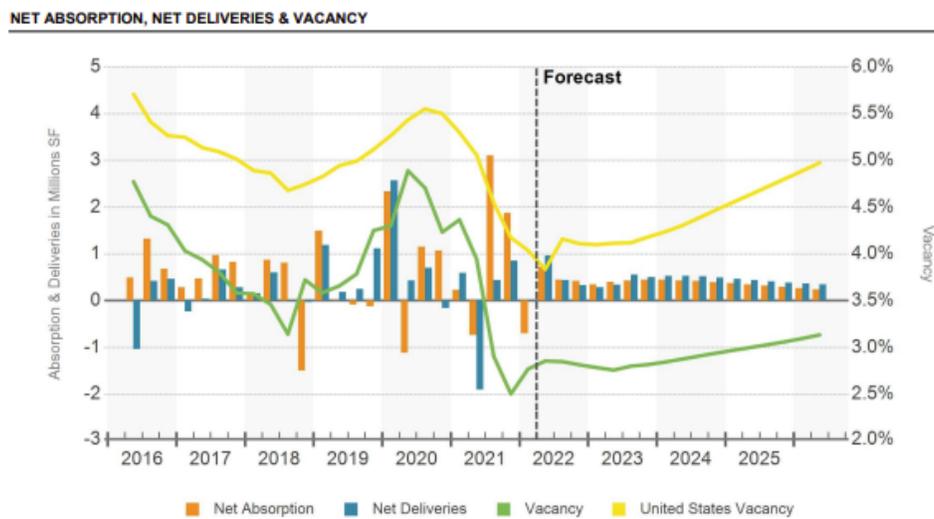
The Milwaukee MSA is the center of industry and commerce for the State of Wisconsin and is made up of Milwaukee, Ozaukee, Washington and Waukesha Counties. Major corporations headquartered in the Milwaukee MSA include Miller Brewing, Rockwell Automation (Allen Bradley), Quad Graphics, Marcus Corporation, Johnson Controls, GE Medical Systems, Kohl's Corporation, Harley Davidson, Briggs and Stratton, Manpower International, US Bank, and Northwestern Mutual Life Insurance.

Historically, the Milwaukee MSA's economic base was centered on manufacturing, which accounted for over one third of the area's employment as recently as 1979. Over the past two decades the economic base has become more balanced, with the service sector becoming the dominant employment sector, followed by manufacturing, wholesale and retail trade, government, and finance, insurance and real estate. Even though manufacturing has declined, the Milwaukee MSA still has the one of the highest percentages of manufacturing employment in the country.

The changing economic base of the region, as well as the changing location of employment centers in the region has created challenges for employers and employees. While many large industrial facilities in the central city and older suburbs are decaying and underutilized, many new industrial parks and buildings have been developed in the suburban portions of the MSA.

This trend has created a problem of geographic disparities, as firms have moved to the urban fringe, but workers have stayed in the central city where the jobs of a generation ago were located. Unemployment in the central City of Milwaukee is still significantly above that for the region as a whole, and many employers have created incentives and/or provided aid in order to tap the central city labor pool, which is sufficient to continue to fuel expansion in the MSA. These factors have had a positive overall impact on the industrial real estate sector, as newer facilities in suburban locations tend to be smaller and more general purpose than their predecessors of a generation ago. The smaller size allows them to be utilized for a wide variety of operations, instead of sitting vacant for long periods of time until incentives or economic factors make redevelopment or demolition feasible.

The Milwaukee Industrial Market remains strong, posting positive net absorption of approximately 4.8 million square feet over the last 12 months prior to June 2022. Industrial vacancy in the Milwaukee Market area is estimated at 2.9% as of June 2022. This is up slightly from a record low of 2.5% at the end of 2021 (see graph below). Rent growth is trending upward with a rent growth rate of 7.3% over the last 12 months prior to June 2022, with average rent at \$6.10 per square foot as of June 2022. There was a reported 1,772,166 square feet of space under construction as of June 2022. The total industrial inventory in the Milwaukee Market area amounts to 259,936,000 square feet as of June 2022. (Source: The CoStar Industrial Report)



Following a record Fourth Quarter 2021 in which over \$560 million in total sales took place, pushing 2021 over the \$1 billion mark for the first time on record, investment activity dropped off significantly in First Quarter 2022. However, at close to \$200 million in total sales, First Quarter 2022 was one of the strongest first quarters on record and investment activity remains well above the historical averages indicating investors remain bullish on Milwaukee's industrial market. Notable, the nearly \$1.1 billion in total sales in 2021 broke the previous record set in 2020 by more than 80%. Fueling this surge was a record number of transactions and a substantial increase in national investor activity, which accounted for over 90% of the total sales volume, well above the historical average of around 50%. Additionally, with reported average cap rates of 8.5% for YTD 2022 (as of June 2022) sitting well above the national average of 6.1%, Milwaukee also caters to investors seeking out smaller and higher-yielding markets. Further, reported average cap rates in 2021 were 7.7%, remaining stable from 2020 when the average cap rate was also 7.7%, and well below the peak average cap rate of 10.2% in 2012. (Source: The CoStar Industrial Report)

In November 2017, the State of Wisconsin committed \$3 billion in incentives to bring Foxconn, a liquid crystal display manufacturer creating high definition LCD panels, to a location in southern Racine County within the Village of Mount Pleasant that is bounded by Interstate 94 on the west, Highway KR on the south, County Highway H on the east, and Braun Road on the north. Foxconn plans to construct a 32 million square foot campus with 20 million square feet of buildings on about 1,000 acres at a cost of approximately \$10 billion. To receive the full payments, Foxconn must provide employment of at least 5,200 by 2022, 10,400 by 2027 and 13,000 by 2032, with a minimum salary of \$30,000 (approximately \$15/hour) and an average annual salary of at least \$53,900. This announcement had generated significant buzz in the local market area, which was expected to positively benefit from the development. The first building on the site was an approximately 120,000 square foot multipurpose building that was to serve as a base of operations for ongoing construction, completed in November 2018. Further, foundation work for an approximately 993,460 square foot manufacturing, assembly and office building (referred to as the Foxconn FAB facility) began in June 2019. After the deal was signed, the factory was downsized and the scope of the project changed. In October 2020 the State of Wisconsin informed Foxconn Technology Group that it would not qualify for billions of dollars in state tax credits unless it strikes a new deal for a scaled back factory complex. A new agreement between Foxconn Technology Group and the State of Wisconsin was reached in April 2021 that dramatically scaled back the number of jobs the company promises to create — to only 1,454 — and reduces the capital investment to a fraction of what was originally promised. In return, Foxconn stands to receive far less state cash. The agreement allows for Foxconn to get a maximum of \$80 million in tax credits compared to the previous agreement that would have granted the company \$2.85 billion if the company met certain hiring and capital investments.

With demand having outpaced the rate of new supply consistently over the past four years, Milwaukee's multifamily market continues to outperform. The combination of record demand levels and five-year lows in new construction led to sharp vacancy compression in 2021, closing out Fourth Quarter 2021 at just 3.1%. New inventory tends to lease quickly, and market fundamentals indicate significant room for additional new supply. Of the 50 largest markets in the U.S., Milwaukee's vacancy rate of 3.2% as of June 2022 remains the lowest in the Midwest and one of the lowest nationwide. (Source: The CoStar Multifamily Report)

Around 3,600 units are currently under construction in Milwaukee as June 2022, representing a substantial boost in construction activity as fewer than 2,000 units were underway as recently as Second Quarter 2020. Driving the rise in construction activity has been resurgent activity in Milwaukee's urban core, primarily in the downtown area. Over 1,000 units were underway in Downtown Milwaukee at the end of First Quarter 2022, the most in the submarket since early 2018. Most notably, the long-awaited Couture development broke ground in Third Quarter 2021 after nearly a decade of legal and financing complications. At over 500 feet tall, the 44-story, 322-unit lakefront tower will be the tallest apartment building in Milwaukee and only the third 5 Star luxury offering downtown when completed. The groundbreaking of the Couture follows the groundbreaking of the Ascent, another 5 Star apartment building currently under construction downtown. New Land Enterprises broke ground in Third Quarter 2020 on the 259-unit, 25-story luxury apartment tower, which will set multiple milestones for the market, including a world record, when it delivers in mid-2022. The 284-foot-tall tower is being constructed with mass timber and will be the tallest mass timber building in the world when it is completed.

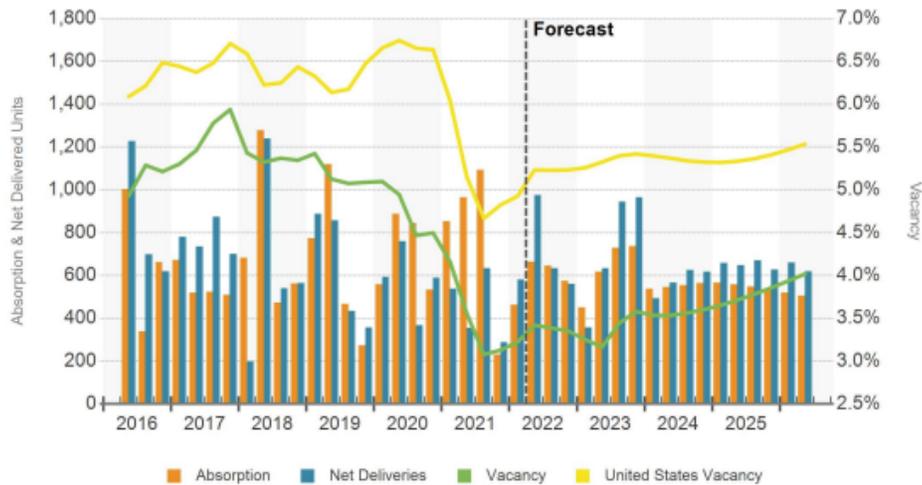
The pace of construction activity in Downtown Milwaukee is set to remain high as major developments continue to break ground with frequency, indicating developers remain bullish on future renter demand in the urban core. Most recently, the 9-story, 251-unit Nova broke ground in Fourth Quarter 2021 while a 31-story, 333-unit luxury tower from Hines is expected to break ground in the Third Ward in Third Quarter 2022. The two developments will replace currently vacant lots, adding to the \$4 billion renaissance that Downtown Milwaukee has seen over the past decade. Notably, both projects are located along Milwaukee's streetcar line, which has attracted significant investment and development capital. (Source: The CoStar Multifamily Report)

As construction activity builds in Downtown Milwaukee, development also remains strong in Milwaukee's suburbs, especially in the fast-growing South Milwaukee and Southern Milwaukee County submarkets. Additional development is anticipated in this area, thanks to continued growth along the I-94 corridor linking Milwaukee to Chicago, which recently underwent a \$1.9 billion reconstruction and expansion in late 2020. Recent commitments to the corridor by companies such as Amazon, Foxconn, Uline, Haribo, IKEA, and Saputo are expected to generate thousands of new jobs and increased demand for newer housing south of the city. (Source: The CoStar Multifamily Report)

Following a record demand year in 2021 in which roughly 3,200 units were absorbed, renters continue to exhibit a healthy appetite for new inventory in this low-vacancy market. An uptick of new supply in First Quarter 2022 outpaced demand by just over 100 units, resulting in a mild vacancy increase of around 10 basis points. Despite new supply edging out demand over the past two quarters, four-quarter trailing figures highlight the significant mismatch in supply and demand. Between Second Quarter 2021 to First Quarter 2022, roughly 2,750 units were absorbed compared to just over 1,800 units delivered, resulting in vacancies trending at record low levels since mid-2021. While demand levels have largely been stable over the past few years, averaging around 3,000 units absorbed annually between 2018-2021, declining levels of new supply additions have had the strongest influence on the market's sharply contracting vacancies. Since vacancies peaked at 6% in 2017, a year in which over 3,000 units were delivered, the market has seen steady vacancy compression as new supply waned. These trends were rapidly accelerated by the pandemic as few projects broke ground in 2020, resulting in 2021 seeing the fewest new units delivered since 2016. Despite the supply crunch, renters displayed resurgent demand for newer inventory in 2021, reflective of demand trends seen prior to the onset of the pandemic. Since development activity picked up in 2015, demand has overwhelmingly been concentrated in the higher-end 4 & 5 property segment, which accounts for the bulk of newer inventory. More than 17,700 units have been delivered in the market since then, with over 70% of those being in the 4 & 5 Star property segment, more than doubling the total number of 4 & 5 Star units in the market during this time. Despite the sharp rise in higher quality and luxury inventory, the current 4 & 5 Star vacancy rate of 5.7% indicates that considerable room for new supply additions likely remains in this segment. (Source: The CoStar Multifamily Report)

As vacancies continue to trend at record low levels, future demand will remain closely tied to the rate of new supply additions as few vacancies remain throughout the market. Notably, when comparing the largest 50 markets in the country, Milwaukee's current vacancy rate of 3.2% is the lowest in the Midwest and one of the lowest nationwide, which is currently averaging 4.9% as of June 2022. See graph below for recent data in the Milwaukee market. (Source: The CoStar Multifamily Report)

ABSORPTION, NET DELIVERIES & VACANCY



The Milwaukee area office and retail sectors have lagged somewhat behind, with retail outperforming office at the present time, but office showing signs of improvement, especially in more desirable locations. The Milwaukee Office Market had a June 2022 vacancy rate of 10.2%, which is well below the national average of 12.3% as of the same time period. Office rental rates are up slightly, with rents increasing 1.0% over the 12 months prior to June 2022 and average rents at \$20.74 per square foot. (Source: The CoStar Office Report)

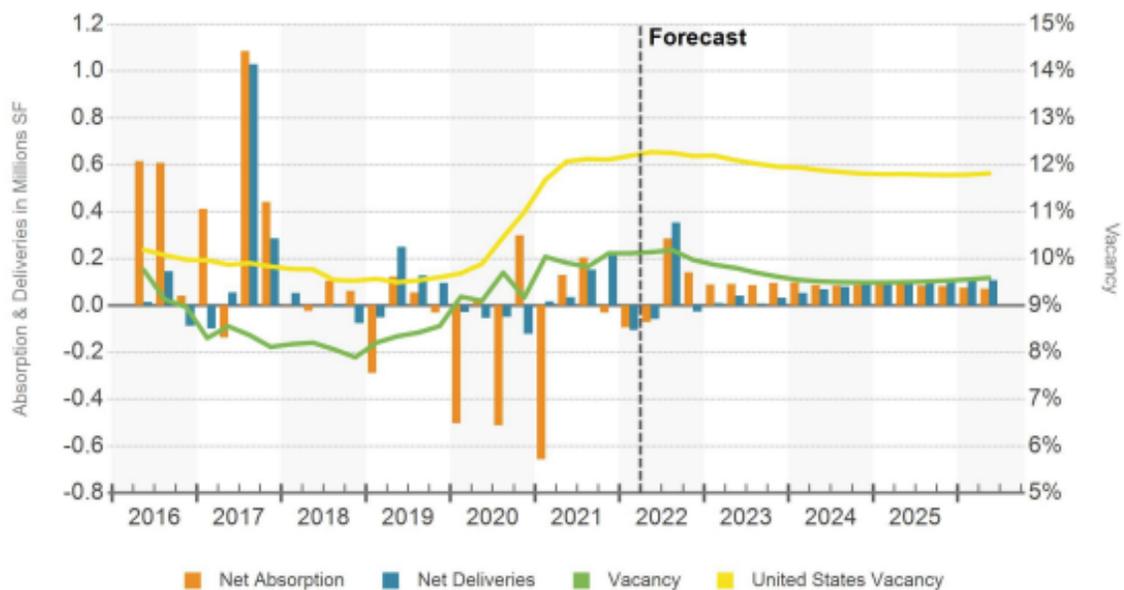
A flight to quality within Milwaukee's office market has played a significant role in the sector as companies have sought out newer and higher-quality office space closer to the urban core in recent years. Roughly 4.7 million SF of total development has been delivered since construction picked up 2016, accounting for more than 6% of the current market inventory. Milwaukee's urban core has been the main benefactor of this momentum, capturing around 2.7 million SF of this new supply and drawing in dozens of tenants from the suburbs in the process. This increased demand for office space closer to the urban core is part of a larger resurgence of the downtown area, where roughly \$4 billion in both public and private developments has occurred over the past decade. The continued renaissance of downtown Milwaukee, where an additional \$2 billion in developments is currently planned or underway, remains a driving force for market demand due to its larger share of newer inventory and its younger talent pool. (Source: The CoStar Office Report)

Although many markets across the country have seen rising vacancies in urban cores, Milwaukee's downtown has fared favorably compared to those of peer markets. As suburban companies continue to relocate to the downtown area and as older and aging office inventory gets converted to multifamily and hospitality uses, vacancies have compressed in Milwaukee's urban core by roughly 50 basis points since Second Quarter 2020. Of the more notable suburban companies making moves to the downtown area is Milwaukee Tool. The power tool manufacturer, which has a landlocked headquarters in suburban Brookfield, is rapidly expanding across the metro with new office, manufacturing, and lab space. The company acquired the vacant 372,000 square foot former headquarters of Assurant Health for \$7.9 million in Second Quarter 2021 and, following extensive renovations, began moving the first of its expected 1,200 employees to the new location. Milwaukee Tool's acquisition resulted in the removal of the largest single block of vacant office space from the market, drastically reducing vacancies in the Downtown West Submarket by roughly 500 basis points. (Source: The CoStar Office Report).

This trend of suburban companies moving closer to downtown in search of talent has continued in the first half of 2022. Recently, SoftwareONE signed a nearly 20,000 square foot lease in Second Quarter 2022 at the historic Dye House. Located in the Historic Third Ward, the former warehouse features industrial aesthetics and close proximity to the neighborhood's many amenities including shops, bars, and restaurants. SoftwareONE cited this amenity-rich location and its compatibility with the company's culture as key factors in its decision. The cloud technology provider will move its 135 employees to the fast-growing downtown area from its current Waukesha business park location in Fall 2022. (Source: The CoStar Office Report)

A reported 45,230 square feet was added to the Milwaukee market in the 12 months prior to June 2022. Additionally, there was a reported 581,137 square feet of office space under construction as of June 2022. See graph below for recent data in the Milwaukee market. (Source: The CoStar Office Report)

NET ABSORPTION, NET DELIVERIES & VACANCY



Milwaukee's office market recently experienced 20-year highs in new speculative developments as surging demand for higher quality office space resulted in roughly 860,000 SF of speculative office developments delivering between 2020–21. But contrary to over 20 years ago, when over 90% of the 1.3 million SF delivered was located in the suburbs, nearly all of these recent speculative developments have been located in or near the CBD as tenants continue to gravitate toward the urban core. Most notably, the 25-story, 380,000 square foot BMO Tower was delivered in Second Quarter 2020 and is the largest multi-tenant development built in the market since the 358,000 square foot 833 East building opened in 2016. Early demand for this new, Class A office space was strong with existing tenants in the area, as BMO Tower was 55% preleased and drew its tenants from older office buildings within just one block of the new tower. Highlighting shifting space demands by office tenants, BMO Harris and Michael Best & Friedrich collectively shed close to 70,000 square feet in their moves to the new BMO Tower. Also located in the Downtown East Submarket, the 11-story, 163,000 square foot Huron Building delivered in Fourth Quarter 2020. Replacing a long underutilized parking lot adjacent to the popular Third Ward neighborhood, the roughly 50% preleased project made national headlines when it crowdfunded \$14 million overnight. (Source: The CoStar Office Report)

More recently, construction activity is picking up in the usually quiet suburbs. Having only accounted for about 30% of the more than 3.2 million SF of speculative development built since 2015, several new developments are underway or recently delivered, including the largest suburban speculative development in more than 20 years. Located in Brookfield, the 186,000 square foot Golf Parkway Corporate Center will be one of the largest multi-tenant office buildings in the suburbs when complete and will be an alternative high-quality option for tenants in the area that have increasingly sought out newer and higher-quality office space near the urban core over the past few years. Anchoring the development is financial consulting firm Milliman. Already located within Brookfield, Milliman signed on for 118,000 square feet in Second Quarter 2020, representing a significant expansion for the growing company. (Source: The CoStar Office Report)

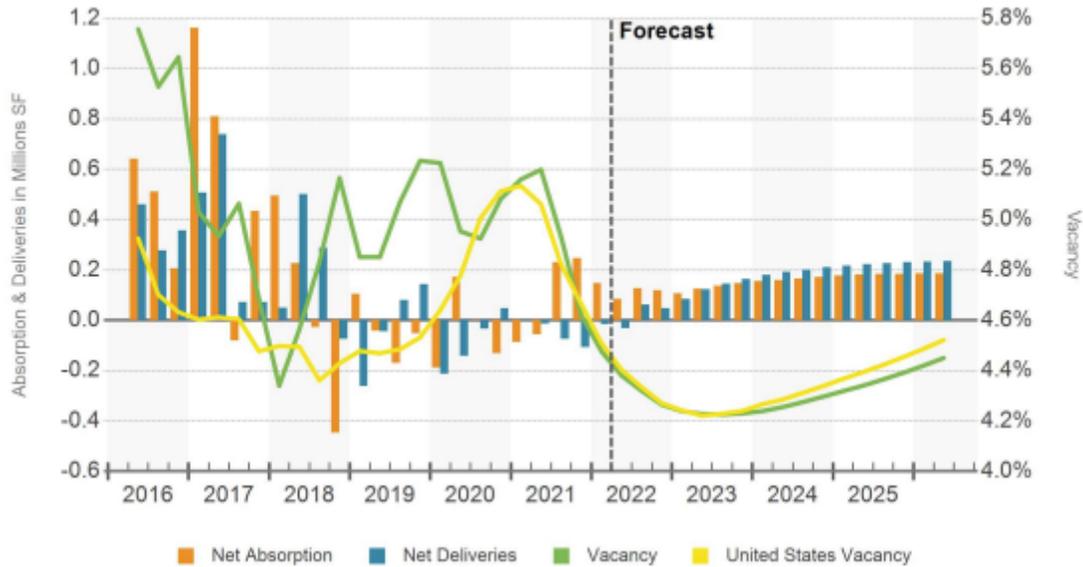
Rounding out the development picture is a series of new headquarters and satellite locations for local manufacturers that are continuing the trend of locating office functions downtown in an effort to better attract younger talent that has largely preferred urban living. Notably, Brookfield-based Milwaukee Tool is wrapping up a full interior and exterior renovation of the 372,000 square foot former Assurant Health building at 501 W Michigan St. in the Downtown West Submarket. The fast-growing company plans to eventually have upward of 1,200 employees at its new downtown campus. Also underway is a new 158,000 square foot office headquarters and a 108,000 square foot R&D facility for Rite-Hite along the river in the Third Ward/Walker's Point submarket. Currently located in Brown Deer, the loading dock manufacturer expects to take occupancy of its new headquarters in mid-2022. Nearby, heavy equipment manufacturer Komatsu recently moved into its new 176,000 square foot office headquarters in the inner harbor, where work recently completed on an adjacent 430,000 square foot manufacturing facility. (Source: The CoStar Office Report)

The Milwaukee Retail Market had an estimated vacancy rate of 4.4% as of June 2022. Retail vacancy in the Milwaukee area declined 0.8% in the 12 months prior to June 2022 as a reported positive net absorption of 649,000 square feet occurred in the 12 months prior to June 2022. Milwaukee's retail market, like many across the country, has faced considerable headwinds over the past several quarters and will continue to face additional challenges in the coming months. But while the market had shown signs of softening in the early stages of the pandemic, several indicators point to improving conditions as both tenants and investors display increased activity. (Source: The CoStar Retail Report)

Most notably, leasing activity has improved significantly over the past few quarters, a sign of renewed confidence by retailers. Annual leasing activity was up nearly 15% at the end of 2021 and remains strong early in 2022. Additionally, with few construction projects occurring, supply side pressure is nearly non-existent. With the rate of retail closures falling and leasing activity picking back up, vacancies are trending downward for the first time in over a year. Compressing vacancies will be a welcome sign for landlords, many of which have struggled pushing rents higher over the past several quarters. Annual rent growth turned dipped to its lowest point in three years in Third Quarter 2021, but improving market fundamentals point to early indicators that rents are on the mend. (Source: The CoStar Retail Report)

There was minor rent growth of 2.8% in the last 12 months prior to June 2022 with average rents of \$15.09 per square foot as of June 2022. Over the last 12 months prior to June 2022 there was a reported 35,154 square feet of new space delivered to the market, with a reported 125,063 square feet currently under construction as of June 2022. See graph below for recent data in the Milwaukee market. (Source: The CoStar Retail Report).

NET ABSORPTION, NET DELIVERIES & VACANCY



The largest lease signings/renewals in the last 12 months prior to June 2022 include: the 44,044 square foot lease signed by PGA Super Store in Brookfield, the 40,000 square foot lease signed by Dunham’s Sports in West Bend, the 36,890 square foot lease signed by Antiques 2 Modern at 13801 West National Avenue in New Berlin, and the 27,959 square foot lease signed by Circle of Friends at the Green Ridge Center in Mukwonago. (Source: The CoStar Retail Report).

Since late 2019, new construction has largely ground to a halt. With elevated mall vacancies, ever-shifting consumer preferences, and the region's longstanding stagnant population growth, developers have adopted a more cautious approach toward new construction in Milwaukee in recent years. Over the past several quarters, the majority of new construction projects in the market have come from retail banks. Local financial institutions have been leading this development spree, with Landmark Credit Union, Associated Bank, and North Shore Bank all making significant expansions in the market. However, the small format size of retail banks has had a negligible impact on total construction levels. Between 2019-21, Milwaukee averaged just over 400,000 SF of new construction annually, the lowest volume stretch on record. (Source: The CoStar Retail Report).

But while Milwaukee has ranked near the bottom of the country for new construction over the past few years, it has been a nationwide leader in another area. Retail demolitions and conversions have become increasingly frequent in the market and Milwaukee has been at the forefront of retail to industrial conversions. Nearly 3 million SF of retail space has been demolished or converted in Milwaukee since 2015 with demolitions outpacing the rate of new supply over the past three years. Nowhere has this been more evident than the region's malls. Built primarily between the late 1950’s and early 1970’s, malls in Milwaukee cater to a population that has changed little over the past 50 years. Milwaukee's metro population has only grown 12% since 1970 and the increased competition from newer and more efficient power centers as well as the rise of e-commerce have left many malls with large vacancies from the closures of major retailers like Boston Store and Sears. Several malls have permanently closed, such as Northridge Mall and Grand Avenue Mall, the latter of which has been converted to offices, while others are rebuilding for the 21st century consumer.

Notably, Brookfield Square and Bayshore Mall have undergone significant changes, demolishing several hundred thousand square feet of retail space and replacing vacant big-box stores with a variety of uses such as apartments, hotels, and offices in an effort to transform into live/work/play destinations. Bayshore's transformation from mall to town center to full-on mixed-use destination over the past 15 years is evidence of rapidly changing consumer preferences and hints at how malls and shopping centers may have to continue adapting in the face of growing e-commerce trends. (Source: The CoStar Retail Report).

Marketing time for single-family residences has averaged around one month since January 2022 throughout both the City of Milwaukee and Milwaukee County, based upon information obtained from the local multiple listing service. This indicates more of a seller's market due to a more limited amount of inventory and good demand within the market, resulting in upward pressure on sale prices.

Interest rates for conventional residential mortgages have steadily increased over the last few months and now fall in the range of approximately 5.00% to 5.50% for fixed, 15 to 30 year loans. While these rates are still below the historical average near 8%, they are well above their recent historic lows that were in the range of 2.30% to 3.25% for fixed, 15 to 30 year loans, and even lower for some other types of financing. Additionally, continued increases are expected to occur in the foreseeable future. Commercial rates vary from 3.25% to 7%, depending upon property type, client quality and level of risk, with rates near 5% still most common for fixed five-year terms with 15 to 25 year amortizations, but these rates are also expected to begin moving up in the foreseeable future. Loan to value ratios are typically 70% to 80%, with some exceptions, as most market sectors are stable.

The primary reason for the previous historic low rate environment is due to rate cuts made by the Federal Reserve. In March 2020, the Federal Reserve made an emergency rate cut of ½ point followed by a second emergency rate cut of 1 point to a range of 0% to 0.25% in an effort to limit the economic impact of the global coronavirus crisis. These cuts resulted in a historically low rate environment and now inflation has become a significant issue. At the January 2022 meeting, the Federal Reserve indicated that with inflation well above 2% and a strong labor market it would soon be appropriate to raise the target range for the federal funds rate.

The January 2022 announcement came one year after indicating rate increases were not expected for the next two years and there was no change at the January 2021 meeting, with estimates shooting for 2023 at that time; however, since the January 2022 announcement, inflation continued at unprecedented levels and now stand at a 40-year high. As such, the Federal Reserve raised rates at their May 2022 meeting by ½ a percentage point, to a target range of 0.75% to 1.00%, which is the biggest hike in two decades and the most aggressive step yet in its fight against historically high inflation.

Unemployment in the US increased significantly beginning in March 2020 due to COVID-19 and stay-at-home orders that stalled the economy. Since these orders were lifted in late spring 2020, businesses have reopened and unemployment has rebounded with most markets now facing a labor shortage.

In summary, continued strong economic conditions are expected over the long term; however, it is unknown if the full impact of the coronavirus pandemic has been experienced. Further, the impacts of historically high inflation and a rising interest rate environment could have significant adverse effects on the economy. In addition, the conflict between Russia and Ukraine is also negatively impacting the economy and putting added pressure on an already stressed supply chain. A notable point of concern related to these issues is the rapid rise in gas prices to historically high levels.

COVID-19 DISCUSSION

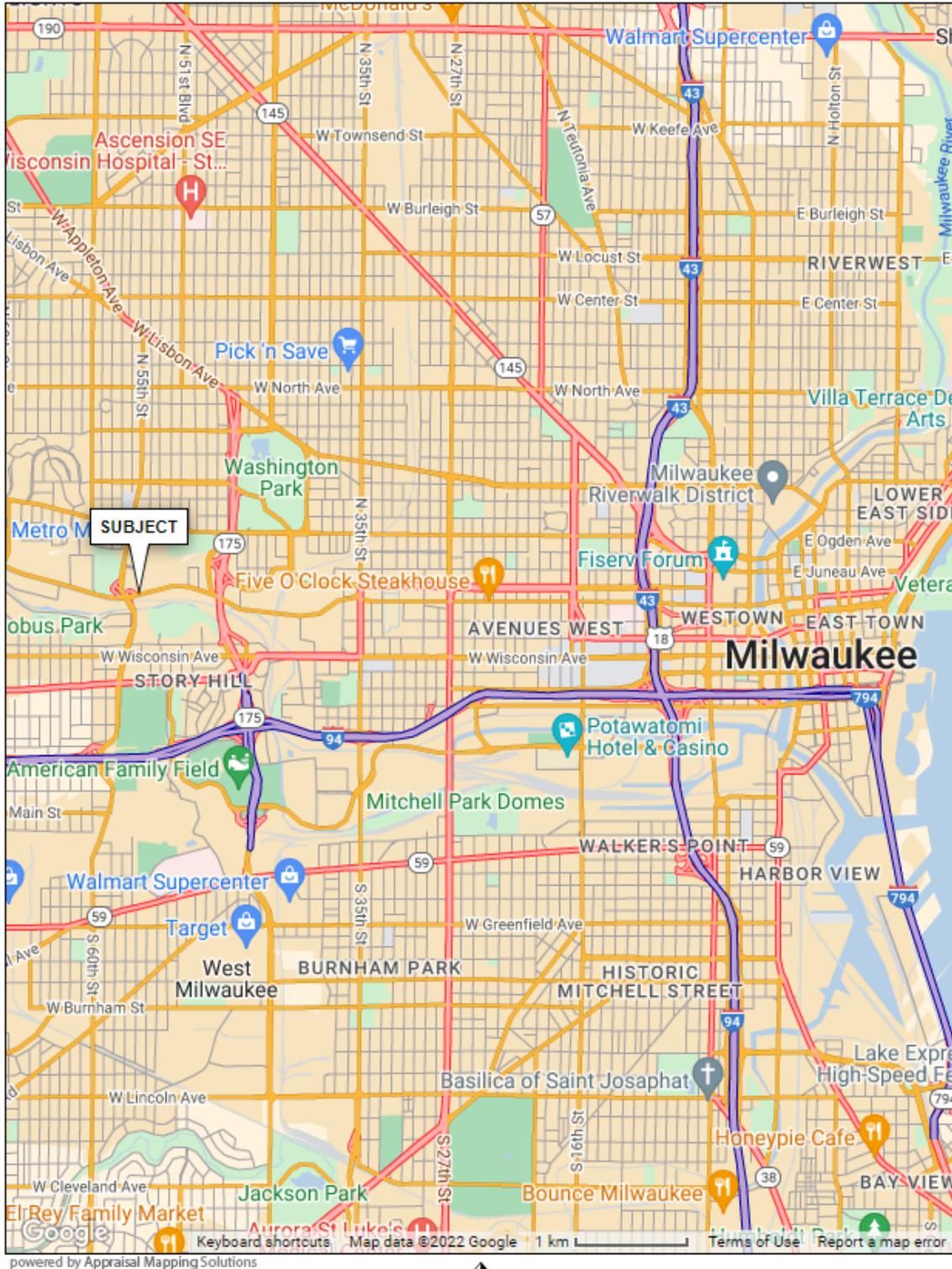
As of the effective date of the appraisal, the COVID-19 pandemic, or Coronavirus, is active and ongoing. Current unemployment is much lower than this time last year, and most markets are lower than this time in 2019. Many employers are reporting difficulty in hiring with limited prospects. Most capacity restrictions have been lifted and additional hiring is expected in most sectors, including the service sectors.

Some real estate sectors, including industrial and the multifamily sectors, have experienced minimal impact thus far. The leisure and hospitality sectors still struggle with lower occupancy and demand; however, continued improvement in lodging occupancy is projected for 2022. Bars and restaurants have now reopened for full capacity and over 60% of the Wisconsin population is fully vaccinated. Based on our interviews with various market participants, the full effect the virus will have on some sectors is yet to be seen, especially on the office sectors, as businesses have effectively acclimated to employees working from home and may not bring all employees back into office settings, which may continue to reduce future demand. Other sectors, including the industrial sector, multifamily and essential retail were not significantly impacted.

Although limited market activity has occurred in many markets since the pandemic began from which to measure the overall impact on real estate values in the local market area, the appraisers of L.A. Duesterbeck & Associates have been actively interviewing local market participants to stay abreast of current activity and sentiment in the market. The general consensus is that the impact of the pandemic is very property and business specific, with some retail, leisure and hospitality values seeing declines, often correlated with which businesses were deemed essential, and most other asset types remaining stable. Restaurant and theater use properties range from remaining stable to declining, largely dependent on the ability to generate income at low inside occupancy levels. Interviews with brokers have indicated that few sales are occurring and the ones that are generally involve properties that were not severely impacted by the pandemic. Agricultural and recreational use land has remained stable to improving through the pandemic. Many brokers indicated optimism that with widespread vaccinations, life will return to pre-pandemic levels in the foreseeable future; however, the Delta variant, and now the Omicron variant of COVID-19 are threatening a return to masks and various

IMMEDIATE LOCATION

The subject property is located along West State Street in a predominantly industrial use area on the west side of the City of Milwaukee.



The subject property is located approximately one mile north of the nearest on/off ramps for Interstate 94 and approximately three miles west of the nearest on/off ramps for Interstate 43. There is also good access to the subject property from Interstate 94 via State Highway 175, with on/off ramps to State Highway 175 located approximately ½ mile east of the subject property. Interstate 94 also provides access to Interstate 43 via the Interstate 94/Interstate 43 interchange, approximately 3 ¾ miles southeast of the subject property.

As aforementioned, the immediate area of the subject property consists of predominantly industrial uses. Notable industrial uses in the immediate area of the subject include Badger Alloys, Heat Treating Engineers, C & S Machine, Cylinder Heads Exchange, Excel Disposal of Wisconsin LLC, among others.

Approximately 3 ½ miles southeast of the subject property is the Potawatomi Hotel & Casino, which first opened in 1991. The latest expansion to the gaming facility was completed in the summer of 2008. This expansion increased the number of table games to 60 and slot machines to over 3,000. Additionally, Potawatomi Hotel & Casino completed a \$150 million, 19-story, 381 room hotel in Fall 2014. A 19-story addition to the hotel was completed in Summer 2019. The hotel addition contains 119 standard rooms and suites to give the property a total of 500 guest rooms. Also of note is American Family Field, home to the Milwaukee Brewers of Major League Baseball, located approximately two miles southeast of the subject property.

In summary, the immediate subject location will continue to serve as a viable industrial location and is positively impacted due its close proximity to major roadways with continued gradual development/redevelopment opportunities expected in the immediate area as economic conditions improve.

PROPERTY DESCRIPTION

Land

The land consists of a rectangular shaped parcel, containing 16,533 square feet, or 0.38 acre.



The subject fronts along West State Street to the south with approximately 83 feet of frontage and one legal access. West State Street is a moderately-traveled, two way, two lane, concrete paved, public street, complete with concrete curb, gutter, and street lighting. A 2018 traffic count study completed by the Wisconsin Department of Transportation indicated 7,800 vehicles daily along West State Street in the area of the subject.

The topography of the land is generally level and clear of tree growth.

All public utilities are available and in place.

We consulted the Wisconsin Department of Natural Resources (WDNR) Remediation & Redevelopment Sites map found on the WDNR website and found one case of contamination at the subject property. The Director of Commercial Products for Beyond Vision (the tenant in place at the subject property), Mr. Egon Muelder, indicated that the subject property is currently an open site with testing on-going for contamination. Additionally, Mr. Muelder indicated that the testing has been ongoing for years and the contaminants are slowly dissipating, with this having no impact on their day to day operations.

Further, annual costs associated with the testing are the approximately \$11,000, per Mr. McHenry. Our analysis assumes that the existing contamination present at the subject property will continue to not restrict the use of the building on the subject property from its highest and best use as a single-tenant light industrial and office facility. That being said, environmental evaluation is beyond the scope of our expertise and we urge you to consult a qualified engineer should you have any questions pertaining to this matter. No obvious hazardous materials or conditions were observed during our viewing.

The subject property is located in Census Tract 124 in the City of Milwaukee, Milwaukee County, Wisconsin.

Approximately 16,261 square feet, or 0.37 acre, is located in a flood hazard zone with 0.2% annual chance of experiencing a flood each year. The aforementioned flood hazard zone appears to include the entire building at the subject property. The flood map location is referenced by FEMA Map Number 55079C0086E for Milwaukee County, Wisconsin, dated September 26, 2008.

Legal Characteristics

The subject property is zoned IL2 (Industrial-Light District) by the City of Milwaukee, which permits the present use of the subject property, a single-tenant light industrial and office facility.

The IL district are intended to provide sites primarily for light industrial uses that utilize medium-sized buildings and do not have extensive outdoor storage areas or operations. This district includes both older industrial corridors (IL2) and modern industrial parks (IL1). While most buildings contain clean, light industrial uses, some commercial and office uses may also be included. This district contains heavier uses than the IO district and requires more extensive buffering from adjoining residential areas.

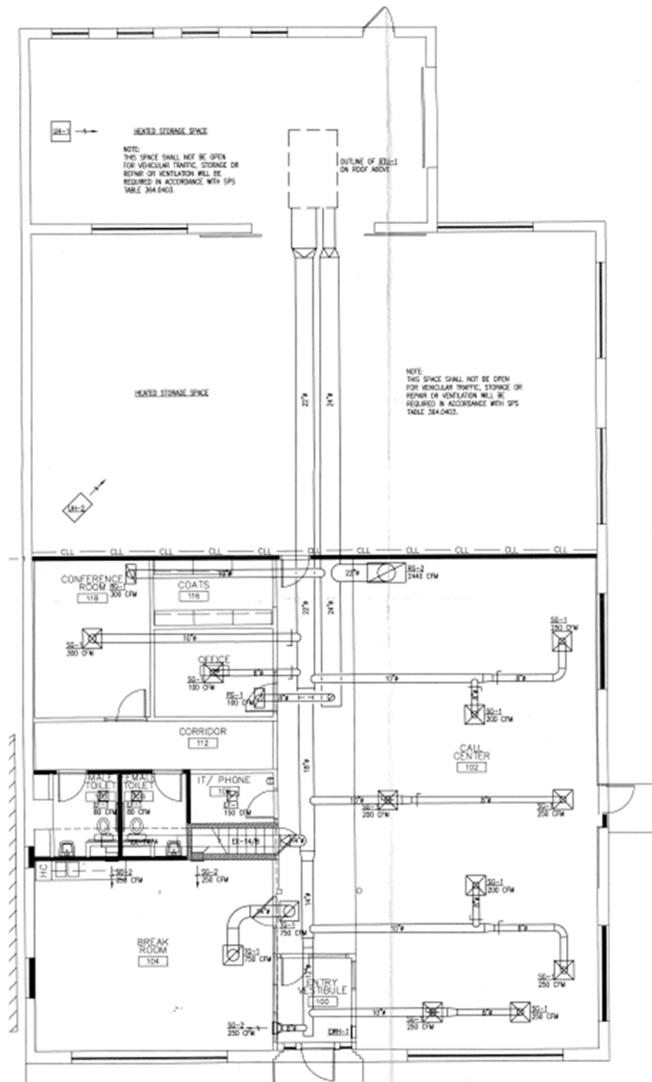
A list of permitted uses in IL2 zoning is found in the addendum.

No adverse easements or encroachments were observed or known to exist on the subject property that would restrict development. Basic utility easements are in place; however, these are typical of the market and have no adverse effect on value.

Improvements

Building

The land is improved with one-story, masonry sided, single-tenant light industrial and office facility. The building contains approximately 6,020 square feet, per measurements taken at the time of the viewing. The building was built c. 1935, per the Director of Commercial Products for Beyond Vision (the tenant in place at the subject property), Mr. Egon Muelder. Approximately 3,157 square feet, or 52% of the gross building area, is finished office area, and the remainder of the building is unfinished manufacturing/warehouse area. The office area is divided into a vestibule, open call center area, break room, office, two restrooms, conference room, coat room, and IT/Phone room. There is also a partial, finished basement area of approximately 552 square feet.



Remainder of building improvements are briefly summarized as follows.

Foundation: Assumed concrete block.

Exterior Walls: The building is brick, and concrete block sided. The building is steel framed.

Roof: White rubber roof for the building, per Mr. Muelder. Eave heights vary from approximately 9'-11' within the office area to approximately 13'-20' for the manufacturing/warehouse area. Thus, the building has a weighted average eave height of approximately 13'. Clear heights in the manufacturing/warehouse area are approximately 11'-18'. Aluminum gutters and downspouts.

Floors: Floor coverings in the office area consist of commercial grade carpeting and polished concrete with terrazzo floors in the basement.

Windows: Stationary sash, thermopane, windows and awning windows. Glass panel entry doors.

Heating/Cooling/Insulation: (2) Rooftop mounted HVAC unit for the office area, per Mr. Muelder. (2) Gas fired overhead unit heaters for the manufacturing/warehouse area, per Mr. Muelder. The building is fully insulated.

Electrical: Assumed adequate main electrical service. Fluorescent and exit lighting throughout.

Plumbing: (1) Set of male and female restrooms with two fixtures each. (1) Stainless steel sink each of the two break rooms. The building is not sprinklered.

Interior Finish: Finished office area has recessed tile ceilings as well as painted drywall walls. Vinyl base. Laminate countertops and cabinetry. Basement has painted drywall walls and ceilings.

Overhead Doors: (1) 10' x 12' overhead door, grade height, manually operated

Other: None.

Other Improvements

Area not covered by building consists of:

- 1) asphalt paved driveway and parking lot with space for approximately seven vehicles,
- 2) concrete service walks and aprons, and
- 3) some decorative landscaping.

General Condition and Utility of Improvements

The overall condition of the subject property is considered average-good relative to other facilities within the subject market, with the building appearing to have been adequately maintained over the years. The office area was entirely gutted and remodeled in 2015, per Mr. Muelder. The only other major update to the subject property in more recent years is a new roof for the building approximately 10 years ago, per Mr. Muelder. There is also no deferred maintenance currently, per Mr. Muelder.

Approximately 52% of the gross building area is finished, which is adequate for the current use. This is above the typical range for finished office area necessary to support most light industrial and office type uses, with newer facilities typically 10% to 20% finished. It should be noted that costs for office finish in excess of 35% are not fully recoverable for comparable properties in the subject market. The building weighted average eave height of approximately 13' is below the typical range for newer industrial facilities within the subject market that typically have eave heights of 18' to 28'. Finally, the land coverage ratio of 36% and location of the building on the land indicates that any expansion potential for the building would likely be to the detriment of the existing paved parking area.

Remaining Economic Life

Remaining Economic Life is defined as: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of the structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015

Estimated remaining economic life of the subject property is 25 years. Remaining economic life can be extended with ongoing maintenance and improvements to the property.

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT ANALYSIS)

Strengths and weaknesses are internal characteristics to the subject property, while opportunities and threats are external factors impacting the subject property.

Strengths

- There is ample open manufacturing/warehouse space, with a generic floor plan suitable to a host of light industrial type uses.
- Approximately 52% of the gross building area is finished, which is adequate for the current use. This is above the typical range for finished office area necessary to support most light industrial and office type uses, with newer facilities typically 10% to 20% finished. It should be noted that costs for office finish in excess of 35% are not fully recoverable for comparable properties in the subject market.
- Building is in average-good overall condition.

Weaknesses

- The building weighted average eave height of approximately 13' is below the typical range for newer industrial facilities within the subject market that typically have eave heights of 18' to 28'.
- The land coverage ratio of 36% and location of the building on the land indicates that any expansion potential for the building would likely be to the detriment of the existing paved parking area.
- The building is not sprinklered.

Opportunities

- Relatively easy access to major transportation routes of the area.
- Continuing gradual improvement in the industrial market, with positive net absorption occurring throughout 2021 within the subject submarket (Milwaukee West).

Threats

- Land and building availability in areas closer to the major transportation routes of the region that would compete with the subject property.
- On-going coronavirus pandemic as discussed throughout this report.

TAX AND ASSESSMENT DATA

The subject property is referenced by the City of Milwaukee under tax parcel number 3850014100; however, the subject is owned by the State of Wisconsin and is tax exempt. Therefore, there are no assessments or taxes to report.

For our analysis we will utilize market based taxes utilizing the indicated market value in the sales comparison approach of \$295,000 as our market value, then apply that by the assessment ratio of 90.75%, then apply the 2021 mill rate utilized by the assessor (0.026273). This results in real estate taxes of \$7,034.

PART FOUR

ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE

The term highest and best use, as used in this report, is defined in The Dictionary of Real Estate Appraisal, 6th edition as: "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."

This use cannot be speculative, nor can it be contrary to existing regulatory ordinances unless there is the likelihood that these ordinances can be adjusted to accept the use. Highest and best use analysis requires consideration of both the highest and best use of the land as though vacant and available for development, as well as the highest and best use as improved with the existing improvements. The four criteria aforementioned are now discussed.

Highest and Best Use as though Vacant

Legally Permissible Uses: The local zoning ordinance specifies uses to which the land could be developed, as well as yard development requirements. The subject property is zoned IL2 (Industrial-Light).

The IL district are intended to provide sites primarily for light industrial uses that utilize medium-sized buildings and do not have extensive outdoor storage areas or operations. This district includes both older industrial corridors (IL2) and modern industrial parks (IL1). While most buildings contain clean, light industrial uses, some commercial and office uses may also be included. This district contains heavier uses than the IO district and requires more extensive buffering from adjoining residential areas.

Physically Possible Uses: A wide variety of uses are possible due to the topography and soil conditions. The shape of the land would also allow for many uses. Although numerous uses would be physically possible, nearby uses to the subject would strongly indicate that a light industrial use, likely a manufacturing or warehouse use, would be a physically possible use of the subject land. The availability of municipal sewer and water further enhances the land for a light industrial use.

Financially Feasible Uses: Financially feasible uses are largely dependent upon the legal and limitations of the land. Since the location is in an industrial use area, the uses are generally restricted to light industrial uses, typically manufacturing and warehouse type uses. Therefore, these uses are considered to also be the only financially feasible uses of the subject land.

Maximally Productive Uses: Considering local market demand and land restrictions, it can be reasonably concluded that the highest market value for the subject land would be generated by a light industrial use.

Conclusion: Based on the above considerations, we believe the highest and best use of the land, as though vacant and available for development, is for a light industrial use that could include a warehouse or light manufacturing use. Given the good demand for industrial uses with low vacancy rates currently, timing for development would be expected in the short-term.

Highest and Best Use as Improved

Legally Permissible Uses: The existing use as a single-tenant light industrial and office facility is conforming under applicable zoning ordinances.

Physically Possible Uses: The land is improved with a single-tenant light industrial and office facility, which it was designed for. Approximately 52% of the gross building area is finished, which is adequate for the current use. This is above the typical range for finished office area necessary to support most light industrial and office type uses, with newer facilities typically 10% to 20% finished. It should be noted that costs for office finish in excess of 35% are not fully recoverable for comparable properties in the subject market. The building weighted average eave height of approximately 13' is below the typical range for newer industrial facilities within the subject market that typically have eave heights of 18' to 28'. The location in close proximity to major transportation routes and other similar industrial uses is considered ideal for an industrial use. Thus, continued use as a single-tenant light industrial and office facility is considered a physically possible use of the subject property. Any other use of the property would require substantial renovation, which is unlikely to be financially feasible.

Financially Feasible Uses: Based upon the subject property's physical and legal attributes and limitations, a continuation of the present light industrial use is considered a financially feasible use. Any other use would either not be legally or physically possible and conversion to another use, even if it would be legally possible, would not be financially feasible.

Maximally Productive Uses: In our opinion, the most productive use is the present use of the property as a single-tenant light industrial and office facility. Further, our opinion of the subject's market value in this appraisal is \$295,000. Based on the subject's land size of 0.38 acre, this would require a market value for the land in excess of about \$776,316 per acre, plus demolition costs, in order to make demolition of the existing improvements a more productive use than the existing use. This is significantly higher than recent land sales in the immediate area. Thus, the present use is clearly the most productive use.

Conclusion: Based upon the above considerations, we have concluded that the highest and best use of the property, as improved, is the present use as a single-tenant light industrial and office facility.

Most Probable Buyer: The most probable buyer would either be an owner/user since there is no long-term lease encumbering the subject property, or (albeit to a lesser extent) an investor with a tenant in hand that would lease the building on a long-term basis.

VALUATION PROCESS

The investigation and appraisal give consideration to all of the three commonly accepted methods of valuation, which are summarized as follows.

In the sales comparison approach, properties similar to the subject property that have been sold recently or for which listing prices or offers are known, are compared to the subject. Data from generally comparable properties is used, and comparisons are made to demonstrate a probable price at which the subject property would sell if offered on the market.

In the income capitalization approach, the potential income of the property is calculated and deductions are made for vacancy and collection loss and expenses. The prospective net operating income of the property is then estimated. To support this estimate, operating statements for the subject property in previous years and for comparable properties are reviewed. An applicable capitalization method and appropriate capitalization rates are developed and used in calculations that lead to an indication of value.

In the cost approach, an estimated reproduction or replacement cost of the building and site improvements as of the date of appraisal is developed (including an estimate of entrepreneurial profit or incentive), and an estimate of the losses in value (depreciation) that have taken place due to wear and tear, design and plan deficiencies, or external influences is subtracted. An estimate of the value of the land is then added to this depreciated building cost estimate. The total represents the value indicated by the cost approach.

Source: Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute), 2013

The cost approach is not utilized due to the subject building being older in age, with depreciation adjustments considered more subjective and less reliable. Further, a typical buyer in the subject property would likely not consider the cost approach in a purchase decision. Therefore, the cost approach is not utilized in this appraisal and exclusion of the cost approach does not limit the credibility of the assignment results.

Thus, the two applicable valuation approaches now follow, beginning with the sales comparison approach.

SALES COMPARISON APPROACH

In this method of valuation, similar properties recently sold or offered for sale in the current market are analyzed and compared with the property being appraised. For industrial grade properties, adjustments are made to the comparable for differences in such factors as: date of sale, conditions of sale, location, land area, rail and highway accessibility, parking area, eave height, office finish relative to building area, utility of the improvements, excess land, age and condition of improvements, and inclusions in the sale.

Sales and/or current offerings of similar light industrial facilities were investigated and are summarized on the following pages. The comparable sales utilized are considered to fall within the general market area of the subject property. The seven most comparable sales are utilized, with five of the seven comparable sales considered very recent and occurring within the last 16 months. Additionally, six of the seven comparable sales are located within 13 miles of the subject and provide indications of market value in the more immediate area of the subject.

In most cases, an appraiser of L.A. Dueterbeck & Associates, Inc. personally viewed the sales to ascertain the condition and utility of the improvements. Each sale was also verified by a party to the transaction, and if applicable, the income at the time of sale was discussed and verified. A brief summary of each sale is shown on the following pages.

Several adjustments are made that reflect criteria established by market participants of the subject property. Each comparable property is adjusted for its similarity to the subject property to derive an indication of market value.

The appropriate unit of comparison as indicated from the market data for the subject property is sale price per square foot of building. This measure is derived by dividing the sale price of the comparable property by its size. Since properties such as the subject are generally purchased based upon size, this is the overall best unit of comparison.

The following page shows a location map of the most pertinent sales and/or listings in the area of the subject, followed by a summary of each comparable property with the accompanying adjustment grid. A summary also follows regarding the rationale for the sales comparison approach conclusion.

IMPROVED SALE 1



Property Identification

Record ID 7623
Property Type Industrial
Address 14100 Leetsbir Road, Yorkville, Racine County, WI
Locational Features Industrial use area, near major roadways

Sale Data

Grantor Big Bluegill, LLC
Grantee D & J Family Holdings, LLC
Sale Date December, 2021
Recording Document 2616800
Conditions of Sale Cash to seller; no concessions
Conveyance Warranty Deed
Verification Buyer's rep via CoStar, Public records

Sale Price \$630,000

Land Data

Land Size 1.858 Acres or 80,934 SF
Rail Service Not available
Land Coverage 10%

General Physical Data

Gross SF 8,246
Construction Type Metal, Concrete block veneer
Sprinklers None
Stories 1
Year Built 1984 (37 yrs.)
Condition Average - good
Parking Paved, 16 spaces
Eave Height 15'
Other 1,752 SF Unfinished mezzanine, Fencing, 13,323 ± SF gravel storage yard
Offices 31%

Indicators

Sale Price/Gross SF \$76.40

Remarks

Owner/user sale. Property was acquired for use as Tru-Tool Inc., a machine shop. Property is located along Leetsbir Road with the nearest on/off ramps for Interstate 94 located approximately one mile south along State Highway 11/Durand Avenue.

IMPROVED SALE 2



Property Identification

Record ID 7650
Property Type Industrial
Address 4706 West State Street, Milwaukee, Milwaukee County, WI
Locational Features Industrial use area

Sale Data

Grantor Yash Properties, LLC
Grantee 4706 West State, LLC
Sale Date April, 2021
Recording Document 11102849
Conditions of Sale Cash to seller; no concessions
Conveyance Warranty Deed
Verification Buyer/seller representatives via CoStar, Employee of tenant, Public record

Sale Price \$330,000

Land Data

Land Size 0.361 Acres or 15,725 SF
Rail Service Not available
Land Coverage 41%

General Physical Data

Gross SF 6,395
Construction Type Brick, Concrete block
Sprinklers None
Stories 1
Year Built 1970 (51 yrs.)
Condition Average
Parking Paved, 7 spaces
Eave Height 12'
Other 4,235 SF Unfinished basement, 2 Walk-in coolers, 2 Walk-in freezers
Offices 20%

Indicators

Sale Price/Gross SF \$51.60

Remarks

Buyer was an investor who had a tenant in hand to occupy the building in April 2021. The new tenant that occupied the building after sale is Designs by Guzzardo's, a floral business. Property was listed for approximately 17 months by David Barry of The Barry Company with an asking price of \$395,000. Sale included (2) walk-in coolers and (2) walk-in freezers that had been in place for approximately 20 years, per conversations with an employee of the tenant.

IMPROVED SALE 3



Property Identification

Record ID 6980
Property Type Industrial
Address 16055 West Ryerson Road, New Berlin, Waukesha County, WI
Locational Features Industrial park

Sale Data

Grantor AMM Enterprises LLC
Grantee JLO, LLC
Sale Date May, 2020
Recording Document 4476765
Conditions of Sale Cash to seller; no concessions
Conveyance Warranty Deed
Verification Representative of buyer and seller via CoStar, Public records

Sale Price \$875,000

Land Data

Land Size 1.070 Acres or 46,609 SF
Rail Service Not available
Land Coverage 30%

General Physical Data

Gross SF 13,968
Construction Type Metal w/ Stone veneer
Sprinklers 100%
Stories 1
Year Built 1970 (50 yrs.)
Condition Average - good, updated
Parking Paved, 18 spaces
Eave Height 16'
Other Compressed air lines
Offices 17%

Indicators

Sale Price/Gross SF \$62.64

Remarks

Owner/user sale. Property is located in the Moorland Road Industrial Park. No sale conditions were reported to affect the sale price. Various updates to the building in 2014, including a new sprinkler system, T-8 fluorescent lighting, increased heavy power (600 Amp, 3-Phase, 240 Volt), compressed airlines, three new gas unit heaters, and gutters on the roof. Property was listed for approximately three months with an asking price of \$900,000 prior to sale.

IMPROVED SALE 4



Property Identification

Record ID 6739
Property Type Industrial
Address 6505 West Calumet Road, Milwaukee, Milwaukee County, WI
Locational Features Industrial park

Sale Data

Grantor Towanda Realty, LLC
Grantee Max Investments, LLC
Sale Date August, 2019
Recording Document 10894692
Conditions of Sale Cash to seller; no concessions
Conveyance Warranty Deed
Verification Marco Moyano - buyer, Listing broker via CoStar

Sale Price \$650,000

Land Data

Land Size 2.000 Acres or 87,120 SF
Rail Service Not available
Land Coverage 10%

General Physical Data

Gross SF 9,120
Construction Type Concrete block, Metal
Sprinklers None
Stories 1
Year Built 1998 (21 yrs.)
Condition Good
Parking Paved, 11 spaces
Eave Height 21'
Other None
Offices 41% (3,780 SF)

Indicators

Sale Price/Gross SF \$71.27

Remarks

Owner/user sale. Property was in good condition at the time of sale. Property is located in an industrial use area on the north side of Milwaukee. Buyer indicated he plans to utilize the building for his herbal manufacturing business Evergreen Herbs.

IMPROVED SALE 5



Property Identification

Record ID 7649
Property Type Industrial
Address 640 South 70th Street, Milwaukee, Milwaukee County, WI
Locational Features Industrial use area

Sale Data

Grantor Gervase R. and Beverly A. Rose
Grantee 64070 LLC
Sale Date February, 2021
Recording Document 11081800
Conditions of Sale Cash to seller; no concessions
Conveyance Special Warranty Deed
Verification Buyer and seller representatives via CoStar, Public records

Sale Price \$825,000

Land Data

Land Size 1.470 Acres or 64,033 SF
Rail Service Not available
Land Coverage 22%

General Physical Data

Gross SF 13,946
Construction Type Concrete block, Brick
Sprinklers None
Stories 1
Year Built 1969 (52 yrs.)
Condition Average
Parking Paved, 74 spaces
Eave Height 11-16', 15' wtd. avg.
Other 100% A/C, Solar panels on roof, Fencing
Offices 63%

Indicators

Sale Price/Gross SF \$59.16

Remarks

Owner/user sale. The buyer was motivated to acquire the property based on the location and the property will serve as an expansion for one of their businesses. Property was listed for approximately two months by Kevin Barry of The Barry Company with an asking price of \$850,000. Offices were indicated by the listing broker to have been recently renovated.

IMPROVED SALE 6



Property Identification

Record ID 7554
Property Type Industrial (Leased Fee)
Address 21975 Doral Road, Town of Brookfield, Waukesha County, WI
Locational Features Near arterials, near Waukesha

Sale Data

Grantor Wilke Properties, LLC
Grantee Doral 21925, LLC
Sale Date March, 2022
Recording Document 4654495
Conditions of Sale Cash to seller; no concessions
Conveyance Warranty Deed
Verification Lee Krmpotich-buyer, TJ Huenerbein-listing agent

Sale Price \$1,150,000

Land Data

Land Size 1.581 Acres or 68,868 SF
Rail Service Not available
Land Coverage 23%

General Physical Data

Gross SF 15,499
Construction Type Metal w/ masonry veneer
Sprinklers None
Stories 1
Year Built 1975 (47 yrs.)
Condition Good, updated
Parking Paved, 39 spaces
Eave Height 14' wtd. avg.
Other 15% of shop/warehouse has A/C
Offices 34%

Indicators

Sale Price/Gross SF \$74.20

Remarks

Property is a two-tenant light industrial and office facility that was 100% occupied at time of sale. It should be noted that one of the two suites in the building (containing approximately 4,404 square feet) was leased back to the seller at time of sale. Indicated cap rate based on the selling price was 8.19%. Conversations with the buyer in the pending sale, Mr. Lee Krmpotich, indicated that the parties involved were unrelated and at arm's length. Mr. Krmpotich also indicated that the listing broker for the subject property, TJ Huenerbein, reached out to 12 potential buyers in the area after the seller indicated they wanted to sell the subject property. Finally, Mr. Krmpotich indicated that the sale price was determined through typical buyer/seller negotiations. Conversations with Mr. Huenerbein indicated that he received four other offers on the subject property, but that the buyer took Mr. Krmpotich's offer because it had no contingencies.

IMPROVED SALE 7



Property Identification

Record ID 7546
Property Type Industrial (Leased Fee)
Address 755 Larry Court, Town of Brookfield, Waukesha County, WI
Locational Features Industrial area, near arterials

Sale Data

Grantor OEC 5, LLC
Grantee 755 Larry LLC
Sale Date December, 2021
Recording Document 4638920
Conditions of Sale Cash to seller; no concessions
Conveyance Warranty Deed
Verification Listing broker via CoStar, Public records

Sale Price \$600,000

Land Data

Land Size 0.941 Acres or 40,990 SF
Rail Service Not available
Land Coverage 17%

General Physical Data

Gross SF 7,047
Construction Type Concrete block
Sprinklers None
Stories 1
Year Built 1980 (41 yrs.)
Condition Good, updated
Parking Paved, 18 spaces
Eave Height 18'
Other None
Offices 26%

Indicators

Sale Price/Gross SF \$85.14

Remarks

Property is a two-tenant light industrial and office facility. Buyer will occupy approximately half the building, while continuing to lease the remainder of the building to the tenant that was in place at time of sale. Property was on the market for approximately one month with an asking price of \$600,000.

Improved Sales Adjustment Grid								
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Address:	5504 West State Street Milwaukee Wisconsin	14100 Leetsbir Road Yorkville Wisconsin	4706 West State Street Milwaukee Wisconsin	16055 West Ryerson Road New Berlin Wisconsin	6505 West Calumet Road Milwaukee Wisconsin	640 South 70th Street Milwaukee Wisconsin	21975 Doral Road Town of Brookfield Wisconsin	755 Larry Court Town of Brookfield Wisconsin
Proximity:	N/A	28 Miles South	1/2 Mile East	11 Miles Southwest	9 Miles North	2 Miles Southwest	13 Miles West	13 Miles West
Sale Price:	N/A	\$630,000	\$330,000	\$875,000	\$650,000	\$825,000	\$1,150,000	\$600,000
Sale Price/SF:	N/A	\$76.40	\$51.60	\$62.64	\$71.27	\$59.16	\$74.20	\$85.14
Terms of Sale:	Cash to Seller; No Concessions	Same	Same	Same	Same	Same	Same	Same
Subtotal, Sale Price/SF:	N/A	\$76.40	\$51.60	\$62.64	\$71.27	\$59.16	\$74.20	\$85.14
Property Rights:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Leased Fee; Market Levels	Leased Fee; Market Levels
Subtotal, Sale Price/SF:	N/A	\$76.40	\$51.60	\$62.64	\$71.27	\$59.16	\$74.20	\$85.14
Date of Sale:	June, 2022	December, 2021	April, 2021	May, 2020 2%	August, 2019 4%	February, 2021	March, 2022	December, 2021
Cumulative Adjustment Subtotal:	N/A	\$76.40	\$51.60	\$63.89	\$74.12	\$59.16	\$74.20	\$85.14
Locational Features:	Near arterials, West Side of Milwaukee	Similar	Similar	Similar	Slightly Inferior 5%	Similar	Similar	Similar
Land Size (Acres):	0.38	1.858	0.361	1.070	2.000	1.470	1.581	0.941
Rail Service:	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Land Coverage:	36%	10% -7%	41%	30%	10% -7%	22% -3%	23% -3%	17% -5%
Construction Type:	Brick, Concrete block	Metal, Concrete block veneer 3%	Brick, Concrete block	Metal w/ Stone veneer 3%	Concrete block, Metal 3%	Concrete block, Brick	Metal w/ Masonry veneer 3%	Concrete block
Building Size (SF):	6,020	8,246 5%	6,395	13,968 10%	9,120 5%	13,946 10%	15,499 15%	7,047
Sprinklers:	None	None	None	100% -5%	None	None	None	None
Year Built:	c. 1935 (87 yrs.)	1984 (37 yrs.)	1970 (51 yrs.)	1970 (50 yrs.)	1998 (21 yrs.)	1969 (52 yrs.)	1975 (47 yrs.)	1980 (41 yrs.)
Condition:	Average-Good, updated	Average-Good	Average 10%	Average-Good, updated	Good -10%	Average 10%	Good, updated -10%	Good, updated -10%
Parking:	Paved, 7 spaces	Paved, 16 spaces	Paved, 7 spaces	Paved, 18 spaces	Paved, 11 spaces	Paved, 74 spaces -4%	Paved, 39 spaces -2%	Paved, 18 spaces -2%
Eave Height:	13' Weighted Average	15' -3%	12' 2%	16' -4%	21' -10%	15' Weighted Average -3%	14' Weighted Average -2%	18' -6%
Offices:	52%	31% 6%	20% 12%	17% 13%	41% (3,780 SF) 3%	63% -3%	34% 5%	26% 9%
Other:	552 SF Finished basement, 0.37 acre in Flood hazard zone, Environmental contamination	1,752 SF Unfinished mezzanine, Fencing, 13,323 ± SF gravel storage yard -34%	4,235 SF Unfinished basement, (2) walk-in coolers, (2) walk-in freezers -35%	Compressed air lines -31%	None -30%	100% A/C, Several solar panels, Fencing -35%	15% of shop/warehouse has A/C -31%	None -30%
Net Additive Adjustment:	N/A	-30%	-11%	-14%	-41%	-28%	-25%	-44%
Adjusted Sale Price/SF of GBA:	N/A	\$53.48	\$45.92	\$54.95	\$43.73	\$42.60	\$55.65	\$47.68

Adjustment Criteria

Adjustments are both cumulative and additive. Possible cumulative adjustments consider economic elements, such as for date of sale and conditions or terms of sale. These adjustments analyze current market conditions, cash equivalency of unusual terms, or financing or sales concessions. Additive adjustments consider physical elements affecting value.

Cumulative Adjustments:

Terms of Sale

All comparable sales are cash to seller, the same assumed in a potential sale of the subject with no buyer or seller concessions, hence no adjustments are made.

Property Rights

At the request of the client, the real property rights appraised are fee simple interest. It should be noted that the subject property is currently leased to a tenant, however the lease in place has been disregarded for purposes of our analysis. Sales 1, 2, 3, 4 and 5 are also fee simple interest sales not encumbered with long-term leases at the time of sale, with no adjustments required. Sales 6 and 7 were leased at market levels at time of sale, considered similar overall, with no adjustment required.

Date of Sale

Sales 3 and 4 occurred from 3rd quarter 2019 to 2nd quarter 2020, with some appreciation occurring for this property type since that time and upward adjustments of 2%-4% considered reasonable. Sales 1, 2, 5, 6, and 7 are very recent sales that occurred during a period of stabilized property values, with no adjustments required.

As noted throughout this report, although the present COVID-19 pandemic is causing economic disruptions our interviews with a variety of market participants indicate that real estate activity is presently in a holding pattern with no data as yet available from which to draw credible conclusions regarding the influence of such disruptions on the value of real estate similar to the subject property. Consequently, I have made no adjustments for such considerations. It is of note that industrial use properties have remained strong through the pandemic.

Additive Adjustments:

Locational Features

Sale 4 is located in further proximity to major arterials (including interstate access) and/or in an area with slightly inferior demand for industrial space relative to the subject. As a result, Sale 4 requires slight upward adjustment. Sales 1, 2, 3, 5, 6, and 7 are located in a similar overall location to the subject and provide additional support for the adjustment made to Sale 4.

Land Size

This adjustment is made in the land coverage line.

Rail Service

Neither the subject nor any of the comparable sales have rail service, with no adjustments required.

Land Coverage

Less land coverage by building results in more on-site parking and more expansion potential; this therefore has an effect on market value. Sales 1, 4, 5, 6, and 7 have substantially lower land coverage ratios and require downward adjustments. The remaining comparable sales are similar to the subject, with no adjustments required.

Construction Type

Sales 1, 3, 4, and 6 are partially metal construction, considered slightly less desirable to a typical buyer due to its shorter economic life and superior overall appeal in comparison to the entirely brick/concrete block construction of the subject. Thus, Sales 1, 3, 4, and 6 require slight upward adjustments. The remaining comparable sales are similar to the subject, with no adjustments required.

Building Size

This is the result of a larger building that would generally sell for less per square foot than a smaller building. Sales 1, 3, 4, 5, and 6 are substantially larger than the subject, with upward adjustments required. The remaining comparable sales are similar to the subject, with no adjustment required.

Sprinklers

Sale 3 is 100% sprinklered, considered slightly desirable to a typical buyer, with downward adjustment required. The remaining comparable sales are similar to the subject, with no adjustments required.

Year Built/Condition

Sales 4, 6, and 7 are superior in terms of age/condition with superior effective ages and require downward adjustments. Sales 2 and 5 are inferior in terms of age/condition with inferior effective ages and require upward adjustments. Sales 1 and 3 are similar to the subject, with no adjustments required.

Parking

Sales 5, 6, and 7 have superior amounts of paved parking relative to total building size in comparison to the subject, with downward adjustments required. It should be noted that the paved parking area for Sale 5 is overimproved with costs not fully recoverable for such. Thus, downward adjustment for Sale 5 of slightly greater magnitude than Sales 6 and 7 is considered reasonable. The subject and all remaining comparable sales have similar amounts of paved parking relative to building size, with no adjustments required.

Eave Height

Higher eave heights provide for larger machinery and equipment and more vertical storage space and are considered more desirable in the subject market. Sales 1, 3, 4, 5, 6, and 7 have superior eave heights and require downward adjustments. Sale 2 has an inferior eave height and requires upward adjustment.

Offices

This is the relationship of office finish or largely finished area to overall building area, exclusive of any mezzanine or basement area. It should be noted that the office area for the subject is overimproved with costs for office finish in excess of 35% not fully recoverable for comparable properties in the subject market. Our adjustments to Sales 1, 2, 3, 4, 5, 6, and 7 account for such. Sales 1, 2, 3, 4, 6, and 7 require upward adjustments, since the subject has a superior amount of finished office area compared to these comparable sales. Sale 5 requires downward adjustment, since the subject has an inferior amount of finished office area compared to this comparable sale.

Other

The subject property has an approximately 552 square foot finished basement area, a slightly desirable amenity for typical buyers and has some contributory value. That being said, the contributory value of the subject's additional amenity is substantially superseded by a portion of the subject property being located within a flood hazard zone, with flood insurance costs due to such, as well as significant additional annual costs due to existing environmental contamination on the subject property. All seven comparable sales are superior to the subject in this regard and require appropriate downward adjustments.

Reconciliation of Sales Comparison Approach

The comparable sales utilized are the most recent comparable light industrial use sales to occur in the subject market in recent years that would also be considered by a typical buyer in the market. The seven most comparable sales are utilized, with five of the seven comparable sales considered very recent and occurring within the last 16 months. Additionally, six of the seven comparable sales are located within 13 miles of the subject and provide indications of market value in the more immediate area of the subject. The comparable sales indicate a reasonably narrow range of adjusted sale prices of \$42.60 to \$55.65 per square foot, with an average adjusted sale price of \$49.14 per square foot, and a median adjusted sale price of \$47.68 per square foot.

All seven comparable sales are considered good indicators of market value overall, with all seven comparable sales requiring adjustments for eave height, offices, and other inclusions. Additionally, five of the seven comparable sales also require adjustments for land coverage, building size, and year built/condition. Thus, with no one comparable sale considered substantially superior to any of the others in terms of reliability, a market value near the overall average, or \$49.00 per square foot is considered reasonable. Our concluded market value is bracketed by Sales 2, 4, 5, and 7 on the low end and Sales 1, 3, and 6 on the high end.

Based on this analysis, we conclude a market value for the subject property of \$49.00 per square foot of building, or:

6,020 square feet @ \$49/square foot = \$294,980, rounded to \$295,000.

Market value via the sales comparison approach is therefore \$295,000.

INCOME CAPITALIZATION APPROACH

The income capitalization approach is defined as follows.

"Specific appraisal techniques applied to develop a value indication for a property based on its earnings capability and calculated by the capitalization of property income."

The capitalization of income can be accomplished in two ways.

- 1) Direct capitalization, which is, "A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only one year's income is used. Yield and value changes are implied, but not explicitly identified."
- 2) Discounted cash flow, which is, "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."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015

The methodology used is based upon the type and nature of the property. At the request of the client, the real property rights appraised are fee simple interest. It should be noted that the subject property is currently leased to a tenant, however the lease in place has been disregarded for purposes of our analysis. Further, the tenant is expected to vacate the subject property near the end of 2022 or a little after such, per Mr. Egon Muelder of Beyond Vision (the tenant in place at the subject property). Integral to this valuation is the gross and net income that will be obtained and that can reasonably be obtained over the holding period of the investment.

In the case of the subject, a direct capitalization approach is appropriate, as annual income would be expected to remain fairly stable throughout the holding period.

The first step in the income capitalization approach is identifying income producing sources, and analyzing current tenancy and leases in place.

To determine market rent for the subject property, we investigated comparably leased facilities, summarized as follows.

Comparable Leases								
No.	Location	Total Leaseable Area (SF)	Clear Height	Year Built	Office Finish	Annual Rent/SF	Terms	Lease Date
1	11141 West Forest Home Avenue Franklin	3,510	16'	1964	34%	\$7.00	NNN	Current Listing
2	3930 West Bumham Street Milwaukee	19,700	24'	2005	13%	\$6.75	NNN	Current Listing
3	7970 North 47th Street Brown Deer	4,660	13'	1968	34%	\$6.50	NNN	Current Listing
4	Confidential Industrial Lease Milwaukee	37,310	24'	1999	12%	\$4.34	NNN	2/21-5/26
5	980 North 45th Street Milwaukee	23,712	23'	1964	11%	\$4.25	NNN	Current Listing
6	6228 West State Street Milwaukee	49,305 (17,000 SF Suite Available)	15'	1930	None (Within Suite)	\$4.50	NNN	Current Listing
7	Confidential Industrial Lease Menomonee Falls	78,195 (11,442 SF Suite Leased)	20'	1996	23% (Within Suite)	\$5.58	NNN	2/17-4/24

Conclusion of Market Rent

The results of the rental survey indicated a reasonably narrow range in industrial space rents from \$4.25 to \$7.00 per square foot, with an average rent of \$5.56 per square foot. Market based lease terms, as indicated in the survey, are on a NNN basis. The comparable facilities utilized provide a good indication of current contract rents as well as available space in the immediate subject market.

Taking into account the building size of approximately 6,020 square feet, average - good condition, 52% office finish, and clear heights of 13-20' in the manufacturing/warehouse area, a market rent above the average rent and at the high end of the range quoted above, or \$7.00 per square foot, NNN, is reasonable. Our market rent assumes an approximate 3 to 5 year lease term, which is typical in the subject market.

Vacancy and Collection Loss Projections

The immediate area shows limited vacancy, as indicated by the following market data.

Research Company	Market/Submarket	Property Type	Date of Report	Vacancy Rate
CoStar	Milwaukee West	Industrial	6/7/2022	5.7%

Based upon the above data, a market vacancy near but slightly above that indicated by the survey, or 6%, is considered reasonable. This would also be inclusive of collection loss, typically minimal, or 1% to 2% at most. It should also be noted that there is a slightly higher vacancy rate in the immediate subject market in comparison to the Milwaukee Market as a whole, which had a 2.9% industrial vacancy rate as of the same time period.

Applicable Expenses

As the rent rate used is triple net, the owner would be responsible for non-pass through expenses such as management costs and a reserve allowance to cover such items as roof and parking lot repairs.

Professional Management

The owner would also be responsible for professional management of the property. This ranges from 3-5% of EGI for properties like the subject, with a rate of around 3% appropriate in this case, given that the subject property has a single-tenant layout.

Replacement Reserves Allowance

This is projected to account for replacement of short-lived building components such as roof, exterior walls, parking lot, and structure. Realtyrates.com showed an industrial reserve requirement range of \$0.26 to \$0.85 per square foot with an average of \$0.56 per square foot as of 2nd quarter 2022, based upon 1st quarter 2022 data. Given the average-good condition and building size of approximately 6,020 square feet, a reserve allowance between the lower limit and average but closer to the average, or \$0.50 per square foot is considered reasonable.

Environmental Contamination Testing Expense

The owner would also be responsible for annual costs for environmental contamination testing. This was indicated by Mr. McHenry to be approximately \$11,000 an annual basis, which we have projected moving forward.

Determination of Appropriate Capitalization Rate

The three methods considered in the determination of an appropriate cap rate are the band of investment method, extraction from comparable sales, and a review of investor surveys. These approaches are summarized as follows.

Band of Investment Method

The major elements in the band of investment method are the cost of debt service to a borrower, and equity or net cash flow requirements of the investor after payment of debt service.

First mortgage money on commercial property of this type is available at 4.75% interest on a loan of up to 70% of market value with 20 year amortization, five year balloon. A net cash flow of 10% will be required to attract 30% equity capital for a comparable facility, based upon current investor yield expectancies. The annual requirement necessary to amortize principal and pay interest on a mortgage with these terms is \$0.077547 per \$1.00 of loan. The indicated overall capitalization rate is calculated as follows.

Mortgage	70%	X	0.077547	=	0.0543
Equity	30%	X	0.100000	=	0.0300
					0.0843
Indicated Capitalization Rate					8.43%

Market Derived Rates

Sale 6 in the sales comparison approach indicated a cap rate of 8.19%.

Cap rates were also extracted from other sales of investment grade industrial properties in South Central and Southeastern Wisconsin.

Industrial Cap Rates								
Address	City	State	Date of		Building Size (SF)	Sale Price	Price/SF	Cap Rate
			Sale					
1600 West Cornell Street	Milwaukee	WI	6/2021		29,200	\$1,200,000	\$41.10	11.07%
2600-2660 South 162nd Street	New Berlin	WI	12/2020		115,448	\$5,600,000	\$48.51	8.23%
2918 Agriculture Drive	Madison	WI	12/2020		43,500	\$3,025,000	\$69.54	8.93%
2742 & 2830 Agriculture Drive	Madison	WI	10/2020		51,800	\$3,050,000	\$58.88	8.50%
6950 Gisholt Drive	Monona	WI	10/2020		33,700	\$1,607,000	\$47.69	9.00%
5000-5116 West Lincoln Avenue	West Allis	WI	10/2020		28,100	\$1,525,000	\$54.27	8.10%
6901 South Industrial Loop	Greendale	WI	7/2020		17,100	\$829,344	\$48.50	8.00%
5140-5148 South 3rd Street	Milwaukee	WI	3/2020		36,000	\$1,625,000	\$45.14	7.39%
6228 West State Street	Milwaukee	WI	2/2020		49,305	\$2,700,000	\$54.76	8.81%
Average								8.67%

Taking into account the reasonably low levels of vacancy in the immediate subject market and average-good condition of the subject building, a cap rate approximately 25-50 basis points below the average shown above is considered reasonable, or 8.25%-8.50%.

Investor Survey

Further support for regional capitalization rates was derived from the Realty Rates Investor Survey, a credible publication which surveys investors across the country on capitalization rates, returns, and investment criteria. The following survey shows the average capitalization rates for industrial properties for 2nd quarter 2022, which is reflective of 1st quarter 2022 data.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2022*							
INDUSTRIAL - ALL TYPES							
Item	Input						OAR
Minimum							
Spread Over 10-Year Treasury	1.05%	DCR Technique	1.15	0.042820	0.80		3.94
Debt Coverage Ratio	1.15	Band of Investment Technique					
Interest Rate	2.98%	Mortgage	80%	0.042820	0.034256		
Amortization	40	Equity	20%	0.068200	0.013640		
Mortgage Constant	0.042820	OAR					4.79
Loan-to-Value Ratio	80%	Surveyed Rates					4.50
Equity Dividend Rate	6.82%						
Maximum							
Spread Over 10-Year Treasury	5.80%	DCR Technique	2.05	0.112816	0.50		11.56
Debt Coverage Ratio	2.05	Band of Investment Technique					
Interest Rate	7.73%	Mortgage	50%	0.112816	0.056408		
Amortization	15	Equity	50%	0.154752	0.077376		
Mortgage Constant	0.112816	OAR					13.38
Loan-to-Value Ratio	50%	Surveyed Rates					12.58
Equity Dividend Rate	15.48%						
Average							
Spread Over 10-Year Treasury	3.23%	DCR Technique	1.46	0.071625	0.70		7.28
Debt Coverage Ratio	1.46	Band of Investment Technique					
Interest Rate	5.16%	Mortgage	70%	0.071625	0.049938		
Amortization	25	Equity	30%	0.115804	0.035063		
Mortgage Constant	0.071625	OAR					8.50
Loan-to-Value Ratio	69.7%	Surveyed Rates					8.90
Equity Dividend Rate	11.58%						

*1st Quarter 2022 Data

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Again, taking into account the reasonably low levels of vacancy in the immediate subject market and average-good condition of the subject property, a cap rate approximately 50-75 basis points below the average shown above is considered reasonable, at 8.25%-8.50%. This is further supported by the market derived rates on the previous page.

Conclusion of Appropriate Capitalization Rate

Based upon the considered sources of capitalization rate, a capitalization rate of 8.25% is considered appropriate for the subject property. This is below the average cap rate indicated by the recent industrial sales, below the average indicated by the investor survey, and slightly below the rate indicated by the band of investment method.

Capitalization of Net Operating Income

Utilizing our projected net operating income for the subject property, the following provides an indication of market value by the income capitalization approach. In addition, pass-through expenses (real estate taxes, building insurance, and repairs/maintenance) must be considered as they would be the responsibility of the owner during the vacancy periods. Note: We utilized market based real estate taxes of \$7,034 and a repairs/maintenance expense of \$0.75 per square foot, which is based upon our knowledge of such costs from recently appraised light industrial properties. We also utilized a building insurance amount of \$96, which was provided by Mr. McHenry and was also indicated by Mr. McHenry to be inclusive of flood insurance.

Building	Sq. Ft.	Rental Rate per	Annual Total	Annual Total Per
5504 West State Street, Milwaukee	6,020	\$7.00	\$42,140	\$7.00
Pass-thru Income			\$11,645	\$1.93
Total Potential Gross Revenue			\$53,785	\$8.93
Less: Vacancy/Collection Loss (6.00%)			(\$3,227)	(\$0.54)
Effective Gross Income			\$50,558	\$8.40
Less: Non-Reimbursable Operating Expenses				
Pass-thru Expenses			\$11,645	\$1.93
Environmental Contamination Testing Expense			\$11,000	\$1.83
Management Fee (3.00%)			\$1,517	\$0.25
Replacement Reserves (\$0.50)			\$3,010	\$0.50
Total Expenses			\$27,172	\$4.51
Net Operating Income			\$23,386	\$3.88
Overall Capitalization Rate			8.25%	
Market Value			\$283,469	\$47.09
Market Value - Rounded			\$285,000	\$47.34

Reconciliation of Income Capitalization Approach

The income capitalization approach considers market rent, market vacancy, operating expenses, and an appropriate cap rate.

Based on the discussion and analysis presented above, the indication of market value by the income capitalization approach is \$285,000.

Market value via the income capitalization approach is therefore \$285,000.

RECONCILIATION AND FINAL OPINION OF MARKET VALUE

The two applicable approaches to market value yielded the following.

Sales Comparison Approach	\$295,000
Income Capitalization Approach	\$285,000

The cost approach is not utilized due to the subject building being older in age, with depreciation adjustments considered more subjective and less reliable. Further, a typical buyer in the subject property would likely not consider the cost approach in a purchase decision. Therefore, the cost approach is not utilized in this appraisal and exclusion of the cost approach does not limit the credibility of the assignment results.

The type of rationale of typical buyer and seller transactions is best supported by comparable sales, such as in the sales comparison approach. The seven most comparable sales are utilized, with all seven comparable sales considered good indicators of market value. Further, five of the seven comparable sales are considered very recent, while six of the seven comparable sales provided indications of market value in the more immediate area of the subject. The market value indicated by the sales comparison approach is further enhanced by the reasonably close correlation in market value between the income capitalization approach and the sales comparison approach.

The income capitalization approach provides a reliable indication of market value in light of what is more indicative of market behavior and the likely rationale of market participants who would likely be local investors. The preferred method of capitalization reflective of market conditions, direct capitalization, also is reasonably well supported by extraction of market derived capitalization rates commensurate with comparable expense ratios, the band of investment technique and investor surveys. The approach however, would be subject to a long-term market lease in place for the building, with no lease-up expenses or costs, and thus this valuation approach merely reasonably corroborates the validity of the sales comparison approach.

In conclusion, with the sales comparison approach providing the best indicator of market value, our opinion of the market value of the fee simple interest in the subject property, as of June 7, 2022, is:

Two Hundred Ninety-Five Thousand Dollars (\$295,000).

The appraisal is subject to the following extraordinary assumptions: 1) that the building insurance and environmental testing expenses provided by Mr. McHenry are reasonably accurate, and 2) that the existing contamination present at the subject property will continue to not restrict the use of the building on the subject property from its highest and best use as a single-tenant light industrial and office facility.

The reliance on an extraordinary assumption may impact the results of the appraisal assignment. If either of the extraordinary assumptions noted above is found to be untrue, we reserve the right to modify our appraisal conclusions.

EXPOSURE TIME

Exposure time is the “an opinion, based on supporting market data, of the 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.”

The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. (Advisory Opinion 35)

Source: USPAP, 2020-2021 Edition, Effective January 1, 2020 through December 31, 2022, DEFINITIONS

Estimated exposure time of the subject, at our opinion of the market value of the subject, is one year or less considering a reasonable and diligent effort has been made to market the subject property. This is based upon historical exposure times of comparable property in the subject market.

We have based this rationale primarily upon the sales history of comparable sales provided in this report, which generally were offered for sale prior to their sale date for a period of more or less time than one year. This amount of time overall is considered a reasonable interval to prudently market the subject property, accept a reasonable offer after negotiations and proceed toward the sale closing, which may include environmental studies and other normal contingencies in a purchase offer.

MARKETING TIME

Marketing time is “an opinion of the amount of time it would likely take to sell a real or personal property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal.”

Marketing time is a forecast that is made looking forward from the effective date. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7)

Source: USPAP, 2020-2021 Edition, Effective January 1, 2020 through December 31, 2022, DEFINITIONS

Estimated marketing time of the subject, at our opinion of the market value of the subject, is one year or less considering a reasonable and diligent effort has been made to market the subject property. This is based upon historical marketing times of comparable property in the subject market.

We have based this rationale in part upon the sales history of comparable sales provided in this report, which generally have sold in more or less time than the one year period, but also based on opinions of market participants as to typical marketing periods for this type of property. Based upon such, a period of about one year is also considered a reasonable interval to prudently market the subject property, accept a reasonable offer after negotiations and proceed toward the sale closing, which may include environmental studies and other normal contingencies in a purchase offer.

QUALIFICATIONS FOR TROY J. KRUSER, MAI

EMPLOYMENT/EXPERIENCE:

Mr. Kruser has been active in the appraisal industry since 2003 when he began his career with L.A. Duesterbeck & Associates. Prior to joining the company he attended the University of Wisconsin-Whitewater where he graduated with a Bachelor of Business Administration degree with a major in finance and earned academic honors over his last five semesters. After graduating from college in 2002 he began his career in banking, developing a background for the financing aspect of real estate. Mr. Kruser is active in the community being on the Janesville Generations Fund Advisory Board and taking part in various events including acting as a facilitator for Forward Janesville, fundraising activities, softball, golf and basketball leagues and has coached various youth sports teams. Since beginning his appraisal career Mr. Kruser has worked with various forms of complex and non-complex properties, both existing and proposed, including industrial use properties, single and multi-tenant commercial facilities, single and multifamily residential properties, agricultural use properties, income producing properties, various use vacant land properties, numerous going concern appraisals involving gas stations and convenience stores, golf courses, hotels, bowling alleys and restaurants, contaminated properties, properties of historical significance and various easements including conservation easements. This includes various complex and high profile projects throughout Wisconsin. Mr. Kruser has also testified as an expert witness at the circuit court level.

PROFESSIONAL AFFILIATIONS/LICENSE:

Wisconsin Certified General Appraiser, No. 1425
Michigan Certified General Appraiser, No. 1205075319
Designated Member of the Appraisal Institute (MAI)

EDUCATION:

May 2002 Graduate of the University of Wisconsin – Whitewater (School of Business)
Bachelor of Business Administration with a major in Finance

Successfully completed numerous Appraisal Institute courses without fail including:

- Appraisal Principles
- Appraisal Procedures
- Basic Income Capitalization
- Appraising Apartments
- Valuation of Conservation Easements certificate program
- Market Analysis and Highest and Best Use
- Advanced Sales Comparison and Cost Approaches
- Advanced Income Capitalization
- Advanced Concepts and Case Studies
- General Appraiser Report Writing and Case Studies
- Business Practices and Ethics
- National USPAP Course and numerous USPAP Updates

Also attended various seminars on topics including: Managing and Procuring Commercial Appraisal Reports, State of the U.S. Real Estate Markets, Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book), Internet Strategies for Appraisers, data verification, appraiser/bankers compliance, the Art/Science of Real Estate Feasibility Analysis and Valuation for Financial Reporting Purposes.

QUALIFICATIONS FOR DAVID B. GREENHALGH, MAI

EMPLOYMENT/EXPERIENCE:

Mr. Greenhalgh has been engaged in the appraisal industry since June 2010 when he began his career with L.A. Duesterbeck & Associates as an assistant appraiser, mentoring under Mr. Troy Kruser, MAI, and Mr. Linn Duesterbeck, MAI. Mr. Greenhalgh has been a Wisconsin Certified General Appraiser since 2012 and obtained the equivalent license for the State of Illinois in 2014. Prior to joining the company he attended the School of Business at University of Wisconsin-Madison where he graduated with a Bachelor of Business Administration Degree majoring in Real Estate and Urban Land Economics. Throughout college he was active in various clubs and organizations and participated in various trips around the country and abroad with the Wisconsin Real Estate Program, as well as the Wisconsin Real Estate Club, to learn about new real estate markets. During his time at college Mr. Greenhalgh worked for an appraisal company in Baraboo, Wisconsin. While working there, he learned the fundamentals of residential appraisals and real estate valuation.

Since beginning his appraisal career, Mr. Greenhalgh has worked with various types of properties, including single-tenant and multi-tenant commercial office and retail facilities, medical office facilities, industrial facilities, apartment complexes, numerous going concern appraisals involving gas station/convenience store facilities, hotels/inns, and restaurants, and vacant land for agricultural, commercial, industrial, and residential use. Mr. Greenhalgh became a Designated Member of the Appraisal Institute (MAI) in December 2016.

EDUCATION/PROFESSIONAL AFFILIATIONS/LICENSES:

University of Wisconsin-Madison School of Business
Bachelor of Business Administration Degree, May 2010
Major: Real Estate and Urban Land Economics
Wisconsin Certified Appraiser #1866
Illinois Certified General Appraiser #553.002359
Designated Member of the Appraisal Institute (MAI)

Successfully completed/satisfied the following Appraisal Institute Courses:

Real Estate Finance, Statistics and Modeling
Appraisal Principles
Appraisal Procedures
General Market Analysis and Highest and Best Use
General Income Approach I
General Income Approach II
Appraisal Subject Matter Electives
USPAP
General Sales Comparison Approach
Business Practices and Ethics
General Report Writing and Case Studies
General Site Valuation and Cost Approach
Advanced Market Analysis and Highest & Best Use
Advanced Income Capitalization
Advanced Concepts & Case Studies

ADDENDUM A
Engagement Letter

L. A. DUESTERBECK & ASSOCIATES, INC.

WOODGATE OFFICE CENTRE · 4539 WOODGATE DRIVE, SUITE C · JANESVILLE, WISCONSIN 53546
PHONE 608-743-4233 · FAX 608-756-4404

March 1, 2022

Ms. Marcel Maul
Deputy Division Administrator
Division of Facilities and Transportation Services
Bureau of Real Estate Management
State of Wisconsin Department of Administration
101 E. Wilson Street, 7th Floor
Madison, Wisconsin 53707-7866
Marcel.maul@wisconsin.gov

Dear Ms. Maul:

The following outlines the proposal for appraisal services that we would provide for the real estate described.

Subject Properties:	<ol style="list-style-type: none">1. 5316 W. State Street, Milwaukee, Wisconsin 53208 \$2,5002. 5440 W. State Street, Milwaukee, Wisconsin 53208 \$2,0003. 1578 S. 11th Street, Milwaukee, Wisconsin 53204 \$3,500
Appraisal Fee:	\$8,000 total (three separate reports)
Completion Date:	10 weeks from receipt of signed proposal
Payment:	Due at completion of report
Level of Report:	Appraisal report as outlined in the 2020-2021 edition of USPAP, Standard 2-2 (effective January 1, 2020, through December 31, 2022)
Scope of Work:	This will consist of the following: <ol style="list-style-type: none">1) Physical viewing of the properties, interior and exterior, by a competent appraiser of L.A. Duesterbeck and Associates,2) Investigate local, regional and neighborhood market conditions affecting the subject market,3) Determine highest and best use based upon such investigations,4) Apply all applicable valuation approaches, which may or may not include the cost, sales comparison, and income capitalization approaches to provide an opinion of market value for the subject property in its current "as is" state of condition. Market data included within each valuation approach will consider a wide search of comparable property that compares favorably with the subject property in size, location, shape, recency of sale, age, condition, and similar highest and best use. All comparable sales will be well researched, and all applicable sales will be verified with a party of sale,5) Provide an opinion of the market value of the fee simple interest as of an effective date of valuation, usually the day of physical viewing.
Intended Use:	Planning purposes

We will furnish you with one PDF copy of each appraisal report. You may copy the original reports on your own if you wish for additional report copies.

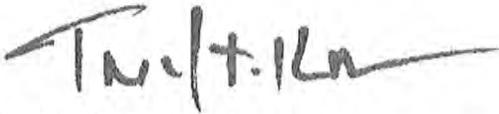
Please be advised that our company is highly competent to appraise real estate comparable to yours. Our company has been in the appraisal profession for over 45 years, and we maintain one of the largest regional databases in the market area.

Additionally, and not included within the fee of the scope of services, is any litigation work, which includes additional consulting, deposition or court testimony relating to this assignment after it is delivered in hard copy form. The expense for these services will be billed at a flat rate of \$300 per hour. This will include any traveling time to and from our office location.

If you should wish us to proceed with this assignment under the proposed guidelines and scope of work, please sign the proposal and return it to us.

Thank you for your request and if you should have any questions regarding this matter, please feel free to contact me at 608-743-4233 ext. 6.

Sincerely,



Troy J. Kruser, MAI
Wisconsin Certified General Appraiser #1425

TJK/dw

Accepted by*: Marcel Maul Date: 4/13/2022
Email Address: marcel.maul@wisconsin.gov Phone #: 608-220-1295 cell

**The person signing for acceptance of this proposal is responsible for timely payment for services.*

Property contact: Brack McHenry Phone: cell 608-220-6086
office 262-521-5320

Please provide us with your mailing address.

Address: 101 East Wilson 7th Fl City: Madison
State: Wisconsin Zip: 53707-7866

ADDENDUM B - Subject Property Photos



A. South Elevation of Building Facing North



B. East Elevation of Building Facing West

ADDENDUM B - Subject Property Photos

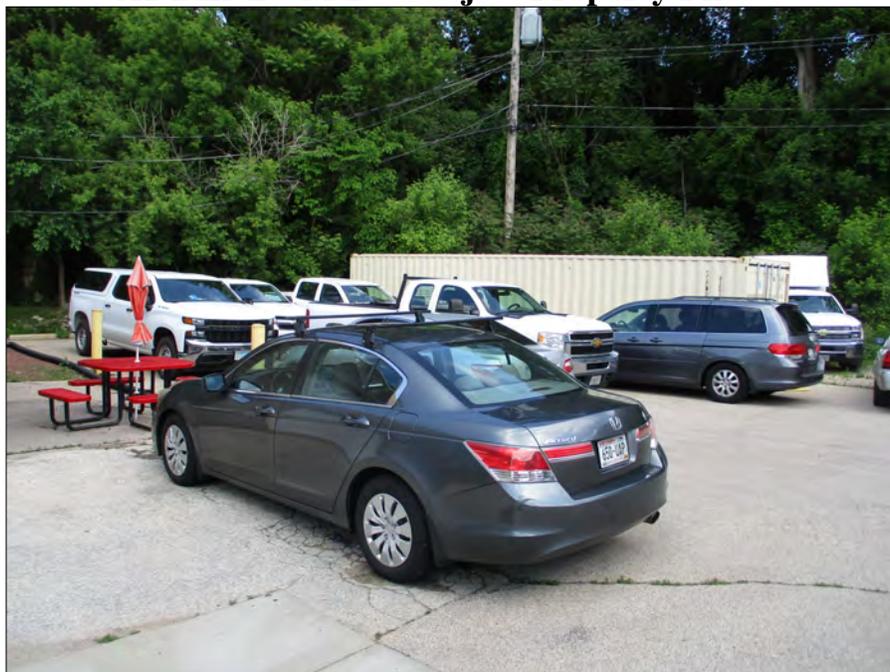


C. North Elevation of Building Facing South

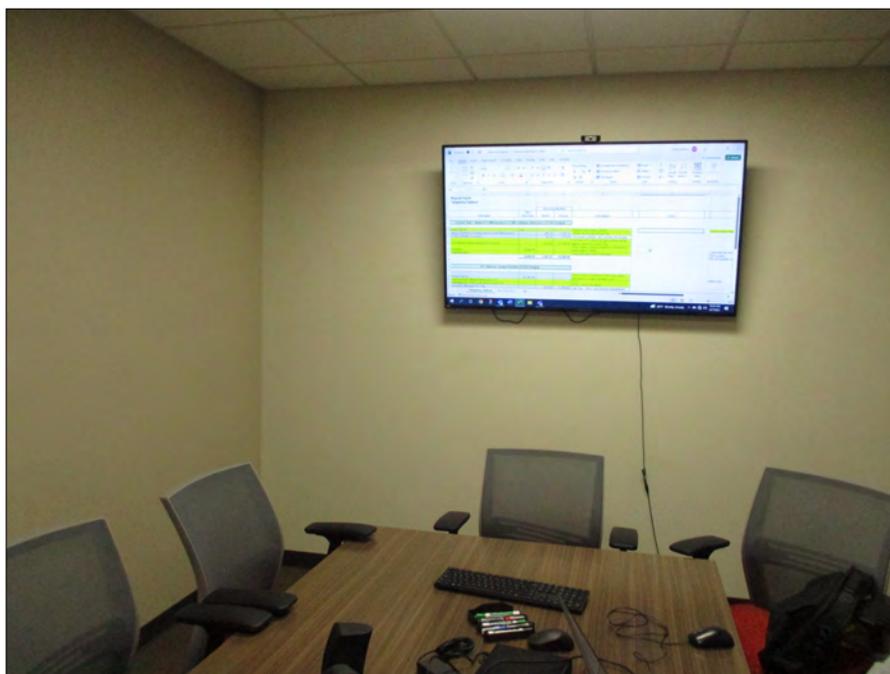


D. West Elevation of Building Facing East

ADDENDUM B - Subject Property Photos



E. Paved Parking Area



F. Conference Room

ADDENDUM B - Subject Property Photos



G. Open Call Center Area



H. Open Call Center Area

ADDENDUM B - Subject Property Photos



I. Manufacturing/Warehouse Area



J. Manufacturing/Warehouse Area

ADDENDUM B - Subject Property Photos



K. Manufacturing/Warehouse Area

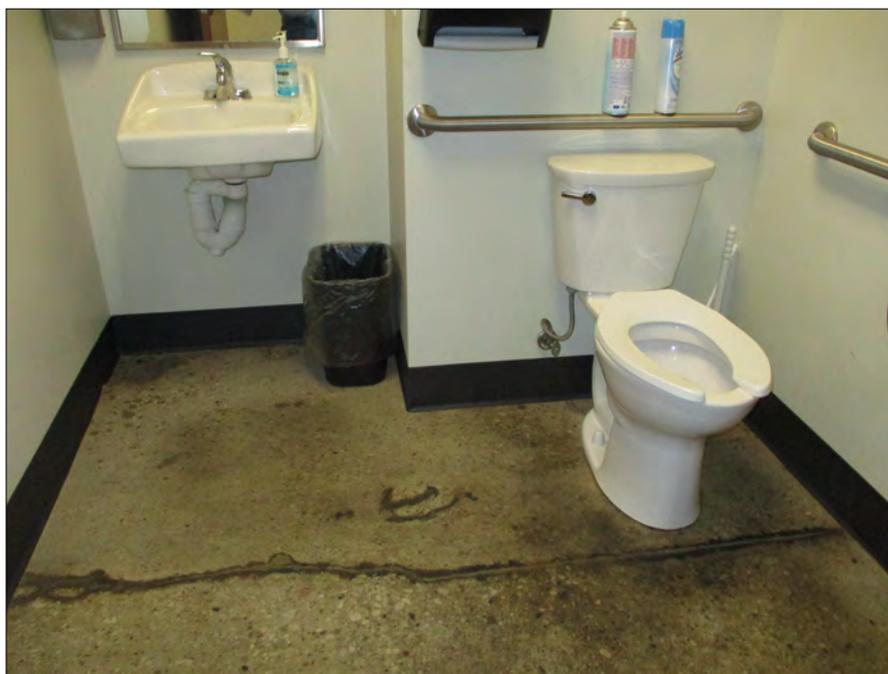


L. Break Room

ADDENDUM B - Subject Property Photos



M. Female Restroom



N. Male Restroom

ADDENDUM B - Subject Property Photos



O. Basement Area



P. Basement Area

ADDENDUM B - Subject Property Photos



Q. West State Street Facing East



R. West State Street Facing West

ADDENDUM C

Permitted Uses under IL2 Zoning

**SUBCHAPTER 8
INDUSTRIAL DISTRICTS**

295-801. Purposes. 1. **INDUSTRIAL-OFFICE (IO).** This district provides sites for modern, clean industry and supporting, non-residential land uses that complement industrial uses or require an industrial environment. Older portions of this zoning district (IO2) often form corridors which provide a buffer between residential areas and more intensive industrial districts. The newer portions of this district (IO1) are in the form of office-industrial parks or business parks with campus-style layouts and designs. The IO district has a performance-oriented transition area where it adjoins residential neighborhoods. Buffering and other requirements in the transition area are intended to protect the character of such neighborhoods.

2. **INDUSTRIAL-LIGHT (IL).** This district is intended to provide sites primarily for light industrial uses that utilize medium-sized buildings and do not have extensive outdoor storage areas or operations. This district includes both older industrial corridors (IL2) and modern industrial parks (IL1). While most buildings contain clean, light industrial uses, some commercial and office uses may also be included. This district contains heavier uses than the IO district and requires more extensive buffering from adjoining residential areas.

3. **INDUSTRIAL-COMMERCIAL (IC).** This district is intended primarily for light industrial uses that utilize small and medium-sized buildings and do not have extensive outdoor operations or storage areas. This district also provides for the orderly conversion of certain older industrial and warehousing buildings to commercial and office uses with less traffic generation than uses located on more intensive commercial retail corridors. Retail uses are considered accessory or complementary to the primarily light manufacturing nature of the district. These areas have an urban character and are more pedestrian-scaled than other, vehicular-traffic-dominated corridors. Buildings in this district were typically built without setbacks or yards and often with little or no off-street parking.

4. **INDUSTRIAL-MIXED (IM).** This district is intended to provide for the orderly conversion of certain older industrial and warehousing areas with multi-story buildings to residential, commercial or office uses for which the buildings, at the present time, may be better suited. These areas have an urban character. Buildings were typically built without setbacks or yards and often with little or no off-street parking.

5. **INDUSTRIAL-HEAVY (IH).** This district accommodates high-intensity industry and often includes very large structures, extensive exterior storage, exterior mechanical operations, or heavy truck or equipment operations. It also accommodates uses that require large or isolated sites or harbor, airport or rail service. This district includes the historic industrial core of the city. It has a strong relationship to shipping and rail services and includes the port of Milwaukee, the Menomonee valley and various railroad corridors. Most sites within the IH district have already been developed or redeveloped. These sites seldom have excess land to provide buffer areas. Where possible, the IH district should be separated from residential neighborhoods with less intensive, non-residential districts.

295-803. Uses. 1. **USE TABLE.** Table 295-803-1 indicates the use classifications for various land uses in the industrial districts. The uses in this table are defined in s. 295-201. The following are the use classifications indicated in table 295-803-1:

- a. "Y" indicates a permitted use. This use is permitted as a matter of right subject to all performance standards.
 - b. "L" indicates a limited use. This use is permitted only when the use meets the standards of sub. 2.
2. If the use cannot meet these standards, it shall be permitted only upon board approval of a special use permit pursuant to s. 295-311-2, unless otherwise prohibited by sub. 2.
- c. "S" indicates a special use. This use is permitted only if the board approves a special use permit pursuant to s. 295-311-2.
 - d. "N" indicates a prohibited use.

295-803-1 Zoning

Table 295-803-1 INDUSTRIAL DISTRICTS USE TABLE					
Y=Permitted Use S=Special Use	L=Limited N=Prohibited		Zoning Districts		
Uses	I01/ I02	IL1/ IL2	IC	IM	IH
RESIDENTIAL USES					
Single-family dwelling	N	N	N	L	N
Two-family dwelling	N	N	N	L	N
Multi-family dwelling	N	N	N	L	N
Permanent supportive housing	N	N	N	L	N
Transitional housing	N	N	N	S	N
Attached single-family dwelling	N	N	N	L	N
Live-work unit	N	N	N	Y	N
Mobile home	N	N	N	N	N
Watchman/service quarters	Y	Y	Y	Y	Y
Family day care home	N	N	N	L	N
GROUP RESIDENTIAL USES					
Rooming house	N	N	N	S	N
Convent, rectory or monastery	N	N	N	L	N
Dormitory	N	N	N	S	N
Fraternity or sorority	N	N	N	S	N
Adult family home	N	N	N	L	N
<i>Foster Homes</i>					
Foster family home	N	N	N	L	N
Small foster home	N	N	N	L	N
Group home or group foster home	N	N	N	L	N
<i>Shelter Care Facilities</i>					
Family shelter care facility	N	N	N	L	N
Small group shelter care facility	N	N	N	L	N
Large group shelter care facility	N	N	N	S	N
Community living arrangement	N	N	N	L	N
EDUCATIONAL USES					
Day care center	S	S	N	S	S
School, elementary or secondary	N	N	N	S	N
College	S	S	N	S	N
School, personal instruction	S	S	Y	Y	N
COMMUNITY-SERVING USES					
Library	N	N	N	Y	N
Cultural institution	N	N	L	L	N
Community center	N	N	N	S	N
Religious assembly	N	N	S	S	N
Cemetery or other place of interment	N	N	N	N	N
Public safety facility	Y	Y	Y	Y	Y
Correctional facility	N	N	N	N	N
COMMERCIAL AND OFFICE USES					
General office	Y	Y	Y	Y	L
Government office	Y	Y	Y	Y	L

Table 295-803-1 INDUSTRIAL DISTRICTS USE TABLE						
Y=Permitted Use S=Special Use	L=Limited N=Prohibited		Zoning Districts			
Uses	I01/ I02	IL1/ IL2	IC	IM	IH	
Bank or other financial institution	S	S	N	Y	N	
Currency exchange, payday loan or title loan agency	N	N	N	S	N	
Installment loan agency	N	N	N	S	N	
Cash-for-gold business	N	N	N	S	N	
Pawn shop	N	N	N	S	N	
Retail establishment, general	N	N	L	Y	N	
Garden supply or landscaping center	N	Y	Y	Y	N	
Home improvement center	N	Y	L	Y	N	
Secondhand store	N	N	L	L	N	
Outdoor merchandise sales	N	N	N	L	N	
Artist studio	Y	Y	Y	Y	Y	
Adult retail establishment	N	N	N	S	N	
HEALTH CARE AND SOCIAL ASSISTANCE						
Medical office	S	N	N	Y	N	
Health clinic	L	N	N	S	N	
Hospital	N	N	N	N	N	
Medical research laboratory	Y	Y	Y	Y	N	
Medical service facility	N	S	N	N	N	
Social service facility	N	S	N	S	N	
Emergency residential shelter	N	N	N	N	N	
Nursing home	N	N	N	N	N	
Adult day care	S	S	N	S	S	
GENERAL SERVICE USES						
Personal service	N	N	N	Y	N	
Business service	Y	S	Y	Y	N	
Catering service	Y	Y	Y	Y	Y	
Funeral home	N	N	N	Y	N	
Laundromat	N	N	N	Y	N	
Dry cleaning establishment	N	N	N	Y	N	
Furniture and appliance rental and leasing	N	N	N	Y	N	
Household maintenance and repair service	N	Y	Y	Y	N	
Tool/equipment rental facility	N	Y	N	Y	N	
<i>Animal Services</i>						
Animal hospital/clinic	Y	Y	N	L	Y	
Animal boarding facility	Y	Y	N	L	Y	
Animal grooming or training facility	Y	Y	N	L	Y	
MOTOR VEHICLE USES						
<i>Light Motor Vehicle</i>						
Sales facility	L	S	N	S	S	
Rental facility	L	S	N	S	S	
Repair facility	L	S	N	S	L	
Body shop	L	S	N	S	L	
Outdoor storage	L	Y	N	S	Y	
Wholesale facility	Y	Y	N	Y	Y	
<i>Heavy Motor Vehicle</i>						
Sales facility	L	Y	N	S	Y	

295-803-1 Zoning

Table 295-803-1 INDUSTRIAL DISTRICTS USE TABLE					
Y=Permitted Use S=Special Use	L=Limited N=Prohibited		Zoning Districts		
Uses	I01/ I02	IL1/ IL2	IC	IM	IH
Rental facility	L	Y	N	S	Y
Repair facility	L	L	N	S	L
Body shop	L	L	N	S	L
Outdoor storage	L	S	N	S	Y
<i>General Motor Vehicle</i>					
Filling station	S	S	N	S	S
Car wash	S	S	N	S	S
Non-restaurant drive-through facility	S	S	N	S	S
Electric vehicle charging facility	Y	Y	S	L	Y
<i>Parking</i>					
Parking lot, principal use	Y	Y	S	L	Y
Parking lot, accessory use	Y	Y	L	L	Y
Parking structure, principal use	Y	Y	S	L	Y
Parking structures, accessory use	Y	Y	L	L	Y
Heavy motor vehicle parking lot, principal use	S	L	N	L	Y
Heavy motor vehicle parking lot, accessory use	Y	Y	L	Y	Y
ACCOMMODATION AND FOOD SERVICE USES					
Bed and breakfast	N	N	N	Y	N
Hotel, commercial	L	N	N	Y	N
Hotel, residential	N	N	N	Y	N
Tavern	L	L	L	Y	L
Brewpub	L	L	L	Y	L
Assembly Hall	N	N	S	L	N
Restaurant without drive-through facility	L	L	L	Y	L
Restaurant with drive-through facility	S	S	N	S	N
ENTERTAINMENT AND RECREATION USES					
Park or playground	S	S	S	S	S
Festival grounds	N	N	N	N	N
Recreation facility, indoor	S	S	S	S	N
Recreation facility, outdoor	N	N	N	S	N
Health club	L	L	N	Y	N
Sports facility	N	S	N	S	N
Gaming facility	N	S	N	N	N
Theater	N	N	N	Y	N
Convention and exposition	S	N	N	S	N
Marina	Y	Y	L	Y	Y
Outdoor racing facility	N	N	N	N	S
STORAGE, RECYCLING AND WHOLESALE TRADE USES					
Recycling collection facility	S	Y	N	S	Y
Mixed-waste processing facility	N	L	N	S	L
Material reclamation facility	N	N	N	N	L
Salvage operation, indoor	L	L	N	L	L
Salvage operation, outdoor	N	S	N	S	S
Wholesale and distribution facility, indoor	Y	Y	Y	L	Y
Wholesale and distribution facility, outdoor	S	Y	S	S	Y

Table 295-803-1 INDUSTRIAL DISTRICTS USE TABLE					
Y=Permitted Use	L=Limited		Zoning Districts		
S=Special Use	N=Prohibited				
Uses	I01/I02	IL1/IL2	IC	IM	IH
Storage Facilities					
Indoor	Y	Y	L	L	Y
Self-service	S	S	N	N	S
Outdoor	N	Y	N	S	Y
Hazardous materials	N	N	N	N	S
TRANSPORTATION USES					
Ambulance service	Y	Y	N	S	Y
Ground transportation service	S	Y	N	S	Y
Passenger terminal	Y	Y	Y	Y	Y
Helicopter landing facility	S	S	S	S	S
Airport	N	Y	N	N	N
Ship terminal or docking facility	N	Y	N	N	Y
Truck freight terminal	N	S	N	S	L
Railroad switching, classification yard or freight terminal	N	Y	Y	Y	Y
INDUSTRIAL USES					
Alcohol beverage facility, micro	Y	Y	Y	Y	Y
Alcohol beverage facility, large	S	L	Y	S	Y
Food processing	Y	Y	Y	Y	Y
Manufacturing, light	Y	Y	Y	Y	Y
Manufacturing, heavy	N	S	S	S	Y
Manufacturing, intense	N	N	N	N	S
Research and development	Y	Y	Y	Y	Y
Processing or recycling of mined minerals	N	N	N	N	S
Contractor's shop	Y	Y	Y	Y	Y
Contractor's yard	Y	Y	N	Y	Y
AGRICULTURAL USES					
Plant nursery or greenhouse	Y	Y	Y	Y	Y
Raising of livestock	L	L	L	L	L
Community garden	Y	Y	Y	Y	Y
Commercial farming enterprise	Y	Y	Y	Y	Y
UTILITY AND PUBLIC SERVICE USES					
Broadcasting or recording studio	Y	S	Y	Y	S
Transmission tower	L	L	L	L	L
Water treatment plant	Y	Y	Y	Y	Y
Sewerage treatment plant	N	Y	N	N	Y
Power generation plant	N	S	N	N	Y
Small wind energy system	Y	Y	Y	Y	Y
Solar farm	Y	Y	Y	Y	Y
Substation/distribution equipment, indoor	S	Y	Y	S	Y
Substation/distribution equipment, outdoor	L	Y	L	L	Y
TEMPORARY USES					
Seasonal market	L	L	L	L	L
Temporary real estate sales office	L	L	L	L	L
Concrete/batch plant, temporary	L	L	L	L	L
Live entertainment special event	L	L	L	L	L

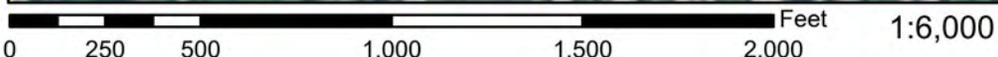
ADDENDUM D

FEMA Flood Map

National Flood Hazard Layer FIRMMette



87°59'15"W 43°2'52"N



87°58'38"W 43°2'26"N

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
		Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		17.5
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped
		The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/14/2022 at 10:40 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

ADDENDUM E

Appraiser Licenses

EXPIRES: 12/14/2023

NO. 1866 - 10

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that

DAVID B GREENHALGH

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 26th 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.*



David B. Greenhalgh
DPS Secretary

This certificate was printed on the 2nd day of December in the year 2021

EXPIRES: 12/14/2023

NO. 1425 - 10

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that
TROY J KRUSER

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 28th day of July in the year 2006.

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.



Dawn B. Livi
DPS Secretary

This certificate was printed on the 7th day of December in the year 2021