

Gap Analysis: Appraised Value Model Owner Occupied 1000 Oaks Neighborhood

Veridian Homes, 6801 South Town Drive, Madison, Wisconsin

Developer-provided Independent variables =
City-provided Independent variables =
Appraiser-provided Independent variables =

Date of Form completion: 23-May-08
April 1, 2008-June 30, 2008

IZ Sales Price Date

I. PROJECT DESCRIPTION

Pre-Shift Plan

Assumptions: All multi-family units are condominiums
Multi-family IZ assumed at 90% of market rate unit size
Apartments included in unit count only

AMI	Bedroom Count	Unit Square Footage	Number of Dwelling units	Unit Sales Price	Total Revenue		
Market	Single Family: Alley Accessed	45 x 80	3	0	9	\$ 270,310.00	\$ 2,432,790.00
			4	0	25	\$ 277,462.00	\$ 6,936,550.00
(Value assigned by third party appraisal)		37 x 95	3	0	2	\$ 285,565.00	\$ 571,130.00
			4	0	9	\$ 308,565.00	\$ 2,777,085.00
		51 x 95	3	0	2	\$ 291,565.00	\$ 583,130.00
			4	0	9	\$ 338,565.00	\$ 3,047,085.00
		45 x 95	3	0	4	\$ 288,555.00	\$ 1,154,220.00
			4	0	16	\$ 335,565.00	\$ 5,369,040.00
	Single Family: Street Accessed	51 x 100	3	0	0	\$ 297,565.00	\$ -
			4	0	1	\$ 301,330.00	\$ 301,330.00
		59 x 85	3	0	16	\$ 286,565.00	\$ 4,585,040.00
			4	0	59	\$ 314,565.00	\$ 18,559,335.00
		65 x 100	3	0	1	\$ 329,565.00	\$ 329,565.00
			4	0	7	\$ 352,565.00	\$ 2,467,955.00
		69 x 100	3	0	12	\$ 366,565.00	\$ 4,398,780.00
			4	0	36	\$ 389,565.00	\$ 14,024,340.00
		80 x 120	3	0	6	\$ 404,330.00	\$ 2,425,980.00
			4	0	18	\$ 431,565.00	\$ 7,768,170.00
	Existing House		4	0	1	\$ 453,500.00	\$ 453,500.00
	Twin Home		3	0	1	\$ 218,900.00	\$ 218,900.00
			4	0	2	\$ 231,000.00	\$ 462,000.00
	Stacked Flats		3	0	2	\$ 218,900.00	\$ 437,800.00
			4	0	10	\$ 231,000.00	\$ 2,310,000.00
	Townhomes		3	0	2	\$ 215,600.00	\$ 431,200.00
			4	0	8	\$ 222,200.00	\$ 1,777,600.00
Total Market Rate Units					258		
Total Market Rate Sales						\$ 324,893.51	\$ 83,822,525.00
Average Market Rate Price							

Inclusionary	Lot Type	Bedroom Count	Unit Square Footage	Number of Dwelling units	IZ Fixed Unit Sales Price	Appraised Value	Total Sales	Total Revenue Loss	
70%	45 x 80	3	0	0	\$ 175,820.00	\$ 270,310.00	\$ -	\$ -	
		4	0	4	\$ 199,039.00	\$ 277,462.00	\$ 796,156.00	\$ (313,692.00)	
(Value assigned by third party appraisal)	37 x 95	3	0	0	\$ 175,820.00	\$ 285,565.00	\$ -	\$ -	
		4	0	6	\$ 199,039.00	\$ 308,565.00	\$ 1,194,234.00	\$ (657,156.00)	
	51 x 100	3	0	0	\$ 175,820.00	\$ 297,565.00	\$ -	\$ -	
		4	0	2	\$ 199,039.00	\$ 301,330.00	\$ 398,078.00	\$ (204,582.00)	
	59 x 85	3	0	0	\$ 175,820.00	\$ 286,565.00	\$ -	\$ -	
		4	0	2	\$ 199,039.00	\$ 314,565.00	\$ 398,078.00	\$ (231,052.00)	
	69 x 100	3	0	0	\$ 175,820.00	\$ 366,565.00	\$ -	\$ -	
		4	0	1	\$ 199,039.00	\$ 389,565.00	\$ 199,039.00	\$ (190,526.00)	
	80%	45 x 80	3	0	\$ 196,082.00	\$ 270,310.00	\$ 196,082.00	\$ (74,228.00)	
		4	0	1	\$ 222,071.00	\$ 277,462.00	\$ 222,071.00	\$ (55,391.00)	
	37 x 95	3	0	3	\$ 196,082.00	\$ 285,565.00	\$ 588,246.00	\$ (268,449.00)	
		4	0	0	\$ 222,071.00	\$ 308,565.00	\$ -	\$ -	
	45 x 95	3	0	1	\$ 196,082.00	\$ 288,555.00	\$ 196,082.00	\$ (92,473.00)	
		4	0	0	\$ 222,071.00	\$ 335,565.00	\$ -	\$ -	
	51 x 100	3	0	1	\$ 196,082.00	\$ 297,565.00	\$ 196,082.00	\$ (101,483.00)	
		4	0	0	\$ 222,071.00	\$ 301,330.00	\$ -	\$ -	
	59 x 85	3	0	5	\$ 196,082.00	\$ 286,565.00	\$ 980,410.00	\$ (452,415.00)	
		4	0	4	\$ 222,071.00	\$ 314,565.00	\$ 888,284.00	\$ (369,976.00)	
	65 x 100	3	0	1	\$ 196,082.00	\$ 329,565.00	\$ 196,082.00	\$ (133,483.00)	
		4	0	0	\$ 222,071.00	\$ 352,565.00	\$ -	\$ -	
	69 x 100	3	0	2	\$ 196,082.00	\$ 366,565.00	\$ 392,164.00	\$ (340,966.00)	
		4	0	6	\$ 222,071.00	\$ 389,565.00	\$ 1,332,426.00	\$ (1,004,964.00)	
	80 x 120	3	0	0	\$ 196,082.00	\$ 404,330.00	\$ -	\$ -	
		4	0	1	\$ 222,071.00	\$ 431,565.00	\$ 222,071.00	\$ (209,494.00)	
	80%	Twin Homes	3	0	0	\$ 196,082.00	\$ 218,900.00	\$ -	\$ (8,929.00)
		4	0	1	\$ 222,071.00	\$ 231,000.00	\$ 222,071.00	\$ -	
	80%	Stacked Flats	3	0	1	\$ 196,082.00	\$ 218,900.00	\$ 196,082.00	\$ (22,818.00)
		4	0	1	\$ 222,071.00	\$ 231,000.00	\$ 222,071.00	\$ (8,929.00)	
	80%	Townhomes	3	0	1	\$ 196,082.00	\$ 215,600.00	\$ 196,082.00	\$ (19,518.00)
		4	0	1	\$ 222,071.00	\$ 222,200.00	\$ 222,071.00	\$ (129.00)	
Total IZ Units				46			\$ 9,453,962.00	\$ (4,760,653.00)	
Total IZ Sales									
Average IZ Price					\$ 205,520.91				
Total Units				304					
Average Unit Price					\$ 306,830.55		\$ 93,276,487.00	\$ (4,760,653.00)	
Total Sales									
Total IZ Gap									

Shift Plan

Assumptions: All multi-family units are condominiums
Multi-family IZ assumed at 90% of market rate unit size
Apartments included in unit count only

AMI	Bedroom Count	Unit Square Footage	Number of Dwelling units	Unit Sales Price	Total Revenue		
Market	Single Family: Alley Accessed	45 x 80	3	0	9	\$ 270,310.00	\$ 2,432,790.00
			4	0	26	\$ 277,462.00	\$ 7,214,012.00
(Value assigned by third party appraisal)		37 x 95	3	0	2	\$ 285,565.00	\$ 571,130.00
			4	0	11	\$ 308,565.00	\$ 3,394,215.00
		45 x 95	3	0	2	\$ 288,555.00	\$ 577,110.00
			4	0	9	\$ 335,565.00	\$ 3,020,085.00
		51 x 95	3	0	4	\$ 291,565.00	\$ 1,166,260.00
			4	0	16	\$ 338,565.00	\$ 5,417,040.00
	Single Family: Street Accessed	51 x 100	3	0	1	\$ 297,565.00	\$ 297,565.00
			4	0	1	\$ 301,330.00	\$ 301,330.00
		59 x 85	3	0	17	\$ 286,565.00	\$ 4,871,605.00
			4	0	61	\$ 314,565.00	\$ 19,188,465.00
		65 x 100	3	0	2	\$ 329,565.00	\$ 659,130.00
			4	0	7	\$ 352,565.00	\$ 2,467,955.00
		69 x 100	3	0	14	\$ 366,565.00	\$ 5,131,910.00
			4	0	40	\$ 389,565.00	\$ 15,582,600.00
		80 x 120	3	0	6	\$ 404,330.00	\$ 2,425,980.00
			4	0	19	\$ 431,565.00	\$ 8,199,735.00
	Existing House		4	0	1	\$ 453,500.00	\$ 453,500.00
	Twin Home		3	0	0	\$ 218,900.00	\$ -
			4	0	0	\$ 231,000.00	\$ -
	Stacked Flats		3	0	0	\$ 218,900.00	\$ -
			4	0	0	\$ 231,000.00	\$ -
	Townhomes		3	0	3	\$ 215,600.00	\$ 646,800.00
			4	0	7	\$ 222,200.00	\$ 1,555,400.00
Total Market Rate Units					258		\$ 85,574,617.00
Total Market Rate Sales							
Average Market Rate Price					\$ 331,684.56		

Inclusionary	Lot Type	Bedroom Count	Unit Square Footage	Number of Dwelling units	IZ Fixed Unit Sales Price	Appraised Value	Total Sales	Total Revenue Loss	
70%	45 x 80	3	0	0	\$ 175,820.00	\$ 270,310.00	\$ -	\$ -	
		4	0	3	\$ 199,039.00	\$ 277,462.00	\$ 597,117.00	\$ (235,269.00)	
(Value assigned by third party appraisal)	37 x 95	3	0	0	\$ 175,820.00	\$ 285,565.00	\$ -	\$ -	
		4	0	3	\$ 199,039.00	\$ 308,565.00	\$ 597,117.00	\$ (328,578.00)	
	51 x 100	3	0	0	\$ 175,820.00	\$ 297,565.00	\$ -	\$ -	
		4	0	2	\$ 199,039.00	\$ 301,330.00	\$ 398,078.00	\$ (204,582.00)	
	59 x 85	3	0	0	\$ 175,820.00	\$ 286,565.00	\$ -	\$ -	
		4	0	1	\$ 199,039.00	\$ 314,565.00	\$ 199,039.00	\$ (115,526.00)	
	69 x 100	3	0	0	\$ 175,820.00	\$ 366,565.00	\$ -	\$ -	
		4	0	1	\$ 199,039.00	\$ 389,565.00	\$ 199,039.00	\$ (190,526.00)	
	80%	45 x 80	3	0	\$ 196,082.00	\$ 270,310.00	\$ 196,082.00	\$ (74,228.00)	
		4	0	1	\$ 222,071.00	\$ 277,462.00	\$ 222,071.00	\$ (55,391.00)	
	37 x 95	3	0	3	\$ 196,082.00	\$ 285,565.00	\$ 588,246.00	\$ (268,449.00)	
		4	0	1	\$ 222,071.00	\$ 308,565.00	\$ 222,071.00	\$ (86,494.00)	
	45 x 95	3	0	0	\$ 196,082.00	\$ 288,555.00	\$ -	\$ -	
		4	0	1	\$ 222,071.00	\$ 335,565.00	\$ 222,071.00	\$ (113,494.00)	
	59 x 85	3	0	4	\$ 196,082.00	\$ 286,565.00	\$ 784,328.00	\$ (361,932.00)	
		4	0	3	\$ 222,071.00	\$ 314,565.00	\$ 666,213.00	\$ (277,482.00)	
	69 x 100	3	0	0	\$ 196,082.00	\$ 366,565.00	\$ -	\$ -	
		4	0	2	\$ 222,071.00	\$ 389,565.00	\$ 444,142.00	\$ (334,988.00)	
	70%	Twin Home	3	0	0	\$ 175,820.00	\$ 218,900.00	\$ -	\$ -
		4	0	2	\$ 199,039.00	\$ 231,000.00	\$ 398,078.00	\$ (63,922.00)	
	80%	Twin Home	3	0	0	\$ 196,082.00	\$ 218,900.00	\$ -	\$ -
		4	0	2	\$ 222,071.00	\$ 231,000.00	\$ 444,142.00	\$ (17,858.00)	
	70%	Stacked Flats	3	0	0	\$ 175,820.00	\$ 218,900.00	\$ -	\$ -
		4	0	4	\$ 199,039.00	\$ 231,000.00	\$ 796,156.00	\$ (127,844.00)	
	80%	Stacked Flats	3	0	7	\$ 196,082.00	\$ 218,900.00	\$ 1,372,574.00	\$ (159,726.00)
		4	0	3	\$ 222,071.00	\$ 231,000.00	\$ 666,213.00	\$ (26,787.00)	
	80%	Townhomes	3	0	0	\$ 196,082.00	\$ 215,600.00	\$ -	\$ -
		4	0	2	\$ 222,071.00	\$ 222,200.00	\$ 444,142.00	\$ (

Optional information related to specific incentives, if requested:					
Parcel Information					
Parcel Acreage					123.7
Net Developed Acres	Owner Occupied		304		42.47
	Rental		390		16.99
Net Dwelling Units Per Acre (Owner Occupied Only)					
					7.2
Monthly Holding Cost of Land					
					0
Density Bonus Information					
Neighborhood Plan Unit Projection	Density Range	Du/acre	Net Acres		Units
Low Density	1-8	6	50.99		306
Low-Medium Density	8-15	12.5	5.28		66
Total Neighborhood Plan Units					
					372
Total Development Plan Units					
					304
IZ Units Required					
					46
Bonus units above base density (provided by Planning Unit)					
					0
Bonus units that are iz units					
		15% of bonus units			0
Net market rate bonus units					
					0
Park Fee Information					
Park Fee Credit					\$ -
Park Maintenance Cost per Year					\$ -
Park Maintenance Length	Years				0
Park Dedication Information					
Park Dedication Reduction	Square Feet				0
Fee In Lieu of Valuation	\$/sq.ft				\$ -
Reduction in Parking Construction					
Average cost of parking stalls					\$ -
Parking Stall Reduction					0
Extra Floor Information					
Number of bonus Units					0
Average Value of Bonus Units					\$ -
IZ Free Zone					
IZ Free Zone Number of Units (Plat)		Maximum 20%			23
IZ Free Zone Number of Units (Building)					0
IZ Shift					
Number of s-f iz units switch to attached units		Maximum 75%			15
Residential Parking Permits					
Parking Stall Market Value					\$ -
Parking Permits Granted					0
Advanced Neighborhood Plan/Expedited Review					
Number of months saved in entitlement versus "normal process"					0
Neighborhood Planning Cost					\$ -
Modified Neighborhood Plan					
Bonus units in Modified Neighborhood Plan					0
Average Value of Bonus Units					\$ -
Reduced Street Width					
Length of Reduced Street Width	Linear Feet				8,417
Cost per linear foot "standard street"					\$ 107.00
Cost per linear foot "narrow street"					\$ 101.00
Other					

II. CALCULATION OF 'GAP'					
1. Sum of sales differential between Market Rate and IZ units.					
					\$ (4,760,653.00)
III. INCENTIVES CALCULATION:					
	Assumed Margin	City Share	Cost Portion	Incentive value	Comments
A. Density Bonus (excludes bonus floor or modified plan)					
1.) Land cost coverage for units		50%	21%	\$ -	NA
2.) Opportunity for greater margin provided in bonus market rate units	11.50%	50%		\$ -	NA
B. Park Fee Reduction					
				\$ -	NA
C. Parkland Dedication Reduction					
				\$ -	NA
D. Reduction in Parking Requirement (Cost to Build)					
				\$ -	NA
E. Cash subsidy to lower income IZ units					
				\$ -	NA
F. Cash subsidy to Projects <49 s-f or >4 stories w/ underground parking					
				\$ -	NA
G. Extra floor in downtown design zone					
1.) Land cost coverage for bonus market rate units on bonus floor only		50%	21%	\$ -	
2.) Opportunity for greater margin provided in bonus market rate units	11.50%	50%		\$ -	NA
H. 20% IZ Free Zone: Building					
	11.50%			\$ -	NA
I. 20% IZ Free Zone: Plat					
City share of assumed margin of 15% of 20	11.50%			\$ 2,290.51	
J. 75% SF to MF IZ Unit Shift					
				\$ 1,755,049.00	
K. Residential Parking Permits (revenue gained by lease)					
				\$ -	NA
L. Advance neighborhood plan					
				\$ -	NA
M. Expedited Review					
				\$ -	NA
N. Modification of Neighborhood Plan					
1.) Land cost coverage for modified neighborhood units		50%	21%	\$ -	NA
2.) Opportunity for greater margin provided in bonus market rate units	11.50%	50%		\$ -	NA
O. Reduced Street Widths					
				\$ 50,502.00	
P. Other:					
SUM TOTAL OF VALUE OF INCENTIVES				\$	1,807,841.51
IV. IZ EVALUATION SUMMARY					
'Gap'				\$	(4,760,653.00)
Incentives				\$	1,807,841.51
Difference				\$	(2,952,811.49)
(Note: Positive number indicates value of incentives outweighs calculated costs.)					
Minimum Threshold				\$	238,032.65
Over/Under adjustment				\$	(2,714,778.84)

Average price per unit:	\$	306,830.55
Expected IZ units	\$	-
Payment in lieu at 10% of value	\$	122,732.22