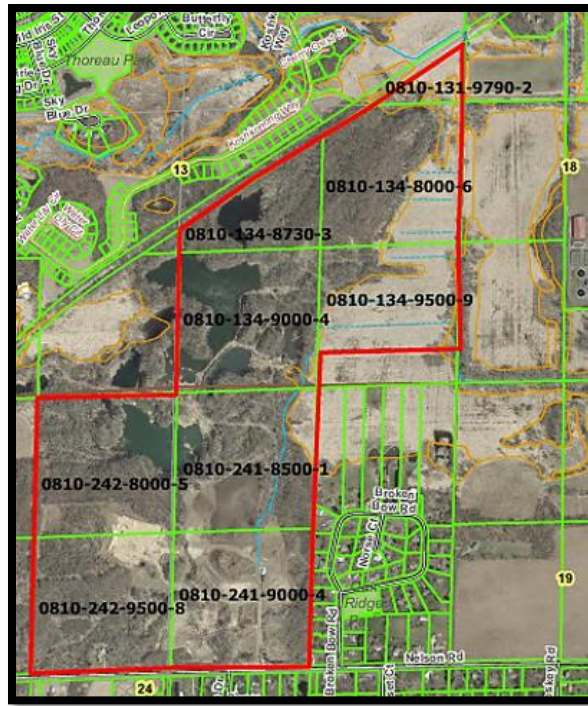


APPRAISAL REPORT

On
Madison Crushing & Excavating, Inc.
Real Estate
~295 Acres
Town of Burke & City of Sun Prairie
3262-3328 Nelson Rd
Sun Prairie, WI 53590



Prepared For

Dane County
Land & Water Resources Department
5201 Fen Oak Dr, #208
Madison, WI 53718

Prepared By

James R. Koch
Wisconsin Certified General Appraiser #1138-10

Appraisal Dates:

August 21, 2024 - Date of Appraiser Inspection/As-Is Values
September 6, 2024 - Date of Transmittal/Report Date

SCOTT APPRAISAL, LLC
REAL ESTATE APPRAISERS
5025 OLD MIDDLETON ROAD
MADISON, WI 53705
(608) 274-6844
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September 6, 2024

Ms. Sharene Smith
Real Estate Coordinator
Dane County
Land & Water Resources Department
5201 Fen Oak Dr, #208
Madison, WI 53718

Dear Ms. Smith:

At your request, I have completed an appraisal on real estate owned by Madison Crushing & Excavating, Inc. in the town of Burke and city of Sun Prairie. Relevant addresses for the property considered in this appraisal are 3262 Nelson Rd and 3328 Nelson Rd. The mailing address is Sun Prairie, WI 53590. The market value opinions provided in this appraisal relate to the potential acquisitions that may be negotiated after completion of the appraisal. Value opinions are provided for a total/complete acquisition and for a partial acquisition of 199 acres.

Based on the facts, analysis and conclusions contained in the attached report, it is my opinion that the market value for a complete/total acquisition of the subject property is \$14,750,000. It is my opinion that the market value for a partial acquisition of 199 acres is \$5,340,000. The value opinions are effective August 21, 2024, the date of appraiser inspection of the property. The ownership interest associated with the value opinions is fee simple.

There is an extraordinary assumption that the site sizes described in this report are accurate. It is also an extraordinary assumption that seller Madison Crushing & Excavating, Inc. would provide an access easement in the partial acquisition scenario in this assignment. The extraordinary assumptions are deemed reliable, but the value opinions may be impacted if it is not valid.

This appraisal conforms with the provisions of Uniform Standards of Professional Appraisal Practice (USPAP), Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) and Chapter 32 of Wisconsin Statutes, to the best knowledge of the appraiser. There is no divergence in values relative to Yellow Book and Chapter 32 standards in this case.

Sincerely,



James R. Koch
Wisconsin Certified General Appraiser #1138-10

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SUMMARY OF SALIENT FACTS

PROPERTY ADDRESSES: 3262-3328 Nelson Rd
Sun Prairie, WI 53590 (Town of Burke & City of Sun Prairie)

OWNER: Madison Crushing & Excavating, Inc.

CLIENT: Dane County

INTENDED USERS: Dane County
City of Sun Prairie
City of Madison
US Fish & Wildlife Service
Wisconsin DNR

REPORT DATE: September 6, 2024, Date of Transmittal

DATE OF VALUES: August 21, 2024, Date of Appraiser Inspection

PROPERTY DESCRIPTION: 295 Total Acres
199 Acre Potential Partial Acquisition
Active Mineral Extraction But Urban Development Potential
Old House Planned for Demolition
Scenic Ponds on 199 Acre Partial Acquisition Area

VALUES (Sales Comparison)

Scenario	Value
Complete Acquisition/Before Partial Acquisition Value	\$14,750,000
After Partial Acquisition Value	\$9,410,000
Difference - Value Indicator for Partial Acquisition	\$5,340,000
Partial Acquisition as a Separate Entity	\$4,975,000

FINAL VALUE OPINIONS

Opinions of Fair Market Value/Compensation Due	Value
Complete Acquisition Scenario - 295 Acres	\$14,750,000
Partial Acquisition - 199 Acres	\$5,340,000

EXTRAORDINARY ASSUMPTIONS: Accurate Site Sizes & Access Easement Granted to Partial Acquisition

HYPOTHETICAL CONDITIONS: None

ZONING: AT-35, CR-5ac

SUMMARY OF SALIENT FACTS

HIGHEST & BEST USE:

- Complete Acquisition/Before Partial Acquisition: High density residential for the south part of the site with speculative low density residential or open space amenity as a benefit to the high density component for the north part of the site. It is further concluded that the house would be demolished to clear land for higher density residential and that the mineral extraction operation is neutral.
- After Partial Acquisition: High density residential.
- Partial Acquisition as a Separate Entity: Speculative low density residential and private open space/recreation.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide market value opinions for the Madison Crushing & Excavating, Inc. real estate located in the town of Burke and city of Sun Prairie, Dane County, WI. Relevant addresses for the property considered in this appraisal are 3262 Nelson Rd and 3328 Nelson Rd. The mailing address is Sun Prairie, WI 53590. The market value opinions provided in this appraisal relate to the potential acquisitions that may be negotiated after completion of the appraisal.

The market value opinions provided in this appraisal are summarized as:

- All Madison Crushing & Excavating, Inc. Ownership North of Nelson Rd
- ~199 Acres North of Active Borrow Pit

The value opinions provided in this appraisal are effective August 21, 2024, the date of appraiser inspection of the property.

This appraisal conforms with the provisions of Uniform Standards of Professional Appraisal Practice (USPAP), Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) and Chapter 32 of Wisconsin Statutes. Since the appraisal follows Yellow Book and Chapter 32 standards, the market value opinions herein can also be described as opinions of compensation due for acquisition by a public entity.

The ownership interest appraised is fee simple per Yellow Book and Chapter 32 appraisal standards. This is the ownership interest that would be acquired by a public entity. There are no known leases that are deemed influential to market value. There are occupancy agreements for material processing and storage at 3262 Nelson Rd, but they are short-term agreements for relatively small work areas. These agreements would not survive a sale of the real estate. The fee simple ownership interest is the highest form of ownership rights and it means that the owner has all rights to the property subject to public limitations such as escheat, eminent domain, taxation, police power, etc.

Property Appraised

The real estate is the subject of this valuation. There is no value attributed to going concern, personal property, crops or any intangible items. There are marketable minerals that remain in the active borrow pit, but they are part of the real estate. The minerals are still part of the natural landscape and have not been quarried or processed. The minerals are included in this appraisal for their contributory value for the whole, consistent with the Unit Rule in Yellow Book. Tenant material that has been shipped to the site for processing or storage is excluded from this appraisal since it is tenant property.

Extraordinary Assumptions

There is an extraordinary assumption that the site sizes described in this report are accurate. No surveys were made available and the appraiser is not an expert in surveying. Client estimates have been used in this case, and they are deemed reliable, but the value opinions may be impacted if the site sizes are not accurate.

It is also an extraordinary assumption that seller Madison Crushing and Excavating, Inc. would provide an access easement in the partial acquisition scenario in this assignment. The client authorized this assumption in the engagement materials. It is further assumed that the access easement would initially follow an existing gravel driveway, but it would also be subject to change if public rights-of-way were established. The easement was confirmed with property contacts at the time of appraiser inspection of the property. The extraordinary assumption is deemed reliable, but the value opinions may be impacted if it is not valid.

No other extraordinary assumptions have been identified and no hypothetical conditions have been used in the preparation of this report.

Situations can evolve where value conclusions vary because of procedural differences between Yellow Book and Chapter 32. These value differences are not resulting from any changes in extraordinary assumptions, hypothetical conditions, physical factors or market conditions. They are related to valuation procedures.

LEGAL DESCRIPTIONS (From Access Dane Public Land Records)

Parcel 014/0810-242-9500-8

SEC 24-8-10 SE1/4 NW1/4

Town of Burke, Dane County, WI

Parcel 014/0810-241-9000-4

SEC 24-8-10 SW1/4 NE1/4

Town of Burke, Dane County, WI

Parcel 014/0810-241-8500-1

SEC 24-8-10 NW1/4 NE1/4

Town of Burke, Dane County, WI

Parcel 014/0810-242-8000-5

SEC 24-8-10 NE1/4 NW1/4

Town of Burke, Dane County, WI

Parcel 014/0810-134-9000-4

SEC 13-8-10 SW1/4 SE1/4

Town of Burke, Dane County, WI

Parcel 014/0810-134-8730-3

SEC 13-8-10 PRT NW1/4 SE1/4 LYG S OF RR R/W

Town of Burke, Dane County, WI

Parcel 014/0810-134-9500-9

SEC 13-8-10 N3/4 SE1/4 SE1/4

Town of Burke, Dane County, WI

Parcel 014/0810-134-8000-6

SEC 13-8-10 PRT NE1/4 SE1/4 LYG S OF RR R/W

Town of Burke, Dane County, WI

Parcel 282/0810-131-9790-2

SEC 13-8-10 PRT SE1/4 NE1/4 LYG S OF RR R/W

City of Sun Prairie, Dane County, WI

CLIENT, INTENDED USE AND INTENDED USER OF THE APPRAISAL

The appraiser was engaged by Dane County who is the client and an intended user of the appraisal. Additional intended users established at the time of engagement include City of Sun Prairie, City of Madison, US Fish & Wildlife Service and Wisconsin DNR. The additional intended users are potential acquisition or funding partners. The intended use is to assist in establishing market values for acquisition and/or funding.

OWNER CONTACT

The owner contacts for this assignment are Bill Ziegler, Blake George and John Brigham. Bill Ziegler is the true owner contact for the real state. Blake George and John Brigham are agents who have the subject property listed for sale. The contacts provided a property tour and provided background information on the property. Blake George additionally met with the appraiser on September 5, 2024 to provide information on potential comparable sales. None of the appraiser's value opinions were discussed with the owner contacts.

DEFINITION OF FAIR MARKET VALUE

Market value is defined as, "the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, given due consideration to all available economic uses of the property at the time of the appraisal."

Source: Uniform Standards for Federal Land Acquisitions, Published by the Appraisal Institution in cooperation with the U.S. Department of Justice, Washington D.C., 2000

SCOPE OF WORK

The scope of work for this appraisal includes collection of data from a variety of sources, including:

- Inspection of the subject land and the exterior of the buildings. The interiors of the buildings were not inspected because the improvements are not contributing to market value, and they are not in a safe position for inspection. Demolition is already advanced on the barn and demolition of the other structures is imminent.
- The appropriate zoning manuals/ordinances;
- The South-Central Wisconsin MLS Corporation;
- Sun Prairie, Madison, Dane County and U.S. Census Bureau publications and information regarding population trends, building permits, etc.;
- The appraiser's own files. No prior services have been completed with regard to the subject property within the three years preceding the agreement to perform the current assignment.
- Discussions with Realtors, property owners, Dane County Department of Planning and Zoning and/or other government officials, and/or other appraisers;
- Inspection of transfers at the Dane County Register of Deeds and/or WI Dept. of Revenue;
- General information from the client; and
- General information from the owner contacts as documented above.

An attempt has been made to confirm each sale, listing, and rent comparable; however, some market participants decline to provide information. When this happens, recorded information is used, but some recordings do not reflect all aspects of property transfers. The sale sheets detail the verification process.

It is standard appraisal practice to consider three approaches to value. They are the cost, sales comparison and income approaches. The cost and income approaches are not applicable to this assignment. The cost approach is not applicable because the improvements present are not contributing to market value and demolition is imminent. Any cost of construction is offset by functional/physical depreciation. The income approach is not applicable because the income potential is incidental to the value. There are miscellaneous potential income sources for this property, but that income potential would not be adequate to provide a typical real-estate return. Storage/processing rents or crop rental rents do not produce enough income for a real estate based return. There is also income potential for mineral extraction activities, but that requires machinery/expertise and as such that income would be associated with a business value as opposed to a real estate value. The real estate is valued at its highest and best use and miscellaneous income sources are considered for their contributions to the whole which is consistent with the Unit Rule. At the end of the day, the subject is a property with urban development potential and the income potential of relevance is in creating buildable lots for construction or sale. However, since the subject is not planned to the extent that specific retail values can be projected, the income approach is not relevant.

The sales comparison approach is the applicable approach and it is presented in valuation. The sales comparison approach is emphasized for reliability in Yellow Book and Chapter 32 compliant appraisals.

The directive to disregard impacts of the project in certain situations, and the elimination of a specific exposure time, are considered jurisdictional exceptions related to the supplemental standards imposed by Yellow Book and/or Chapter 32. USPAP requires an appraiser to consider all factors that influence value and also to use a specific reasonable exposure time, but those items are supplanted by the public acquisition standards.

The appraiser declares competency for this assignment in both property type and geographic location. The appraiser has been completing appraisals on this type of property for more than 26 years. Dane County is the appraiser's primary area of coverage. The appraiser has completed a Yellow Book training course along with other relevant eminent domain courses.

The use of the term "inspection" means a casual surface inspection of the property with the focus on gathering information about the characteristics of the property that are relevant to its value. It is not the same type of inspection that a licensed property inspector would complete.

The scope is considered sufficient to provide a reliable value opinion for the subject property. However, because of the complex nature of the investigative process, there may be other sales or rent comparables which may be more recent or more similar but which were not discovered, and which were, therefore, not included in the report. No data which was discovered and which was thought to be highly relevant to the value conclusion was omitted from this report. My opinion is that the scope of the report is sufficient for the intended use of this report. Please refer to the Certification, Assumptions and Limiting Conditions.

DESCRIPTION OF THE PROJECT

The Project is acquisition of some or all of the subject property for open space preservation and public recreation.

Impacts from the Project need to be disregarded in complete/before acquisition valuation scenarios under Yellow Book and Chapter 32 appraisal standards. However, it is concluded that the Project has not impacted the general market since it is limited to the subject property and it is not producing any substantial notoriety or infrastructure changes. The acquisition would proceed through open negotiations and there is not a threat of condemnation that could be influential to the general market.

There was a prior transaction between Madison Crushing & Excavating, Inc and the City of Sun Prairie in this location, but that public acquisition was associated with the expansion of the wastewater treatment facility for Sun Prairie. This is a separate public Project that is not related to the open space preservation Project.

Upon discussion with the owner contacts, it was revealed that there has been some talk of a potential public acquisition of the subject property for an extended period of time. This information has been considered in conjunction with the more recent creation of the Reiner Neighborhood Development Plan which guides future land uses in the subject neighborhood. The Reiner Neighborhood Development Plan was executed in June 2023. The main point of concern is that the open space designations for the subject were influenced by the potential for public acquisition. However, upon further analysis and discussions with the client, it was determined that the Reiner Neighborhood Development Plan was not influenced by the Project. While there had been prior contacts between the owner of the subject real estate and public officials, the client noted that serious interest did not commence until fall 2023 which is after the Reiner Neighborhood Development Plan was executed. The open space designations are also consistent with a community separation agreement between Sun Prairie and Madison from 2006 which means that open space planning has been active there for a much longer time frame than this Project. Even without the Reiner Neighborhood Development Plan, there is a pre-existing agreement with a similar land use designation. The conclusion is that Reiner Neighborhood Development Plan is an allowable consideration in this report relative to Project influence standards.

If there are special or unique benefits that accrue to any remainders from an acquisition, those benefits are an appropriate deduction from the amount of compensation that is due to the property owners. In this case, special benefits are not applicable since any open space acquisitions would benefit the public at large. If a developer of the remainder were not the owner of open space land to dedicate to the public, there would be a requirement to pay fees in lieu which is similar to any other developer.

ASSESSMENTS AND TAXES

Parcel #	Address	2024 Land Assessment	2024 Improvement Assessment	2024 Total Assessment	2023 Assessment Total	2023 Net Tax	2023 Special Assessment	Assessment Acres
014/0810-242-9500-8	3328 Nelson Rd	\$203,200	\$158,300	\$361,500	\$361,500	\$5,393.73	\$227.36	30.30
014/0810-241-9000-4	3262 Nelson Rd	\$24,400	\$0	\$24,400	\$24,400	\$370.06	\$0.00	40.70
014/0810-241-8500-1	NA	\$117,100	\$0	\$117,100	\$117,100	\$1,775.93	\$0.00	41.10
014/0810-242-8000-5	NA	\$162,700	\$0	\$162,700	\$162,700	\$2,467.48	\$0.00	33.20
014/0810-134-9000-4	NA	\$24,400	\$0	\$24,400	\$24,400	\$370.06	\$0.00	40.60
014/0810-134-8730-3	NA	\$153,900	\$0	\$153,900	\$153,900	\$2,334.02	\$0.00	19.90
014/0810-134-9500-9	NA	\$104,700	\$0	\$104,700	\$104,700	\$1,587.86	\$0.00	30.30
014/0810-134-8000-6	NA	\$239,100	\$0	\$239,100	\$239,100	\$3,626.16	\$0.00	38.70
282/0810-131-9790-2	NA	\$20,700	\$0	\$20,700	\$20,700	\$367.86	\$0.00	5.523
Totals	NA	\$1,050,200	\$158,300	\$1,208,500	\$1,208,500	\$18,293.16	\$227.36	280.323

Notes: Access Dane does show a primary address of 5185 Reiner Rd for a couple of parcels, but that is the billing address. It is a data entry error so that address is not included in the chart above. There are several assessment categories, but undeveloped land and productive forest lands are common. There is no substantial owner benefit to agricultural value in use assessments, but the assessments are still well below the value opinions in this appraisal. This is not surprising since the stated assessment year for the town of Burke is 2022 and the assessment year for the Sun Prairie parcel is 2008. Assessment challenges are not recommended. The improvement assessment is for the old house and barn along Nelson Rd, but those buildings are not considered contributing. The special assessment is for private septic maintenance and trash pick-up. They are common, but they would not be applicable to the parcel without the residential buildings. No delinquent charges are known.

It is apparent that there are errors in the assessment sizes. A couple of the parcels are quarter-quarters which should be ~40 acres each, but the assessment sizes are substantially smaller. This appraisal uses client provided size estimates which are deemed reliable and assumed to be accurate.

LARGER PARCEL ANALYSIS/SEPARATE ENTITY ANALYSIS

The larger parcel is determined by analyzing unity of ownership and unity of highest and best use. There is unity of ownership for the parcels described above since they are all owned by Madison Crushing & Excavating, Inc. These are also all the parcels owned by this entity in this immediate area.

There is also unity of highest and best use in this case so there is one larger parcel. The highest and best use is urban development and it is the entire assemblage that maximizes the urban development opportunities. The water features can enhance residential appeal and open spaces can be planned to complement residential clusters, satisfy parkland dedications, etc. The whole assemblage has the potential to be comprehensively planned to maximize the development opportunity and there is therefore a highest and best use distinction that ties them all together.

Since there is one larger parcel and there is a partial acquisition scenario, a before and after analysis is explored in the report.

Chapter 32 of Wisconsin Statutes also require a separate entity test to establish compensation due for public acquisition. If a viable separate entity has a higher value than shown by a before and after value calculation, the owner is due the higher separate entity value. In this case, the partial acquisition is also a viable separate entity since the seller will grant an access easement. The acquisition is marketable without the other land in the larger parcel. It may not be advantageous due to the previous highest and best use summary, but the potential separate entity value is explored in this report.

Further division for separate entity valuation is not considered applicable. It is already established that the whole assemblage provides maximum flexibility for planning so divisions are not expected in a preplanned status. It is the potential acquisition that creates a need to test that value, but otherwise the highest and best use is to maintain the assemblage.

Madison Crushing & Excavating, Inc. owns other properties in the area, but none of them are tied to the subject parcels by highest and best use. The other parcels owned by Madison Crushing and Excavating, Inc. at 5185 Reiner Rd are independently productive and they are more than one mile from the subject.

HISTORY OF TRANSFER

The current owner of public record for the property considered in this appraisal is Madison Crushing & Excavating, Inc. No transfers have been uncovered within three years (USPAP reporting requirement) or 10 years (Yellow Book reporting requirement). Yellow Book requires disclosure of the last transaction regardless of time if there are no transfers within 10 years. The last transaction uncovered is the acquisition deed by Madison Crushing & Excavation, Inc. This is from March 17, 1989 and the sale price implied by transfer fee is \$205,000. The sellers are Jay West and Ernest A. West as co-trustees and the recording is Volume 12605, Page 55. This prior sale is obviously not relevant to this appraisal due to the amount of time that has elapsed since 1989.

The subject is currently listed for sale. There are two brokers with the listing – Blake George with Lee & Associates, and John Brigham at Capital Management Group, LLC. The price for the listed land size of 297 acres is \$14,899,896 which is \$50,168/acre. The property has an extended time on the market since approximately 1/1/2021. This would tend to suggest that the list pricing is high since there has been a reasonable time on the market. However, development clarity only surfaced in 2023 with the Reiner Neighborhood Development Plan. The brokers report that there has been more interest in the property recently since there is the potential for apartment density along Nelson Rd, but formal offers are not being accepted at this stage because of the active negotiations with Dane County. This reinforces the conclusions in the larger parcel analysis above since the sellers do not necessarily want to divide the property at this point, but it also shows there is current interest in the property.

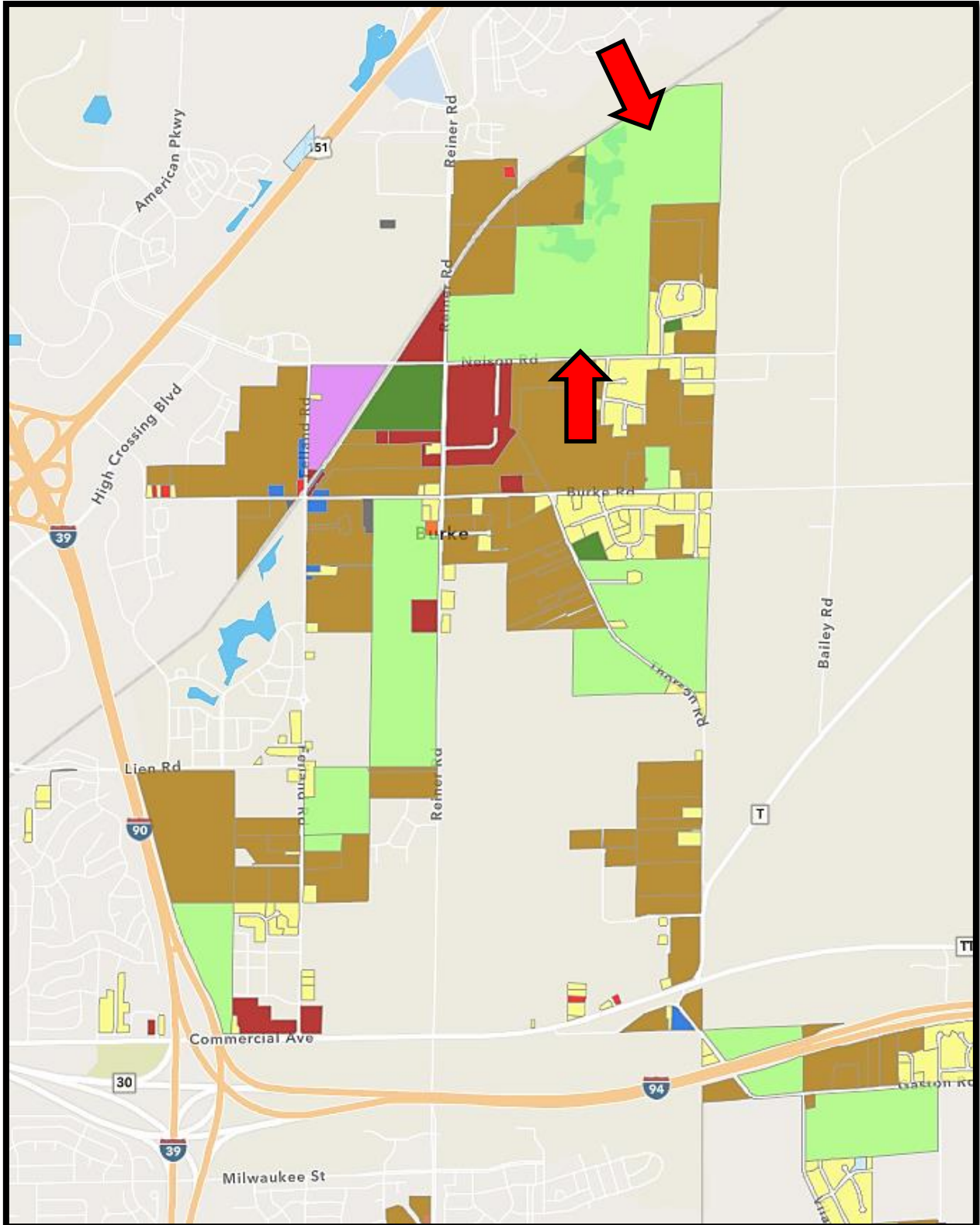
There are no known purchase contracts at this point in time. Specific negotiations for a public acquisition would commence after the appraisal is completed.

ZONING/LEGAL INFLUENCES

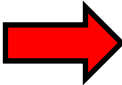
Zoning

















The relevant zoning for the town of Burke parcels included in this appraisal is AT-35.

Zoning Map



Map Legend



	Farmland Preservation
	Agricultural Transition
	Agricultural/Farmland Preservation Business
	Local Business
	Limited Commercial
	Commercial
	Heavy Commercial
	Hamlet
	Natural Resource Conservancy
	Industrial
	Planned Unit Development and EXP-1
	Residential
	Rural Residential and Rural Mixed Use
	Recreational
	Special Use
	ETZ Extra-Territorial Zoning

AT-35 (Agriculture Transition) Zoning District
Zoning district for transitioning agricultural land near urban developing areas.
CH. 10-Zoning, [Section 10.231](#)

Permitted Uses 10.231(2)

- Agricultural uses
- Agricultural accessory uses (except those listed as conditional uses below)
- Agricultural entertainment less than 10 days per year
- Farm-related exhibitions, sales or events less than 11 days per year
- Large animal boarding
- Seasonal storage of recreational equipment and motor vehicles (including those not owned by the landowner) in existing building
- Sales of agricultural products produced on the premises
- Residences existing as of Feb. 20, 2010 (see below)
- Undeveloped natural resource and open space uses
- Utility services associated with a permitted use
- Transportation, utility, communication or other use required by law

Conditional Uses 10.231(3)

- Agricultural accessory uses:
 - Agricultural entertainment, over 10 days/year
 - Airports, landing strips, heliports for owner of farm
 - Attached accessory dwelling units associated with a farm residence
 - Farm related exhibitions, sales or events, over 10 days/year
 - Farm Residence, subject to 10.103(11)
 - Limited Farm Business, subject to 10.103(13)
- Sale of agricultural and dairy products not produced on the premise and incidental sale of non-alcoholic beverages and snacks
- Transportation, communication, pipeline, electric transmission, utility, or drainage uses not required by law
- Non-metallic mineral extraction
- Limited asphalt or concrete plants
- Renewable energy electricity generators

Setbacks and Height requirements for Structures 10.231(5) & 10.231(6)

Front setback for all structures from Highway centerline / right-of-way line (whichever is greater)
State or Federal Highway: 100/42 feet minimum
County Highway: 75/42 feet minimum
Town Road: 63/30 feet minimum
Subdivision streets platted prior to ordinance: 20 feet minimum
All other streets: 30 feet minimum from right-of-way

Maximum Height:

Residences: 2½ stories or 35 feet maximum
Accessory buildings: 35 feet maximum
Agricultural buildings: No height requirement

Permitted residences:

Side yard: 25 feet total, with no single side less than 10 feet minimum
Rear yard: 50 feet minimum
Uncovered decks/porches: 38 feet minimum

Rear and side yards:

Not housing livestock: 10-feet
Housing livestock:
100 feet from Residential or Hamlet zoning districts
50 feet from Rural Residential zoning districts
10 feet from all other zoning districts

Lot Width & Area 10.231(4)

Minimum: 35 acres
Maximum: None

Minimum lot width: None

Maximum Lot Coverage 10.231(7)

Buildings and structures: None.

Accessory Buildings Requirements 10.231(8)

- Except for secondary farm residences authorized by conditional use permit, no more than one principal building is permitted per lot.
- Accessory buildings may be constructed on property without a principal residence only if it is clearly related to a legitimate farm operation or agricultural accessory use.

AT-35 (Agriculture Transition) Zoning District
Zoning district for transitioning agricultural land near urban developing areas.
CH. 10-Zoning, [Section 10.231](#)

- o Sanitary fixtures are permitted in agricultural accessory buildings
- o No living spaces are allowed in accessory buildings.
- o Zoning Permit fees are exempt for farm buildings on farms of 35 acres or larger.

NOTE: A Zoning Permit is required for every building larger than 120 square feet in size. Zoning Permits are not required for accessory buildings equal to or less than 120 square feet on non-permanent foundations, provided they meet setback, height, and lot coverage requirements.

For more information on the regulation of accessory buildings please see the Dane County Zoning Guide for Accessory Buildings Handout.

Existing Residences in AT-35 10.231(2)1.

- o Any residence lawfully existing as of February 20, 2010 shall be considered a permitted use. Such structures may be added to, altered, restored, repaired, replaced or reconstructed, without limitation, provided all of the following criteria are met:
 1. The use remains residential.
 2. The structure complies with all building height, setback, side yard and rear yard standards of this ordinance.
 3. For replacement residences, the structure must be located within 100 feet of the original residence, unless site-specific limitations or town residential siting standards in town plans adopted by the county board require a greater distance. Proposals for a replacement residence that would exceed the 100 foot limitation must be approved by the town board and county zoning committee.
- Residential accessory buildings, home occupations, foster care for less than 5 children, community living arrangements for less than 9 people, and incidental room rental are permitted when associated with:
 - o An existing residence as permitted above
 - o A farm residence approved by conditional use permit
- Existing residences or secondary residences located on a farm, but which are no longer utilized in the operation of the farm may be rented.

Limited Farm Businesses 10.004(85) & 10.103(13)

Limited farm businesses are an agricultural accessory use and must meet the following criteria:

- ✓ Consists of a business, activity, or enterprise, whether or not associated with an agricultural use, that is conducted by the owner or operator of a farm
- ✓ Requires no buildings, structures, or improvements other than existing agricultural buildings or a farm residence
- ✓ Employs no more than 4 full-time equivalent employees annually, who are not members of the family residing on the farm
- ✓ Does not impair or limit the current or future agricultural use of the farm or other protected farmland

In addition, a **limited farm business** as a conditional use in the AT-35 district is further restricted:

- o The uses are limited to those listed as permitted uses in the LC or GC zoning districts, provided the use does not conflict with the overall purposes of the AT-35 district
- o The area dedicated to the limited farm business use must not exceed 10,000 square feet in indoor floor area
- o The use must be contained entirely within building(s) in existence prior to April 30, 2005
- o The landowner must maintain, restore, or enhance the existing exterior character of the building(s)
- o No more than 4 non-family employees may be employed.

AT-35 promotes agricultural uses, but it is also oriented to transitional areas where more intense development may be suitable in the future. As such, it is also a holding category to allow for future planning activities and potential rezoning at the time site-specific planning was completed. The assemblage/zoning area is more than 35 acres. There is currently one house on the property that is permitted since it was built before 2010. However, that house is not significant to this discussion since demolition is planned for the near-term future. There is an active borrow pit for mineral extraction. Non-metallic mineral extraction is a conditional use in AT-35, and Access Dane does not specify a conditional use permit. The use is documented as a legal, nonconforming or grandfathered use since it pre-existed the current zoning regulations and it has been in operation since at least the 1980's. The notice is recorded as Doc. 5586023. The use is allowed to continue so long as there is no interruption in use of a year or more, and the owner complies with documenting requirements, reclamation plan, etc.

The city of Sun Prairie parcel is zoned CR-5ac. This is Countryside Residential. It is a residential zoning for lower density. Conventional residential development and loose cluster residential developments are permitted. The minimum site size is five acres. This is a vacant parcel with adequate size. It conforms with zoning.

The Dane County zoning that has been accepted by the town of Burke is the applicable ordinance controlling the property right now, but there is more influence from Madison since there is a cooperative agreement for eventual annexation into Madison. The agreement states that the town of Burke portion of the subject property can be annexed into Madison without dispute upon owner petition and city acceptance. There are protected areas designated in the cooperative plan, but the subject is not within one of those areas. The agreement also states that the town of Burke will dissolve 30 years after the agreement (2036) at which time there will be certain annexation to Madison, if early annexation is not already completed. At the time of annexation, Madison would implement zoning and exert influence over land use approvals. It is further agreed that development in the town shall be subject to approval by the respective city or village to which it will eventually be attached. This limits development opportunities within the town of Burke that may conflict with Madison development plans. Development is defined as a division of land, construction of more than one principal structure on a parcel of land, or rezoning a parcel from residential or agriculture to a non-residential classification. The cooperative plan does establish a community separation area between Sun Prairie and Madison which covers most of the subject property that is now proposed for acquisition in the partial acquisition scenario. Dane County Senior Planner Majid Allan reinforced the conclusion that the cooperative plan is the controlling influence in this case. Per Mr. Allan "the only development that's allowed under the cooperative plan with the other munis is a division of an existing residential parcel over 5 acres to create one additional building site." There is an option to create one additional homesite since 3328 Nelson Rd does still have a house and the parcel is more than five acres. However, that option is very low density.

The Reiner Neighborhood Development Plan has been developed by the city of Madison to guide future land uses in the subject neighborhood. It was formally executed on June 20, 2023. The land use designation for the subject is mixed residential along Nelson Rd and parks/open space to the north. Part of the open space is further designated as a regional natural and recreation area. There is higher density planned along Nelson Rd (40-70 units/acre) and along a potential future street alignment with Thorson Rd. Densities diminish outside of these areas all the way down to 6-12 units/acre where the subject land abuts with the Oak Ridge Park subdivision. Note that it was concluded in the previous Description of Project section of the report that the Reiner Neighborhood Development Plan is not part of the Project and it is an allowable consideration in this report.

The subject is partly located in Drainage District #9. Wisconsin Administrative Code requires all landowners to notify the Board of any action that will alter the flow of water into or from a district drain, increase the amount of soil erosion, or affect the drainage district. There are ~170 acres of the subject property in the drainage district and they are subject to added scrutiny at development relative to drainage.

The Sun Prairie parcel is designated as "Rural Lands" in the Sun Prairie Comprehensive Plan, and there is a natural resource protection overlay. RL are recommended for continued agricultural and open space uses. Urban development is not anticipated before 2040. Even if urban development eventually reaches these areas, some of the land in the RL area may be appropriate for consideration as permanent agricultural-related uses.

NRP overlay classification identifies sensitive lands that may be subject to development restrictions enforced by City, County, State, or Federal agencies. Mapped NRP areas include lands that meet one or more of the following conditions: water bodies and wetlands mapped as part of the WDNR Wetland Inventory, 100-Year Floodplains based on FEMA maps and areas with slopes averaging 12% or more based on USDA-NRCS Soils data.

METRO AREA DATA

The pertinent area to the subject is the city of Madison, Wisconsin together with the perimeter lands in surrounding townships, villages and cities. As Wisconsin's state Capitol, second largest city and the county seat, Madison is large enough to serve as a starting point from which to view the market conditions influencing the subject property. Needs of the area's population are largely provided by goods, services and employment found in Madison. Few residents commute outside the city for employment or services, but many residents from neighboring areas commute into Madison for employment and services.

Distance to: Chicago - 142 miles, Dubuque - 95 miles, Milwaukee - 77 miles, Minneapolis - 256 miles

Elevation: 845.6 feet above mean sea level

Topography: Rolling lands surrounding three lakes within the city which highlight the area and provide recreation. There are 35 county lakes, 25 with public access points.

Area of County: 1,229 square miles

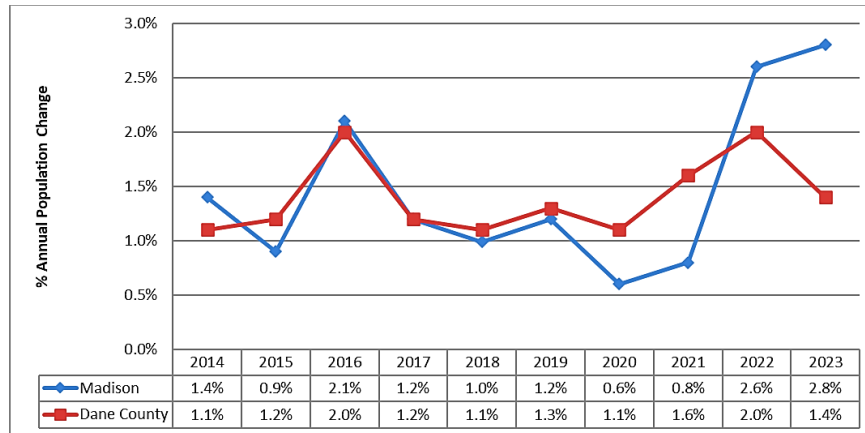
Dane County Parks reports on its website that it hosts nearly 4,000,000 visitors annually and that it manages over 17,000 acres of land. There are 25 recreation parks (including eight dog parks), 20 wildlife areas, 16 natural resource areas, four historical/cultural sites, two county forests, over 100 miles of trails, over 3,000 acres of conservation and streambank easements, and five campgrounds. The county also manages the Lussier Family Heritage Center.

The Trust for Public Land reports in its ParkScore 2023 compilation that 14% of Madison's area is dedicated to parkland. Madison ranks 13th in ParkScore out of the 100 largest metropolitan areas in the U.S. which considers a variety of inputs to include acreage, median park size, walking distance to a park, facilities and accessibility. This current rank is equal to its ranking for 2022.

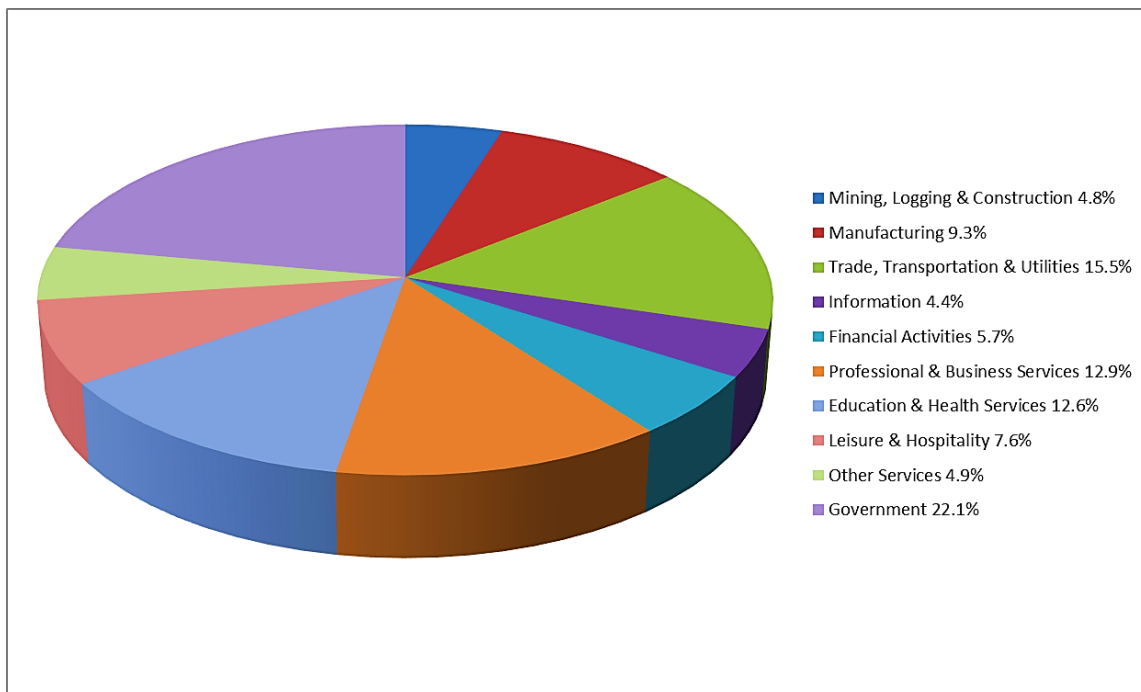
Economy

Population growth for both Madison and Dane County have been steady. Growth in the city of Madison escalated in 2022, and it has outperformed the relative growth for Dane County as a whole over the last two years. The 2020 census data revealed that Dane County accounted for about 1/3 of the population growth in Wisconsin over the decade from 2010-2020. Dane County has several of the fastest growing communities in the state to include Verona, Fitchburg, Sun Prairie, Cottage Grove, DeForest and Waunakee.

The following graph shows relative growth rates over the last 10 years for Madison and Dane County from Wisconsin Department of Administration.

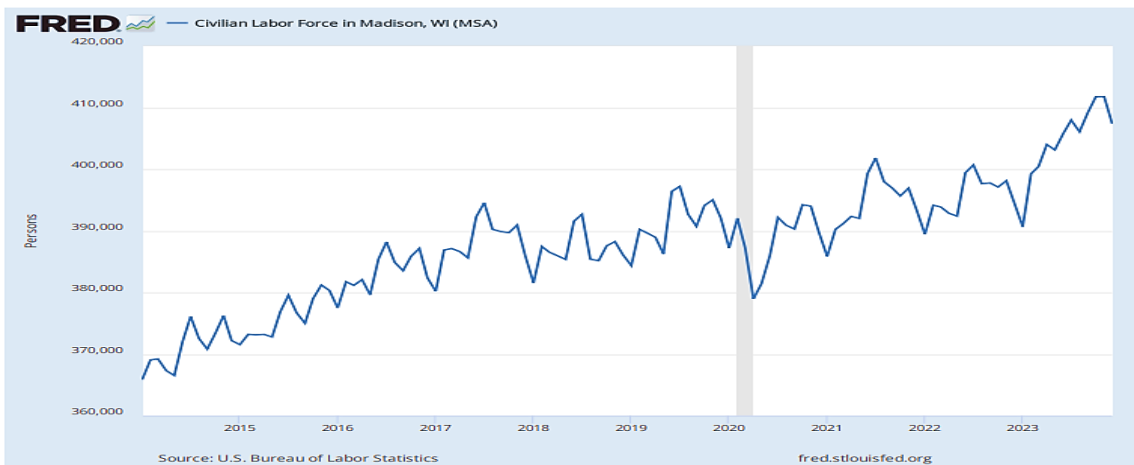


The following chart shows that employment in the Madison MSA is diverse, but weighted to government. The source is the U.S. Department of Labor, Bureau of Labor Statistics, from December 2023.

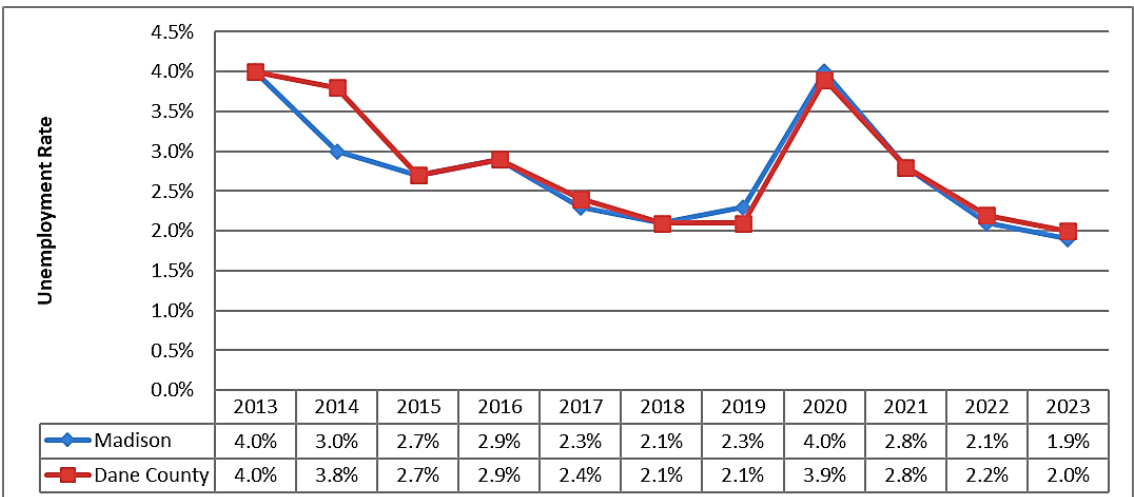


The December 2023 data shows that the economy has grown steadily over a 20+ year time horizon. There were major employment declines in 2020 amid the height of the Covid-19 pandemic, but there has been a complete recovery. The labor force fluctuates over time, but it does tend to decline in the first quarter of

each year and then rebound after that. This is the trending for the end of 2023, but the labor force as of the end of 2023 is +3.3% from end of 2022 indicating a steady growth path overall. Interest rates remain high, but they have now stabilized after steady increases from February 2022 through August 2023. Most industries have had relatively stable to growing employment trends over the last 12 months. The most significant decline was information at -3.1% over 12 months. The biggest gain was in government at +4% over 12 months. Government employment fluctuates, but the Madison area is always going to have substantial government employment since state, county and local governments are all centered here. Construction has grown by 2% over the last 12 months which indicates this industry is still active despite higher interest rates.



The following chart shows unemployment trends over the last 10 years, per Wisconsin’s DWD.



In 2015-2016, annual unemployment rates dipped down below pre-2008 recession levels indicating a nearly full or full recovery, particularly when the downward trend continued through 2018. There was a modest increase in unemployment in the Madison MSA for 2019, but that rate was still historically low. There was an unemployment spike in 2020 which is related to Covid-19, but there have been steady declines since which shows that there continues to be very high demand for workers. Local unemployment rates remain below the overall unemployment rate for Wisconsin which was 2.7% as of December 2023.

Economic conditions are still uncertain since inflation remains stubborn. Forbes reports in its 2024 economic outlook that an economic slowdown is likely in 2024, but that a recession is not expected. Other experts have projected a mild national recession. Madison and Dane County do have insulating qualities with employment in wide ranging industries including construction, technology, financial activities, professional services and government. This market area has long been an economic engine for the state of Wisconsin.

Madison and Dane County consistently rank highly in quality-of-life surveys and polls, and are reflective of the motivating factors behind population and job growth. This includes anything from being among the top places to live, most educated cities, happiest & healthiest, family friendly, bike friendly, top growing, etc. The city tracks these awards from various publications, and the full list of accolades can be viewed [here](#), but below is a short list of some of the more recent achievements.

- Platinum Level Bicycle Friendly Community, League of American Bicyclists, February 2024
- #6 2023 Fittest Cities in America, American Fitness Index, July 2023
- #11 in Best Places to Live in the US in 2023-2023, US News & World Report, May 2023
- #1 Best Place to Live in US in 2022, Livability, October 2021
- 2021 Digital Cities Survey Winner, November 2021
- What Works Cities Silver Certified, July 2021
- 3rd Best Places to Live, Livability Top 100, October, 2020
- Top 30 – Best Small Cities, National Geographic, January 2018
- #7 Best Place to Live, Livability.com, January 2018
- 10th Best City for 20-Somethings, August 2016
- 4th Ranked City for U.S. Growth, U-Haul, February 2016
- #7 Best Metro Area for STEM Professionals, January 2016
-

Even though headquartered in Verona, Dane County as a whole is influenced by the strong growth at Epic Systems. The privately held electronic medical records software company attracts residents creating demand for housing, goods and services. As such, the company is a relevant economic reference for this discussion. According to a report from Becker’s Health IT, Epic’s workforce grew by 18% in two years and it had about 13,000 employees as of July 2023. Internet resources suggest annual sales were a record \$4.6 Billion in 2022. Employment is up from just over 6,000 in 2013 and several office buildings are under construction on its 600+ acre campus. Construction has been near steady since the company moved to Verona from West Madison in 2005.

Growth and Development - Residential

Following is a 10-year summary of residential building permit trending at the County & City levels.

Table of Housing Construction - Building Permits Issued: 2015 - Present - *City of Madison*

City of Madison	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024-Feb
Single Family	272	340	374	334	426	406	327	314	332	31
Multi-Family (# Units)	1,499	2,041	1,868	1,109	1,232	1,779	3,299	2,046	2,288	1,127
Total Units/Permits	1,771	2,381	2,242	1,443	1,658	2,185	3,626	2,360	2,620	1,158
% Change	5%	34%	(6)%	(36)%	15%	32%	66%	(35)%	11%	NA

Table of Housing Construction - Building Permits Issued: 2015 - Present - *Dane County*

Dane County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024-Feb
Single Family	1,098	1,301	1,385	1,326	1,283	1,325	1,480	1,282	1,272	209
Multi-Family (# Units)	2,021	3,210	3,009	2,012	2,126	2,849	5,385	3,800	3,751	1,321
Total Units/Permits	3,119	4,511	4,394	3,338	3,409	4,174	6,865	5,082	5,023	1,530
% Change	(3)%	(15)%	45%	(3)%	(24)%	2%	22%	64%	(1%)	NA

Data above was supplied by the U.S. Census Bureau. Per the preceding tables, permitting activity has clearly been very robust over the past several years. They ebbed and flowed from one year to the next between 2013-2019, but then really accelerated from 2020-2022. A lot of this is due to unmet demand and/or supply chain disruptions during the pandemic, and also aided by historic cuts in mortgage interest rates during that time. Rates increased significantly beginning around April 2022, and between that and pandemic impacts evening out, the permitting activity, not surprisingly, contracted after. Nevertheless, the local housing market has been favoring sellers for several years already, as it has been mired by a shortage of improved inventory since ~2012+/- . It is due to persistent undersupply that median values continue to increase, in spite of the inflationary and higher interest environment, and properly-priced properties, generally speaking, continue to sell at, near or above full list. These factors have also combined to cause a number of would-be sellers from putting properties on the market in the first place. This is supported by Realtor sentiments casually observed, local news reports, and is also born out in the sales statistics at the end of this section, showing 2023 single family transactions down by 19% compared to the year prior, and this after 2022 transactions fell by 16% relative to 2021. Furthermore, a July 2023 study by Black Knight analytics, found that Madison had the most aggressive home price appreciation from April to May 2023 at 1.65%, or roughly double the national average. A link to the article can be found [here](#), but may be subject to a pay wall. Going forward, the single family market is expected to continue increasing moderately because of so much pressure on the demand side, though could easily accelerate rapidly again, should rates come back down even modestly, combined with the slowdown in permitting activity.

For the most part, multi-family permits have mirrored fluctuations in the single family market. Vacancy rates remain below the 5% benchmark for a market in equilibrium, and sit at 3.6% now, essentially unchanged over the past year. Per CoStar Analytics, Madison currently comes in at the 3rd lowest multi-family vacancy rate in the entire country, behind only New York City and Providence, RI. This robust demand is a function of the greater Madison area having one of the strongest population growth rates in the Midwest and beyond, and with construction starts decelerating over the recent macroeconomic conditions summarized above, has resulted in Madison outperforming national rent growth indices, exhibiting +3.3% growth over the past year, vs. just .7% for the national average. These trends are not expected to reverse themselves in the immediate future, given the contractions in permitting since the rate environment changed in 2022, although the volume of permits already pulled in 2024 suggests a banner year may be in store, financing conditions notwithstanding. Either way, landlords have enjoyed a great deal of leverage in setting rents for several years now, which in turn has made affordable housing a hot button topic, and a front burner issue in political circles.

It should also be noted that due to rising construction costs and escalating land values, particularly in the central and downtown areas where new units can only be accomplished by redevelopment, affordable or workforce housing has become a major focal point. Several of the new multi-family units permitted over the past few years are in developments with blocks of units that are subject to income restrictions, and are interspersed throughout the metro area. These projects typically rely on TIF, or LIHTC or WHEDA tax credits, to achieve financial feasibility.

Following are some key indicators relative to the multi-family segment of the market, per CoStar Analytics. The area covered is the Madison Metropolitan Statistical Area, which includes all of Dane, Iowa, Columbia and Green Counties, though also noted that the statistics still more/less hold when drilled down to smaller submarkets within just Dane County.

KEY INDICATORS							
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	21,660	4.8%	\$1,794	\$1,784	3	0	1,131
3 Star	35,703	3.1%	\$1,487	\$1,480	1	0	1,273
1 & 2 Star	15,271	2.7%	\$1,157	\$1,152	(1)	0	57
Market	72,634	3.6%	\$1,529	\$1,521	3	0	2,461
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	5.5%	3.0%	8.2%	2003 Q1	2.6%	2022 Q2
Absorption Units	3,253	1,525	1,701	3,739	2021 Q4	214	2009 Q4
Delivered Units	3,509	1,517	1,656	4,293	2023 Q4	166	2009 Q4
Demolished Units	14	15	21	150	2013 Q3	0	2023 Q2
Asking Rent Growth (YOY)	3.3%	1.7%	3.1%	7.5%	2022 Q4	-2.2%	2009 Q4
Effective Rent Growth (YOY)	3.1%	1.8%	3.1%	7.7%	2022 Q4	-2.0%	2009 Q4
Sales Volume	\$101M	\$102.7M	N/A	\$432.6M	2022 Q4	\$8.3M	2004 Q4

Over the past couple of years, sales velocity has been driven, at least in part, by an influx in out of state demand, including larger, institutional grade properties. Madison and Dane County have traditionally been more of a build and hold market among local developers, but the combo of escalating rents, pricing and out-of-state demand has resulted in new/newer developments changing hands more frequently. In the wake of a 4 property, \$178MM portfolio sale that closed in December 2022, the brokerage firm involved reported the portfolio offering attracted more than 30 written offers, and volunteered the following statement: “The aggressive bidding process exemplifies the continued vigorous demand for solid multifamily opportunities, even in the most volatile interest rate environment in decades.” At the same time, while investors have been closing on larger, institutional grade assets more frequently, in November 2022 CoStar Group also ranked Madison as the #4 US Market to buy a multifamily property for under \$20MM. That said, trading volume plummeted all the way down to just \$107MM in 2023 versus \$419MM in 2022, ultimately created by a standoff between pricing expectations by sellers, and financing constraints on buyers, resulting in fewer properties being offered to the market. Current macroeconomic forces have caused all trading activity to slow, but the recent historical context carries relevance.

Also worth noting is that a substantial number of the apartment units absorbed over the past year have been either new or high quality units, categorized as 4 & 5 star properties in the table. In fact, according to CoStar, Madison’s 4 & 5 star vacancy rate has been the lowest among peer and major markets throughout the Midwest since 2016.

Given the general strength of the local housing market as described, it’s safe to say most properly priced properties move through the listing-to-sale process in a timely manner. The following numbers are from South Central Wisconsin MLS statistics for Dane County. There are also several properties, particularly residential income properties, which are sold without listing on the local MLS, commonly by word of mouth, but also by unsolicited offers, as well as higher value properties sold via private brokerage

networks. FSBO Madison, Zillow, Craigslist and Facebook Marketplace have also grown in prominence over the years. DOM noted is the median DOM for the respective year, and median sale prices were favored over average sales prices, since high value properties tend to skew or distort the data. Either way, the robust value growth being observed is undeniable, as is the undersupply of improved inventory. Thought not widespread per se, it should also be noted that homes on the more modest end of the pricing spectrum, but also in certain new construction situations, are being purchased as rentals, which has only placed additional upward pressure on home values, while also offering some relief on the multi-family demand side.

Residential Statistics - Dane County

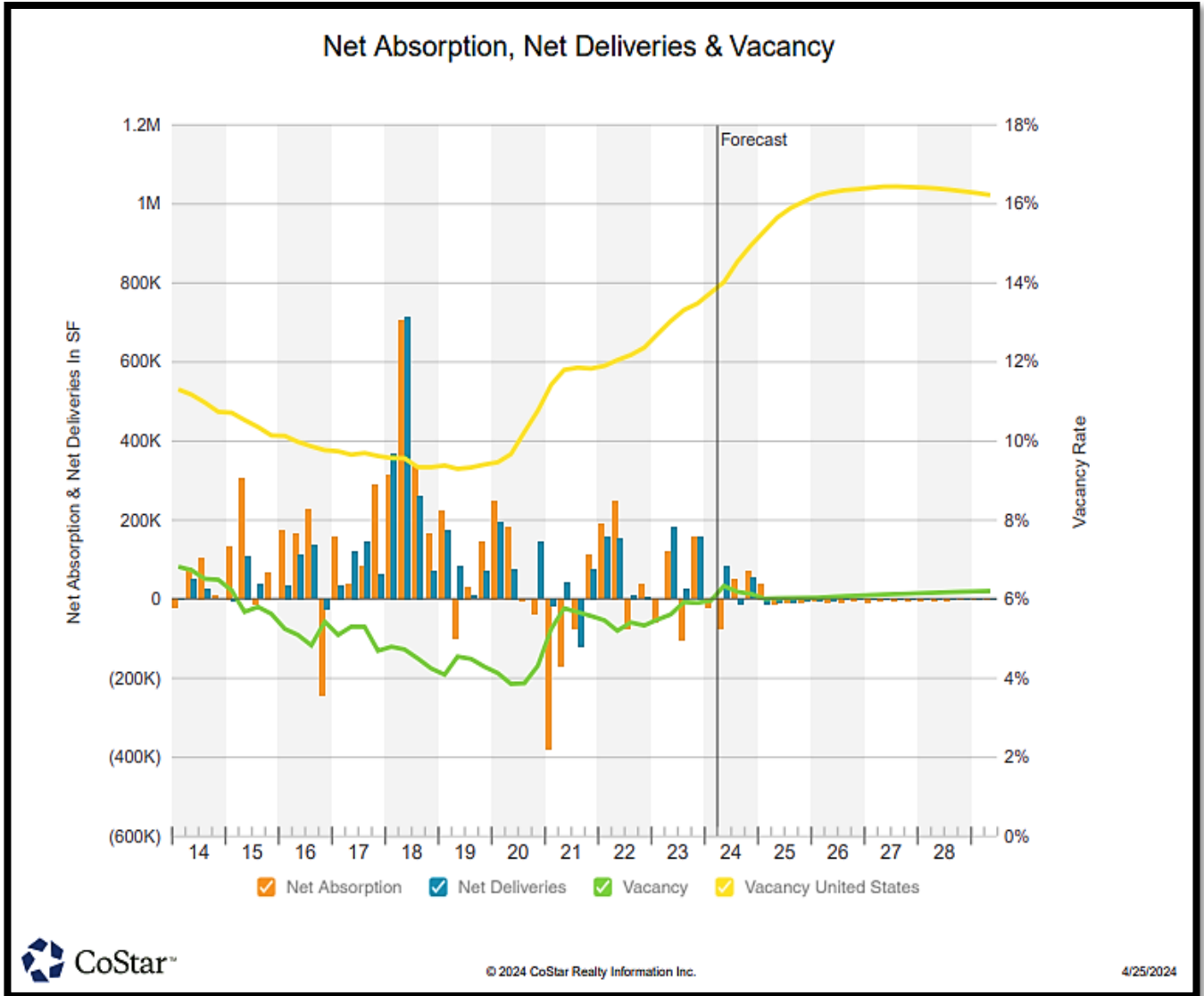
Segment/Year	2022			2023			2024 - March		
	# Sold	DOM	Median Price	# Sold	DOM	Median Price	# Sold	DOM	Median Price
Dane County									
Single Family	5,660	6	\$412,500	4,604	6	\$435,000	824	8	\$456,000
Condominium	1,653	6	\$268,000	1,313	6	\$300,000	236	7	\$290,555
Apartments	325	9	\$420,000	228	8	\$452,800	34	17	\$527,500

Office Market Characteristics

Of all the major markets the office market was hit the hardest by the pandemic, both locally and nationally. The market isn't distressed, but some metrics indicate the market is struggling in certain respects and has been for a few years. There was negative absorption of over 23,720 SF in the last quarter, but this is actually lower than it has been in recent quarters. The vacancy rate is the highest it's been since the 2nd Quarter 2022 but, with that said, Madison's overall vacancy rate of 5.9% is still one of the lowest in the country for larger markets, and the rate for the entire United States office market is 13.7%.

Most of the new construction starts have been for owner occupancy or have had pre-construction leasing commitments. The absence of large spec. office buildings helped the local office market weather the economic storm to some extent, but the absence of that type of speculative development is also notable. The volume of sales saw reached a peak in the 4th Quarter 2021 but has seen a steady decline since, dropping from ~\$42,000,000 to ~\$18,000,000. The sale price/SF has also declined, reaching a peak of \$144/SF in the middle of 2021, and it is now at \$116/SF. The decline in sales is partially attributed to the interest rate environment, but there is also a growing delta between buyers and sellers regarding price expectations. Regarding capitalization rates, the current cap. rate is 11.30% for the metro area vs. 8.6% for the entire United States. The local rate has been at 10% or above since late 2022 which coincides with the first major interest rate hike. That said, the low volume of local investment sale activity has acted to skew the local rate somewhat. Our office has tracked a few investment office sales since mid 2022 and none of the cap. rates have been above 9% which fits with the national rate estimate. Either way, activity is low for investment sales which is due to the rise in interest rates, elevating risk associated with office tenancies, or both. As workspace demands continue to change, with more companies opting for smaller spaces, lower utility Class B and C offices are increasingly becoming candidates for adaptive re-use or redevelopment altogether.

CoStar is a nationally focused commercial real estate services firm that conducts market analysis of various property types for larger metropolitan areas. What follows is their research regarding Madison's office market; it shows historic, current, and forecasted office vacancy for Madison and the entire United States. It also shows new construction starts/deliveries, and net absorption.



To give the reader an idea of the market in different parts of the metro area, following are the indicated vacancy rates for each submarket that comprises the metro area of Madison, as of the 1st Quarter 2024: Central Campus - 5.9%; NE Madison - 7.4%; NW Madison – 12.5%; Near West Madison – 3.7%; S Central Madison – 5.2%; Outlying Dane West – 0.9%; SW Madison – 8.5%; SE Madison – 5.7%; Outlying Dane East – 0.2%; Iowa County – 0.0%; Columbia County – 0.6%.

Regarding quality/class, the current vacancy rate for 3-star properties is 5.3% while the rate for 4-5-star properties is 7.5% both of which are up relative to one year ago but not dramatically.

New construction starts have almost exclusively been build-to-suit agreements for specific users. Two notable developments include the 150,000 SF CUNA office on the west side of Madison and the Ascendum Education Group building a new 62,000 SF headquarters in the American Center office park.

There has been a trend where Government agencies have been relocating from older buildings to new quality space in spec developments. The State of WI Investment Board sold their office on E Wilson St. and is relocating to a 90,000 SF space in the 165,000 SF spec. office in the first phase of the Madison

Yards development in Hill Farms in near west Madison. WHEDA recently moved into a 64,000 SF of a new 92,000 SF 5-story office on E Main St. that is part of the Archipelago Village project. Other notable recent office developments include a new headquarters for Heritage Credit Union and a new 70,000 SF office building for Hooper Corporation. Both were recently finished in Deforest.

Annual rent growth has consistently declined over the last few years. Growth is 0.5% for the current quarter, while growth in the 1st Quarter of 2023 was 1.5%. The near-term forecast is for stagnant to slightly increasing rents. Regarding specific rental rates, the average asking rent per square foot for 3-star properties is \$22.14/SF, and the average per square foot rent for 4-5-star properties is \$27.13/SF. Both rates are marginally higher than the previous quarter.

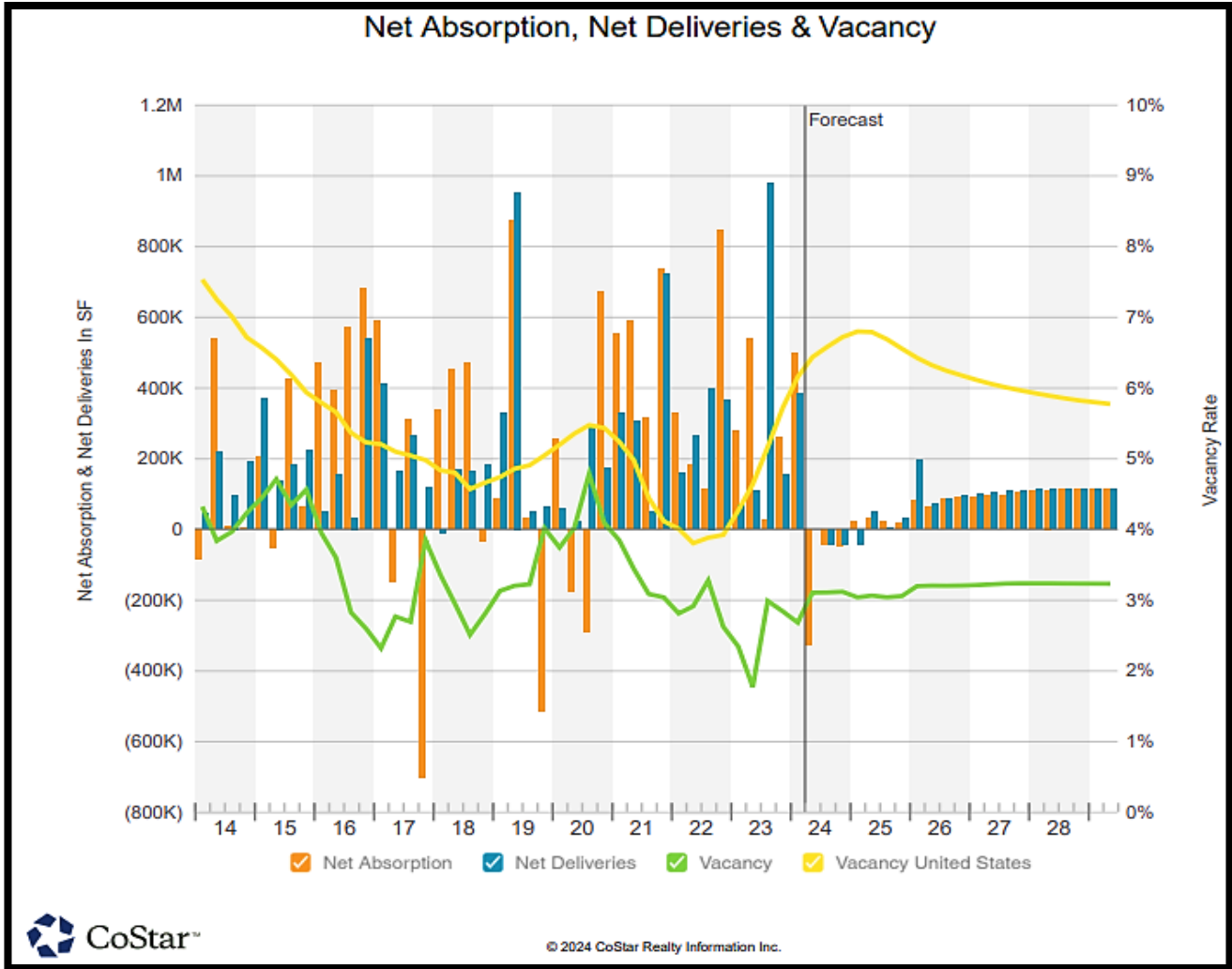
The four most prominent office development areas in the City of Madison are Old Sauk Trails on the far west side, the University Research Park on the near west side, the Central Business District concentrated around the Capitol building and further east along East Washington Ave., and the American Center on the far east side. Except for the American Center, these major office neighborhoods are all built-out, though the office land in American Center is dwindling and close to sellout. Madison's tech sector has provided a significant boost to office-using employment.

The University Research Park's near-west campus supports nearly 9,300 jobs and is mostly built-out. A major project was recently completed for Illumina, a tech firm supporting the genetic research field. A plan was recently floated to add more service/retail type uses in the park, and these would be integrated with existing lands. UW Health is allegedly building a new clinic in the research park, and the Elements lab building is being built at the SW corner of Whitney Way and Mineral Point Rd. An overhaul of the CUNA headquarters on Mineral Point Rd. was just completed. New headquarters were just finished for Exact Sciences, another tech firm and major employer that has expanded heavily over the last few years on the back of its colon cancer screening test. With the near west park basically built out, the research park is shifting focus to their two expansion areas on the far west side. These are actively or close to being developed. In a 2017 Brookings Institution study Madison was named one of the strongest tech hubs in the nation.

Industrial Market Vacancy and Absorption

The local industrial market has been stable over the long-term and hasn't seen the fluctuations of the office market, and CoStar indicates the vacancy rate has been at or below 5% for almost 10 years. The industrial market doesn't have the inherent volatility of other development profiles and there is generally a positive correlation between population growth (which has been strong in the Madison metro area), retail demand, and industrial space demand. According to CoStar, logistics oriented companies accounted for 80% of the total leasing volume in 2023. The surge in logistics demand has prompted developers to construct new speculative buildings that are tailored to logistics users, with high eaves and dock doors common physical features.

The following graph is a summary of CoStar's market research for Madison's industrial market. It has the same variables/data points as the office research presented earlier.



The vacancy rate as of the 1st Quarter 2024 is 2.7% for Madison metro compared to 6.2% for the United States. The rates one year ago were 2.3% and 4.3%, respectively while the rates two years ago were 2.8% and 4.0%, respectively. The local industrial market has been much more stable than the national market. In fact, the highest vacancy rate for Madison metro in the last 10 years was 4.8% in late 2020.

Madison is recognized as a Silicon Prairie metro based on its combination of a burgeoning tech sector paired with an educated workforce. Several large business parks emerged at the same time offering large spec. spaces, including near the airport off Hoepker Rd and Hwy 51, Highway 151 and Reiner Rd between Madison and Sun Prairie (PARK 151), and the Marsh Rd/Tradewinds Pkwy area in SE Madison. PARK 151 signed Trachte Building Systems and Milwaukee Tool to spaces that were both more than 100,000 SF.

Sales volume has been strong for several years running. There were 66 sales in 2023 and 295 overall in the last three years. The following shows the sale prices/SF as of the current quarter for different types of space.

2024 Q1	
Logistics	\$164
United States	\$148
Flex	\$97
Madison	\$88
Specialized	\$53

The price/SF has leveled off since the start of 2021 fluctuating between \$69/SF and \$74/SF. The current cap. rate for the entire metro area is 8.60%, which is moderately higher than the trailing three year average of 7.90%. The following shows cap. rates as of the current quarter for different types of space

2024 Q1	
Flex	8.78%
Logistics	8.75%
Madison	8.57%
Specialized	8.18%
United States	7.22%

The increased cost of borrowing has heavily impacted investor activity, evidenced by the sharp downturn in overall deal volume. However, institutional demand for new product has propped up overall sales volume with close to \$140 million in sales in 2023. Also, Madison is recognized as a Silicon Prairie metro based on its combination of a burgeoning tech sector paired with an educated workforce. The rise in e-commerce retail has increased demand for distribution centers and last mile facilities. A large distribution facility for FedEx was recently completed in the NE submarket, and Amazon recently opened a distribution center in the former Swiss Colony complex on Milwaukee St. in the E submarket as indicated earlier. Amazon also purchased ~145 acres in the village of Cottage Grove – at Highway N and the Interstate - for a 3.4 million SF distribution center at Hwy N and the Interstate. The project was approved in early 2022. The developer hasn't broken ground on the new facility yet, and it has been delayed a few times. However, a recent announcement by Amazon indicated they are committed to opening the facility and will provide an updated timeline soon. When finished it is expected to create ~1,500 jobs.

In terms of vacancy rate composition by type of space, the logistics market is the lowest at 2.0%, followed by flex at 2.7%, then specialized industrial at 3.9%.

Following are the indicated vacancy rates for each submarket of Madison, as of the 1st Quarter 2024: Central Campus - 1.3%; NE Madison - 5.4%; NW Madison – 1.1%; Near West Madison – 0%; S Central Madison – 2.3%; Outlying Dane West – 3.8%; SW Madison – 1.7%; SE Madison – 2.0%; Outlying Dane East – 4.2%; Iowa County – 0.2%; Columbia County – 2.1%.

Regarding rents, Madison is comparatively an affordable industrial market with the avg. rent of \$7.80/SF/Yr. well below the national average of \$12/SF/Yr. In terms of the types of space that fall under the “industrial” mantle, flex space commands the highest rent/SF/Yr. (~\$11.12) followed by logistics (~\$7.56) and specialized (~\$6.76). All categories have shown consistent rent gains and increased 1.9%-5.2% relative to the 1st Quarter 2023.

Outside of the active neighborhoods in Madison and Sun Prairie mentioned at the outset, the Windsor/Deforest market has also taken off over the last several years. The North Towne Corporate Park off Highway 19, between the Interstate and Highway 51, is active. The DeForest Business Park has also grown, with Little Potato Company opening a distribution facility and a new spec. industrial facility recently finished. DeForest is developing more land nearby as another phase to their industrial park. Hooper Corporation recently finished a new headquarters in northern Deforest near the NE corner of Hwy 51 and Hwy 19.

Retail Market Vacancy and Absorption

The local retail market felt the effects of Covid-19 in terms of softened demand, but those impacts are now in the rearview mirror. Madison has also weathered the shift in shopping habits by consumers that has plagued mall properties, both locally and nationwide. Several major department stores have closed as well as smaller stores in regional malls. Pad development of new franchise restaurants and strip centers have replaced depreciated parking lots that formerly served the likes of Boston Store, Shopko, JC Penney, etc. West Towne Mall received a major boost in April 2018 when Dave and Buster's and Total Wine, two well-known national retailers, opened at the mall's south end. They took part of the Sears department store after that company downsized. A Portillo's Restaurant replaced the former Sears Auto Repair Center. Shopko and Boston Store closed their West Towne locations in the last five years. The Shopko store sold to a local retail developer as a value-add; they have since subdivided the space and found two major tenants, Crunch Fitness and Spare Time. Von Maur, a high-end retailer based in Iowa, purchased the 145,000 SF former Boston Store, and recently finished a ~85,000 SF store in its place. East Towne Mall has not had the same success as West Towne in replacing dark buildings of former anchor users like Sears, Boston Store, and Gordman's. As a result of these struggles, the city of Madison adopted special area plans for both regional malls. Both plans re-imagine the mall properties to reflect changing tastes in shopping, housing, and services. The plans are strictly advisory in nature at this point, but if the malls continue to experience net losses in occupancy and flight or closings of big box/department stores, the plans will come into focus more.

Hilldale Mall in near west Madison has experienced the greatest transformation. After the first round of development activity brought a Target and rowhouse condos to the property in the mid 2000's the core mall fell into receivership. It resold to an investor group out of Boston, and they have since changed the mall to an open-air lifestyle concept, adding several national retails including Lucky Jeans, Michael Kors, and Kate Spade in a 2016 project. Another project in the summer of 2017 revamped the south end of the mall, continuing with the more open-air lifestyle concept. An Apple store was added, while a movie theatre and the University of Wisconsin Bookstore were reconfigured. Even more additions followed in the summer 2018, anchored by a large LL Bean store. A hotel was built across from Target, in the shadow of the mall complex. The former Fleming's restaurant was an adaptive re-use to a bank branch for Chase and a daycare; the former Pasqual's Mexican Cantina transitioned to a different restaurant concept recently. More changes are planned as the former AMC/Sundance cinema closed and is being re-purposed into more retail space, with more new development targeted for a parking lot between Macy's and Segoe Rd.

With malls undergoing transformations, the local market has been boosted by suburban retail development with big box and strip center development. This activity has helped keep the vacancy rate at historic lows and well below the national average. A noteworthy suburban retail developments include the Prairie Lakes neighborhood of Sun Prairie, which features a strong cross section of big box national retailers like Costco, Target, Menard's, HyVee, and Meijer. Madison is buoyed by its strong demographic profile and educated workforce.

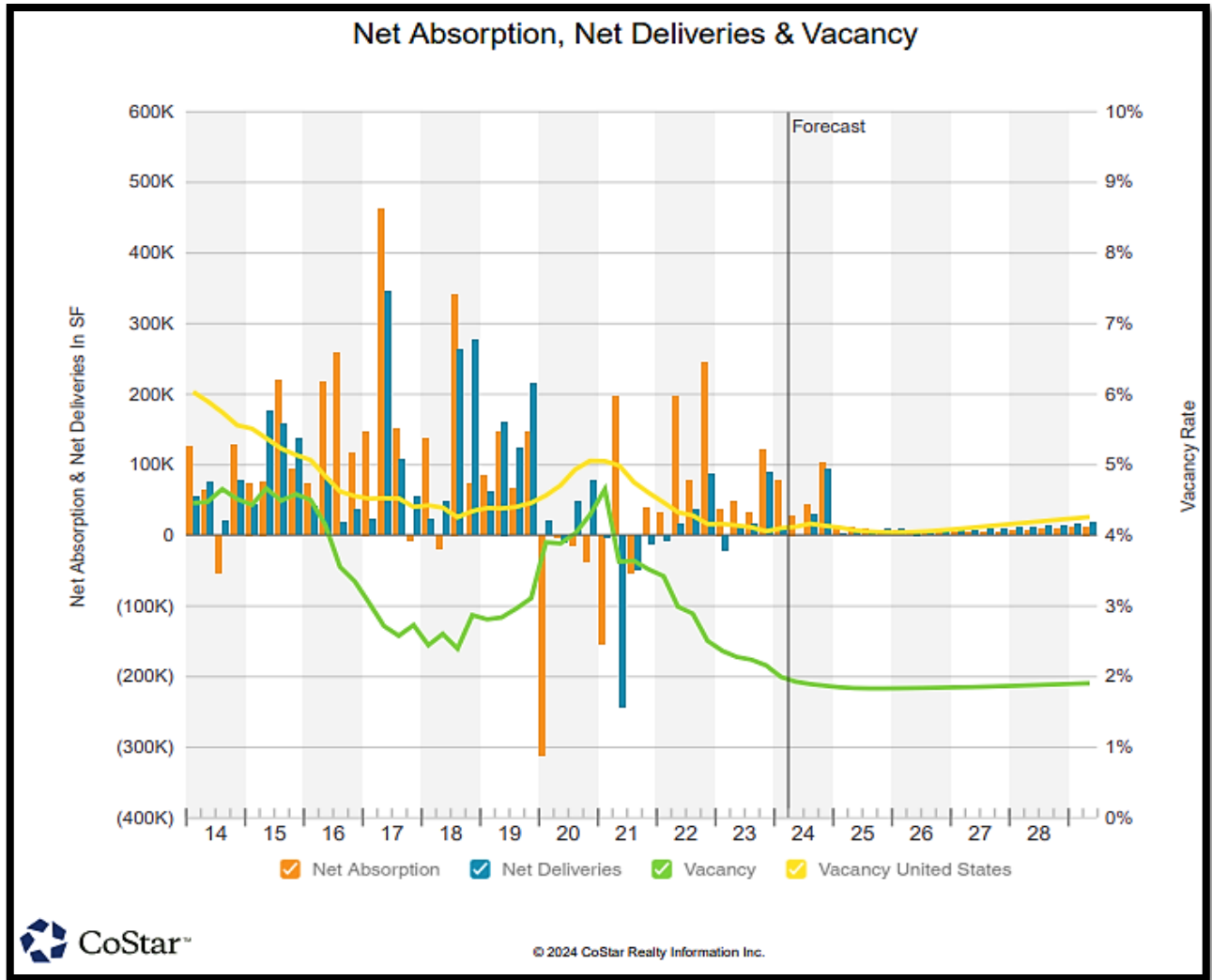
Major changes have also happened on the west side of Madison at Whitney Way and Odana Rd. Whitney Square was a series of big box, junior box and smaller format retail spaces; most of the big/junior box spaces were rebranded with Sierra, Five Below, and TJ Maxx stores opening, Office Depot remains as a holdover as well as the smaller format retailers. The former Copps grocery store closed and is currently dark, but the tenant is still paying on their lease which gives the owner/landlord leverage in terms of what's done with that property.

Westgate Mall has also undergone a major change. After TJ Maxx relocated and other stores folded or had expiring leases, JT Klein, a local apartment developer, purchased the property from HyVee. They demolished the mall building and two large apartment buildings are either complete or close to opening. The multi-family component will feature 234 market rate units, 161 independent senior housing units, and 71 low-income units. The first phase of building construction is complete with two apartment projects finished and leased up.

Outside of the malls and Prairie Lakes, other main retail expansion nodes in the metro area include Orchard Pointe in Fitchburg and Discovery Springs and Greenway Station in Middleton. Most of the retail activity in Madison proper is infill or redevelopment of existing sites. The main targets have been the two regional malls mentioned earlier (West Towne and East Towne).

Madison Yards is a redevelopment project just west of Hilldale, adjacent to the new State Administration building. It is on ~21 acres, and the initial plan called for ~110,000 SF of retail, 400,000 SF of office/medical space, 400 upscale residential housing units, and flex/entertainment/hotel space. A Whole Foods Market just opened in the main level in one of two towers. A multi-level parking garage has also been constructed.

The following graph shows CoStar's market research regarding Madison's retail market. It has the same variables/data points as the office and industrial research presented earlier.



Madison’s retail market compares favorably to the national market. The vacancy rate has trended downward for at least the last year. The current rate is 2.0%. The rate for the 1st Quarter 2022 was 3.4%, and the vacancy rate for the 1st Quarter 2023 is 2.4%. The national vacancy rate is 4.1%.

The following shows current cap. rate levels for different types of retail space.

	2024 Q1
Other Retail	8.17%
Strip Center	7.55%
Power Center	7.34%
Neighborhood Center	7.34%
Madison	7.33%
General Retail	7.33%
Mall	7.11%
United States	6.83%

The rate has been below 8% since at least 2014, and it has been below 7.40% since late 2021, indicating relatively good stability for this sector. However, the avg. sale price is \$106/SF which is the lowest since early 2020.

Regarding building types and formats, Malls are currently showing the highest vacancy at 7.4%. Mall vacancy is also significantly higher than the rest of the formats which isn't surprising. Neighborhood Centers are 3.7%, with "Other Retail" at 3.5%, strip centers at 3.4%, Power Centers at 1.6% and General Retail at 1.1%. Most of the rates have trended downward over the last few quarters.

Following are the indicated vacancy rates for each submarket of Madison, as of the 1st Quarter 2024: Central Campus - 1.5%; NE Madison - 3.1%; NW Madison - 2.1%; Near West Madison - 1.4%; S Central Madison - 1.8%; Outlying Dane West - 1.4%; SW Madison - 2.2%; SE Madison - 2.8%; Outlying Dane East - 1.5%; Iowa County - 0.2%; Columbia County - 2.1%.

The average rental rate for all retail, as of the 1st Quarter 2024 is \$17.18/SF/Yr. which is up from \$16.60/SF/Yr. as of one year ago. The highest rent is for Malls (\$23.11), and the lowest rate is for Other Retail (\$12.73). Strip Centers are \$17.02, Power Centers are \$17.93, and General Retail is \$16.84.

Future Trend

Stability and general growth are expected for Madison and Dane County over the long-term. The presence of State and County government, and the University of Wisconsin, are insulating factors that will continue to drive demand for space over the long-term. Madison has a well-entrenched tech sector and is recognized as a Silicon Prairie metro. That, in addition to the rise of skilled employment growth in the medical and tech sectors, combined with the well-educated workforce, create a positive future outlook.

NEIGHBORHOOD DESCRIPTION

Location/General/Boundaries

The neighborhood is northeast Madison/southern Sun Prairie, and there are also significant land areas in the town of Burke. The neighborhood is a clear urban expansion area. Madison and Sun Prairie are both growing, and the town of Burke will dissolve by cooperative boundary agreement no later than 2036 resulting in annexation.

The neighborhood is defined as a rail corridor on the northwest, Bird St, Bailey Rd and Highway T on the east, Highway T on the south, and Interstate 39/90/94 on the west.

Neighborhood Land Uses

Currently, the neighborhood is predominantly rural/urban fringe in character where scattered residential clusters blend with farms. However, a few urban developments are present to include Woods Farm, Jannah Village and Autumn Lake. Autumn Lake and Jannah Village are active with steady new construction. Autumn Lake is controlled by Veridian and the lots are only sold with their homes. Jannah Village is an open plat.

There are warehouse/shop clusters at Highway T near Interstate 39/90/94 and on Maly Rd. Example uses in the Maly Rd cluster include self-storage, a flooring company shop/office, a veterinary supply company and auto repair. There is a secure storage yard on the Reiner Rd/Nelson Rd corner which is a satellite lot for an auto dealership in the High Crossing area. An auto salvage business and a fireplace shop are located on Lien Rd at the interstate. These abut Autumn Lake, but they have not hindered development there to date.

A large food distribution warehouse is located along the rail corridor at the north edge of the neighborhood. This is a Sun Prairie property that is accessible from Clarmar Dr. A bus yard and landscaping shop are located along Bailey Rd. There are a couple mineral extraction operations which includes the subject property on Nelson Rd. The other operation is on Reiner Rd. They are long accepted for this neighborhood and Autumn Lake is already platted for the land that abuts the operations on Reiner Rd. Wolf Paving is located at the corner of Nelson Rd and Reiner Rd and this property has significant yard operations.

The town of Burke has its offices in the neighborhood on Reiner Rd. Sun Prairie Waste Water Treatment Plant is located on Bailey Rd which is near Koshkonong Creek.

There is substantial urban development to the northwest along the Highway 151 traffic corridor. The High Crossing area is a prominent Madison commercial development cluster which includes several automobile dealerships. Park 151 in Sun Prairie has developed recently with several large Class A profile industrial/flex buildings. Smith's Crossing is located across the rail corridor from the subject property. It is a Veridian development that has had steady development activity over 10+ years. The Madison Prairie Landfill is located north of Nelson Rd and West of Reiner Rd. It is operated by Waste Management. It is one of two active landfills in Dane County. It does not accept hazardous waste per its website. Industrial/flex and apartments/condominiums have been constructed in the immediate area of this landfill.

Linkages

Traffic linkages are a general benefit for the neighborhood. Interstate 39/90/94 and Highway 151 are major local and regional transportation routes that are immediately available from the neighborhood. They are accessible via High Crossing Blvd or Nelson Rd and connectivity has been improved by a City View Dr extension to Lien Rd. A Reiner Rd interchange with Interstate 94 had been studied in the past, but construction does not appear likely. A Milwaukee St interchange is a more likely possibility, but still distant. The interchange project is not known to be specifically planned or funded at this time.

A railroad track runs along the northeastern length of the neighborhood. This is an active line per a map on the website for the Office of the Commissioner of Railroads, but it is not a significant influence to the neighborhood. Rail freight traffic is not prominent aside from a few businesses. The possibility for passenger rail has been revived recently and this line is a potential route between Madison and Milwaukee, but it does not appear that there will be any stops in the subject neighborhood. Stops are being considered for the Oscar Mayer corridor area or on the isthmus nearer to downtown Madison. The city of Madison reports that rail service will not start until approximately 2031.

The terminal for Dane County Regional Airport is about five miles west of the neighborhood.

Appeal/Market Conditions

The neighborhood is predominantly entry level to middle tier in appeal, but there are upper end influences in some areas. The neighborhood offers close proximity to employment opportunities and traffic linkages, and there are larger open spaces in some of the urban fringe areas. The sale price range for single-family homes as reported by MLS is \$324,096-\$820,000 for the last year and the median sale price is \$409,900. The \$820,000 sales price is above average and it is a home on about two acres with a heated outbuilding. The neighborhood has similar appeal to East Madison/Sun Prairie overall. The median sale price reported by MLS for east Madison and Sun Prairie overall is \$404,250 for the last year which is similar to the median sale price for the subject neighborhood.

The location within Sun Prairie School District is a benefit for the neighborhood. Many parents find the smaller suburban district appealing relative to class sizes and facilities. The district has had recent investment into facilities and additional expansions have been funded through referendum. The district owns a site in Village at Autumn Lake, but there are no known immediate plans for the construction of a school.

The market for single-family homes is in considered balanced as of the writing of this report, but it is tilted toward shortage. New construction in Autumn Lake and Jannah Village puts supply at 2.65 months per MLS, but sales activity is very steady as well. MLS reports 93 sales in the last year for this neighborhood.

The lot market is arguably undersupplied. Jannah Village has supply, but no other developments are currently active where lots are available to the open market. Autumn Lake is only available for Veridian building contracts.

The apartment market is a strong segment of the local market and developers are aggressive in pushing forward with new projects and construction. CoStar reports that apartment vacancies for the Madison market are below 5% and that suggests there is demand for new units. Interest rates would normally dampen development activity, but increasing rents and low vacancies continue to drive the market.

Future Trend

Urban development is expected over time at a space that matches market conditions. There is demand, but there is also a large amount of land available to be developed. As a result, full build-out has the potential to take 20+ years. There is an active proposal for East Meadow Estates for a parcel of land at 5803 Lien Rd. The plat is proposed to have 18 single-family lots, and 11 lots for multi-family development.

The Reiner Neighborhood Development Plan was established in 2023 to guide land uses on the north side of the Madison part of the subject neighborhood. This plan is predominantly residential in land use designations and there are several high-density clusters. The land use designation for the far northern portion of the planning area has an open space designation and there is a long-term agricultural planning area west of Thorson Rd. Other neighborhood plans are Felland and Northeast Neighborhoods. These plans are lower in density overall, but there are multi-family, employment and mixed-use clusters.

The Sun Prairie part of the neighborhood is predominantly designated as Urban Reserve at this time in their comprehensive plan. It is expected that the area will be developed, but Urban Reserve areas will need additional planning in the future. An industrial area is planned for Baily Rd near S Bird St where there are already some existing commercial uses.

DESCRIPTION OF THE SITE – COMPLETE ACQUISITION/BEFORE ACQUISITION

Size: 295 acres per client estimate which is assumed to be accurate. This is more than what is reflected in assessment records. However, there are quarter-quarters that should be ~40 acres, but have assessment sizes well below that. The client size estimate is deemed reasonable, but a survey is recommended for clarity. This is a gross size since there is Nelson Rd right-of-way for the southern quarter-quarters. The right-of-way area is estimated at $33' \times 2,640' = 87,120 \text{ SF} = 2 \text{ acres}$. The gross size is relevant to comparison since large land tracts commonly sell by tax parcel size including right-of-way, but right-of-way is also not available for private use which is also relevant. The size is assumed to be net of any railroad right-of-way. A rail corridor runs along the northwestern side of the site, but the legal description refers to property that is south of the railroad right-of-way.

Shape: Irregular overall – see the attached maps. There are numerous rectangular parcels, but the north side of the property has an irregular line because the rail corridor there runs northeast/southwest. The assemblage shifts to the east, but there is a full 40 acre parcel line connection for functionality.

Topography: Rolling to sharply rolling. The property has a natural roll with mineral deposits in the hills, and excavation has also created steep slopes. The far northeastern part of the site is level.

Water: There are 4+ ponds. These are former mineral extraction areas that have filled with water when active extraction activities stopped. They are now scenic and natural. There is also an intermittent stream running through the property.

Cover: The site is predominantly wooded overall. Based on GIS mapping estimates, there is ~16.5 acres of water, one tilled field that is ~six acres, and an active borrow pit which is ~3.5 acres. The open flat on the northeastern side of the site is ~38 acres per GIS mapping estimates. There is also open lawn around the existing house and there are open work areas to the east of the borrow pit.

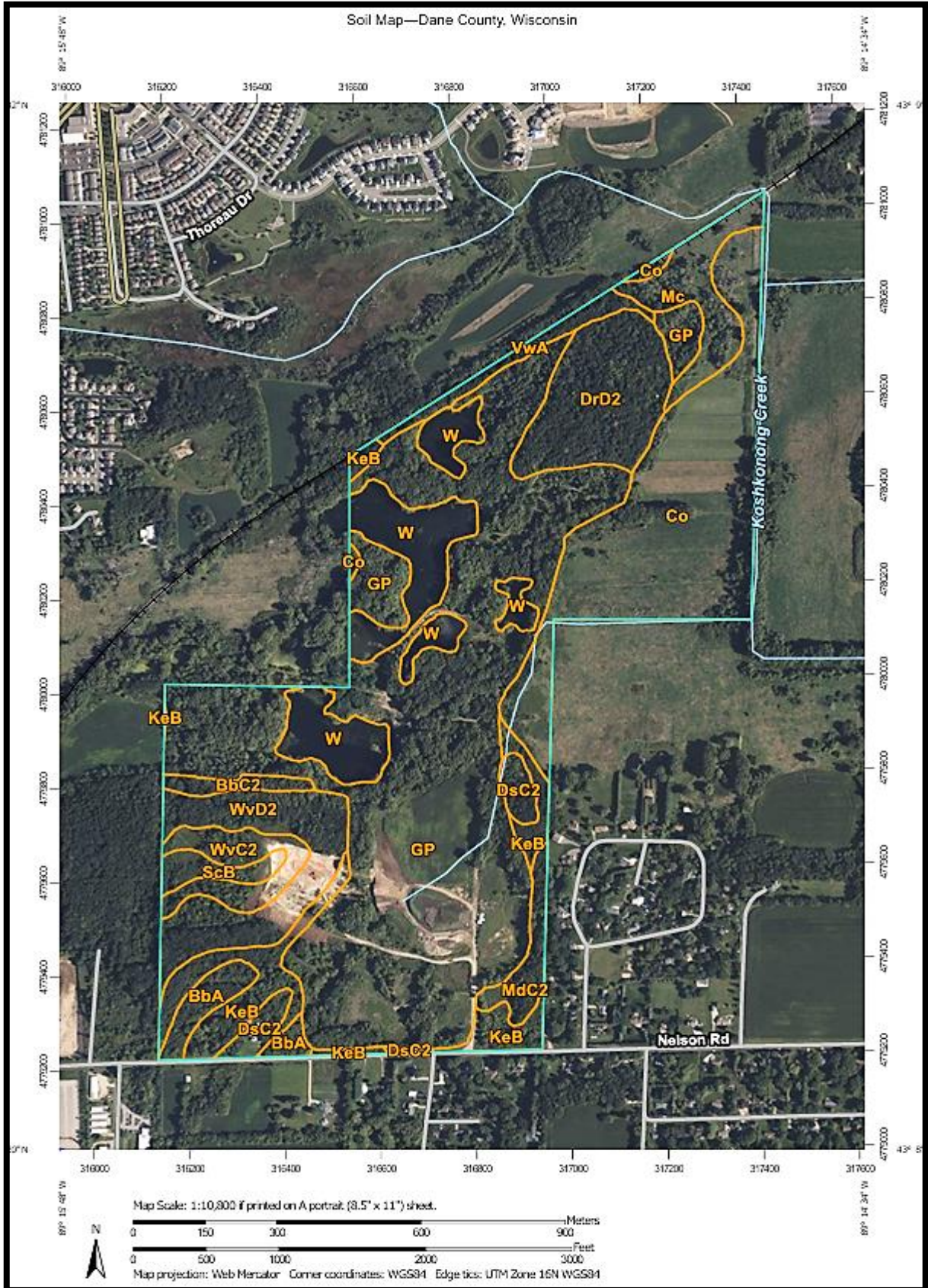
Borrow Pit: The borrow pit is ~3.5 acres as noted above, but potentially expandable to a GIS estimated size of 30+ acres based on the soil types and elevation contours.

Site Improvements: The most substantial site improvements are gravel drive lanes. The drive lanes provide functional access for automobiles and large machinery. There is a driveway from Nelson Rd to the borrow pit and work/yard storage areas near Nelson Rd, and a driveway extends into northern portions of the site. The driveway is not as frequently used on the north side of the property, but there does appear to be a solid gravel base. This driveway does have a gate at Nelson Rd.

There is a house and a building set on the western side of the property north of Nelson Rd. However, these buildings are in the process of being prepped for demolition. The barn is down to the foundation. Per the owner contact, the septic has been pumped and there is a permit to fill and seal the well. These site improvements are fully depreciated and they are not considered as contributing to market value.


Soils: The following soil information is available from USDA Web Soil Survey using an appraiser estimation for the site boundaries to create a relevant area of interest. The size does not match up exactly with the subject, but it is close enough to judge soil profiles for valuation.

Soils Map



MAP LEGEND

Area of Interest (AOI)

 Area of Interest (AOI)




















Soils

 Soil Map Unit Polygons

 Soil Map Unit Lines

 Soil Map Unit Points

Special Point Features

-  Blowout
-  Borrow Pit
-  Clay Spot
-  Closed Depression
-  Gravel Pit
-  Gravelly Spot
-  Landfill
-  Lava Flow
-  Marsh or swamp
-  Mine or Quarry
-  Miscellaneous Water
-  Perennial Water
-  Rock Outcrop
-  Saline Spot
-  Sandy Spot
-  Severely Eroded Spot
-  Sinkhole
-  Slide or Slip
-  Sodic Spot

-  Spoil Area
-  Stony Spot
-  Very Stony Spot
-  Wet Spot
-  Other
-  Special Line Features

Water Features

 Streams and Canals

Transportation

-  Rails
-  Interstate Highways
-  US Routes
-  Major Roads
-  Local Roads

Background

 Aerial Photography

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
BbA	Batavia silt loam, gravelly substratum, 0 to 2 percent slopes	5.2	1.7%
BbC2	Batavia silt loam, gravelly substratum, 6 to 12 percent slopes, eroded	2.4	0.8%
Co	Colwood silt loam, 0 to 2 percent slopes	49.7	16.4%
DrD2	Dresden loam, 12 to 20 percent slopes, eroded	19.4	6.4%
DsC2	Dresden silt loam, 6 to 12 percent slopes, eroded	4.8	1.6%
GP	Gravel pit	130.8	43.1%
KeB	Kegonsa silt loam, 2 to 6 percent slopes	17.0	5.6%
Mc	Marshan silt loam	10.2	3.4%
MdC2	McHenry silt loam, 6 to 12 percent slopes, eroded	4.6	1.5%
ScB	St. Charles silt loam, 2 to 6 percent slopes	3.2	1.1%
VwA	Virgil silt loam, gravelly substratum, 0 to 3 percent slopes	4.2	1.4%
W	Water	25.9	8.5%
WvC2	Westville silt loam, 6 to 12 percent slopes, eroded	7.7	2.5%
WvD2	Westville silt loam, 12 to 20 percent slopes, eroded	18.5	6.1%
Totals for Area of Interest		303.5	100.0%

The largest soil type designation is gravel pit which means it is an area that has been quarried and artificially altered. Surface inspection reveals that this area is predominantly upland. Batavia Silt Loam, Dresden Loam, Kegonsa Silt Loam, McHenry Silt Loam, St. Charles Silt Loam and Westville Silt Loam soils are uplands suited to development where slopes are not excessive and/or slopes are engineered. Water is not buildable, but it is scenic for a view amenity. Virgil Silt Loam has hydric inclusions, but it can be developed in some cases after site specific engineering. Colwood and Marshan silt loam are hydric soil types that are physically very limited. These soil types are located at the far north/northeastern side of the site.

Access: Access is from Nelson Rd. There are two access points currently, but there is long frontage and additional access points are possible. There is a driveway through the property for access to the northern side of the site per the driveway discussion above in site improvements.

Traffic Exposure: According to a traffic survey from the city of Madison, average daily traffic counts are 6,100 vehicles on Nelson Rd near the subject. This is a lower traffic flow figure.

Utilities: Electricity is available from a private utility supplier. There is an overhead line that runs along the south side of Nelson Rd. Public water and sewer services are not currently available, but they are expected to become available to the subject property. A developer could extend services or they could be extended over time as the neighborhood develops. There are city of Madison water and sewer mains along Nelson Rd to the west of Reiner Rd. They are ~1/2 to 2/3 of a mile west of the subject. City of Sun Prairie connections may be physically closer. The wastewater treatment plant is very close to the northeast and Smith's Crossing is across the rail corridor to the northwest. However, an intergovernmental agreement would have to be reached for access since most of the subject property is in a city of Madison annexation area. The subject is not currently located within an Urban Services Area.

Easements: No easements are known.

Hazardous Waste: No hazardous materials were observed and no detrimental contaminants are known to exist. However, the property history and the older house suggest that it is possible. This appraisal specifically assumes there is no unusual contamination or hazardous waste that is detrimental to marketability. The appraiser is not an expert in the identification of hazardous materials and an environmental audit is recommended if this is an area of concern to the client.

Flood Hazard: There are zone AE flood hazard areas on the north side of the site, and they correspond closely with the hydric Colwood and Marshan Silt Loam soil types. The map panels are 55025C0269H and 55025C0288H. The map dates are 9/17/2014.

Surrounding Uses: Surrounding uses include single-family residential in Oak Ridge Park, vacant land, Sun Prairie's wastewater treatment plant, railroad corridor and single-family residential in Smith's Crossing Subdivision.

DESCRIPTION OF THE SITE – AFTER PARTIAL ACQUISITION

Size: After the potential partial acquisition, the site size is 96 acres which is assumed accurate. This is based on a site size of 295 acres total before the acquisition less the 199 acre acquisition. This is a client estimated size that is assumed to be accurate, but a survey is recommended for clarity. This is a gross size since there is Nelson Rd right-of-way for the southern quarter-quarters. The right-of-way area is estimated at 33' X 2,640' = 87,120 SF = 2 acres. The gross size is relevant to comparison since large land tracts commonly sell by tax parcel size including right-of-way, but right-of-way is also not available for private use which is also relevant.

Shape: Rectangle

Topography: Rolling to sharply rolling. The property has a natural roll and the borrow pit has very steep slopes.

Water: There are no significant water features after the acquisition.

Cover: The site is predominantly wooded overall. There is the active borrow pit which is ~3.5 acres. There is also open lawn around the existing house and there are open work areas to the east of the borrow pit.

Borrow Pit: The borrow pit is ~3.5 acres as noted above, but potentially expandable to a GIS estimated size of 30+ acres based on the soil types and elevation contours.

Site Improvements: The most substantial site improvements are gravel drive lanes. The drive lanes provide functional access for automobiles and large machinery. There is a driveway from Nelson Rd to the borrow pit and to work/yard storage areas near Nelson Rd, and it extends into the partial acquisition. This driveway does have a gate at Nelson Rd.

There is a house and a building set on the western side of the property just north of Nelson Rd. However, these buildings are in the process of being prepped for demolition. The barn is down to the foundation. Per the owner contact, the septic has been pumped and there is a permit to fill and seal the well. These site improvements are fully depreciated and they are not considered as contributing to market value.

Soils: The following soil information is available from USDA Web Soil Survey using an appraiser estimation for the site boundaries to create a relevant area of interest. The size does not match up exactly with the subject, but it is close enough to judge soil profiles for valuation.

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
BbA	Batavia silt loam, gravelly substratum, 0 to 2 percent slopes	5.2	5.2%
DsC2	Dresden silt loam, 6 to 12 percent slopes, eroded	3.2	3.1%
GP	Gravel pit	49.7	49.4%
KeB	Kegonsa silt loam, 2 to 6 percent slopes	15.0	14.9%
MdC2	McHenry silt loam, 6 to 12 percent slopes, eroded	4.7	4.7%
ScB	St. Charles silt loam, 2 to 6 percent slopes	3.0	3.0%
WvC2	Westville silt loam, 6 to 12 percent slopes, eroded	7.5	7.4%
WvD2	Westville silt loam, 12 to 20 percent slopes, eroded	12.4	12.3%
Totals for Area of Interest		100.7	100.0%

The largest soil type designation is gravel pit which means it is an area that has been quarried and artificially altered. Surface inspection reveals that this area is predominantly upland. Batavia Silt Loam, Dresden Loam, Kegonsa Silt Loam, McHenry Silt Loam, St. Charles Silt Loam and Westville Silt Loam soils are uplands suited to development where slopes are not excessive and/or slopes are engineered.

Access: Access is from Nelson Rd. There are two access points currently, but there is long frontage and additional access points are possible. There is a driveway for movement within the site.

Traffic Exposure: According to a traffic survey from the city of Madison, average daily traffic counts are 6,100 vehicles on Nelson Rd near the subject. This is a lower traffic flow figure.

Utilities: Electricity is available from a private utility supplier. There is an overhead line that runs along the south side of Nelson Rd. Public water and sewer services are not currently available, but they are expected to become available to the subject property. A developer could extend services or they could be extended over time as the neighborhood develops. There are city of Madison water and sewer mains along Nelson Rd to the west of Reiner Rd. They are ~1/2 to 2/3 of a mile west of the subject. City of Sun Prairie connections may be physically closer. The wastewater treatment plant is very close to the northeast and Smith's Crossing is across the rail corridor to the northwest. However, an intergovernmental agreement would have to be reached for access since most of the subject property is in a city of Madison annexation area. The subject is not currently located within an Urban Services Area.

Easements: There is an access easement benefitting the partial acquisition per extraordinary assumption. The easement will initially follow the existing gravel driveway, but it will also be subject to change if public rights-of-way were installed

Hazardous Waste: No hazardous materials were observed and no detrimental contaminants are known to exist. However, the property history and the older house suggest that it is possible. This appraisal specifically assumes there is no unusual contamination or hazardous waste that is detrimental to marketability. The appraiser is not an expert in the identification of hazardous materials and an environmental audit is recommended if this is an area of concern to the client.

Flood Hazard: There are not any flood hazard impacts for the site after the partial acquisition.

Surrounding Uses: Surrounding uses include single-family residential in Oak Ridge Park, vacant land, and the acquisition in public ownership.

DESCRIPTION OF THE SITE – PARTIAL ACQUISITION AS A SEPARATE ENTITY

Size: The acquisition as a separate entity is 199 acres which is assumed accurate. This is a client estimated size, but a survey is recommended for clarity. This is an assumed net size. There is no actual road frontage. A rail corridor runs along the northwestern side of the site, but the legal description refers to property that is south of the railroad right-of-way.

Shape: Irregular overall – see the attached maps. There are several rectangular parcels, but the north side of the property has an irregular line because the rail corridor there runs northeast/southwest. The assemblage shifts to the east, but there is a full 40 acre parcel line connection for functionality.

Topography: Rolling to sharply rolling. The property has a natural roll with mineral deposits in the hills. The far northeastern part of the site is level.

Water: There are 4+ ponds. These are former mineral extraction areas that have filled with water when active extraction activities stopped. They are now scenic and natural. There is also an intermittent stream running through the property.

Cover: The site is predominantly wooded overall. Based on GIS mapping estimates, there is ~16.5 acres of water, one tilled field that is ~six acres, and the open flat on the northeastern side of the site is ~38 acres.

Borrow Pit: None. The borrow pit is not part of the acquisition as a separate entity.

Site Improvements: The most substantial site improvement is the gravel driveway which runs through the site and connects with Nelson Rd through the property not acquired in the partial acquisition scenario. The driveway is not as frequently used within the partial acquisition, but there does appear to be a solid gravel base. No other substantial site improvements are noted for the acquisition as a separate entity.

Soils: The following soil information is available from USDA Web Soil Survey using an appraiser estimation for the site boundaries to create a relevant area of interest. The size does not match up exactly with the subject, but it is close enough to judge soil profiles for valuation.

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
BbC2	Batavia silt loam, gravelly substratum, 6 to 12 percent slopes, eroded	2.5	1.2%
Co	Colwood silt loam, 0 to 2 percent slopes	49.7	24.8%
DrD2	Dresden loam, 12 to 20 percent slopes, eroded	19.4	9.7%
DsC2	Dresden silt loam, 6 to 12 percent slopes, eroded	1.2	0.6%
GP	Gravel pit	82.9	41.3%
KeB	Kegonsa silt loam, 2 to 6 percent slopes	2.2	1.1%
Mc	Marshan silt loam	10.3	5.1%
VwA	Virgil silt loam, gravelly substratum, 0 to 3 percent slopes	4.2	2.1%
W	Water	26.7	13.3%
WvD2	Westville silt loam, 12 to 20 percent slopes, eroded	1.4	0.7%
Totals for Area of Interest		200.4	100.0%

The largest soil type designation is gravel pit which means it is an area that has been quarried and artificially altered. Surface inspection reveals that this area is predominantly upland. Batavia Silt Loam, Dresden Loam, Kegonsa Silt Loam, McHenry Silt Loam and Westville Silt Loam soils are uplands suited to development where slopes are not excessive and/or slopes are engineered. Water is not buildable, but it is scenic for a view amenity. Virgil Silt Loam has hydric inclusions, but it can be developed in some cases after site specific engineering. Colwood and Marshan silt loam are hydric soil types that are physically very limited. These soil types are located at the far north/northeastern side of the site.

Access: Access is from Nelson Rd by easement.

Traffic Exposure: There is no significant traffic exposure since the partial acquisition as a separate entity does not have any actual road frontage.

Utilities: Electricity is available from a private utility supplier. There is an overhead line that runs along the south side of Nelson Rd. Public water and sewer services are not currently available, but they are expected to become available to the subject property. A developer could extend services or they could be extended over time as the neighborhood develops. There are city of Madison water and sewer mains along Nelson Rd to the west of Reiner Rd. They are ~1/2 to 2/3 of a mile west of the subject, and they would also have to be extended through the remainder. City of Sun Prairie connections may be physically closer. The wastewater treatment plant is very close to the northeast and Smith's Crossing is across the rail corridor to the northwest. However, an intergovernmental agreement would have to be reached for access since most of the subject property is in a city of Madison annexation area. The subject is not currently located within an Urban Services Area.

Easements: There is an access easement benefitting the acquisition as a separate entity per extraordinary assumption. The easement will initially follow the existing gravel driveway, but it will also be subject to change if public rights-of-way were installed

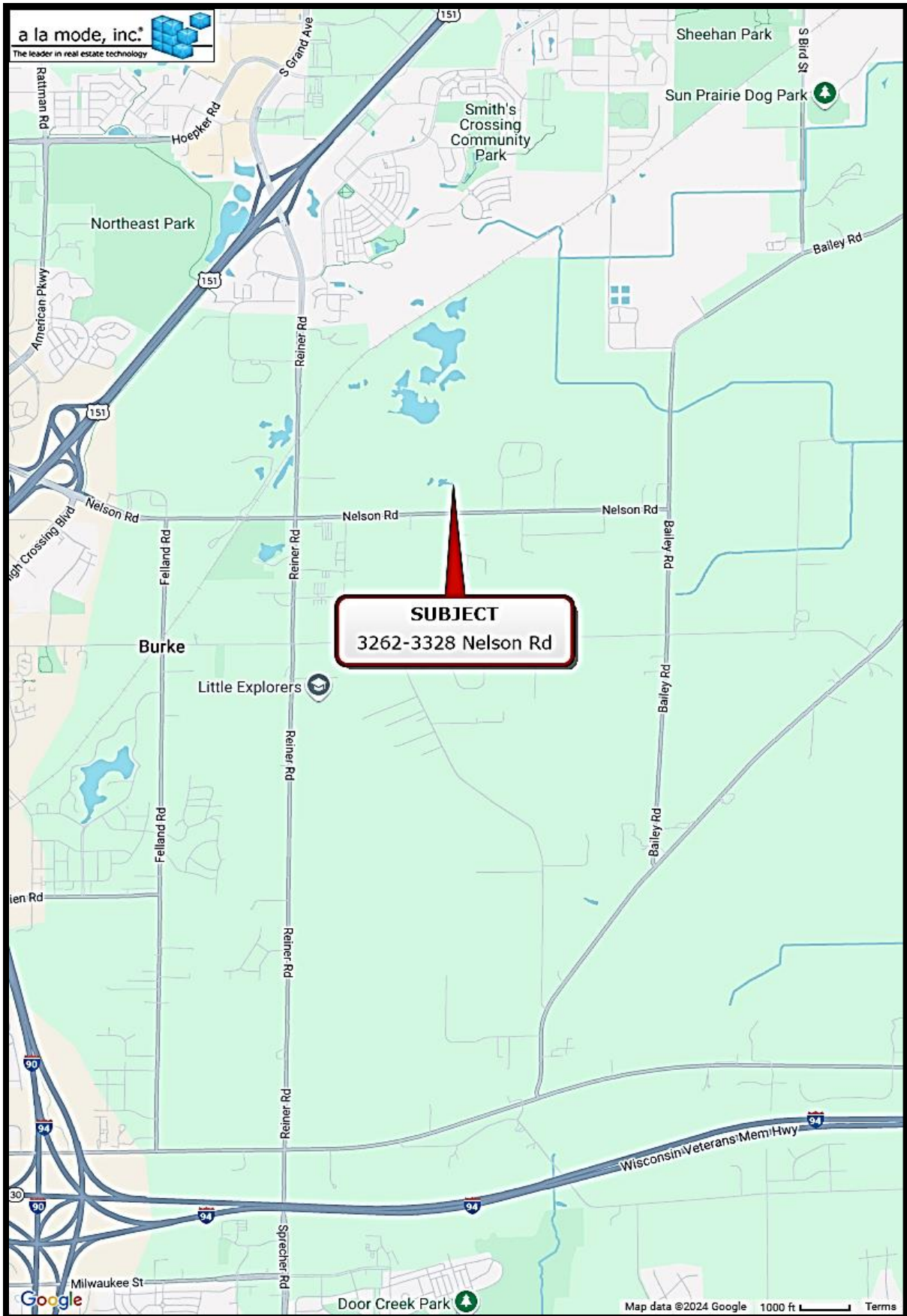
Hazardous Waste: No hazardous materials were observed and no detrimental contaminants are known to exist. However, the property history suggests that it is possible. This appraisal specifically assumes there is no unusual contamination or hazardous waste that is detrimental to marketability. The appraiser is not an expert in the identification of hazardous materials and an environmental audit is recommended if this is an area of concern to the client.

Flood Hazard: There are zone AE flood hazard areas on the north side of the site, and they correspond closely with the hydric Colwood and Marshan Silt Loam soil types. The map panels are 55025C0269H and 55025C0288H. The map dates are 9/17/2014.

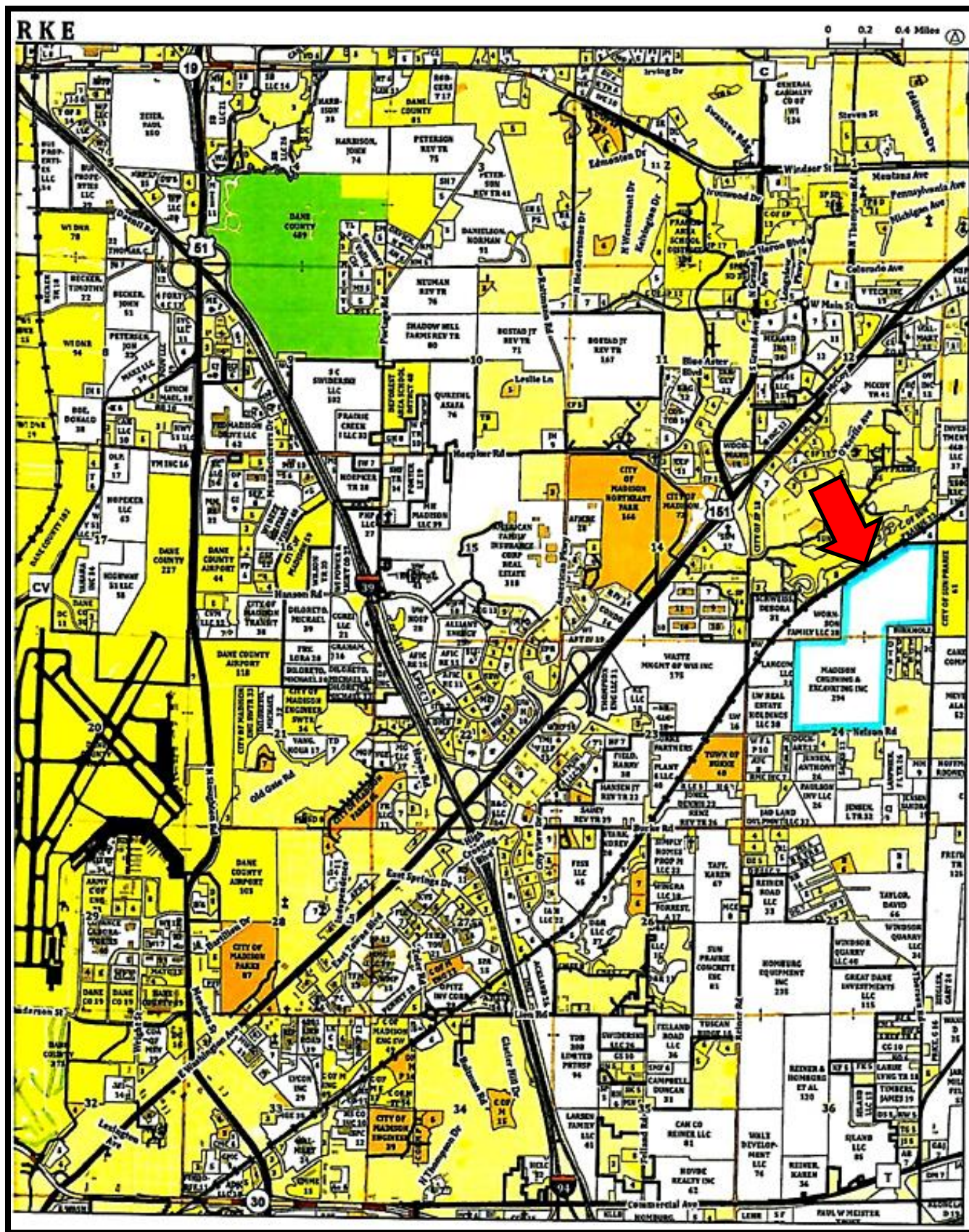
Surrounding Uses: Surrounding uses include single-family residential in Oak Ridge Park, the remainder property with the active borrow pit, vacant land, Sun Prairie's wastewater treatment plant, railroad corridor and single-family residential in Smith's Crossing Subdivision.

Subject Exhibits

Location Map

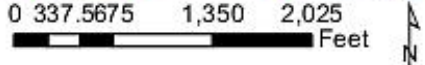
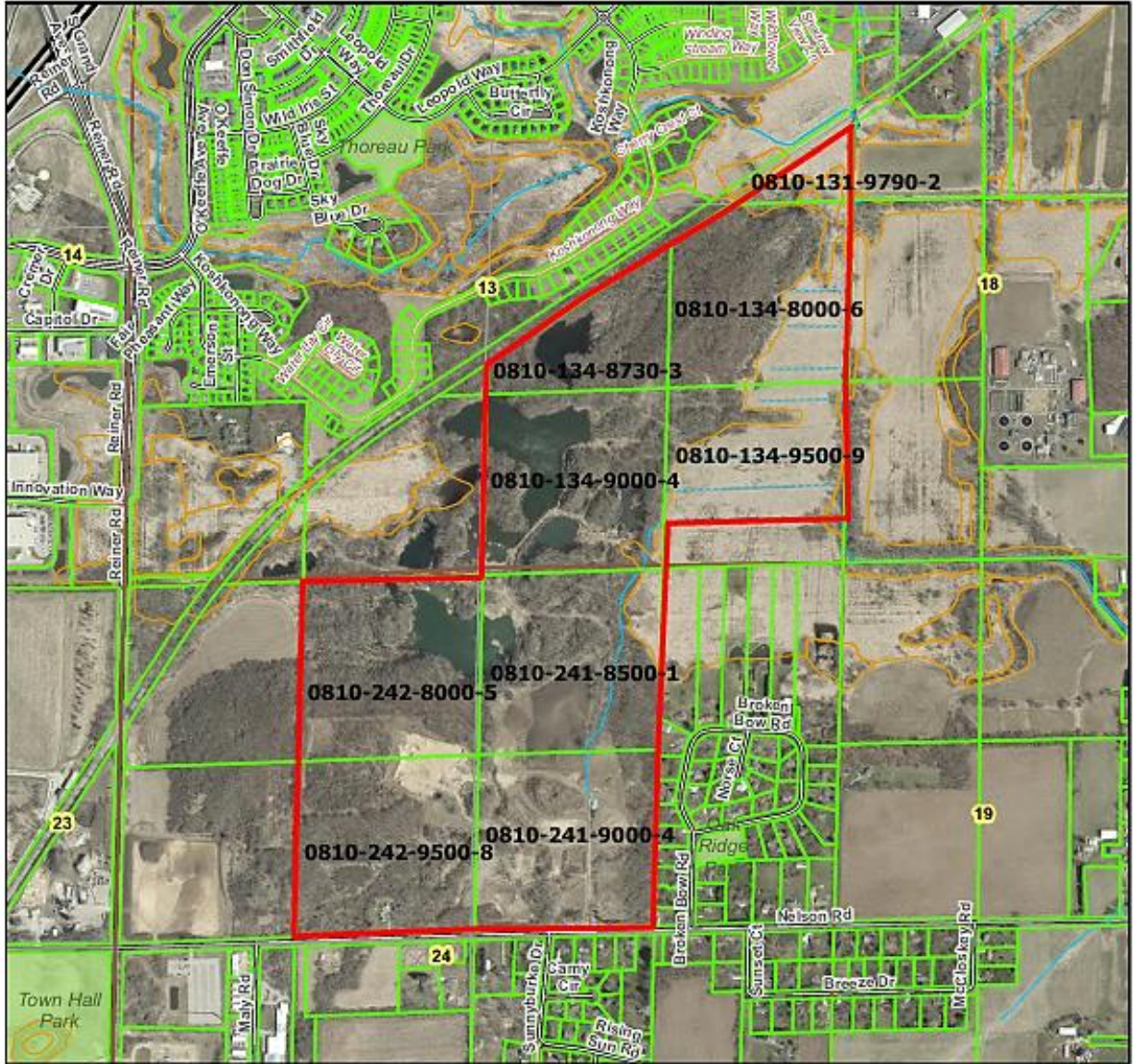


Plat Map



Parcel/Aerial Map – Total Ownership (~295 Acres)

Madison Crushing & Excavating, Inc., approx. 295 acres (total ownership)
Town of Burke



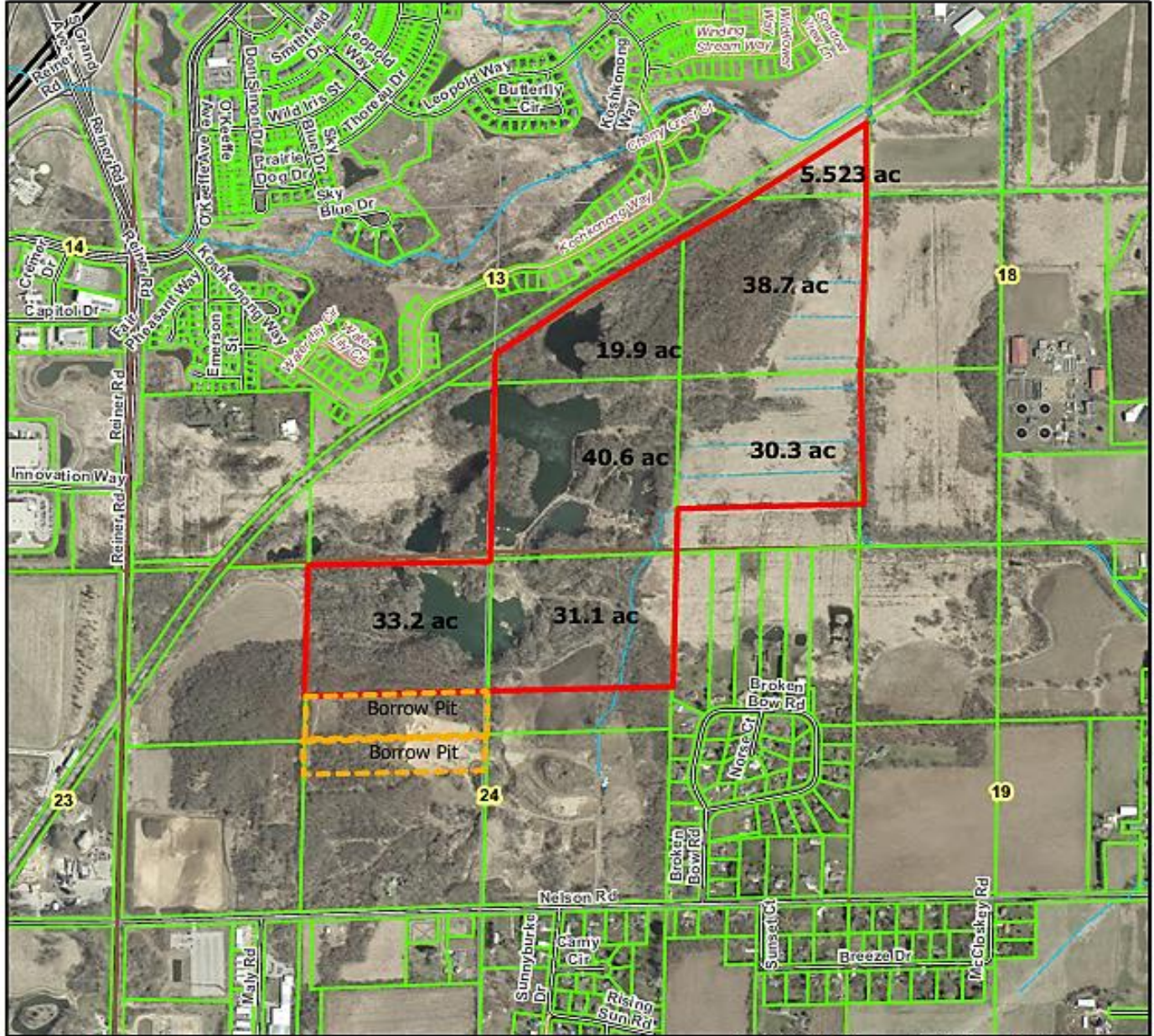
Location in Dane County



Data Sources:
Digital Orthophoto (Dane County 2022)
Created by Dane County Land & Water Resources Department, April 26, 2024

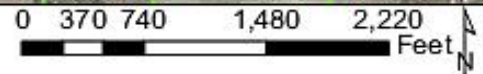
Parcel/Aerial Map – Partial Acquisition (~199 Acres)

Madison Crushing & Excavating, Inc., approx. 199 acres
Town of Burke



- Subject Parcel
- Borrow Pits

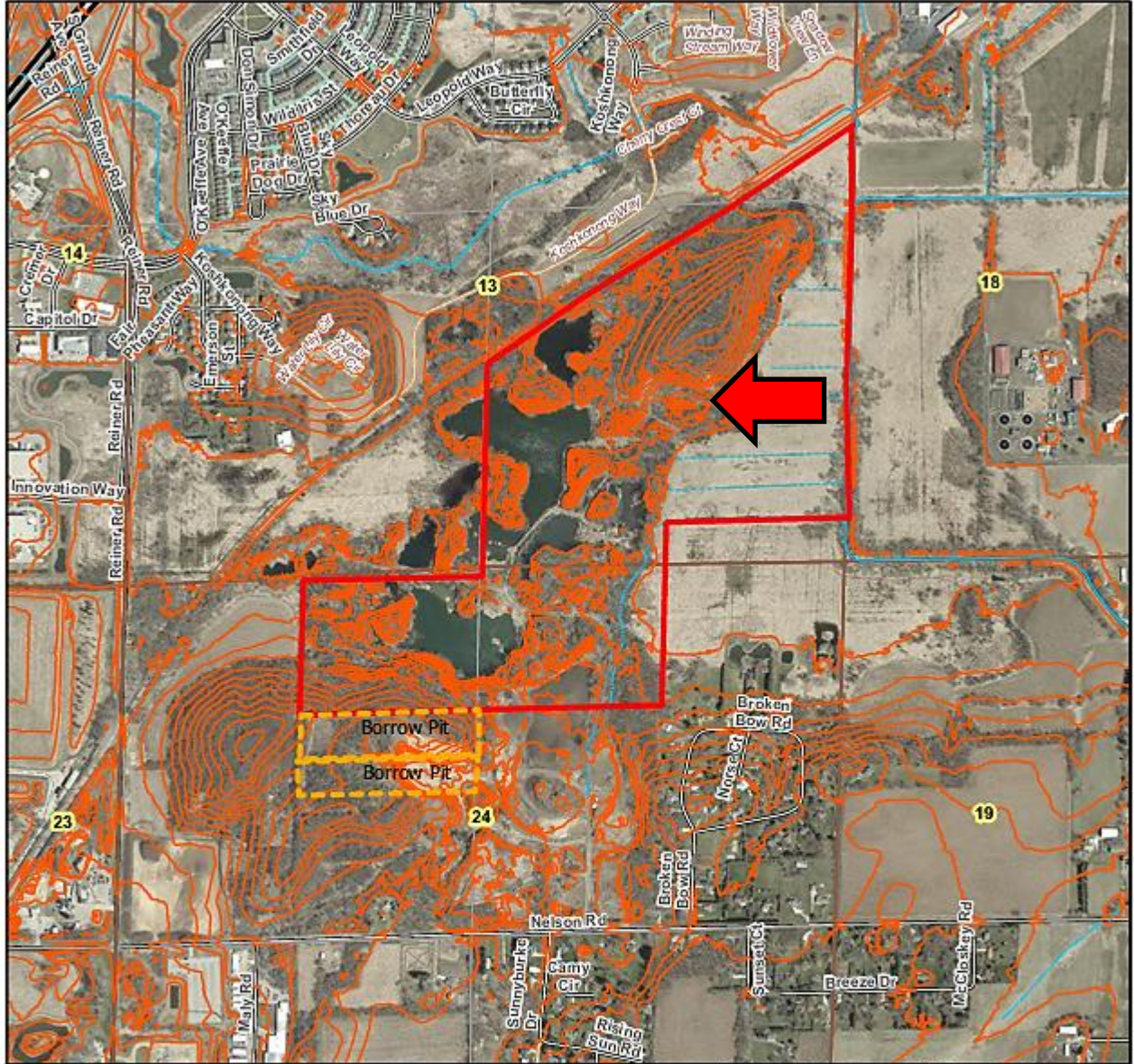
Landowner shall grant access from Nelson Road to subject parcel.




Data Sources:
Digital Orthophoto (Dane County 2022)
Created by Dane County Land & Water Resources Department, June 20, 2024

Topographic Map

Madison Crushing & Excavating, Inc., approx. 199 acres
Town of Burke



 Subject Parcel

 Borrow Pits

Landowner shall grant access from Nelson Road to subject parcel.



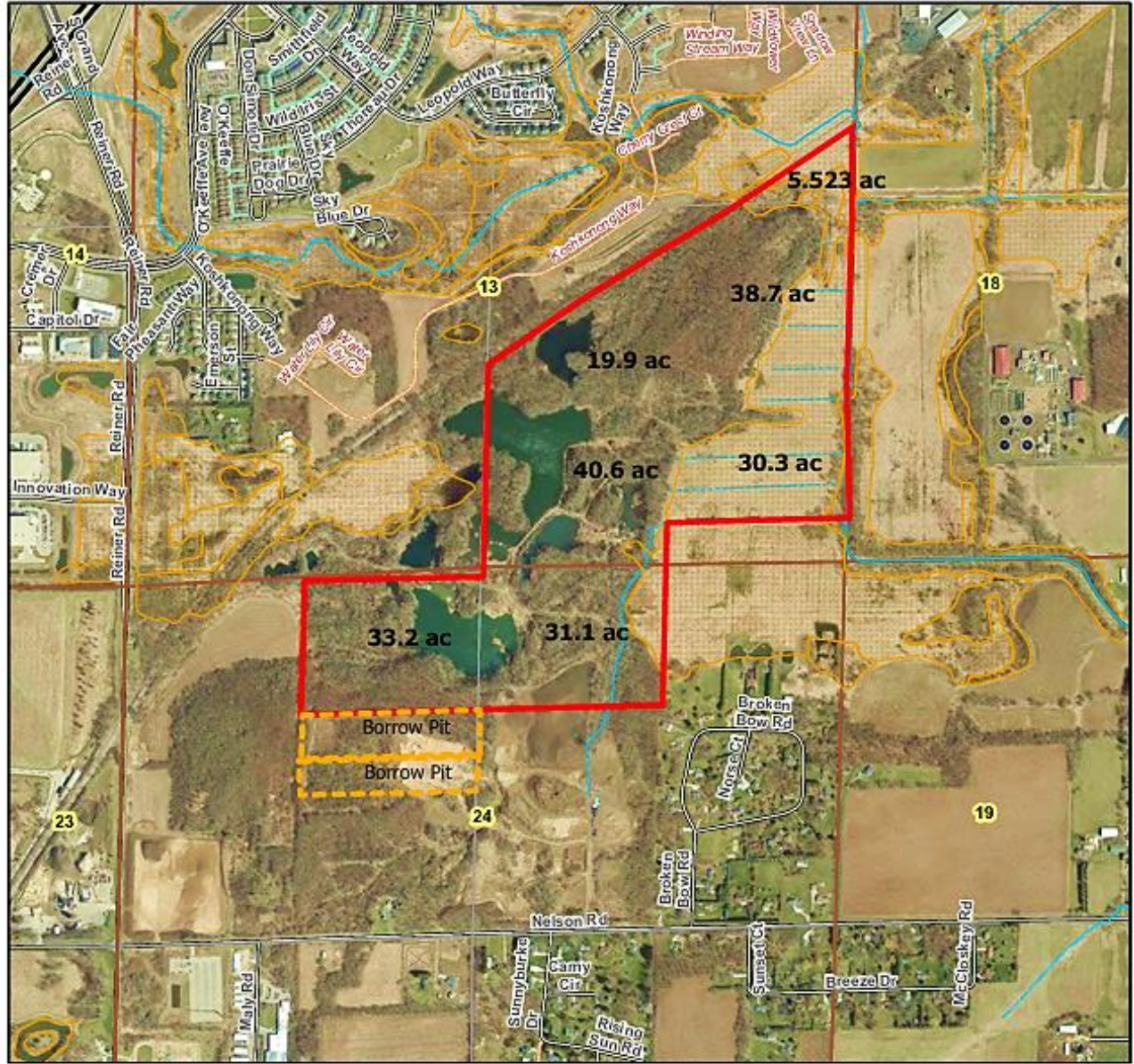
Location in Dane County



Data Sources:
Digital Orthophoto (Dane County 2022)
Created by Dane County Land & Water Resources Department, June 20, 2024

Wetlands Map

Madison Crushing & Excavating, Inc., approx. 199 acres
Town of Burke

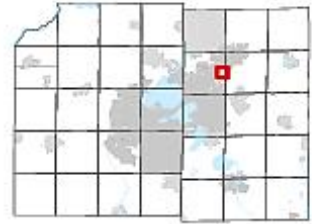


- Subject Parcel
- Borrow Pits

Landowner shall grant access from Nelson Road to subject parcel.

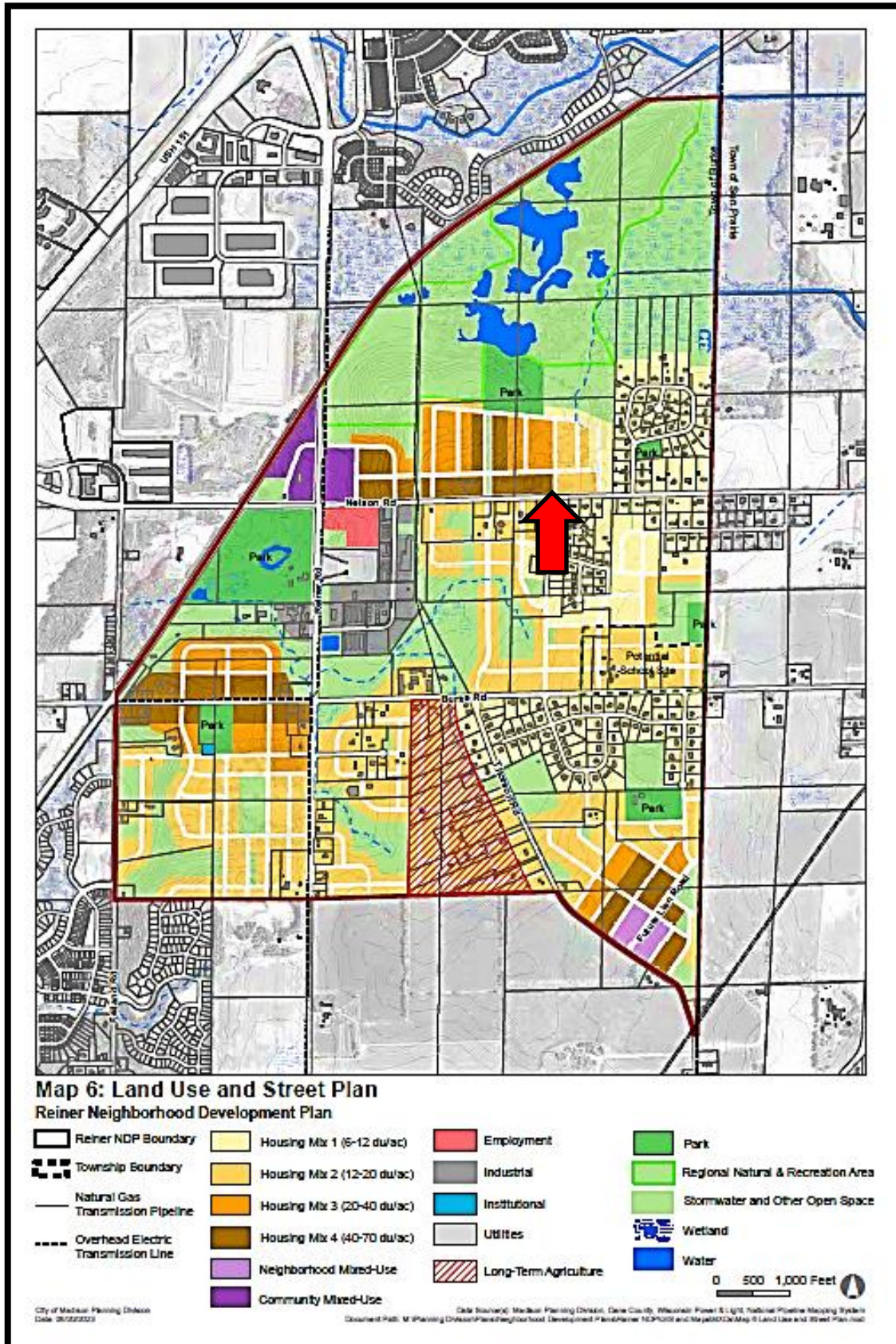


Location in Dane County



Data Sources:
Digital Orthophoto (Dane County 2022)
Created by Dane County Land & Water Resources Department, June 20, 2024

Reiner Neighborhood Development Plan





MAIN ENTRANCE



BORROW PIT



ROAD TO NORTH LAND



POND



POND



WOODED PATH AROUND POND



ROAD TO NORTH POND



FLAT LAND – NORTHEAST SIDE OF SITE



FLAT LAND - NORTHEAST SIDE OF SITE



HOUSE - TO BE DEMOLISHED



HOUSE - TO BE DEMOLISHED



BARN FOUNDATION & SILO



GARAGE - TO BE DEMOLISHED



NELSON RD.

HIGHEST AND BEST USE

Definition

Highest and best use can be defined as the use that supports the highest present value of the subject real estate, as of the effective date of the appraisal. Highest and best use can be separated into use of the site as vacant, and use of the property as improved (if applicable).

Method of Analysis

In the analysis of highest and best use of the site as vacant, the appraiser considers a continuum of uses through a filtering process, such as those uses that are legally permissible, physically possible, financially feasible, and maximally productive (i.e. highest and best). The process is applied to a range of uses which are economically supported by the market evidence of the property itself, and the area or neighborhood pertaining to the property. The hierarchy usually follows a set pattern. Lowest use level is vacant, non-producing. Next would follow vacant productive; then building site; commercial would usually be the most profitable use if there were a strong market for commercial building sites in the neighborhood, and proper zoning is in place, or could be obtained.

When the improvements (if applicable) add value to the site so that the improved property has a value higher than the value of the site as vacant, the highest and best use of the property is its present use as improved. If the site has a higher value as vacant than the property value as improved, it is usually appropriate to remove the improvements and establish an alternative use. When the best use of the improved property is its current use due to substantial building value, but the current use is different than the best use of the vacant site, there is usually functional or external obsolescence associated with the improvements

Current Uses & Legal Use Discussion

The predominant current use is mineral extraction. There is an active borrow pit on the subject property. There is also one single-family home, but it is not occupied. The town of Burke zoning is AT-35.

AT-35 promotes agricultural uses, but it is also oriented to transitional areas where more intense development may be suitable in the future. As such, it is also a holding category to allow for future planning activities and potential rezoning at the time site-specific planning was completed. The assemblage/zoning area is more than 35 acres. There is currently one house on the property that is permitted since it was built before 2010. However, that house is not significant to this discussion since demolition is planned for the near-term future. There is an active borrow pit for mineral extraction. Non-metallic mineral extraction is a conditional use in AT-35, and Access Dane does not specify a conditional use permit. The use is documented as a legal, nonconforming or grandfathered use since it pre-existed the current zoning regulations and it has been in operation since at least the 1980's. The notice is recorded as Doc. 5586023. The use is allowed to continue so long as there is no interruption in use of a year or more, and the owner complies with documenting requirements, reclamation plan, etc.

The city of Sun Prairie parcel is zoned CR-5ac. This is Countryside Residential. It is a residential zoning for lower density. Conventional residential development and loose cluster residential developments are permitted. The minimum site size is five acres. This is a vacant parcel with adequate size. It conforms with zoning.

The Dane County zoning that has been accepted by the town of Burke is the applicable ordinance controlling the property right now, but there is more influence from Madison since there is a cooperative agreement for eventual annexation into Madison. The agreement states that the town of Burke portion of

the subject property can be annexed into Madison without dispute upon owner petition and city acceptance. There are protected areas designated in the cooperative plan, but the subject is not within one of those areas. The agreement also states that the town of Burke will dissolve 30 years after the agreement (2036) at which time there will be certain annexation to Madison, if early annexation is not already completed. At the time of annexation, Madison would implement zoning and exert influence over land use approvals. It is further agreed that development in the town shall be subject to approval by the respective city or village to which it will eventually be attached. This limits development opportunities within the town of Burke that may conflict with Madison development plans. Development is defined as a division of land, construction of more than one principal structure on a parcel of land, or rezoning a parcel from residential or agriculture to a non-residential classification. The cooperative plan does establish a community separation area between Sun Prairie and Madison which covers most of the subject property that is now proposed for acquisition in the partial acquisition scenario. Dane County Senior Planner Majid Allan reinforced the conclusion that the cooperative plan is the controlling influence in this case. Per Mr. Allan “the only development that’s allowed under the cooperative plan with the other munis is a division of an existing residential parcel over 5 acres to create one additional building site.” There is an option to create one additional homesite since 3328 Nelson Rd does still have a house and the parcel is more than five acres. However, that option is very low density.

The Reiner Neighborhood Development Plan has been developed by the city of Madison to guide future land uses in the subject neighborhood. It was formally executed on June 20, 2023. The land use designation for the subject is mixed residential along Nelson Rd and parks/open space to the north. Part of the open space is further designated as a regional natural and recreation area. There is higher density planned along Nelson Rd (40-70 units/acre) and along a potential future street alignment with Thorson Rd. Densities diminish outside of these areas all the way down to 6-12 units/acre where the subject land abuts with the Oak Ridge Park subdivision. Note that it was concluded in the previous Description of Project section of the report that the Reiner Neighborhood Development Plan is not part of the Project and it is an allowable consideration in this report.

The subject is partly located in Drainage District #9. Wisconsin Administrative Code requires all landowners to notify the Board of any action that will alter the flow of water into or from a district drain, increase the amount of soil erosion, or affect the drainage district. There are ~170 acres of the subject property in the drainage district and they are subject to added scrutiny at development relative to drainage.

The Sun Prairie parcel is designated as “Rural Lands” in the Sun Prairie Comprehensive Plan, and there is a natural resource protection overlay. RL are recommended for continued agricultural and open space uses. Urban development is not anticipated before 2040. Even if urban development eventually reaches these areas, some of the land in the RL area may be appropriate for consideration as permanent agricultural-related uses.

NRP overlay classification identifies sensitive lands that may be subject to development restrictions enforced by City, County, State, or Federal agencies. Mapped NRP areas include lands that meet one or more of the following conditions: water bodies and wetlands mapped as part of the WDNR Wetland Inventory, 100-Year Floodplains based on FEMA maps and areas with slopes averaging 12% or more based on USDA-NRCS Soils data.

Physically Possible Uses

From a physical standpoint, there are options, but there are also limitations. Mineral extraction and single-family residential are physical possibilities based on the existing uses. The borrow pit does appear to have a

material for future extraction activities. There is a large amount of “gravel pit” area as a soil type designation, but most of the gravel pit area appears to be upland which suggests an opportunity for development. Slopes would have to be managed, but the material in the borrow pit could be used to grade and build roads for a development. There are also well-built driveways that could benefit infrastructure construction. An urban service area amendment would need to be negotiated and utilities need to be physically extended for urban development. An urban service area amendment is not considered a major obstacle due to the cooperative planning already in place as described above. The physical extension of the infrastructure does add to development costs, but the distances involved are not excessive either. There are also options to work with other adjacent property owners for cost sharing or wait for the neighborhood to develop further for utility extensions. Water areas are not suitable to building construction, but they are scenic view amenities. The Colwood and Marshan Silt Loam soil types are hydric. These are very physically limited and they are rarely developed. These are also the flood plain areas on the subject site and flood plains are regulated against development.

Most Probable Uses

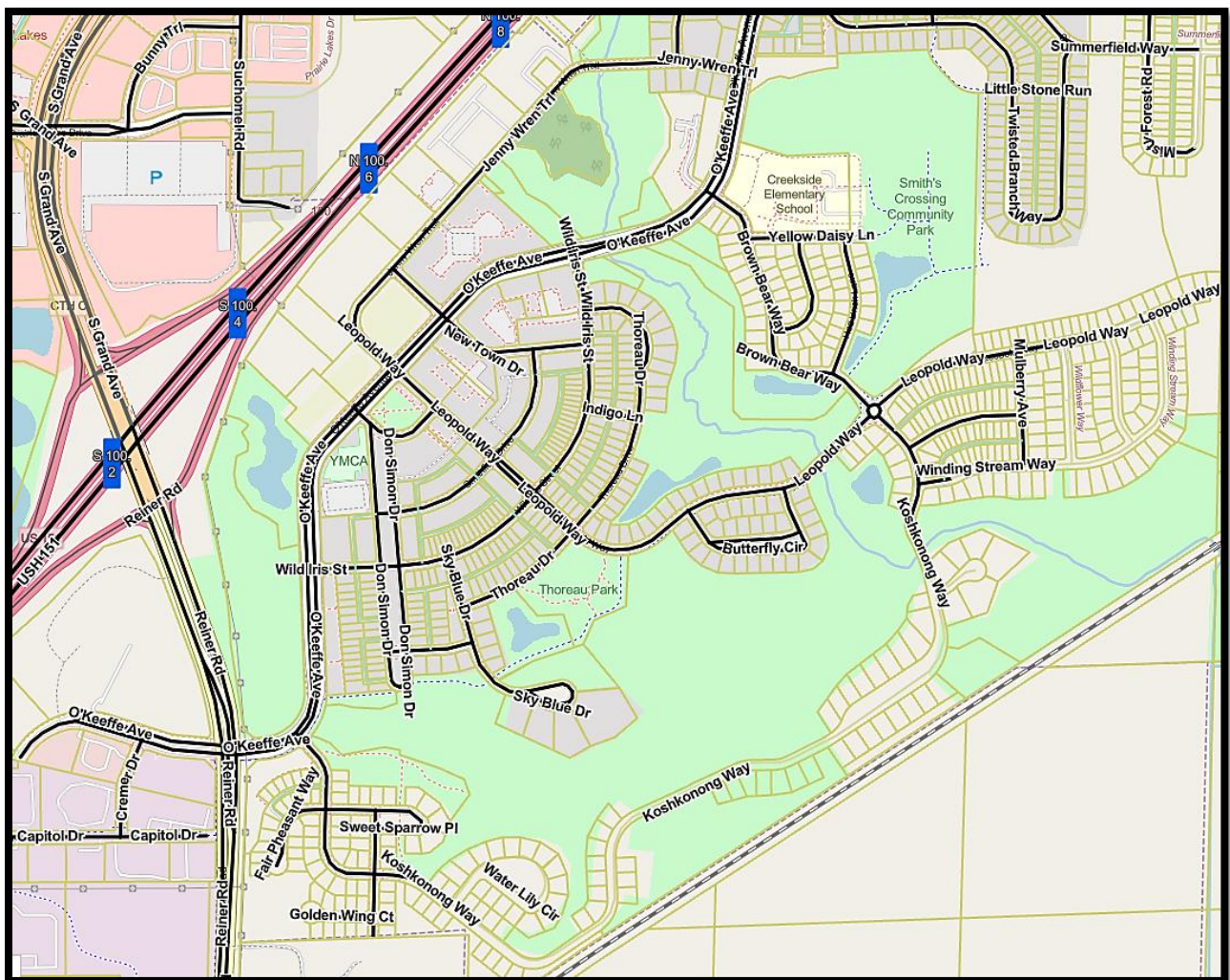
It is reasonable to conclude that urban development is the first-tier consideration for the most probable use for the subject property. The subject is located in a growing urban area where Madison and Sun Prairie are converging, and urban development potential enhances land values in most cases.

There is clarity in the urban development potential for the land along Nelson Rd since Reiner Neighborhood Development Plan designates this part of the subject property for higher density residential. There is therefore apartment potential and apartment land remains in high demand. Interest rates are higher, and that may have slowed construction starts to some extent, but activity still continues at a steady pace because rents are increasing and vacancy rates are low. It is also increasingly likely that interest rates will come down in the near-term future. It is concluded that there is market demand for the apartment land.

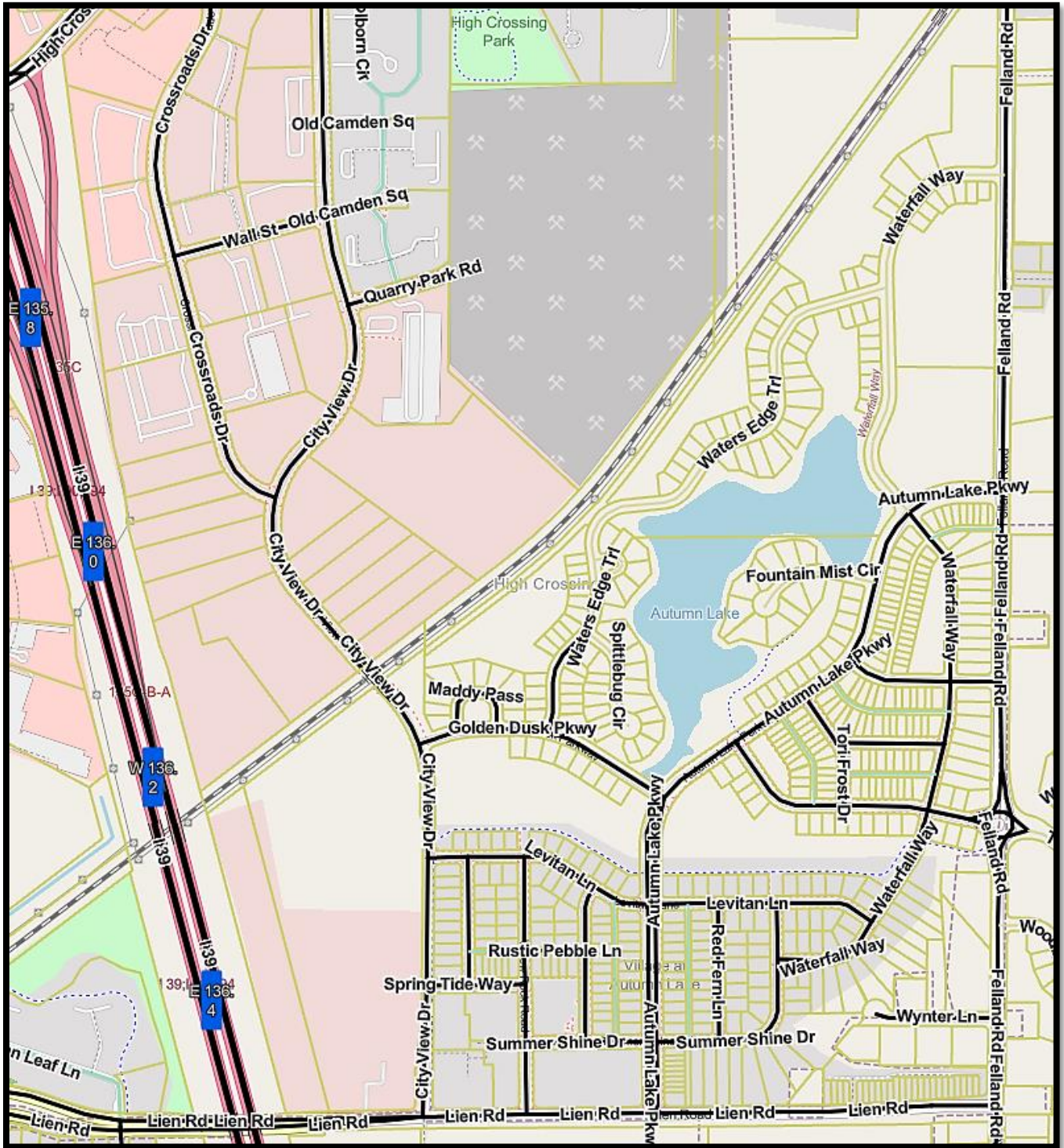
There is an old house where there is land use planning for higher density residential, and there is also the active borrow pit on that part of the site. However, the house is not contributing due to poor condition and it is already being prepped for near-term demolition. The borrow pit is productive, but it does not support a value that is higher than apartment land. The local market norm for mineral extraction sites is to pay “across the fence” values. There is the potential to generate a substantial cash flow from the extraction of minerals, but it takes equipment and expertise to realize it. There are also reclamation obligations that have to be honored if engaged in an extraction operation. As such, it is a business value that is generated by extraction as opposed to a real estate value. A property with an active mineral extraction operation at 3753 Old Stage Rd in the town of Rutland sold on 2/29/2024 for \$1,800,000. The sale price is \$10,588/acre for the 170 acre site. A 111.4 acre property on Oak Hill Rd in the town of Rutland sold in 11/22 for \$1,060,000. It is an agriculture parcel without any buildings and the \$/acre sale price is \$9,515/acre. This is slightly lower than the sale price on Old Stage Rd, but the sale is also slightly dated and market conditions are advancing for this type of land. The difference can reasonably be allocated to market conditions and the pairing suggests the sale price for the property with active mineral extraction is an “across the fence” value. An older, but still relevant sale is on Schumacher Rd in the town of Westport. This is an active mineral extraction property that was purchased by a local developer. The materials extracted there have been used to build roads on other developments in the Waunakee area, and the property itself will be reclaimed as a residential development site in the future. The sale price in 2015 was \$33,951/acre which is consistent with deferred development land sale prices from the same time frame. A more recent reference is an active mineral extraction property in Fitchburg off Lacy Rd and adjacent to Quarry Vista. The 30 acre property sold in 3/24 for \$64,667/acre which is consistent with residential development land sales in this part of Dane County. The subject has material that could help with road building and other construction activities,

but the slopes also have to be managed and engineered for development. The sale on Schumacher Rd and the sale near Lacy Rd shows these are essentially neutral offsets since the buyers paid the “across the fence” values for the land with productivity and future residential development potential.

There is less clarity in the urban development potential for the subject land to the north because it has open space designation in the land use plan. This does not mean with 100% certainty that development would not ever happen, but there is a risk to achieving the necessary approvals. It would be a significant risk since the open space planning is codified in a cooperative boundary agreement and there are some water features that are potentially environmentally sensitive. However, land use plans do certainly change from time to time, and there would be incentive to work toward a plan change. The most likely proposal would be to try to negotiate for some development approvals while agreeing to spend extra efforts on the preservation of other areas. Typical development patterns in Madison are higher density in the front blending to lower density on the interior, and that could fit the subject where apartments could be positioned near Nelson Rd and that could blend to lower density to the north. There is also more probability of an open space plan change to lower density than high density. There are physical limitations, but there is already a gravel road base from a driveway and most of the land is observed to be upland. As can be seen from the two screen shots below, plans can realistically work where roads and houses wind around wetlands and water features.



- Smith's Crossing. Single-family lots winding around wetlands and water features.



- Autumn Lake. Single-family lots around a water feature.

There is potential for a carefully planned development on the north side of the subject site, but approval is far from certain. Another productive option, if development plans are denied and the northern part of the

site is still in the same ownership as the southern part of the site, is to use the northern land as an open space amenity to support the higher density portion of a development and offset development fees. The developer's angle would be to achieve higher density on the south part of the property because of the open space that is being offered on the north. The upland is suitable to active park uses and dedications can be used offset fees.

For the partial acquisition as a separate entity, there is not the alternative productive option to use the northern open space to benefit density/costs on the southern space. If development plans are denied, the fallback option there is private open space/recreation.

After the partial acquisition, the remainder is the part of the property that is planned for higher density residential. There is not the open space to potentially benefit the remainder, but higher density residential development is the most probable use.

Highest & Best Use Conclusions

- Complete Acquisition/Before Partial Acquisition: High density residential for the south part of the site with speculative low density residential or open space amenity as a benefit to the high density component for the north part of the site. It is further concluded that the house would be demolished to clear land for higher density residential and that the mineral extraction operation is neutral.
- After Partial Acquisition: High density residential.
- Partial Acquisition as a Separate Entity: Speculative low density residential and private open space/recreation.

THE VALUATION PROCESS

It is standard appraisal practice to consider three approaches to value. They are the cost approach, the sales comparison approach and the income approach. For this assignment as described in Scope of Work, the cost and income approaches are not considered applicable. The sales comparison approach is the applicable approach for this assignment and it is presented next.

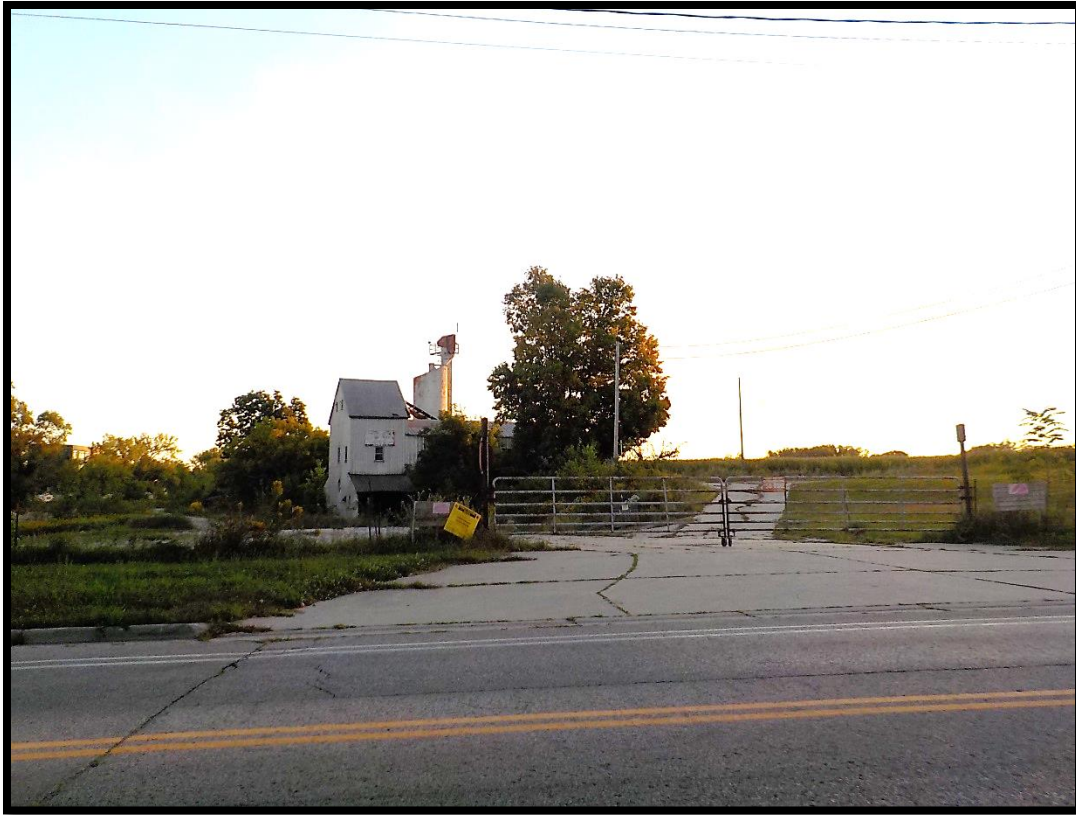
SALES COMPARISON APPROACH

This approach views property value from the standpoint of substitution. It is based on sales of similar properties in the marketplace. The underlying rationale is that a purchaser will pay no more for the subject than the prices paid for similar substitute properties in the market. Comparable sales are presented along with their pertinent characteristics. A value indication can be concluded for the subject when adjustments are made for differences between the comparables and the subject.

Comparable Sales Summary Table – Detailed Sales Sheets Follow

#	Location	Sale Price	Sale Date	Size (Acres)	\$/Acre
S	Nelson Rd Town of Burke/Sun Prairie	NA	8/24, Values	295 Complete/Before 96 Acres After 199 Partial Acquisition	NA
1	3450 Milwaukee St Madison	\$8,000,000	8/24, Closed	65.04	\$123,001
2	5429 County Highway Q Town of Westport	\$7,200,000	11/22, Closed	329.00	\$21,884
3	Highway 51 @ Highway B Stoughton	\$6,622,369	12/22, Closed	182.40	\$36,307
4	4404 Hoepker Rd Madison	\$1,850,000	12/22, Closed	33.52	\$55,191
5	Highway PD Town of Verona	\$5,200,000	9/23, Closed	35.70	\$145,658
6	Portage Rd Windsor	\$3,480,000	6/24, Closed	116.00	\$30,000
7	2275 County Road MM Fitchburg	\$1,010,000	1/24, Closed	103.00	\$9,806

Sale 1 – 3450 Milwaukee St, City of Madison



Picture: Looking Northeast from Milwaukee St; Taken 09/06/2024 By Sandy Harden

Location: ~5 Miles Southwest

Grantor: Voit Land, LLC & E.C. Voit & Sons, Inc.

Grantees: Stone House Development/Threshold
Development

Verified By: Tom Voit, Seller & Chris Caulum, Broker

Recorded: Unavailable

Verified To: James R Koch, Wisconsin Certified General Appraiser #1138-10

Verification Date: 9/4/2024

Legal Description: See the following page

Parcel #'s: 251/0710-051-1017-8; 251/0710-051-1019-4; 251/0710-042-0078-0; 251/0710-051-1020-1;
251/0710-051-102-19

Sale Price: \$8,000,000

Date of Sale: 8/16/2024, Closed

Site Size: 65.04 Acres, Net

Price/Acre: \$123,001

Improvements: Older Houses & Ready Mix Buildings

Zoning: CN, A

Topography: Rolling With Some Steep Slopes

Terms: Cash to Seller

Type of Document: Unavailable

Financing: Unavailable

Highest & Best Use: Multi-family & Open Space Preservation

Intended Use: Multi-Family & Open Space Preservation

Conditions of Sale: Negotiated arm's length.

Description of Property: This is a sale of an urban infill land tract in mature east Madison. This is a property that has a history of mineral extraction and ready-mix concrete distribution, but it sold in this transaction for development after the family decided to sell. The south side of the site near Milwaukee St is a higher density planning area and the north side of the site is an open space planning area. The open space

area has a larger pond from historic mineral extractions and other historically excavated areas have been filled in. There is some wetland along Starkweather Creek which runs along the eastern edge of the property. The wetland is ~20% of the total. There is now a preliminary plat (Starkweather) for the land which follows the preceding planning inputs for uses. Under this plan, there would be ~1,050 units near Milwaukee St and the northern land will be dedicated to the public. According to a June 2024 letter to the Plan Commission, the Parks Department will accept land dedications for parks in lieu of fees. Park in lieu fees published in Madison ordinances are \$1,032/unit for standard multi-family and the dedications are a potential savings of \$1,083,600 for 1,050 units. Several outlots will remain private for the benefit of the buildings planned, creek access, stormwater management, etc. Several lots may also be rezoned for mixed-use with small commercial components. There are miscellaneous structures on the site, but they are not contributing and they will be removed as the development progresses. Recording information is not yet available which is presumed due to the very recent nature of the closing. The parties noted above confirmed the price, but were uncertain of the recording situation. CoStar has also published the sale as a closed arm's length sale. The property was listed for sale for several years prior to this closing. The final plat has now been submitted for approval after the closing. The legal description that follows is from the final plat.

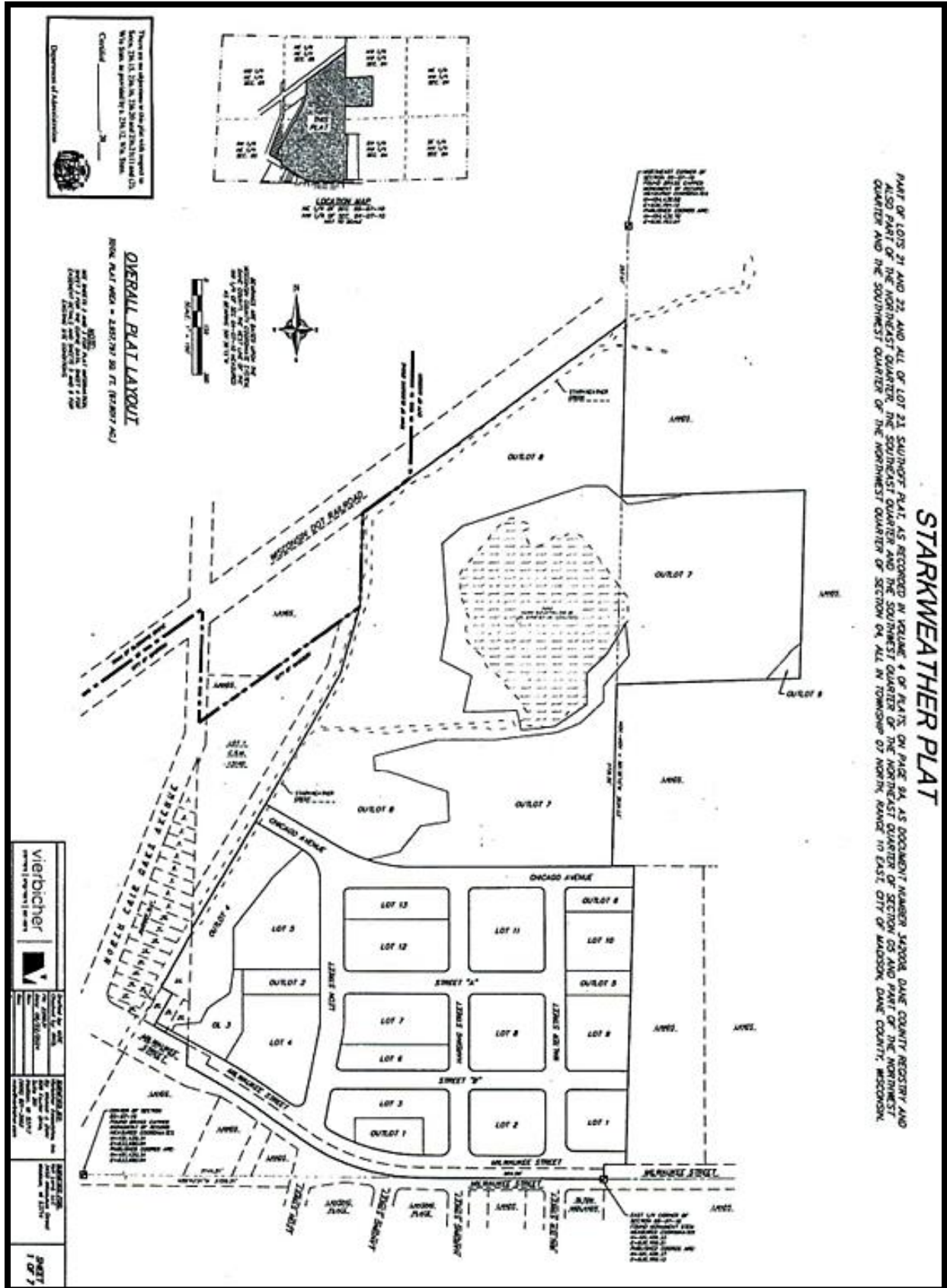
Legal Description for Sale 1

Commencing at the East Quarter corner of said Section 05; thence N89°42'21"W, along the along the south line of the Northeast Quarter of said Section 05, 584.99 feet to a point of curvature; thence 388.32 feet along the arc of a curve to the right, having a radius of 636.60 feet and a chord bearing N72°13'51"W, 382.33 feet; thence N54°45'21"W, 191.10 feet to a point of curvature; thence 221.68 feet along the arc of a curve to the left, having a radius of 1910.00 feet and a chord bearing N58°04'51"W, 221.56 feet; thence N61°24'21"W, 26.50 feet to the East line of the West half (1/2) of the Northeast Quarter of said Section 05, said line also being the West line of the East half (1/2) of the Northeast Quarter of said Section 05; thence N01°59'51"E, along said line, 67.10 feet; thence N61°24'21"W, 120.47 feet; thence N28°45'53"E, 119.88 feet; thence N61°14'07"W, 40.00 feet; thence N28°45'53"E, 198.61 feet to aforementioned East line of the West half (1/2) of the Northeast Quarter of Section 05 and Reference Point "A"; thence N01°59'51"E, along said East line, 15.56 feet, more or less, to the centerline of Starkweather Creek as currently located on February 24, 2022; thence along the centerline of said Starkweather Creek for the next three (3) courses; 1—thence N30°08'17"E, 774.64 feet, more or less; 2—thence N29°06'29"E, 164.88 feet, more or less; 3—thence N16°19'46"E, 222.65 feet, more or less; thence N01°51'16"E, 299.85 feet, more or less, to the Southerly right-of-way line of the Wisconsin DOT Railroad, (formerly known as the Chicago, Milwaukee, St. Paul and Pacific Railroad); thence N53°54'34"E along said Southerly right-of-way line, 1034.95 feet to a point of intersection with the East line of the Northeast Quarter of said Section 05, said point also lying on the West line of said Section 04; thence S01°36'15"W along the West line of said Section 04, a distance of 554.82 feet to a point lying N01°36'15"E, 2181.75 feet (previously recorded as North 2182.00 feet) from the West Quarter corner of said Section 04; thence N87°59'08"E, along the existing Corporate Boundary of the City of Madison, 581.68 feet, (previously recorded as North 87°05'00" East, 581.00 feet) to a found 1" diameter pinched top iron pipe; thence S01°37'30"W, along the existing Corporate Boundary of the City of Madison, 599.76 feet, (previously recorded as South 00°24'00" West, 600.00 feet), to a found 1-3/4" diameter iron pipe; thence S87°59'08"W, along the existing Corporate Boundary of the City of Madison, 581.46 feet, (previously recorded as South 87°05'00" West, 581.00 feet) to the aforementioned East line of the Northeast Quarter of said Section 05; thence S01°36'15"W, along said East line, 579.18 feet; thence S89°59'35"E, 69.94 feet; thence S01°36'46"W, 955.35 feet to the northerly right-of-way line of Milwaukee Street; thence S89°39'32"W, along said northerly right-of-way line, 69.81 feet to said East line of the Northeast Quarter of Section 05; thence S01°36'15"W, along said East line, 47.04 feet to the point of beginning.

The Meander Line for Starkweather Creek included within this description is more fully described as follows: Beginning at said Reference Point "A"; thence S01°59'51"W, 91.08 feet; N29°57'26"E, 1039.67 feet; thence N16°19'46"E, 234.97 feet; thence N01°51'16"E, 281.79 feet; thence N53°54'34"E, 971.90 feet to the East line of the Northeast Quarter of said Section 05 and said Meander Line there terminating.

Said description contains 2,957,797 square feet, 67.9017 acres, more or less to the centerline of Starkweather Creek and 2,833,313 square feet, 65.0439 acres, more or less to the Meander Line of Starkweather Creek.

Sale 1 - Plat Map



Sale 2 – 5429 County Highway Q, Town of Westport



Picture: Looking West from Highway Q; Taken 2/19/2023 By James Koch

Location: ~10.9 Miles Northwest

Grantor: Kippley Family Limited Partnership

Grantee: Ziegler Dairy Farms Inc.

Verified By: Public Records

Recorded: Doc. 5874522

Verified To: James R Koch, Wisconsin Certified General Appraiser #1138-10

Verification Date: 2/10/2023

Legal Description: See the following page

Parcel #'s: 066/0809-194-8500-2; 066/0809-194-9101-3; 066/0809-193-8001-0; 066/0809-193-9201-1;
066/0809-194-9500-0; 066/0809-194-8000-7; 066/0809-194-9000-5; 066/0809-202-8001-5;
066/0809-202-8500-1

Sale Price: \$7,200,000

Date of Sale: 11/15/2022, Closed

Site Size: 329 acres, gross

Price/Acre: \$21,884

Improvements: Farmhouse & Farm Buildings

Zoning: A-1, Exclusive

Topography: Gently rolling with a couple hills

Terms: Cash to Seller

Type of Document: Warranty Deed

Financing: Conventional

Highest & Best Use: Agriculture/Future Development Potential

Intended Use: Agriculture

Conditions of Sale: Negotiated arm's length.

Description of Property: This is a large land tract that was purchased primarily for its agricultural productivity, but which also has future development potential. The property is located in the town of Westport between Waunakee and Middleton which are growing communities with a predominance of upper end housing. To the south is Bishop's Bay which is developing rapidly around that golf course and the village of Waunakee is located to the north which is a rapidly growing community. The zoning at sale

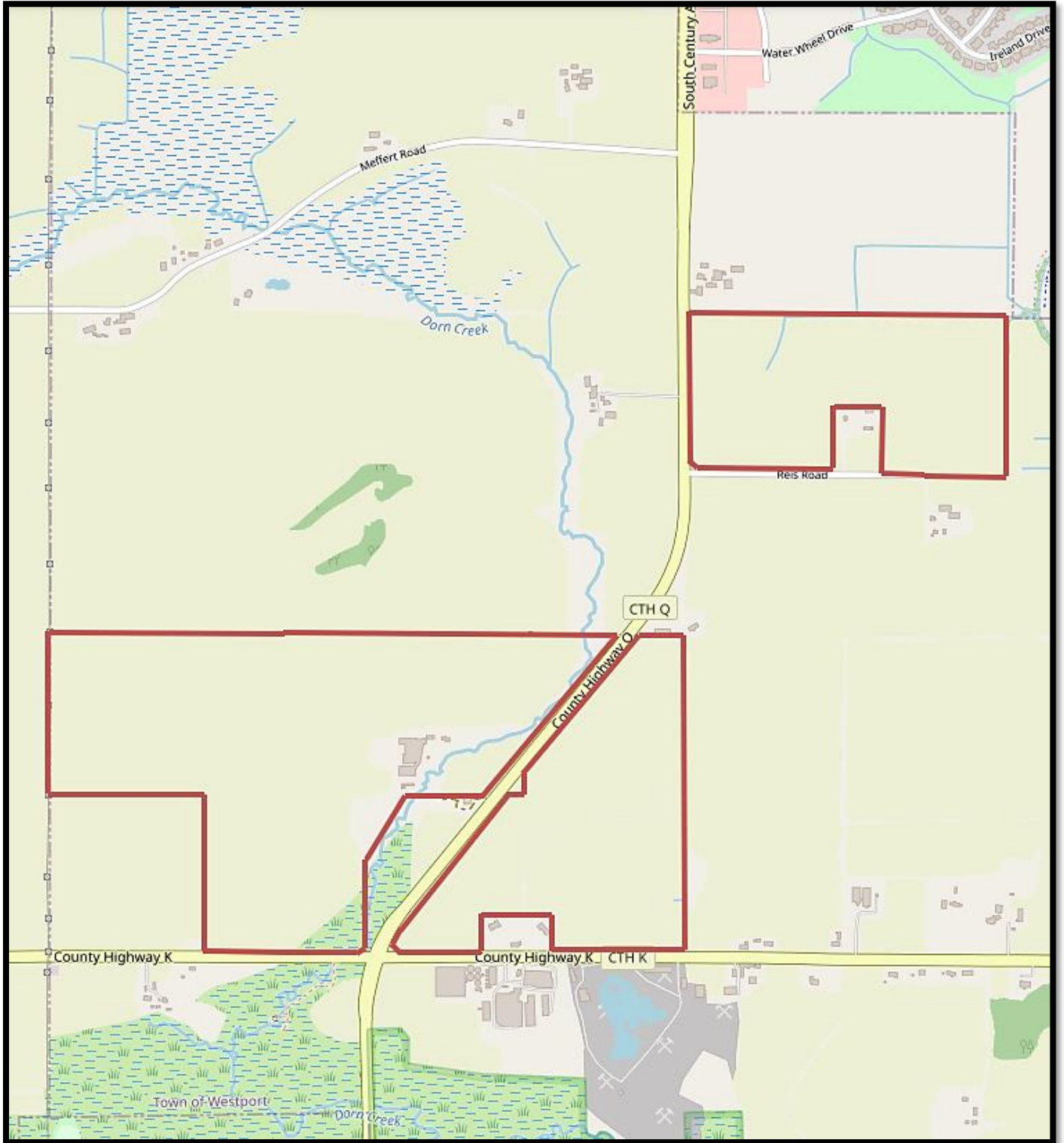
was A-1, Exclusive which is restrictive relative to development outside of agriculture and the land is further planned as a community separation zone between Waunakee and Middleton. However, long-term development potential is still present as the two communities grow to its existing development boundaries. Also note that the intersection of Highways K & Q is a potential location for North Mendota Parkway and this could become a major interchange. The land spans both sides of Highway Q north of Highway K and Dorn Creek runs through the land near the west side of Highway Q. There is a building set and those buildings are oriented to Dorn Creek. The farmhouse was built in 1900 per assessment records and it is two stories with GLA of 2,188 SF. There are four bedrooms and there are two bathrooms. Other farm buildings are also present. Per exterior appraiser inspection from the street, the buildings are functional, but not highly remodeled or with extremely high functional utility. The soils are above average in productivity with 80%+ rated for high inherent productivity or moderately-high inherent productivity via USDA Web Soil Survey. The parties involved were not available for direct confirmation. Ziegler Dairy Farm did answer a call and take a message after contacted for comment, but the message was not returned. Department of Revenue classifies the sale as usable, and the Kippley family has been selling off land in this area for an extended period of time which includes land sales to developers. Since the sale closed, a two-lot CSM has been created for very low density residential development, and one of those lots has sold. A restriction on further land divisions was required for that approval so it appears that annexation may be the only path to further development.

Legal Description for Sale 2

Parcel 1: All that part of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin, lying Northwest of County Trunk Highway "Q". Parcel Identification Number: 066/0809-194-8500-2 Parcel 2: Part of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin, described as follows: Beginning at the Northwest corner of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; thence South 535.2 feet more or less to a point 792 feet North of the Southwest corner of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; thence East 19 feet; thence North 31 degrees East 624.7 feet to the North line of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; thence West 346.5 feet along said North line to the point of beginning. Parcel Identification Number: 066/0809-194-9101-3 Parcel 3: The Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin. Parcel Identification Number: 066/0809-193-8001-0 Parcel 4: The Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin, except that part of the above described parcel conveyed to Dane County by Warranty Deed recorded in Volume 164 of records, Page 330, as Document No. 1260607, except that part of the above described parcel conveyed in Document No. 3970092. Parcel Identification Number: 066/0809-193-9501-0 Parcel 5: The East $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin, EXCEPT the following described parcels: (1) Land conveyed to County of Dane by Warranty Deed recorded April 8, 1970, in Volume 168 of Records, page 218, as Document No. 1261869. (2) Land conveyed to County of Dane by Warranty Deed recorded March 3, 1975, in Volume 558 of Records, page 823, as Document No. 1421768. (3) That part of Certified Survey Map No. 4661 recorded in Volume 20 of Certified Survey Maps, page 241, as Document No. 1880806, lying within said East $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East. Subject to C.T.H. "K" and C.T.H. "Q". Parcel Identification Number: 066/0809-194-9500-0 Parcel Identification Number: 066/0809-194-8000-7 Parcel 6: The Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin, EXCEPT three parcels described as follows: (1) Beginning at a point on the West line of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, 40 rods North of the Southwest corner thereof; thence East 5 rods; thence North 8 rods; thence West 5 rods; thence South 8 rods to the point of beginning. (2) Beginning at the Northwest corner of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; thence South along the West line of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ for a distance of 535.5 feet; thence East 19.0 feet; thence North 31 degrees East, 624.7 feet to the North line of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; thence West along said North line 346.5 feet to the point of beginning. (3) Land conveyed to County of Dane by Warranty Deed recorded April 8, 1970, in Volume 168 of Records, page 218, as Document No. 1261869. (4) Land conveyed to County of Dane by Warranty Deed recorded March 3, 1975, in Volume 558 of Records, page 823, as Document No. 1421768. (5) Land described in Warranty Deed recorded July 21, 1987, in Volume 10355 of Records, page 55, as Document No. 2033801. (6) That part of Certified Survey Map No. 4661 recorded in Volume 20 of Certified Survey Maps, page 241, as Document No. 1880806, lying within said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East. Subject to C.T.H. "K" and C.T.H. "Q". Parcel Identification Number: 066/0809-194-9000-5 Parcel 7: The North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of Section 20, Township 8 North, Range 9 East, in

the Town of Westport, Dane County, Wisconsin, EXCEPT the following parcels: (a) Land conveyed to Dane County by Warranty Deed recorded March 18, 1970, in Volume 164 of Records, page 332, as Document No. 1260608. (b) Certified Survey Map No. 3217 recorded in Volume 12 of Certified Survey Maps, pages 304 and 305, as Document No. 1626989. (c) A parcel of land located in the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 20, Township 8 North, Range 9 East, Town of Westport, Dane County, Wisconsin, to wit: Commencing at the Southeast corner of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence West along the South line of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, 800 feet; thence North 300 feet; thence East parallel with said South line 800 feet to a point on the East line of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence South along said East line 300 feet to the point of beginning. Subject to C.T.H. "Q" and Reis Road. Parcel Identification Number: 066/0809-202-8001-5 Parcel 8: The Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 20, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin, EXCEPT Certified Survey Map No. 3217 recorded in the Dane County Register of Deeds office in Volume 12 of Certified Survey Maps, page 304, as Document No. 1626989; AND FURTHER EXCEPTING the South 16.5 feet. Tax Identification Number: 066/0809-202-8500-1 Parcel 9: A parcel of land located in the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 20, T8N, R9E, Town of Westport, Dane County, Wisconsin to-wit: Commencing at the Southeast corner of said NE $\frac{1}{4}$ of the NW $\frac{1}{4}$; thence West along the South line of said NE $\frac{1}{4}$ of the NW $\frac{1}{4}$, 800 feet; thence North 300 feet; thence East parallel with said South line 800 feet to a point on the East line of said NE $\frac{1}{4}$ of the NW $\frac{1}{4}$; thence South along said East line 300 feet to the point of beginning. This parcel contains 5 acres +/- . Parcel Identification Number: 066/0809-202-8300-3 Parcel 10: The Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the West $\frac{1}{2}$ of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 19, Township 8 North, Range 9 East, in the Town of Westport, Dane County, Wisconsin. Parcel Identification Number: 066/0809-193-8500-3 Parcel Identification Number: 066/0809-193-8100-0

Sale 2 – Parcel Map



Sale 3 – US Highway 51, City of Stoughton



Picture: Looking S from Highway B; Taken 6/20/2023 By James Koch

Location: ~14.3 Miles South

Grantor: Greenbriar Farms Limited Partnership

Grantee: STI Holdings, Inc.

Verified By: Rob Hostrawser, List & Sale Agent

Recorded: Doc. 5880494

Verified To: James R Koch, Wisconsin Certified General Appraiser #1138-10

Verification Date: 6/19/2023

Legal Description: See the next page.

Parcel #'s: 281/0611-313-8102-2; 281/0611-314-9210-2; 281/0611-313-9002-2; 281/0911-313-9580-2;
281/0611-313-8502-2; 281/0611-313-8210-0

Sale Price: \$6,622,369

Date of Sale: 12/23/2022, Closed

Site Size: 184.62 Acres, Net

Price/Acre: \$35,870

Improvements: None

Zoning: PB, RH, I

Topography: Level to gentle roll

Terms: Cash to Seller

Type of Document: Warranty Deed

Financing: None Reported or Recorded

Highest & Best Use: Mixed-Use Urban Development

Intended Use: Mixed-Use Urban Development

Conditions of Sale: Negotiated arm's length.

Description of Property: This is a sale of a development property that is located in Stoughton at the corner of Highway 51 and Highway B. The property has a long history of development planning starting back in ~2007 as a site for big box retail development as a Walmart. That plan fell apart amid the recession at the time, but new planning is now active after this sale closed. The buyer is affiliated with Stoughton Trailers, Inc. who plans to build a corporate headquarters on ~7.9 acres. Other parts of the plan include mixed residential including townhouses/duplexes, flexible use lots and general commercial. The mixed residential

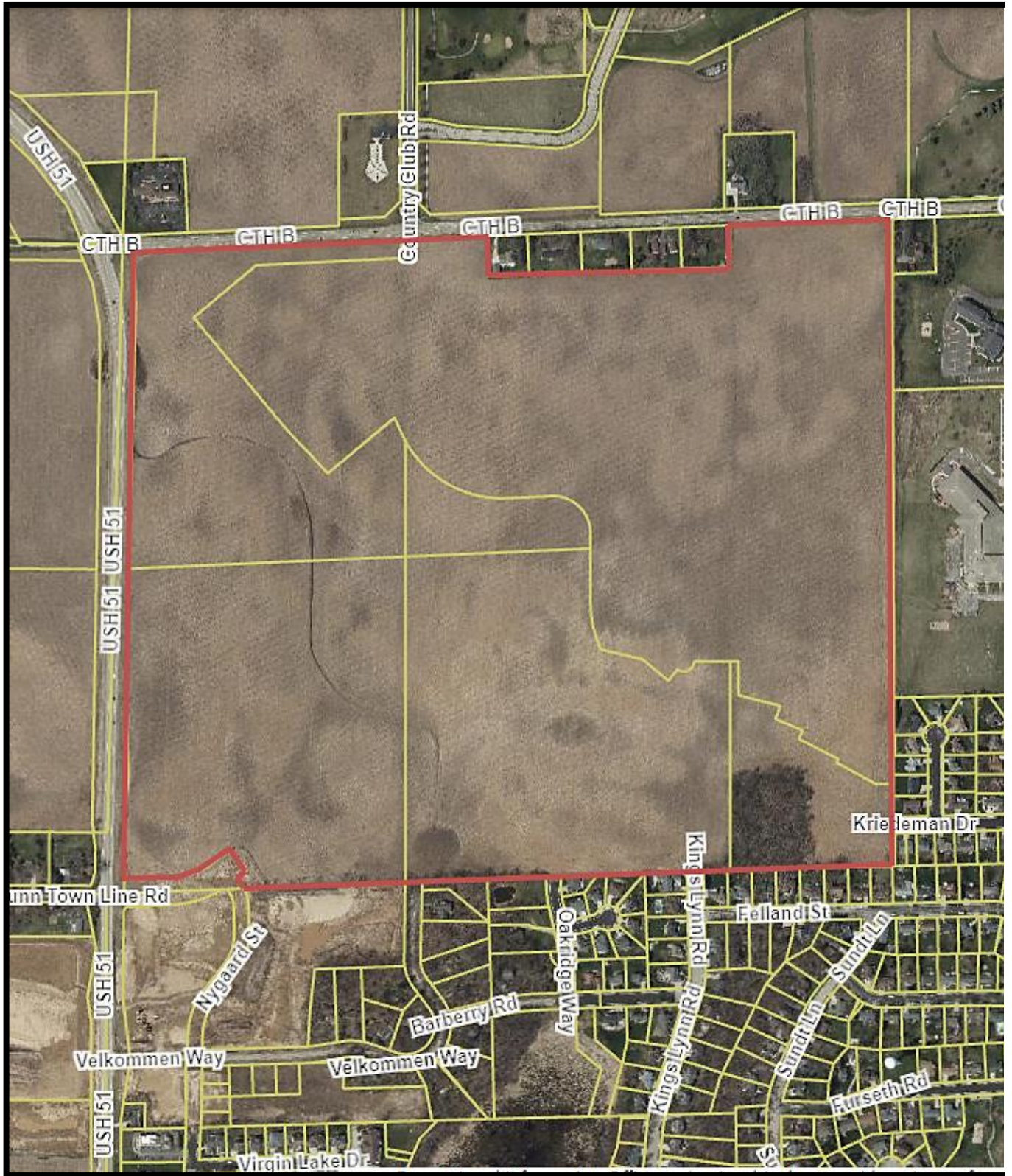
component on the plan is lower density overall with individual platted lots shown on the concept plan. A substantial park/open space component is also planned which is ~35 acres. Concept plans show an engineered lake within the open space area. The soils are predominantly upland type, but there are ~three acres of mapped wetlands. The property has been annexed for an extended period of time since ~2007 and municipal utilities are physically close, but an urban service area amendment was still needed at the time of closing but it has since been completed. The buyer was successful in negotiating a TID assistance package which will help with required infrastructure improvements for the Highway 51/Highway B intersection.

Legal Description for Sale 3

PARCEL I: THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, DANE COUNTY, WISCONSIN. EXCEPTING FROM THE ABOVE LANDS THAT PART CONVEYED TO DEPARTMENT OF TRANSPORTATION IN VOL. 16366 OF RECORDS, PAGE 28, AS DOCUMENT NO. 2277685; AND TO DANE COUNTY IN VOL. 85 OF MISC., PAGE 473, AS DOCUMENT NO. 498377 AND VOL. 461 OF MISC., PAGE 394, AS DOCUMENT NO. 1180331. ALSO, EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED IN INSTRUMENT RECORDED APRIL 25, 2022 AS DOCUMENT NO. 5828799. ALSO, EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED IN INSTRUMENT RECORDED JULY 16, 2007 AS DOCUMENT NO. 4334073. PARCEL II: THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, DANE COUNTY, WISCONSIN, EXCEPT THAT PART CONVEYED AS SET FORTH IN WARRANTY DEED RECORDED IN VOL. 746 OF DEEDS, PAGE 486, AS DOCUMENT NO. 1057449, AND ALSO EXCEPT LOTS 1, 2, AND 3, CERTIFIED SURVEY MAP 404, RECORDED IN VOL. 2 OF CERTIFIED SURVEY MAPS, PAGE 180, AS DOCUMENT NO. 1273929, AND ALSO EXCEPT PART OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 11 EAST, IN THE TOWN OF PLEASANT SPRINGS, DANE COUNTY, WISCONSIN, MORE FULLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH 1/4 CORNER OF SAID SECTION 31; THENCE NORTH 0°33'30" WEST, 2,437.25 FEET ALONG THE NORTH-SOUTH 1/4 LINE OF SAID SECTION 31 TO THE SOUTH LINE OF CERTIFIED SURVEY MAP 404, RECORDED IN VOL. 2 OF CERTIFIED SURVEY MAPS, PAGE 180, AS DOCUMENT NO. 1273929; THENCE SOUTH 87°16'46" WEST, 816.42 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUE SOUTH 87°16'46" WEST, 163.00 FEET; THENCE NORTH 2°49'44" WEST, 200.39 FEET TO THE EAST-WEST 1/4 LINE OF SAID SECTION 31; THENCE NORTH 86°40'13" EAST, 163.01 FEET ALONG SAID 1/4 LINE; THENCE SOUTH 2°49'44" EAST, 202.12 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION. ALSO, EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED IN INSTRUMENT RECORDED JULY 16, 2007 AS DOCUMENT NO. 4334073. PARCEL III: PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWN 6 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, DANE COUNTY, WISCONSIN, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SAID SECTION 31; THENCE NORTH 84°45' EAST ALONG THE NORTH LINE OF SAID SOUTHWEST 1/4 FOR A DISTANCE OF 661.5 FEET; THENCE SOUTH 3°01' EAST, 2658.95 FEET MORE OR LESS TO THE SOUTH LINE OF SAID SOUTHWEST 1/4; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID SOUTHWEST 1/4 FOR A DISTANCE OF 665.0 FEET TO THE WEST LINE OF THE WEST 1/2 OF SAID SOUTHWEST 1/4; THENCE NORTHERLY ALONG SAID WEST LINE 2653.4 FEET TO THE POINT OF BEGINNING. ALSO, EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED IN INSTRUMENT RECORDED JULY 16, 2007 AS DOCUMENT NO. 4334073. PARCEL IV: PART OF THE NORTHWEST 1/4, NORTHEAST 1/4, AND SOUTHWEST 1/4 OF THE SOUTHWEST 1/4, AND PART OF THE SOUTHWEST 1/4 AND NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, DANE COUNTY, WISCONSIN, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHWEST 1/4 SECTION; THENCE NORTH 86°41'12" EAST ALONG THE NORTH LINE OF SAID 1/4 SECTION 1131.24 FEET TO THE POINT OF BEGINNING OF THE LANDS TO BE DESCRIBED; THENCE CONTINUING NORTH 86°41'12" EAST ALONG SAID NORTH LINE 349.82 FEET TO A POINT ON THE WEST LINE OF LOT 1 OF CERTIFIED SURVEY MAP NO. 4431; THENCE SOUTH 02°49'22" EAST ALONG SAID WEST LINE 200.57 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 1; THENCE NORTH 87°17'08" EAST ALONG SAID SOUTH LINE, THE SOUTH LINE OF LOTS 1, 2, AND 3 OF CERTIFIED SURVEY MAP NO. 404 AND ITS EXTENSION 979.42 FEET TO A POINT ON THE EAST LINE OF LOT 3 OF CERTIFIED SURVEY MAP NO. 404; THENCE NORTH 00°33'08" WEST ALONG SAID EAST LINE 211.04 FEET TO A POINT AT THE NORTHEAST CORNER OF THE SOUTHWEST 1/4 OF SECTION 31; THENCE NORTH 87°29'09" EAST ALONG THE NORTH LINE OF THE SOUTHWEST 1/4 OF SECTION 31 FOR A DISTANCE OF 661.50 FEET TO A POINT ON THE EAST LINE OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 31; THENCE SOUTH 00°37'56" EAST ALONG SAID EAST LINE 2190.36 FEET TO A POINT ON THE WEST

LINE OF STIKLESTAD HIGH POINT ADDITION TO NORSE VIEW HEIGHTS; THENCE SOUTH 00°34'02" EAST ALONG SAID WEST LINE 132.97 FEET TO A POINT; THENCE SOUTH 89°26'28" WEST 73.03 FEET TO A POINT; THENCE NORTH 62°05'35" WEST 181.50 FEET TO A POINT; THENCE NORTHEASTERLY 15.64 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE NORTHWEST WHOSE RADIUS IS 680.00 FEET, AND WHOSE CHORD BEARS NORTH 27°14'52" EAST 15.64 FEET TO A POINT; THENCE NORTH 63°24'40" WEST 180.00 FEET TO A POINT; THENCE NORTH 24°27'45" EAST 37.10 FEET TO A POINT; THENCE NORTH 67°39'50" WEST 120.00 FEET TO A POINT; THENCE NORTHEASTERLY 56.33 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE WEST, WHOSE RADIUS IS 380.00 FEET, AND WHOSE CHORD BEARS NORTH 18°05'22" EAST 56.28 FEET TO A POINT; THENCE NORTH 76°09'26" WEST 173.44 FEET TO A POINT; THENCE NORTH 00°37'56" WEST 137.23 FEET TO A POINT; THENCE SOUTH 89°22'04" WEST 180.00 FEET TO A POINT; THENCE SOUTHWESTERLY 92.50 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE NORTHWEST, WHOSE RADIUS IS 41.00 FEET, AND WHOSE CHORD BEARS SOUTH 64°00'12" WEST 74.10 FEET TO A POINT; THENCE SOUTH 38°38'20" WEST 60.00 FEET TO A POINT; THENCE NORTH 51°21'40" WEST 95.53 FEET TO A POINT; THENCE NORTHWESTERLY 36.64 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE NORTHEAST, WHOSE RADIUS IS 330.00 FEET, AND WHOSE CHORD BEARS NORTH 48°10'49" WEST 36.62 FEET TO A POINT; THENCE NORTH 77°00'00" WEST 177.52 FEET TO A POINT; THENCE NORTHWESTERLY 194.96 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE EAST WHOSE RADIUS IS 450.00 FEET, AND WHOSE CHORD BEARS NORTH 13°02'37" WEST 193.43 FEET TO A POINT; THENCE NORTH 00°37'56" WEST 281.36 FEET TO A POINT; THENCE NORTHWESTERLY 242.64 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE SOUTHWEST WHOSE RADIUS IS 150.00 FEET, AND WHOSE CHORD BEARS NORTH 46°58'22" WEST 217.04 FEET TO A POINT; THENCE SOUTH 86°41'12" WEST 178.57 FEET TO A POINT; THENCE NORTHWESTERLY 523.64 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE NORTHEAST, WHOSE RADIUS IS 450.00 FEET, AND WHOSE CHORD BEARS NORTH 59°58'39" WEST 494.59 FEET TO A POINT; THENCE NORTHWESTERLY 81.55 FEET ALONG THE ARC OF A CURVE WHOSE CENTER LIES TO THE NORTHEAST, WHOSE RADIUS IS 950.00 FEET, AND WHOSE CHORD BEARS NORTH 24°10'57" WEST 81.52 FEET TO A POINT; THENCE SOUTH 68°16'36" WEST 3.20 FEET TO A POINT; THENCE SOUTH 49°41'12" WEST 349.75 FEET TO A POINT; THENCE NORTH 44°02'17" WEST 246.05 FEET TO A POINT; THENCE NORTH 40°18'48" WEST 587.02 FEET TO A POINT; THENCE NORTH 49°41'12" EAST 330.62 FEET TO A POINT; THENCE NORTH 86°41'12" EAST 593.51 FEET TO A POINT; THENCE NORTH 03°18'48" WEST 109.44 FEET TO THE POINT OF BEGINNING.

Sale 3 - Parcel/Aerial Map



Sale 4 –4404 Hoepker Rd, City of Madison



Picture: Looking N from Hoepker Rd; Taken 6/20/2023 by James Koch

Location: ~3.1 Miles Northwest

Grantor: Donald G. & Juanita M. Hoepker Trust

Grantee: Prairie Creek I, LLC

Verified By: Mike Ring, List Agent

Recorded: Doc. 5880255

Verified To: James R Koch, Wisconsin Certified General Appraiser #1138-10

Verification Date: 6/19/2023

Legal Description: See the next page.

Parcel #: 251/0810-094-0098-8

Sale Price: \$1,850,000

Date of Sale: 12/29/2022, Closed

Site Size: 33.52 Acres, Net

Price/Acre: \$55,191

Improvements: None

Zoning: A

Topography: Level to gentle roll

Terms: Cash to Seller

Type of Document: Warranty Deed

Financing: Conventional

Highest & Best Use: Multi-Family Development

Intended Use: Multi-Family Development

Conditions of Sale: Negotiated arm's length.

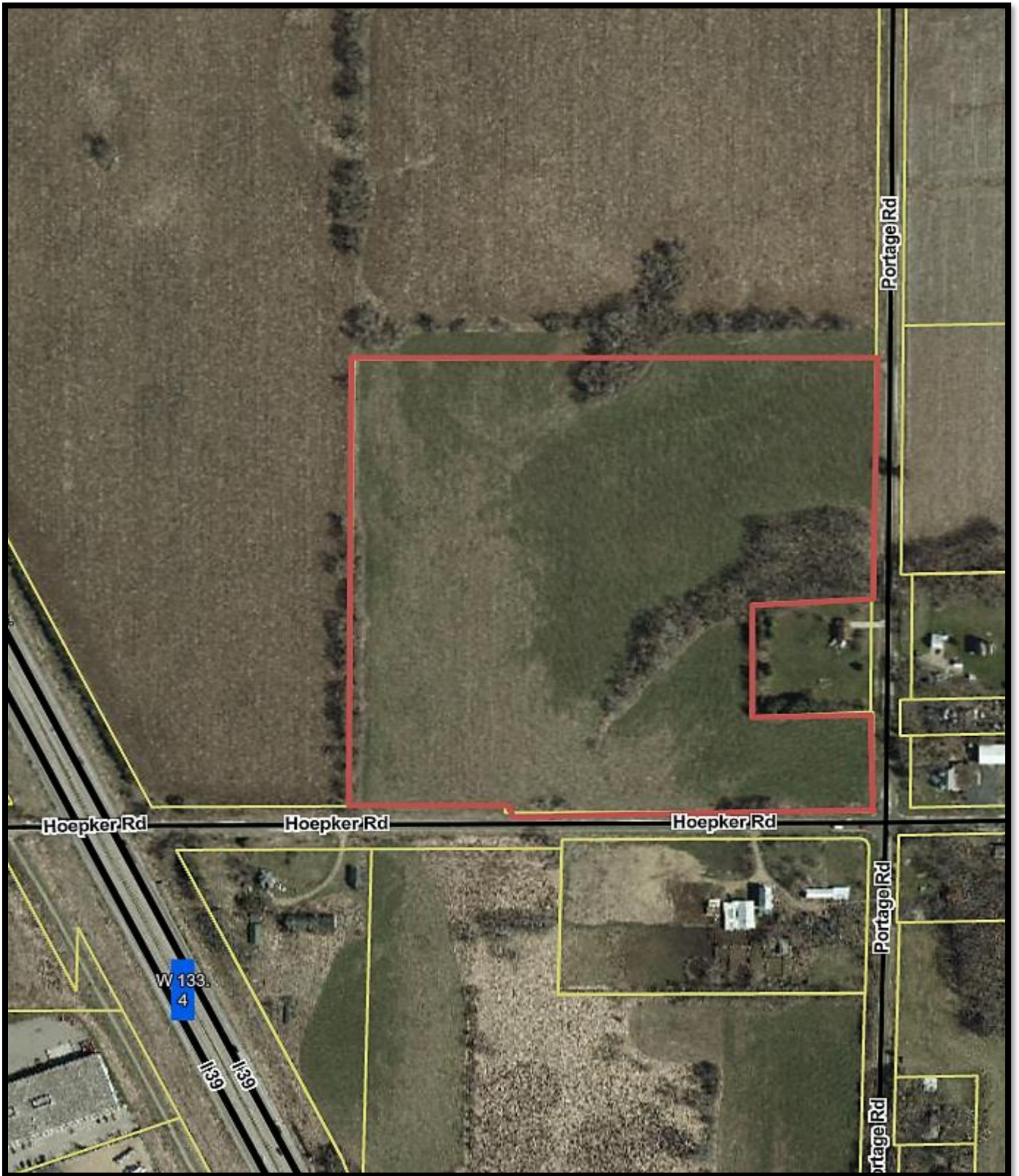
Description of Property: This is the sale of an apartment development parcel on the northeast side of Madison where the city is expanding into the town of Burke. This is an active area, but there is abundant land supply and it has grown at a slower pace than other parts of the Madison metro area. This property had been marketed for several years before this closing. The property is still not finally planned for development at this time, but the zoning has been changed to NMX & TR-U1, and a preliminary plat has been approved for 500 residential units + a small amount of commercial space. The property has an

intermittent stream with woods around it and hydric Radford Silt Loam soils. The preliminary plan has ~28 acres being developed with the balance being open space which is predominantly located along the intermittent stream. The plan also shows buildings on parts of the site with hydric soils, and it is therefore expected that additional site preparation will be needed to facilitate construction. The property is annexed and an Urban Services Area expansion was accomplished in early 2022 before this sale closed. Water/sewer extensions were planned for 2023 in conjunction with a public city project.

Legal Description for Sale 4

Part of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 9, T8N, R10E, in the City of Madison (previously in the Town of Burke), Dane County, Wisconsin, described as follows: Beginning at the Southeast corner of said Section 9; thence South $89^{\circ}16'00''$ West along the South line of the Southeast $\frac{1}{4}$ of said Section 9 and the centerline of Hoepker Road, 948.83 feet; thence North $00^{\circ}36'00''$ West, 33.0 feet to a point in the Northerly right of way line of Hoepker Road; thence South $89^{\circ}24'00''$ West along said Northerly right of way line of Hoepker Road, 17.00 feet; thence North $00^{\circ}36'00''$ West along said Northerly right of way line of Hoepker Road, 12.00 feet; thence South $89^{\circ}24'00''$ West along the Northerly right of way line of Hoepker Road, 359.32 feet; thence North $00^{\circ}08'01''$ East along the West line of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 9, 1,190.65 feet; thence North $89^{\circ}16'00''$ East, 1,322.98 feet to a point in the center line of Portage Road, said point also being in the East line of the Southeast $\frac{1}{4}$ of said Section 9; thence South $00^{\circ}00'21''$ West, along the East line of the Southeast $\frac{1}{4}$ of said Section 9 and the center line of Portage Road, 640.28 feet; thence South $86^{\circ}52'22''$ West, along the North line of Lot 1, Certified Survey Map No. 8211, 333.00 feet; thence South $00^{\circ}00'21''$ West along the West line of said Lot 1, 300.00 feet; thence North $86^{\circ}52'22''$ East along the South line of said Lot 1, 333.00 feet to a point in the East line of the Southeast $\frac{1}{4}$ of said Section 9 and the center line of Portage Road; thence South $00^{\circ}00'21''$ West along the East line of said Section 9, 296.21 feet to the point of beginning.

Sale 4 – Parcel/Aerial Map



Sale 5 – Highway PD, Town of Verona



Picture: Looking Southeast from Highway PD; Taken 09/05/2024 by James Koch

Location: ~17.1 Miles Southwest

Grantor: The Dorothy L. Dreger Revocable Living Trust Grantee: FRED-Verona Partners, LLC

Verified By: Austin Mautz, FRED Real Estate CFO Recorded: Doc. 5925682

Verified To: James R Koch, Wisconsin Certified General Appraiser #1138-10

Verification Date: 9/4/2024

Legal Description: See the next page.

Parcel #: 062/0608-102-8501-0

Sale Price: \$5,200,000

Date of Sale: 9/25/2023, Closed

Site Size: 35.70 Acres, Net

Price/Acre: \$145,658

Improvements: Old House

Zoning: AT-35

Topography: Gently sloping

Terms: Cash to Seller

Type of Document: Trustee's Deed

Financing: Conventional

Highest & Best Use: Multi-Family Development

Intended Use: Multi-Family Development

Conditions of Sale: Negotiated arm's length.

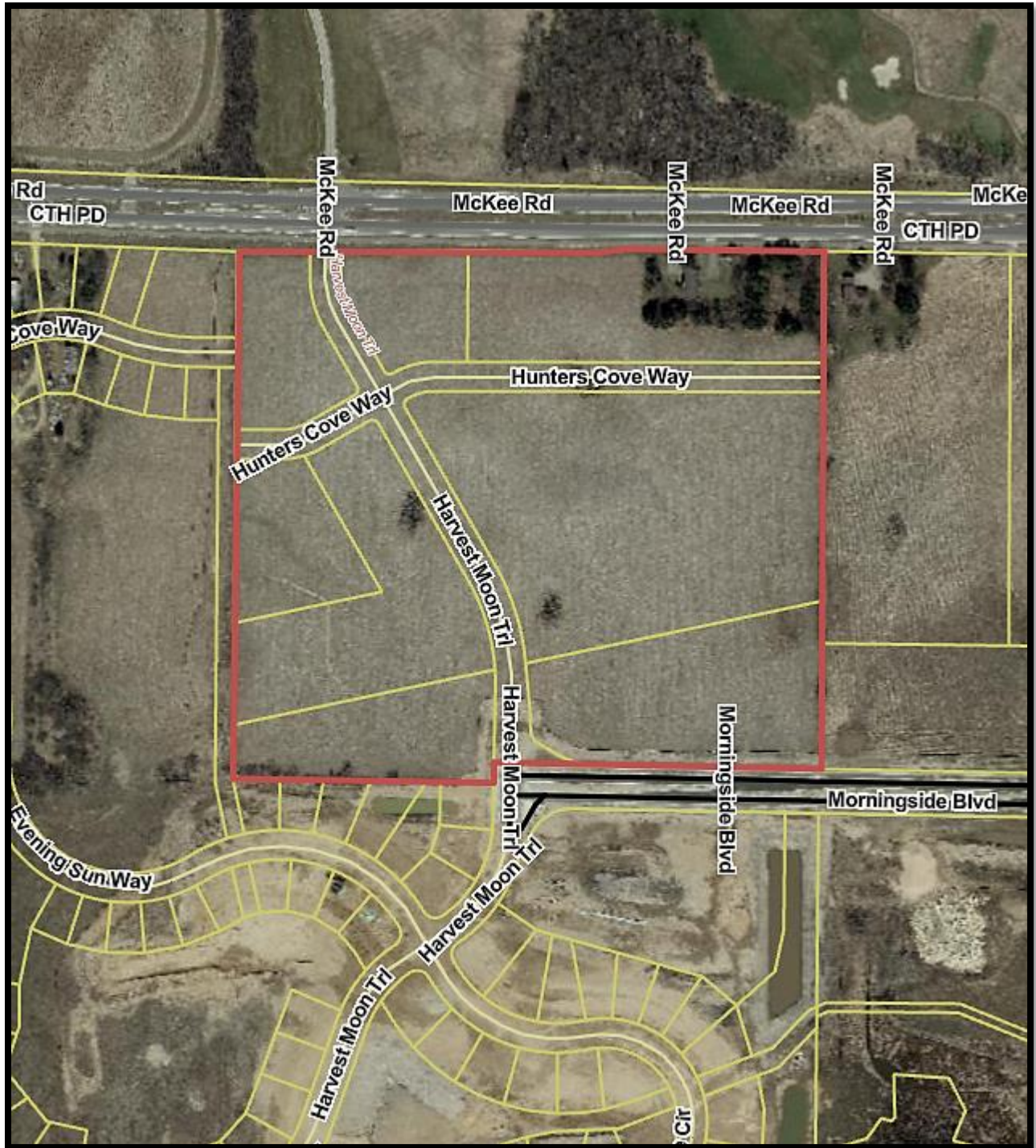
Description of Property: This is a sale of an apartment development parcel on the northwest side of Verona. This is a Verona expansion area where the city of Verona approaches the city of Madison. It is an area with considerable multi-family activity, but there is also strong residential appeal from the close proximity to the major Epic Systems employer. This is also near University Ridge Golf Course. This is historically an agricultural parcel that is now an apartment development property. The buyers completed all the formal planning, but there was comprehensive plan support for higher density. The plan that is now under

construction is for 409 units plus a commercial corner. The land is predominantly upland aside from a small .5 acre wetland. However, there are exceptional storm water management requirements and the site has been engineered to hold back to back 100-year flood events on site. As such, 7.15 acres are dedications for stormwater management. There is also a 1.96 acre parkland dedication. The property takes access from Highway PD and it ties into Morningside Blvd. which was constructed for Whispering Coves which is adjacent to the south.

Legal Description for Sale 5

A PART OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 10, TOWN 6 NORTH, RANGE 8 EAST, TOWN OF VERONA, DANE COUNTY, WISCONSIN, DESCRIBED AS BEING THE NORTH 20 RODS IN WIDTH OF THE EAST 40 RODS IN WIDTH OF SAID SECTION 10, SUBJECT TO PUBLIC HIGHWAY "PD" ALONG THE NORTHERLY SIDE THEREOF. THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 6 NORTH, RANGE 8 EAST, TOWN OF VERONA, EXCEPT THE NORTH 20 RODS OF THE EAST 40 RODS THEREOF. EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED IN TRUSTEE'S DEED RECORDED ON OCTOBER 31, 2018 AS DOCUMENT NO. 5451679. AND ALSO EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED IN WARRANTY DEED RECORDED ON JULY 20, 2021 AS DOCUMENT NO. 5752029.

Sale 5 – Parcel/Aerial Map



Sale 6 – Portage Rd, Town of Windsor



Picture: Looking South from Egre Rd; Taken 9/6/2024 by Sandy Harden

Location: ~4.7 Miles Northwest

Grantor: The William M. & Pamela I. Cooper Joint Revocable Trust

Grantee: Moss Oak Farm, LLC

Verified By: Dillon Muth, Sale Agent

Recorded: Doc. 5979844

Verified To: James R Koch, Wisconsin Certified General Appraiser #1138-10

Verification Date: 9/4/2024

Legal Description: See the next page.

Parcel #'s: 196/0910-342-8310-7, 196/0910-341-9001-0; 196/0910-341-8500-8; 196/0910-342-9500-5

Sale Price: \$3,480,000

Date of Sale: 6/7/2024, Closed

Site Size: 116 Acres, Gross

Price/Acre: \$30,000

Improvements: None

Zoning: A-3

Topography: Gently sloping

Terms: Cash to Seller

Type of Document: Warranty Deed

Financing: Conventional

Highest & Best Use: Single-Family Development

Intended Use: Single-Family Development

Conditions of Sale: Negotiated arm's length.

Description of Property: This is a sale of a low-density suburban development parcel in Windsor. Windsor is an incorporated former township, but this property is situated in a low-density area that does not have urban services. The comprehensive plan designation is Conservation Residential which calls for a density of up to one dwelling unit/acre. The buyer is affiliated with Don Tierney who is a well-known developer

around the north side of Dane County which includes development history in Windsor and DeForest. The most probable development plan will be large lots at higher price points, and the plat will be supported by well-built parks. This is presently agricultural land and it is all tilled. The soils are predominantly upland, but there is a drainage area with partially hydric soils and the southeastern corner of the site abuts Token Creek. There are also hydric soils near the creek, but that would also provide a view amenity.

Legal Description for Sale 6

The West 1/2 of the Northeast 1/4 and all that part of the East 1/2 of the Northwest 1/4 lying East and South of the centerline of highways in Section 34, T9N, R10E, in the Village of Windsor, Dane County, Wisconsin, EXCEPT that part conveyed in Trustee's Deed recorded as Document No.

Sale 6 – Parcel/Aerial Map



Sale 7: 2275 County Road MM, Fitchburg



Picture: Looking East & West from Highway MM; Taken 2/26/2024 by James Koch

Location: ~13.1 Miles Southwest

Grantor: Aree V. Watts Trust

Verified By: Joe Armentrout List Agent

Verified To: James R Koch, Wisconsin Certified General Appraiser #1138-10

Verification Date: 2/21/2024

Legal Description: See below

Parcel #'s: 225/0609-244-8920-7; 225/0609-244-8710-1; 225/0609-243-8310-6; 225/0609-244-8501-4;
225/0609-244-9500-3; 225/0609-244-8000-0; 225/0609-243-8001-0

Sale Price: \$1,010,000

Site Size: 103 Acres

Improvements: Farmhouse, Garage, Old Barn

Topography: Rolling

Type of Document: Trustee's Deed

Highest & Best Use: As-Improved, Single-Family & Agriculture

Intended Use: As-Improved, Single-Family & Agriculture

Conditions of Sale: Negotiated arm's length.

Description of Property: This is a recent sale in the city of Fitchburg. Fitchburg is another incorporated former township and it has urban and suburban areas. This specific property is suburban/rural in location and it is situated on a mixed-use traffic corridor. Highway MM has residential development, but it also has a variety of commercial uses to include contractor shops, RV sales, and auto repair. This property has alignment to Oregon by school district. Fitchburg does not have its own school district and students in this location are part of the Oregon School District. This property has A-X (Exclusive Agriculture zoning) and it is encumbered with a conservation easement. There are no additional development rights available to it beyond the existing farmhouse as confirmed by the list agent. The farmhouse was built 1900 per MLS, and it has 1,728 SF for GLA, two bedrooms and two full bathrooms. There is a three-car detached garage and there is an old barn. The garage does have a loft for storage. There is hot water heat and there is no air conditioning. There is a three-season porch as an extra feature. The overall condition is average. It is a maintained, habitable house, but it is not highly upgraded. There is ~72 Acres tillable and the soils are productive. Murphy's Creek runs through the eastern side of the site and most of this 50 acre parcel is hydric or it has hydric inclusions.

Grantee: Rick L. & Judith Urben

Recorded: Doc. 5944064

Date of Sale: 1/24/2024, Closed

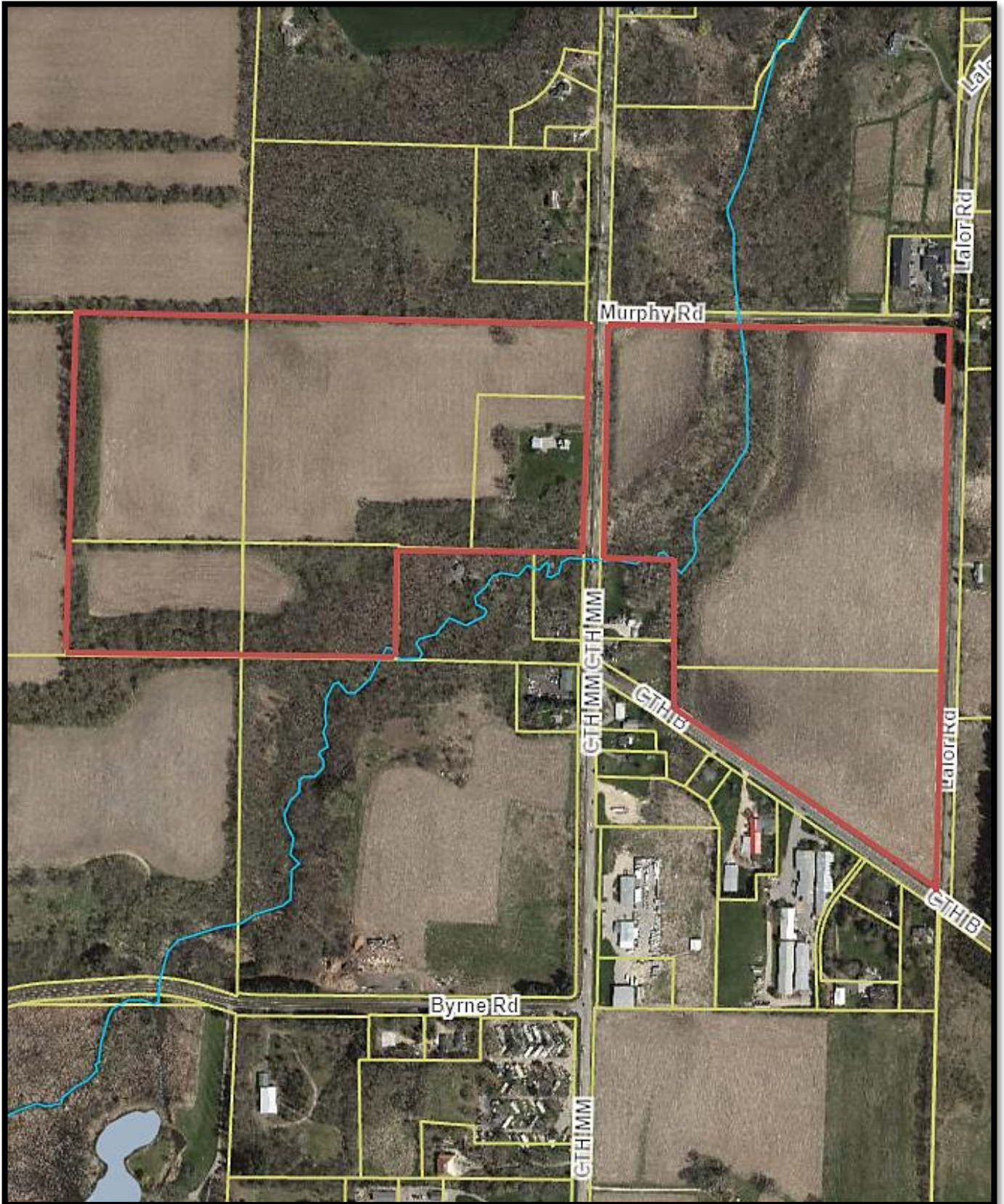
Price/Acre: \$9,806

Zoning: A-X

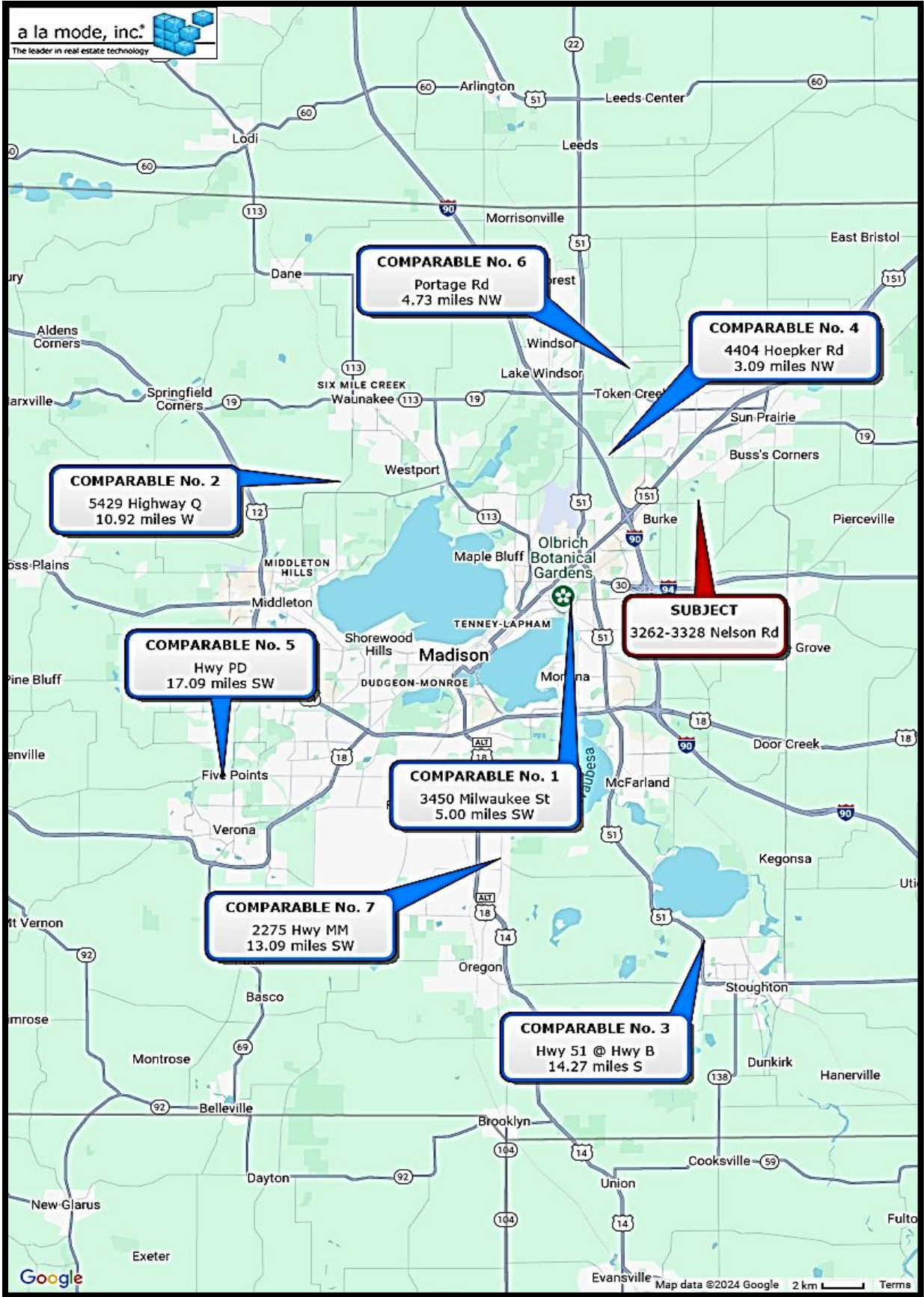
Terms: Cash

Financing: None Reported

Sale 7 – Parcel/Aerial Map



Comparable Sales Map



Sales Comparison Grid - Complete Acquisition/Before Acquisition Value

	Subject	Sale #1	Adj.	Sale #2	Adj.	Sale #3	Adj.	Sale #4	Adj.
Property Address	Nelson Rd	3450 Milwaukee St		5429 Highway Q		Highway 51 @ Highway B		4404 Hoepker Rd	
Sale Price	NA	\$8,000,000		\$7,200,000		\$6,622,369		\$1,850,000	
Sale Price/Acre	NA	\$123,001		\$21,884		\$36,307		\$55,191	
Land Size (Acres)	295.00	65.04		329.00		182.40		33.52	
Transactional Adjustments									
Sale Date/Market Conditions	8/24, Value	8/24, Closed	0.0%	11/22, Closed	17.5%	12/22, Closed	16.7%	12/22, Closed	16.7%
Financing Terms	Assume Cash to Seller	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%
Conditions of Sale	Assume Arm's Length	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%
Adj. Sale Price (\$/Acre)	NA		\$123,001		\$25,714		\$42,358		\$64,389
Physical Adjustments									
Location	Town of Burke (East Madison)/Sun Prairie	East Madison	-5.0%	Town of Westport	-5.0%	Stoughton	5.0%	East Madison	0.0%
Scale (Acres)	295.00	65.04	-34.5%	329.00	5.1%	182.40	-16.9%	33.52	-39.2%
Development Potential/Profile	Multi-Family (~80 Acres) Spec. Low Density Around Ponds or Open Space (~215 Acres) No Formal Plan	Multi-Family (~28 Acres) Open Space Around Pond (~37 Acres) Closed After Preliminary Plan	-18.0%	2 Single-Family Lots + Spec. Urban Development Possible North Mendota Parkway Interchange Dorn Creek	46.0%	Corporate Office/Mixed Res./Commercial (~147 Acres) Open Space (~35 Acres)	18.0%	Multi-Family (~28 Acres) Open Space (~6 acres) Construction Planned on Hydric Soils	0.0%
Improvements	Old House - Not Contributing	Old Houses & Misc. Ready Mix Structures - Not Contributing	0.0%	Habitable Average Condition House Numerous Average Farm Buildings	-3.0%	None	0.0%	None	0.0%
Other	Active Borrow Pit; Right-of-Way	Historic Mineral Extraction	0.0%	Right-of-Way	0.0%	NA	0.0%	NA	0.0%
Total Adjustments After Mkt Conditions/Terms			-57.5%		43.1%		6.1%		-39.2%
Adjusted Value (\$/Acre) =====>			\$52,283		\$36,806		\$44,946		\$39,135

Sales Comparison Grid - After Partial Acquisition Value

	Subject	Sale #1	Adj.	Sale #3	Adj.	Sale #4	Adj.	Sale #5	Adj.
Property Address	Nelson Rd	3450 Milwaukee St		Highway 51 @ Highway B		4404 Hoepker Rd		Highway PD	
Sale Price	NA	\$8,000,000		\$6,622,369		\$1,850,000		\$5,200,000	
Sale Price/Acre	NA	\$123,001		\$36,307		\$55,191		\$145,658	
Land Size (Acres)	96.00	65.04		182.40		33.52		35.70	
Transactional Adjustments									
Sale Date/Market Conditions	8/24, Value	8/24, Closed	0.0%	12/22, Closed	16.7%	12/22, Closed	16.7%	9/23, Closed	9.2%
Financing Terms	Assume Cash to Seller	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%
Conditions of Sale	Assume Arm's Length	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%
Adj. Sale Price (\$/Acre)	NA		\$123,001		\$42,358		\$64,389		\$159,010
Physical Adjustments									
Location	Town of Burke (East Madison)/Sun Prairie	East Madison	-5.0%	Stoughton	5.0%	East Madison	0.0%	Verona	-10.0%
Scale (Acres)	96.00	65.04	-4.6%	182.40	13.0%	33.52	-9.4%	35.70	-9.0%
Development Potential/Profile	Multi-Family (~80 Acres) Spec. Low Density Around Ponds or Open Space (~16 Acres)	Multi-Family (~28 Acres) Open Space Around Pond (~37 Acres) Closed After Preliminary Plan	-10.0%	Corporate Office/Mixed Res./Commercial (~147 Acres) Open Space (~35 Acres)	80.0%	Multi-Family (~28 Acres) Open Space (~6 acres) Construction Planned on Hydric Soils	18.0%	Multi-Family (~27 Acres) Open Space (~9 Acres) Closed After Preliminary Plan	7.0%
Improvements	Old House - Not Contributing	Old Houses & Misc. Ready Mix Structures - Not Contributing	0.0%	None	0.0%	None	0.0%	Old House - Not Contributing	0.0%
Other	Active Borrow Pit; Right-of-Way; Access Easement	Historic Mineral Extraction	0.0%	NA	0.0%	NA	0.0%	NA	0.0%
Total Adjustments After Mkt Conditions/Terms			-19.6%		98.0%		8.6%		-12.0%
Adjusted Value (\$/Acre) =====>			\$98,839		\$83,852		\$69,945		\$139,857

Sales Comparison Grid - Acquisition as a Separate Entity

	Subject	Sale #2	Adj.	Sale #3	Adj.	Sale #6	Adj.	Sale #7	Adj.
Property Address	Nelson Rd	5429 Highway Q		Highway 51 @ Highway B		Portage Rd		2275 County Road MM	
Sale Price	NA	\$7,200,000		\$6,622,369		\$3,480,000		\$1,010,000	
Sale Price/Acre	NA	\$21,884		\$36,307		\$30,000		\$9,806	
Land Size (Acres)	199.00	329.00		182.40		116.00		103.00	
Transactional Adjustments									
Sale Date/Market Conditions	8/24, Value	11/22, Closed	17.5%	12/22, Closed	16.7%	6/24, Closed	1.7%	1/24, Closed	5.8%
Financing Terms	Assume Cash to Seller	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%
Conditions of Sale	Assume Arm's Length	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%
Adj. Sale Price (\$/Acre)	NA		\$25,714		\$42,358		\$30,500		\$10,378
Physical Adjustments									
Location	Town of Burke (East Madison)/Sun Prairie	Town of Westport	-5.0%	Stoughton	5.0%	Windsor	0.0%	Fitchburg	-10.0%
Scale (Acres)	199.00	329.00	6.5%	182.40	-0.8%	116.00	-4.2%	103.00	-4.8%
Development Potential/Profile	Speculation Low Density Around Ponds	2 Single-Family Lots + Spec. Urban Development Possible North Mendota Parkway Interchange Dorn Creek	0.0%	Corporate Office/Mixed Res./Commercial (~147 Acres) Open Space (~35 Acres)	-40.0%	Very Low Density Residential	-40.0%	1 Single-Family Conservation Easement	70.0%
Improvements	None	Habitable Average Condition House Numerous Average Farm Buildings	-5.0%	None	0.0%	None	0.0%	Habitable Average Condition House Garage & Barn	-11.6%
Other	Historic Mineral Extraction; Access Easement	Right-of-Way	0.0%	NA	0.0%	NA	0.0%	NA	0.0%
Total Adjustments After Mkt Conditions/Terms			-3.5%		-35.8%		-44.2%		43.6%
Adjusted Value (\$/Acre) =====>			\$24,819		\$27,181		\$17,034		\$14,905

Explanations of Adjustments

General

The sales are adjusted as a percentage of the \$/acre sale price since \$/acre is the most common reference in the market for larger land tracts. There are buildings in some cases, but they are all clearly secondary to the land value component. Differences in the values for the buildings are considered in the adjustment process.

Sale Date/Market Conditions

Market conditions adjustments are applied at 10%/year with simple calculations from the month of closing to the month of value. This is a rather strong adjustment, but there is good support for it. The following table provides market conditions pairings that show the 10%/year adjustments are reasonable.

Location	Sale Price	Sale Date	Size (SF or Acres)	\$/SF or \$/Acre	% Change	Years Elapsed & Change/Year
Lacy Rd Fitchburg	\$2,200,000	5/22, Closed	167,890	\$13.10	NA	1.8
2692 Botanical Dr Fitchburg	\$1,570,140	3/24, Closed	106,088	\$14.80	12.9%	7.19%
650 N Main St Oregon	\$1,100,000	9/22, Closed	165,528	\$6.65	NA	1.5
Hwy CC & Peterson Trl Oregon	\$1,200,000	3/24, Closed	124,279	\$9.66	45.3%	30.20%
6003 Midwood Ave Monona	\$220,000	6/23, Closed	8,843	\$24.88	NA	0.4
6003 Midwood Ave Monona	\$235,000	11/23, Closed	8,843	\$26.57	6.8%	17.05%
Spring Rose Rd Town of Verona	\$1,100,000	1/20, Closed	74.50	\$14,765.10	NA	3.60
Riverside Rd Town of Verona	\$1,200,000	8/23, Closed	37.93	\$31,637.23	114.27%	31.74%
2375 Lonnie Ln Sun Prairie	\$160,000	12/23, Closed	15,039	\$10.64	NA	0.60
2375 Lonnie Ln Sun Prairie	\$171,000	7/24, Closed	15,039	\$11.37	6.88%	11.46%

The first two pairings are multi-family sites. Lacy Rd is in Terravessa and Botanical Dr is a newer multi-family development in the same general part of Fitchburg. The Oregon pairing shows a strong value change, but the N Main St sale is a redevelopment site where additional costs may have been applicable for demolition and storm water management. The latter sale in Oregon is a subdivision site without those costs. Midwood Ave and Lonnie Ln are clean single-family lot pairings. The same lots sold two times within a short period and there were meaningful increases in the sales prices between the sale dates. The town of Verona pair has low density residential properties. This is another indicator of a strong value change, but there is also a longer time frame involved between sale dates.

The 10%/year adjustments specifically rely on 7.19%, 17.05% and 11.46% since they are considered the cleanest pairs and they show the most relevant time frames of relevance.

Financing/Conditions at Sale

No adjustments are considered necessary for financing or conditions of sale. These are all understood to be cash to seller transactions with conventional financing, if financing was used at all.

Location

Sales 4 & 6 are considered equal to the subject in location. Sale 4 is an east Madison site in an expanding urban area with positive location attributes consisting of access to employment and traffic linkages, but it is also an area with substantial land supply for potential future development. It is not an area where there is a shortage of potential development land. Sale 6 is similar as it is a site with northeastern Dane County orientation and positive location attributes, but also no benefit from maturity or shortage of potential development land.

Location adjustments are considered appropriate for the other sales and the location differences are explored in the following table.

Location			Location		
Property	Rent	% Change	Property	Rent	% Change
The Revere at Smith's Crossing Sun Prairie 1 Bedroom/1 Bathroom	\$1,495	-3.7%	The Revere at Smith's Crossing Sun Prairie 2 Bedroom/2 Bathroom	\$1,845	4.3%
Nexus @ Union Corners Madison 1 Bedroom/1 Bathroom	\$1,550	3.5%	The 51 Stoughton 2 Bedroom/2 Bathroom	\$1,765	-4.5%
The Revere at Smith's Crossing Sun Prairie 2 Bedroom/2 Bathroom	\$1,845	-6.2%	The Revere at Smith's Crossing Sun Prairie 1 Bedroom/1 Bathroom	\$1,495	-7.0%
Nexus @ Union Corners Madison 1 Bedroom/1 Bathroom	\$1,960	5.9%	Siena Ridge Verona 1 Bedroom/1 Bathroom	\$1,600	6.6%
The Revere at Smith's Crossing Sun Prairie 1 Bedroom/1 Bathroom	\$1,495	0.0%	The Revere at Smith's Crossing Sun Prairie 2 Bedroom/2 Bathroom	\$1,845	-13.8%
The Laurel at Kilkenney Waunakee 1 Bedroom/1 Bathroom	\$1,495	0.0%	Siena Ridge Verona 2 Bedroom/2 Bathroom	\$2,100	12.1%
The Revere at Smith's Crossing Sun Prairie 2 Bedroom/2 Bathroom	\$1,845	-2.7%	The Revere at Smith's Crossing Sun Prairie 1 Bedroom/1 Bathroom	\$1,495	-7.0%
The Laurel at Kilkenney Waunakee 1 Bedroom/1 Bathroom	\$1,895	2.6%	Irish Fields Fitchburg 1 Bedroom/1 Bathroom	\$1,600	6.6%
The Revere at Smith's Crossing Sun Prairie 1 Bedroom/1 Bathroom	\$1,495	1.3%	The Revere at Smith's Crossing Sun Prairie 2 Bedroom/2 Bathroom	\$1,845	-9.8%
The 51 Stoughton 1 Bedroom/1 Bathroom	\$1,475	-1.4%	Irish Fields Fitchburg 2 Bedroom/2 Bathroom	\$2,025	8.9%

The comparisons are focused on apartments since that is the dominant highest and best use for the subject. The pairings support the expectation that sale 1 is superior because it is a more mature area without readily available development land, sales 2, 5 & 7 are superior because Waunakee, Verona and Fitchburg are move up market areas, and sale 3 is inferior because Stoughton is more distant from the urban core of Madison. However, the rent differentials are not extreme. Rents tend to hold strong since there is a general shortage of apartment inventory in the Madison area. Furthermore, developers are experiencing strong absorption for all of these locations. The adjustments are 5%-10% as supported by the rent pairings. The subject is in Madison, but Revere at Smith’s Crossing is the location analog since this is apartment physically very close to the subject on the opposite side of the rail corridor, it has a similar development layout to what is considered reasonable for the subject, and the subject is in Sun Prairie School District.

Size/Scale

This is an important adjustment because the subject is rather large in scale. There are a couple of competing concepts to sort out with the adjustment. The typical impact is decreasing returns to scale and lower unit values as the scale increases since larger scale relates to larger investment requirement and that can thin the number of effective buyers. There can also be higher risk of ownership for larger parcels which is mainly seen in development parcels since there is increased chance for greater market fluctuations as larger parcels are absorbed. For development parcels, longer absorption times with larger parcels relates directly to increased holding costs. The contrary points are an ability to control market share with larger land tracts, strong absorption characteristics for apartments, and planning flexibility with a larger assemblage. Scale pairs are presented in the following chart.

The following table provides pairings for consideration in the adjustments.

Scale							
Property	Sale Price	Sale Date	Size (Acres or SF)	\$/SF or \$/Acre	Scale Difference	% Change	% Change/Acre
905 Huxley St Madison	\$4,442,000	12/23, Closed	372,049	\$11.94	236,346	-1.38%	-0.26%
1003 Huxley St Madison	\$1,642,950	12/23, Closed	135,703	\$12.11	236,346	1.40%	0.26%
4780 Eastpark Blvd Madison	\$4,719,866	9/23, Closed	496,828	\$9.50	446,272	-15.51%	-1.51%
5454 Buttonwood Dr Madison	\$568,450	6/24, Closed	50,556	\$11.24	446,272	18.36%	1.79%
414 Highway 89 Town of York	\$4,500,000	4/22, Closed	413.43	\$10,885	383.39	33.46%	0.09%
Welhert Rd Town of Portland	\$245,000	12/23, Closed	30.04	\$8,156	383.39	-25.07%	-0.07%
Erb Rd Town of Springdale	\$2,650,000	12/22, Closed	248.84	\$10,649	181.84	-4.87%	-0.03%
Spring Rose Rd Town of Springdale	\$750,000	4/23, Closed	67.00	\$11,194	181.84	5.11%	0.03%

The pairings show scale impacts in all cases, but the impacts are more pronounced for the top two pairings. It is also noted that these are the sites that are construction ready. The construction ready sites have sale prices at full retail values so there is a higher cost to holding the land relative to each unit of land. On larger sites, there is typically a tax benefit from lower assessments and there is more margin for profits in the future to cover holding costs as lots are brought to market. There may also be an interim productivity period which could be agriculture or in the subject's case productivity from mineral extraction activities. The ultimate conclusion is that the scale impacts are more moderate in this case, but the value opinions are still higher than the \$10,000/acre +- sale prices in the lower pairings. The adjustments are applied at .15%/acre for the complete/before and after acquisition grids since there is a higher density development focus and price points are higher, but it is still lower in the overall range from the pairings since none of these properties are development-ready in profile. The adjustments are moderated to .05%/acre in the acquisition as a separate entity scenario since this there are lower prices involved and the largest sale on Highway Q has strong agricultural productivity.

Development Potential/Profile

This is an important adjustment because there can be significant value swings based on development potential and profile. The subject has positive development potential influence for ~80 acres since the two X ~40 acre parcels along Nelson Rd have residential planning with medium and high-density designations. The ~215 acres to the north is in a higher-risk/speculation development category. There would be incentive to try to work something out with the planning authorities since the land is scenic and homes could be spaced amongst the scenic ponds similar to what has been done nearby in Smith’s Crossing or Autumn Lake. There are some hydric soils on the 215 acres, but much of the land has physical opportunity based on field observations, soil maps, flood plain maps, etc. However, there is risk because of the open space land use designation which means development is not expected from a planning perspective at this time. There would be incentive to try, but that outcome is not known at this point in time. The fallbacks in a flat out denial scenario for a development proposal is to hold and try again, parkland dedication to enhance density or offset fees for the apartment land, or private recreation. Development potential impacts are explored with the following sales.

Development Potential Impacts					
Property	Sale Price	Sale Date	Size (Acres)	\$/Acre	% Change (\$/Acre)
Egre Rd Town of Bristol	\$1,495,000	4/22, Closed	39.9	\$37,469	19.9%
Lonnie Ln Sun Prairie	\$1,100,000	12/21, Closed	35.2	\$31,250	-16.6%
4882 High Rd Town of Springfield	\$12,160,000	6/22, Closed	128	\$95,000	13.9%
Highfield Reserve Fitchburg	\$5,837,500	7/22, Closed	70	\$83,393	-12.2%
2692 Botanical Dr Fitchburg	\$1,570,140	3/24, Closed	2.44	\$643,500	272.2%
2647 Botanical Dr Fitchburg	\$307,725	4/24, Closed	1.78	\$172,879	-73.1%
Highway PD Town of Verona	\$5,200,000	9/23, Closed	35.7	\$145,658	104.9%
Highway PD Town of Verona	\$2,700,100	5/23, Closed	37.98	\$71,093	-51.2%
Egre Rd Town of Bristol	\$1,495,000	4/22, Closed	39.9	\$37,469	70.4%
6802 E Buckeye Rd Madison	\$769,900	11/22, Closed	35.01	\$21,991	-41.3%

The first pairing involves development properties in Sun Prairie. The site on Lonnie Ln is being developed as Serenity Estates at Token Creek and it has a substantial open space component that is benefitting the sale prices on the lots around it. The Egre Rd sale is being developed as Heyday Sun Prairie and it does not have

an unusual amount of open space. It does have apartments, but it is not extremely dense as the format is rowhouse with one-story units.

The High Rd land sale in Springfield has been annexed into Middleton and it is mixed density with some apartments, but also a large amount of single-family. Highfield Reserve is a single-family sale to Veridian.

The Botanical Dr pairing shows a density impact at the retail level for shovel ready sites. The higher priced sale is an apartment site and the lower priced sale is a town/row house sale.

The Highway PD pair includes sale 5 as a multi-family reference and a single-family development sale in the same immediate area. These are larger bulk sales where developers installed the infrastructure.

The last pairing is a risk pairing. The Egge Rd sale is reused since it is a residential development site with typical amount of open space. The Buckeye Rd property is deferred since utilities are physically distant from the parcel, and it has a large amount of its area designated as environmental corridor. This property will most likely require plan changes for development which is similar to what would be needed for the north part of the subject property.

Sale 1 is very similar to the subject in that it has apartment density on part of the property, but it also has open space designation for a significant amount of its land area. For sale 1, planning has advanced to the point where it is known that most of the open space will be dedicated to the public and the dedications will benefit parkland development fees. For the subject complete/before, there is a lower percentage for apartment land than sale 1 and larger open space/speculation land. The subject is ~27% apartment land whereas the sale is ~43% apartment land. The starting point for the adjustment considers 16% difference X -50% impact = -8%. The 50% impact keys off the Highway PD pairing since those are larger scale development parcels. Sale 1 also closed after preliminary plan approvals and there is advanced certainty on ~1,050 units over the 28 acres buildable. This is a density of 37.5 units/acre. The subject has potential for this density, but it is not certain either in its as-is position. There is 40-70 units/acre planning designation for part of the site, but there are also 6-20 units/acre planning areas. This is also gross density and roads would need to be platted and dedicated. The sale is in a better risk position having closed after all the planning was completed. It also has better access to municipal services. An additional 10% adjustment factor is added to account for risk for a -18% total adjustment. This is not a full 40% adjustment as shown by the Egge Rd/Buckeye pair because there is planning support for the apartment component, but there is a risk factor to consider nonetheless. For sale 1 after the partial acquisition, the subject has an improved position relative to total productivity since it has 83% apartment land whereas the sale is at 43%. However, the sale has land to dedicate to benefit development fees and lower risk by closing after planning had advanced. A downward adjustment is applied at 10%.

Sale 2 is inferior to the subject in the complete/before scenario where the subject property has apartment land. The adjustment is $27\% \times 100\% = 27\%$ + $27\% \times 70\% = 18.9\%$ (rounded to 19%) = 46% total adjustment. The first calculation is 27% of the subject that is apartments X 100% benefit as shown by the PD pairing + 70% for planning certainty on that component as shown by the Egge Rd/Buckeye Rd pair X 27% apartment land component. For the acquisition as a separate entity, sale 2 is neutral. The acquisition has open space land use designation which is similar to the acquisition as a separate entity. The subject has scenic appeal for any development format that could evolve, but the sale has agricultural productivity.

Sale 3 has a buyer generated development plan for a corporate office with mixed uses around it. The sale closed when the property was in an unplanned status. A sizeable ~35 acre park is planned for the central part of the site which may have a pond as a view amenity. There is more development land than the subject, but

there is not the same density on the residential component as compared to the subject. Highway commercial can certainly produce strong retail values, but absorption would be longer than apartments. There is relatively low demand for office land at this point since it is a sagging market after Covid-19. For the subject total/before, there is a -17% impact on the wetland difference as shown by the Sun Prairie pair involving the subdivision on Token Creek. The subject is 73% open space designation whereas the sale is 19%. This part of the adjustment is $54\% \times -17\% = -9\%$. The subject has 100% benefit on 27% as previously calculated which is 27%. The final adjustment is $+27\% - 9\% = +18\%$. There is simply more apartment demand than office and the residential component is lower density. For sale 3 in the after partial acquisition scenario, the upward adjustment is expanded because the subject is now 83% apartment land in this scenario and the open space is reduced to 17%. The adjustment calculation is $-17\% \times 17\% = -3\% + 100\% \times 83\% = 83\% = +80\%$ adjustment. For sale 3 in the acquisition as a separate entity, a downward adjustment is appropriate since the subject has risk to achieving any development opportunity. The downward adjustment is 40% per the risk pairing (Egre Rd/Buckeye Rd).

Sale 4 shows more land area for apartment construction now that there is a preliminary plan (27% vs. 84%), but it does not have land that will be a benefit to parkland dedication fees. Buildings are also being planned for parts of the site that have hydric soils and that is likely to introduce extra development costs. The sale is left neutral in the complete/before acquisition scenario, and it is adjusted up by 18% in the after partial acquisition scenario to balance the higher proportion of upland buildable for the subject in that scenario. This sale sold unplanned and the buyer has completed all planning that has been completed since the closing.

Sale 5 is a reference for the after partial acquisition scenario since it is an apartment development site with larger scale. It has a relatively lower amount of apartment land as compared to the subject in that scenario, but this is another sale the closed after planning had advanced. However, the overall density there is ~15 units/acre on the buildable portion which is very reasonable relative to the apartment planning designations for the subject. The upward adjustment is 7% which accounts is 7% difference in apartment land \times 100% benefit.

Sale 6 is a reference for the acquisition as a separate entity because it is lower density site which is the best case scenario for the acquisition if it were a separate entity. However, it has comprehensive plan support for development and it is therefore lower risk than the subject. The downward adjustment is 40% which is based on the risk pairing (Egre Rd/Badger Rd.)

Sale 7 is a reference for the acquisition because it has restrictions on use. The subject is restricted by land use plans, but land use plans can be and commonly do change over time. Furthermore, a denial doesn't mean a plan change wouldn't be brought up again at a later date if/when political environments change. The sale has a conservation easement and that is a permanent restricted into perpetuity. The upward adjustment is 70% which is based on the risk pairing (Egre Rd/Badger Rd).

Improvements

The subject has an old house, a garage and a foundation from a barn, but they are not contributing to market value. These improvements are already planned for demolition since they are in poor condition, and they are situated where there is high density planning. The buildings on the subject would prohibit a maximized development plan. Sales 1 & 5 are similar in that there are older houses and/or miscellaneous buildings that will be removed. No adjustments are applied since there are no high-cost demolitions and it is common for developers to consider this as a routine development cost. Sales 3, 4 & 6 are vacant and they do not have any improvements to address. No adjustments area applied. Sales 2 & 7 have contributing buildings/houses and downward adjustments are applied. An older farmhouse at 5623 Woodland Dr in the town of Westport sold in 4/23 for \$480,000. This is the Waunakee market area and a similar location to sale 2. The house is a

little larger than the house on sale 2, but the sale has miscellaneous outbuildings. The land value estimate is \$225,000 for the lot with 5623 Woodland Dr based on a sale of 1124 Reese Trl which is in Arboretum Village. The improvements value is therefore \$255,000. This value is converted to adjustment by dividing by the subject size and then by the transactional adjusted sale price. The farmhouse for sale 7 was built in 1900 per MLS, and it has 1,728 sf of GLA, two bedrooms and two full bathrooms. There is a three-car detached garage and there is an old barn. The garage does have a loft for storage. There is hot water heat and there is no air conditioning. There is a three-season porch as an extra feature. The overall condition is average. It is a maintained, habitable house, but it is not highly upgraded. An average condition Victorian home at 238 N Main St in Oregon that was built in 1887 sold in 11/23 for \$344,000. It has a size of 1,677 SF, three bedrooms and two bathrooms. There is a three-car detached garage. There is not a three season porch, but it does have a deck and a fenced yard. There is an extra bedroom, but it does not have a barn. This is deemed a reasonable comparison for the improvements on Highway MM. The land value estimate is \$105,000 based on the sale of 306 Kasander Way in Oregon Parks. It has a similar lot size to N Main St. The improvements value extraction is \$239,000 which is \$344,000 - \$105,000 land value estimate. This value is converted to adjustment by dividing by the subject size and then by the transactional adjusted sale price.

Other

This is a line for other factors that are considered relevant, but not already addressed in previous areas of the grid. However, in the end, no adjustments are deemed necessary.

The subject has an active borrow pit, but that is deemed neutral. This is an avenue for interim productivity and some of the material could potentially be used for construction activities, but there are also reclamation and grading requirements that accompany the extraction area, and it is observed in the local market that extraction properties tend to sell at “across the fence” values. See highest and best use for additional details. The subject also has right-of-way, but it is negligible in relation to total size, and it is not expected to materially impact apartment density. Sale 1 has a history of mineral extraction so there is a data crossover there and sale 2 also has right-of-way.

An access easement would be granted to the acquisition in a partial acquisition scenario. However, it is not a material encumbrance to the remainder. There is already a drive lane which will remain functional and public streets are expected in the future as the property is developed. There is no specific benefit to the partial acquisition as a separate entity since the sales all have access and a conveyance is not possible without access.

Correlation & Value Conclusions

- ***Total Acquisition & Before Acquisition Value***

Sale 1 is very reliable. It is a current closing for a property that has a very similar background to the subject. It has a history involving mineral extraction, there is apartment density, and there is open space with a pond. Sale 2 is an upper bracket on total scale and it has open space planning inputs. Sale 3 is another larger scale property with urban development highest and best use. Sale 4 is a property with apartment potential, but also some physical limitations.

The adjusted range is \$36,806-\$52,283/acre. Sale 1 is most reliable since it is very recent and it is very physically similar to the subject. There was extended marketing time leading up to that closing, but this report is using Yellow Book standards that mandates a reasonable exposure time as opposed to a specific exposure time. In addition, part of the delay was negotiating the development plans and its position in the planning process was considered in the adjustment process. The complete acquisition value and the before acquisition value is \$50,000/acre. The rounded \$50,000/acre conclusion also considers that this is the top of the market indicator with no other adjusted value above ~\$45,000/acre.

\$50,000/acre X 295 acres = \$14,750,000.

- ***After Partial Acquisition***

Sale 1 is still very reliable since it is recent, it has a multi-family development focus and it has a history that is associated with mineral extraction. Sale 3 is a scale bracket. Sales 4 & 5 are larger tracts with multi-family development potential. The adjusted range is a bit wide in this scenario from \$69,945-\$139,857/acre. Sale 4 is lower, but it is also a more dated sale, and it has more questionable soils. Sale 5 is higher, but Verona is a strong market area bolstered by rapid growth and economic stability from Epic Systems. It is reasonable to emphasize sale 1 again as a recent reliable sale, and in this scenario it is a central indicator within the adjusted range. The concluded value after the partial acquisition is \$98,000/acre. This value conclusion also considers that there is another adjusted value at a higher level, the scale is smaller and the developer would not have to carry the higher risk land component.

\$98,000/acre X 96 acres = \$9,408,000. Rounded to \$9,410,000.

- ***Acquisition as a Separate Entity***

For the separate entity, sale 2 is reliable since it is a large land tract with planning restrictions. Sale 3 is also a larger land tract in an urban development path. Sale 6 is recent and it has very low development density potential. Low density is what is anticipated for the acquisition as a separate entity, if planning obstacles can be overcome. Sale 7 is more restricted than the subject since it has a conservation easement into perpetuity. It shows marketability for properties with substantial restrictions, but it has essentially no chance for development to ever evolve.

The adjusted range is reasonable from \$14,905-\$27,181/acre. Sale 1 is ultimately deemed most reliable in this scenario since a large tract an urban growth path, but it has planning restrictions. The value conclusion for the acquisition as a separate entity is \$25,000/acre.

\$25,000/acre X 199 acres = \$4,975,000.

It is acknowledged that the preceding values of \$9,000,000+ are above the sale prices from the comparable sales in whole dollars. This is a function of the total subject size and apartment density potential which is a land profile with very high demand. These are not unprecedented sale prices for the Madison market or even this general area. It is concluded that there is economic capability for a transaction to close at these values. Core Campus Madison closed on a redevelopment transaction approaching \$30,000,000 in downtown Madison in 2021. Kwik Trip purchased 150 acres in 2024 for more than \$14,000,000. This is land in a different development profile (commercial/industrial/distribution), but it shows that there are market participants with the capability and willingness to invest at these price points on the north side of Dane County. Completed apartment projects have sold for more than \$80,000,000 indicating there is an avenue to develop apartments with feasibility.

FINAL VALUE OPINIONS

The previous sales comparison values are the relevant final value opinions for this assignment. The cost and income approaches are not applicable as described previously in Scope of Work. The sales comparison values are organized in the following chart.

Scenario	Value
Complete Acquisition/Before Partial Acquisition Value	\$14,750,000
After Partial Acquisition Value	\$9,410,000
Difference - Value Indicator for Partial Acquisition	\$5,340,000
Partial Acquisition as a Separate Entity	\$4,975,000

It is my opinion that the market value associated with a complete/total acquisition of the subject property is the sales comparison value of \$14,750,000.

For the partial acquisition, there is a convergence on the value indicators (before-after or separate entity), but the before and after acquisition scenario is slightly higher. This is not entirely surprising since there is improved use potential for the acquisition when it is tied to the whole since a larger master plan could be established that may result in more flexibilities for productivity. The open space also has the potential to either enhance density overall and/or offset development fees. It is my opinion that the market value associated with a partial acquisition of 199 acres is \$5,340,000. There is not a divergence between Yellow Book and Chapter 32 standards in this case. Yellow Book mandates before and after compensation which produces the value conclusion. Chapter 32 requires a separate entity test, but if the before and after calculation is higher, the owner is entitled to that compensation.

The value opinions are effective August 21, 2024, the date of appraiser inspection of the property. The ownership interest associated with the value opinions is fee simple.

Extraordinary Assumptions

There is an extraordinary assumption that the site sizes described in this report are accurate. No surveys were made available and the appraiser is not an expert in surveying. Client estimates have been used in this case, and they are deemed reliable, but the value opinions may be impacted if the site sizes are not accurate.

It is also an extraordinary assumption that seller Madison Crushing and Excavating, Inc. would provide an access easement in the partial acquisition scenario in this assignment. The client authorized this assumption in the engagement materials. It is further assumed that the access easement would initially follow an existing gravel driveway, but it would also be subject to change if public rights-of-way were established. The easement was confirmed with property contacts at the time of appraiser inspection of the property. The extraordinary assumption is deemed reliable, but the value opinions may be impacted if it is not valid.

SEVERANCE AND SPECIAL BENEFITS

The valuation procedures have ultimately concluded that there is a severance damage of \$365,000 which is associated with the removal of planning flexibility as a result of the acquisition. This is the difference between the before and after calculation, and the value as a separate entity. No other severance damages have been identified.

Special benefits are not applicable since any open space acquisitions would benefit the public at large. If a developer of the remainder were not the owner of open space land to dedicate to the public, there would be a requirement to pay fees in lieu which is similar to any other developer.

LIMITING CONDITIONS: The Appraiser's Certification is subject to the following conditions:

1. The Appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. Appraiser assumes that the title is good and marketable and, therefore, will not render opinions about the title. Appraiser has not completed a full title search nor was one provided to the Appraiser. The property is appraised on the basis of it being under responsible ownership and is appraised in fee simple ownership or leased fee ownership where the property is under lease. The legal description is assumed to be correct and subject only to the easements recorded with the deed to the property.
2. If there are improvements, the Appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements, and the sketch is included only to assist the reader of the report in visualizing the property and understanding the Appraiser's determination of its size.
3. The Appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the Appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The Appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. For properties with improvements, the Appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The Appraiser has noted in the appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the Appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable and has assumed that there are no such conditions but makes no guarantees or warranties, express or implied, regarding the condition of the property. The Appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the Appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered to be an environmental assessment of the property. The client is urged to retain an expert in this field, if desired.
7. The Appraiser has not made a specific compliance survey and analysis of this property to determine conformity with the Americans with Disabilities Act (ADA) which became effective January 26, 1992. 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 the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property, except as specifically stated in the report. The Appraiser also makes no representations regarding building code compliance. The client is urged to retain an expert in this field, if desired.
8. The Appraiser obtained information, estimates, and opinions that are expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The Appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
9. The Appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice or as required by the Appraisal Institute.
10. Appraiser has based the appraisal report & valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of improvements will be performed in a workmanlike manner.
11. The appraiser must provide his or her prior written consent before the client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the Appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the Appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state. The Appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

CERTIFICATION BY THE APPRAISER: The undersigned does hereby certify that, except as otherwise noted in the appraisal report:

1. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
2. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the Limiting Conditions specified herein.
3. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
4. I have no present or contemplated future interest in the subject property, and neither my current nor future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
5. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
6. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. This report is subject to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute and the State of Wisconsin.
7. I have personally inspected the interior and exterior areas of the subject property. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property. I personally inspected the subject property on August 21, 2024. I have performed no services, as an appraiser or in any other capacity, regarding the subject of this appraisal within the three years immediately preceding this engagement.
8. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

9. It is my opinion that the market value associated with a complete/total acquisition of the subject property is \$14,750,000. It is my opinion that the market value associated with a partial acquisition of 199 acres is \$5,340,000. The value opinions are effective August 21, 2024, the date of appraiser inspection of the property. The ownership interest associated with the value opinions is fee simple.

There is an extraordinary assumption that the site sizes described in this report are accurate. No surveys were made available and the appraiser is not an expert in surveying. Client estimates have been used in this case, and they are deemed reliable, but the value opinions may be impacted if the site sizes are not accurate.

It is also an extraordinary assumption that seller Madison Crushing and Excavating, Inc. would provide an access easement in the partial acquisition scenario in this assignment. The client authorized this assumption in the engagement materials. It is further assumed that the access easement would initially follow an existing gravel driveway, but it would also be subject to change if public rights-of-way were established. The easement was confirmed with property contacts at the time of appraiser inspection of the property. The extraordinary assumption is deemed reliable, but the value opinions may be impacted if it is not valid.

A handwritten signature in black ink that reads "James R. Koch". The signature is written in a cursive style with a large, stylized initial "J".

James R. Koch
Wisconsin Certified General Appraiser #1138-10
9/6/2024

APPRAISAL QUALIFICATIONS

James Koch

Wisconsin Certified General Appraiser #1138-10

Employment Experience:

June 2012 - Present

Partner - Scott Appraisal, LLC

Residential and Commercial Real Estate Appraiser

5025 Old Middleton Road

Madison, WI 53705

August 1998 - May 2012

Residential and Commercial Real Estate Appraiser

Scott Appraisal Company

Madison, WI

September 1997 - May 1998

Student Hourly

Wisconsin Geographic and Natural History Survey

Madison, WI

May 1997 - August 1997

Summer School Tutor for Remedial Students

Madison Metropolitan School District

Madison, WI

Summers of 1995 & 1996

Assistant Electrician

Electrospec

Rib Lake, WI

General Education:

Bachelor of Science - December 1999

UW-Madison

High School Diploma - May 1994

Rib Lake High School

Appraisal Courses Completed at UW-Madison:

Business 306, The Real Estate Process

Business 445, Valuation of Real Estate

Business 415, Real Estate Finance

Appraisal Institute Courses Completed:

USPAP, Uniform Standards of Professional Appraisal Practice

Course 320, General Applications

Continuing Education Seminars (Selected By Relevance & Date - Since 2013):

7-Hour National USPAP Update Course, August 2022
Appraisal of Industrial and Flex Buildings, September 2021
Appraisal of Fast Food Facilities, August 2021
Understanding Luxury Home Features, March 2021
7-Hour National USPAP Update Course, July 2020
Uniform Appraisal Standards for Federal Land Acquisitions, October 2019
7-Hour National USPAP Update, October 2018
Complex Properties: The Odd Side of Appraisal, May 2018
The Basics of Expert Witness for Commercial Appraisals, November 2017
Real Estate Finance, Value, and Investment Performance, September 2017
7-Hour National USPAP Update, November 2016
Analyzing Operating Expenses, August 2016
Mold, Pollution and the Appraiser, October 2015
12th Annual Condemnation Appraisal Symposium, June 2015
AAA: Appraisals, Adjustments and Approaches, March 2015
Site Inspection and Market Analysis Issues, November 2014
7-Hour National USPAP Update Course, March 2014
Appraising Unique and Complex Properties, September 2013
Loss Prevention for Real Estate Appraisers, March 2013
7-Hour National USPAP Update, March 2013

Clients:

Associated Bank	Old National Bank
Bank of Sun Prairie	Oregon Community Bank
BMO Harris Bank, N.A.	Park Bank
Capitol Bank	Starion Financial
City of Madison	State Bank of Cross Plains
City of Middleton	Summit Credit Union
City of Sun Prairie	TCF Bank
Dane County	Town of Windsor
DMB Community Bank	U.S. Bank, N.A.
Farmers Savings Bank	U.S. Marshals Service
Farmers & Merchants Bank	Village of Waunakee
First Business Bank	Waunakee School District
Great Midwest Bank	Waterstone Mortgage
Greenwoods State Bank	Waunakee School District
Groundswell Conservancy	Wisconsin Community Bank
Hooper Corporation	Wisconsin Department of Employee Trust Funds
Johnson Bank	Wisconsin Department of Natural Resources
McFarland State Bank	Wisconsin Department of Transportation
Middleton-Cross Plains School District	Woodtrust Bank, N.A.
Monona State Bank	WPS Community Bank
Mound City Bank	

Numerous private clients and attorneys.

Qualified as an Expert Witness in Dane County Circuit Court

Member, Wisconsin Realtors Association and National Association of Realtors

License

NO. 1138 - 10

EXPIRES: 12/14/2025

The State of Wisconsin
Department of Safety and Professional Services
REAL ESTATE APPRAISERS BOARD

Hereby certifies that

James R Koch

was granted a license to practice as a

APPRAISER, CERTIFIED GENERAL

(551)

*in the State of Wisconsin in accordance with Wisconsin Law
on the 18th day of December in the year 2001.*

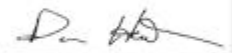
The authority granted herein must be renewed each biennium by the granting authority.

In witness thereof, the State of Wisconsin

Real Estate Appraisers Board

*has caused this certificate to be issued under
the seal of the Department of Safety and Professional Services*




DPS Secretary