

February 18, 2020

Ms. Rhonda Jacobson
Milwaukee County – Department of Administrative Services
633 W. Wisconsin Avenue, Suite 903
Milwaukee, Wisconsin 53203

Subject: Appraisal Addendum Letter
UWM Innovation Campus Land
Northeast Quadrant I-41 & Watertown Plank Road
Wauwatosa, Wisconsin 53226

We appraised the property identified above as of October 24, 2019 in an appraisal report dated November 26, 2019. This letter serves as an addendum to our appraisal report and as such, it is subject to the scope of work, extraordinary assumption, analyses, discussions, conclusions and exhibits as contained within the appraisal report except as expanded in this addendum. Any reader/user of this addendum letter cannot completely understand the conclusions stated herein without reading the appraisal report.

The reason for this appraisal addendum is the client has requested the following:

- A. Aggregate Market Value (As Is) of 28.86 acres (net developable) under the terms of the Development Agreement as if sold to a single developer/buyer and subject to an extraordinary assumption that either: A) No remediation costs are required to develop the land; or B) The cost to remediate contaminated soils is \$3,650,000 based on figures from the Remedial Action Options Report by Symbiont dated 8/8/16. Furthermore, these values are subject to an additional extraordinary assumption that use restrictions under the Development Agreement dated February 15, 2011 will be modified or removed to permit development consistent with the City of Wauwatosa's Comprehensive Plan and UWM Innovation Park Master Plan.
- B. Aggregate Value (As Is) of 28.86 acres (net developable) as if sold to a single developer/buyer under the Hypothetical Condition that no development agreement exists and subject to an extraordinary assumption that either: A) No remediation costs are required to develop the land; or B) The cost to remediate contaminated soils is \$3,650,000 based on figures from the Remedial Action Options Report by Symbiont dated 8/8/16.

As summarized above, the aggregate value conclusions are based on the extraordinary assumption that either: a) no remediation costs will be required to address the soil and groundwater contamination at the site which reflects Alternative #1: No Action per the Remedial Action Options Report; or b) the estimated costs of remediation including excavation of impacted soils, excavate soil outside of future building footprint, six permanent groundwater monitoring wells, and remedial action plan report is at the maximum estimate of \$3,650,000 which reflects Alternative #3: Excavation of Soil with Direct Contact Exceedances within the Direct Contact Zone and MNA per the Remedial Action Options Report.

The Development Agreement dated February 15, 2011 indicates under Section 1(e) that *“permitted uses allowed by the County under this Agreement must be consistent with an educational research and technology related park in which only up to 50% of the Project may be privately owned or occupied as long as such private use is in support of, consistent with, and in furtherance of the educational or research and technology focus of the University of Wisconsin Milwaukee College of Engineering and Applied Sciences. Private or public professional, commercial, personal, office and retail services in support of or reasonably necessary to service the Permitted Uses on Lot I and/or other tenants and users of the Milwaukee County Grounds shall also be Permitted Uses under this Agreement (the "Ancillary Support Uses").* The analysis for the Aggregate Market Value (As Is) is further based on the extraordinary assumption that use restrictions under the Development Agreement dated February 15, 2011 will be modified or removed to permit development consistent with the City of Wauwatosa's Comprehensive Plan and UWM Innovation Park Master Plan & Design Guidelines that is understood to permit maximum development density of 1,192,237 square feet.

Based on the current density of existing development in the park, development of the appraised vacant land up to the maximum allowable density of ±1.2 million square feet may require structured parking which may necessitate additional TIF subsidy from the City of Wauwatosa. Therefore, another extraordinary assumption in this addendum analysis is that TIF subsidy necessary to support development of structured parking in order to achieve the maximum permitted density will be available through the City of Wauwatosa. As the cost of obtaining additional TIF subsidies is unknown, this appraisal limits any potential impact to development risk considered in the selection of the appropriate discount rate.

The second valuation scenario provides an estimate of the Aggregate Value (As Is) based on the Hypothetical Condition that no development agreement exists and subject to the same extraordinary assumptions of either no remediation or remediation at the maximum estimate of \$3,650,000. Hypothetical Condition is defined as: “A condition that is presumed to be true when it is known to be false. Hypothetical conditions are conditions, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute), 2015]

Consideration of environmental liability related to contaminated soils and ground water results in development of an impaired value. From a valuation standpoint, impaired value is calculated as follows: Impaired Value = Unimpaired Value less: Cost Effects, Use Effects and Risk Effects, summarized as follows:

Cost Effects are remediation and related costs which are deducted from the unimpaired value; the value conclusions in this addendum are based on potential remediation and related costs detailed in the Remedial Action Options Report dated August 8, 2016 by Symbiont that indicates a broad range from Alternative #1 (No Action) to Alternative #3 (Excavation and offsite disposal, monitoring wells, and remedial action plan report) with a maximum estimated cost of \$3,650,000. To the extent actual costs vary from these alternative estimates, the value conclusions are subject to change.

Use Effects reflect the impacts on the utility of the site as a result of the contamination which causes limitations on or a change in the subject's highest and best use; it is assumed herein that existing environmental conditions have no effect on the highest and best use. However, if the cost to remediate contamination for certain uses results in an impaired value that is below that of an alternate permitted use requiring less remediation, this could cause a change in the highest and best use of a portion of the property.

Risk Effects reflect the decrease in value caused by the stigma associated with the environmental risk in a property that is currently or was formerly contaminated. Environmental Risk is defined as "The additional or incremental risk that may exist for investing in, financing, buying, or owning property attributable to its environmental condition. This risk is derived from perceived uncertainties concerning 1) the nature and extent of the contamination, 2) estimates of future remediation costs and their timing, 3) potential for changes in regulatory requirements, 4) liabilities for cleanup (buyer, seller, third party) 5) potential for off-site impacts, and 6) other environmental risk factors, as may be relevant." [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute), 2015] Furthermore, Environmental Stigma is defined as "An adverse effect on property value produced by the market's perception of increased environmental risk due to contamination" [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute), 2015] With stigma, perception is reality and an environmental stigma results from perceptions of uncertainty and risk. Factors to consider in quantifying environmental stigma include such items as lower rent, higher vacancy, higher operating expenses, higher interest rates, higher overall capitalization rates, inability to obtain financing or higher cost financing, and decreased marketability, among others. While the subject property is environmentally impaired with the complete extent of remediation costs unknown at this time; the environmental issues impacting the property do not appear to be uncommon for development or redevelopment parcels in the immediate area. In our opinion, no stigma or risk effects are likely present once the parcel is properly remediated.

Development Agreement Language related to Additional Purchase Price

The relevant language in the Development Agreement (hereafter D.A.) impacting this addendum analysis is contained in Section 2.10 whereby the last sentence indicates: *"In the event Developer, or its successors and assigns is permitted by the City of Wauwatosa to develop buildings that in the aggregate exceed 853,271 square feet on the Main Parcel or the Remnant Parcel, Developer, or its successors and assigns, shall pay the County the Appraised Value, as defined below, of each additional square foot of space Developer is permitted to develop ("Additional Space") but in no event shall the Appraised Value of the Additional Space be less than \$12 per square foot ("Additional Purchase Price"). The Additional Purchase Price shall be the Appraised Value of the Additional Space as of the date the Developer obtains a building permit for the construction of Additional Space."*

The UWM Innovation Park Master Plan permits development of up to 1,192,237 square feet based on a 0.46 FAR on 58.5 acres (Main Parcel) and development to-date totals 487,830 square feet according to the City of Wauwatosa Planner. Therefore, for the next 365,441 square feet of development to the D.A. breakpoint of 853,271 square feet, there is no required additional purchase price from the Developer to Milwaukee County. However, after the breakpoint is reached the Developer is required to pay the County for the market value of the remaining 338,966 square feet to the permitted maximum development. Because payment due under the D.A. is based on appraised value as of the prospective date the building permit is obtained, the prospective value of @ 48% of remaining development potential within the park (i.e. 338,966 square feet divided by 704,407 square feet) is payable to the County as Additional Purchase Price under the terms of the Development Agreement.

The following is a summary of the projections and assumptions utilized in developing the Aggregate Market Value to a single developer/buyer.

Discounted Sell-Off Analysis

Introduction

The discounted sell-off analysis involves projecting revenues from sale of the land over the anticipated period of time it will take to sell-off (develop) the land. As a result of the terms of the D.A., analysis converts land absorption (in acres) into Building Absorption (in Building Sq.Ft.) based on the average permitted density on the remaining land of 0.56032. Sales costs, administrative/marketing, taxes, and Additional Purchase Price under the D.A. are subtracted from the gross sale revenues to arrive at the projected Net Annual Cash Flow that is discounted to the appraisal date using a risk-adjusted discount rate.

The retail price for the appraised land is concluded on a Per-Square-Foot of Allowable Building Area basis, as developed in the Sales Comparison Approach of the Appraisal Report.

Gross Retail Land Price

As developed in the Appraisal Report on Pages 41-51, the market value of the fee simple estate per-square-foot of allowable building area is \$24.00 per square foot.

Appreciation/Growth Rate

2.5% annually over the sell-off period

Absorption/Sales Rate

The absorption period of the appraised land is based on various market factors including but not limited to: the strength of the local and national economy over the sell-off period; the supply of competitive commercial land in the market; and the strength of real estate market conditions for the concluded highest and best use.

Historical absorption in the park cannot be relied upon in future projections as development has been restricted under the terms of D.A. which is assumed herein to be modified or removed to permit development consistent with the City of Wauwatosa's Comprehensive Plan and UWM Innovation Park Master Plan.

Some new commercial developments along the I-94 and I-41 corridors have experienced strong development activity, including The Corridor in Brookfield and Burleigh Triangle (Mayfair Collection) in Wauwatosa; however, these development have major retail development that is not among the permitted or highest and best uses of the subject property.

Based on investigation, the broad development horizon for the remaining land in the park is up to 10 years; conclude a land sell-off period of eight (8) years. Based on ± 28.86 acres of developable land, the resulting average absorption rate is ± 3.608 acres per year. Furthermore, based on remaining permitted density of 56.03%, this is equivalent to $\pm 88,051$ square feet of development annually.

Sales Costs

Commissions of 6.0% of the gross sale price and other closing costs of 0.5% for a total sales costs pf 6.5% of gross revenues.

Operating Expenses
(Holding Costs)

Operating expenses (or holding cost) during the sell-off period are projected as follows:

Administrative/Marketing – 2.0% of Net Revenue from Sales

Real Estate Taxes - Current taxes payable are \$171,832 or \$5,954 per acre as summarized on Page 34 of the Appraisal Report. Taxes payable over the holding period are based on per-acre taxes escalated at 2.5% per annum and multiplied by the annual average acres remaining.

Additional Purchase Price
(Development Agreement)

The Additional Purchase Price under the D.A. is concluded in the appraisal at \$24.00 per square foot of building area escalated at 2.5% per annum and multiplied by the annual amount by which development exceeds 853,271 square feet under the D.A..

Net Cash Flow

The net cash flow from the land sales is developed for the two valuation scenarios on Pages 10 and 12.

Discount Rate (IRR)

The discount rate or anticipated yield rate for the property must reflect the relative risk perceived by the market for the specific investment. Based on a risk evaluation, a determination of the appropriate yield (IRR) rate is conducted.

A summary of yield requirements according to the PwC Real Estate Investor Survey and RealtyRates.com for Business Parks in the Great Lakes region is presented in the table below.

Summary of Investor Surveys		
	Discount Rate ⁽¹⁾	
	Range	Average
<i>PwC Real Estate Investor Survey - 4Q 2019</i>		
National Development Land Market	10.0% - 20.0%	15.90%
<i>RealtyRates.com Developer Survey - 3Q 2016</i>		
Great Lakes (IL, IN, MI, OH, WI)		
Business Parks (Less than 100 acres)	15.9% - 32.7%	23.80%

(1) Discount rates inclusive of developer's profit

The PwC Survey indicates that the free and clear annual discount rate for the National Development Land Market ranged from 10.0% to 20.0% with an average yield rate of 15.9% for developmental properties. The RealtyRates.com Developer Survey indicates a much higher range of 15.9% to 32.7% with an average of 23.8% for Business Parks in the Great Lakes states of Illinois, Indiana, Michigan, Ohio and Wisconsin.

According to PwC, rating for the five major commercial real estate sectors in Emerging Trends in Real Estate have held relatively steady for the past five years, but are well above where they were 10 years ago as depicted in the graph below:

Chart NDL-1
DEVELOPMENT PROSPECTS
Emerging Trends - 2011 and 2016 to 2020



Source: Emerging Trends in Real Estate; 2011 and 2016 thru 2020

According to the PwC survey, the top-five property types for development prospects in 2020 are: 1) fulfillment; 2) warehouse, 3) senior housing, 4); moderate-income/workforce apartments, and 5) medical-office, respectively. Conversely, the property types at the bottom of the 24-category list are 20) regional malls, 21) power centers, 22) outlet centers, 23) suburban office, and 24) luxury hotels. The subject's concluded highest and best use for mix-use office, medical office, R&D, hotels and apartments includes a mix of potential property types at the top and bottom of 2020 development prospects, with the prospective Developer's proposed high-density suburban office use toward the bottom of the development prospect spectrum.

Relative to the PwC survey for primary development markets, the Milwaukee area is a secondary market for development. Appraiser analysis of regional rates in the RealtyRates.com Developer Survey indicate the lowest rates are in Texas, Pacific Northwest, and Desert Southwest with average rates around $\pm 20\%$ compared to the Great Lakes area and other Midwest states where the average is around $\pm 24\%$. Therefore, a location premium for Milwaukee is warranted relative to rates indicated by the PwC survey.

Under both surveys, the discount rate range is inclusive of developer's profit and the average yield rate reflects the midpoint of the broad spectrum of risk of land developments from initial stages of land development with a high degree of uncertainty or risk through the latter stage of sell-off with less uncertainty or risk.

The most probable buyer of the subject is a single developer/buyer that will assess the relative risks components of location, property, and marketing in relation to the concluded retail pricing and concluded absorption/sell-off period of the appraised property.

An evaluation of the subject property relative to four general risk categories (Location, Development, Property, and, Marketing Risk) has been performed. The table on the following page summarizes these risk characteristics and classifies the property as to whether these risk components represent average, above average, or below average risk in the broad spectrum of land development risk.

Investment Characteristic	Description	Level of Risk
Location Risk	The appraised campus is centrally-located in Metro Milwaukee with elevated topography that offers views of downtown Milwaukee and represents one of the largest vacant development sites in urban Milwaukee County. Access is considered excellent via recently redesigned ramps to/from Watertown Plank Road and I-41. However, the City of Milwaukee is still considered a secondary market relative to national surveys. Therefore, the locational advantages of UWM Innovation Park are generally offset by Milwaukee's secondary market location resulting in concluded average location risk.	Average
Development Risk	The highest and best use and valuation of the land is based on sell-off of the finished developable land that already has all necessary roadway infrastructure in-place; however, any future development of high-density Class A office within the park may require TIF subsidy for necessary parking structures which has associated approval and administrative costs and therefore warrants some development risk.	Below Average
Property Risk	Property Risk considerations include: 1) existing environmental conditions identified in a Phase II ESA and Remedial Action Options Report; and 2) proximity to a habitat protection area and potential risk related to additional development costs and or delays due to input from environmental groups.	Above Average
Marketing Risk	This is the risk of selling the appraised vacant land within in the projected sell-off period of eight (8) year at a retail land price of \$24 per square foot of FAR. This projected absorption period corresponds to ±3.608 acres per year or ±88,051 square feet of building area per year based on a permitted remaining FAR of 56.032%. The potential for an economic recession or period of nominal growth over the eight (8) year holding period exists. Furthermore, while historical land sales activity in the Park that has been impacted by the land use restrictions under the Development Agreement; there is no market evidence of the impact that removal of these restrictions (extraordinary assumption) on sales will have on future sales activity. Overall, there is above-average marketing risk.	Above Average

Based on the above discussion relative to four general risk categories, the subject is concluded to have overall Above Average risk relative to the PwC Survey and generally middle-to-lower risk relative to the range for RealtyRates.

Concluded Discount Rate – Based on analysis, a discount (yield) rate of 20% is concluded as reasonable and appropriate.

Aggregate Value (As Is)
by Discounted Sell-Off

The table below summarizes projections and assumptions for development of the Aggregate Market Value (As Is) of 28.86 acres (net developable) under the terms of the Development Agreement as if sold to a single developer/buyer and subject to an extraordinary assumption that either: a) No remediation costs are required to develop the land; or b) The cost to remediate contaminated soils is \$3,650,000.

Table of Projections/Assumptions Aggregate Market Value subject to the terms of the Development Agreement			
Projections/Assumptions		Development Agreement Inputs	
Vacant Land Area (Acres)	28.86	Assumed Development Density (Bldg SF)	853,271
Vacant Land Area (Sq.Ft.)	1,257,142	Existing Development (Bldg SF)	487,830
Retail (Market) Value Per FAR	\$24.00	Current Buildable SF Under Cap	365,441
Current Taxes Payable	\$171,832	Permitted Development Density	1,192,237
Current Taxes Per Acre	\$5,954	Existing Development (Bldg SF)	487,830
Tax Escalation Rate	2.5%	Additional Permitted Development	704,407
Absorption Period (Years)	8.0	<i>Average Permitted Density (FAR)</i>	56.03%
Sales Commission	6.5%	Permitted Additional Space over Cap	338,966
Admin/Marketing Costs	2.0%	Concluded Value PSF of Additional Space	\$24.00
Discount Rate (IRR)	20.0%	Land Value Growth Rate	2.5%

The following page provides an estimate of the Market Value by Discounted Sell-Off under the two extraordinary assumptions regarding environmental remediation.

(Note: For reference purposes only, the bottom of the page includes a sensitivity table related to a discount rate range of 17.5% to 22.5% and an absorption (sell-off) period of 7 to 9 years.)

DISCOUNTED SELL-OFF ANALYSIS
Aggregate Market Value subject to the terms of the Development Agreement

Period	1	2	3	4	5	6	7	8	9
Yr End	Oct-20	Oct-21	Oct-22	Oct-23	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
Land Absorption (Acres)									
Total Acres at Beginning of Period	28.860	25.253	21.645	18.038	14.430	10.823	7.215	3.607	0.000
Projected Absorption (Acres Sold)	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	0.000
Total Acres at End of Period	25.253	21.645	18.038	14.430	10.823	7.215	3.607	0.000	0.000
Annual Average Acres Remaining	27.056	23.449	19.841	16.234	12.626	9.019	5.411	1.804	0.000
Percent of Total Acres	93.8%	81.3%	68.8%	56.3%	43.8%	31.3%	18.8%	6.2%	0.0%
Building Absorption (Building SF)									
Projected Absorption (Acres Sold)	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	0.000
x Square Feet Per Acre	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560
Projected Absorption (Sq.Ft.)	157,143	157,143	157,143	157,143	157,143	157,143	157,143	157,143	0
x Average Proposed Density FAR	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%
Projected Building Development Sq.Ft.	88,051	88,051	88,051	88,051	88,051	88,051	88,051	88,051	0
Building Area - Beginning of Period	487,830	575,881	663,932	751,983	840,034	928,085	1,016,136	1,104,187	1,192,238
Projected Building Development Sq.Ft.	88,051	88,051	88,051	88,051	88,051	88,051	88,051	88,051	0
Building Area - End of Period	575,881	663,932	751,983	840,034	928,085	1,016,136	1,104,187	1,192,238	1,192,238

		1	2	3	4	5	6	7	8	9
		Oct-20	Oct-21	Oct-22	Oct-23	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
Revenue Projection										
Retail Price Per FAR (escalated at)	2.5%	\$24.00	\$24.60	\$25.22	\$25.85	\$26.50	\$27.16	\$27.84	\$28.54	\$29.25
x Projected Absorption (Bldg Sq.Ft.)		x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 0
Gross Retail Sales		\$2,113,224	\$2,166,055	\$2,220,646	\$2,276,118	\$2,333,352	\$2,391,465	\$2,451,340	\$2,512,976	\$0
Less: Sales Costs @	6.5%	\$137,360	\$140,794	\$144,342	\$147,948	\$151,668	\$155,445	\$159,337	\$163,343	\$0
Net Revenue from Property Sales		\$1,975,864	\$2,025,261	\$2,076,304	\$2,128,170	\$2,181,684	\$2,236,020	\$2,292,003	\$2,349,633	\$0
Expense Projections										
Admin/Marketing Costs	2.0%	\$39,517	\$40,505	\$41,526	\$42,563	\$43,634	\$44,720	\$45,840	\$46,993	\$0
Real Estate Taxes										
R/E Taxes Per Acre escalated at	2.5%	\$5,954	\$6,103	\$6,256	\$6,412	\$6,572	\$6,736	\$6,904	\$7,077	\$7,254
x Annual Average Acres Remaining		x 27.056	x 23.449	x 19.841	x 16.234	x 12.626	x 9.019	x 5.411	x 1.804	x 0.000
Tax Obligation		\$161,093	\$143,108	\$124,127	\$104,091	\$82,980	\$60,750	\$37,359	\$12,765	\$0
Additional Purchase Price										
Assumed Development Density (Bldg SF)		853,271	853,271	853,271	853,271	853,271	853,271	853,271	853,271	853,271
Total Building Area - End of Period		575,881	663,932	751,983	840,034	928,085	1,016,136	1,104,187	1,192,238	1,192,238
Estimated Total Additional Space		0	0	0	0	74,814	162,865	250,916	338,967	338,967
Annual Amount of Additional Space		0	0	0	0	74,814	88,051	88,051	88,051	0
x Market Value/SF of Additional Space	2.5%	x \$24.00	x \$24.60	x \$25.22	x \$25.85	x \$26.50	x \$27.16	x \$27.84	x \$28.54	x \$29.25
Additional Purchase Price (D.A.)		\$0	\$0	\$0	\$0	\$1,982,571	\$2,391,465	\$2,451,340	\$2,512,976	\$0
Holding Costs & Additional Purchase Price		\$200,610	\$183,613	\$165,653	\$146,654	\$2,109,185	\$2,496,935	\$2,534,539	\$2,572,734	\$0
Net Annual Cash Flow		\$1,775,254	\$1,841,648	\$1,910,651	\$1,981,516	\$72,499	-\$260,915	-\$242,536	-\$223,101	\$981
Present Value Factor at	20.0%	0.83333	0.69444	0.5787	0.48225	0.40188	0.3349	0.27908	0.23257	0.19381
Present Value of Cash Flows		\$1,479,372	\$1,278,914	\$1,105,694	\$955,586	\$29,136	-\$87,380	-\$67,687	-\$51,887	\$0

Market Value by Discounted Sell-Off	\$4,641,748
(Extraordinary Assumption - No Remediation) rounded	\$4,640,000
Less: Environmental Remediation	-\$3,650,000
Market Value by Discounted Sell-Off	\$990,000
(Extraordinary Assumption - With Remediation)	\$34,304 per acre

Sensitivity Analysis Table

Discount Rate	Absorption Period		
	7.0	8.0	9.0
17.5%	\$5,040,000	\$4,860,000	\$4,660,000
18.5%	\$4,960,000	\$4,770,000	\$4,570,000
20.0%	\$4,830,000	\$4,640,000	\$4,440,000
21.5%	\$4,720,000	\$4,520,000	\$4,310,000
22.5%	\$4,640,000	\$4,440,000	\$4,230,000

Value (As Is) by
Discounted Sell-Off
(Hypothetical Condition)

The table below summarizes projections and assumptions for development of the Aggregate Value (As Is) of 28.89 acres as if sold to a single developer/buyer under the hypothetical condition there is no Development Agreement and subject to an extraordinary assumption that: A) No remediation costs are required to develop the land; or B) The cost to remediate contaminated soils is \$3,650,000.

Table of Projections/Assumptions			
Aggregate Value under Hypothetical Condition there is no Development Agreement			
<u>Projections/Assumptions</u>		<u>Development Agreement</u>	
Vacant Land Area (Acres)	28.86	Assumed Development Density (Bldg SF)	853,271
Vacant Land Area (Sq.Ft.)	1,257,142	Existing Development (Bldg SF)	487,830
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Tax Escalation Rate	2.5%	Additional Permitted Development	704,407
		<i>Average Permitted Density (FAR)</i>	56.03%
Absorption Period (Years)	8.0		
		Permitted Additional Space over Cap	338,966
Sales Commission	6.5%		
Admin/Marketing Costs	2.0%	Concluded Value PSF of Additional Space	\$0.00
Discount Rate (IRR)	20.0%	Land Value Growth Rate	2.5%

The following page provides an estimate of the Aggregated Value by Discounted Sell-Off under the two extraordinary assumptions regarding environmental remediation.

(Note: For reference purposes only, the bottom of the page includes a sensitivity table related to a discount rate range of 17.5% to 22.5% and an absorption (sell-off) period of 7 to 9 years.).

DISCOUNTED SELL-OFF ANALYSIS
Aggregate Value under Hypothetical Condition there is no Development Agreement

Period Yr End	1 Oct-20	2 Oct-21	3 Oct-22	4 Oct-23	5 Oct-24	6 Oct-25	7 Oct-26	8 Oct-27	9 Oct-28
Land Absorption (Acres)									
Total Acres at Beginning of Period	28.860	25.253	21.645	18.038	14.430	10.823	7.215	3.607	0.000
Projected Absorption (Acres Sold)	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	0.000
Total Acres at End of Period	25.253	21.645	18.038	14.430	10.823	7.215	3.607	0.000	0.000
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Percent of Total Acres	93.8%	81.3%	68.8%	56.3%	43.8%	31.3%	18.8%	6.2%	0.0%
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Projected Absorption (Acres Sold)	3.608	3.608	3.608	3.608	3.608	3.608	3.608	3.608	0.000
x Square Feet Per Acre	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560	x 43,560
Projected Absorption (Sq.Ft.)	157,143	157,143	157,143	157,143	157,143	157,143	157,143	157,143	0
x Average Proposed Density FAR	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%	x 56.032%
Projected Building Development Sq.Ft.	88,051	88,051	88,051	88,051	88,051	88,051	88,051	88,051	0
Building Area - Beginning of Period	487,830	575,881	663,932	751,983	840,034	928,085	1,016,136	1,104,187	1,192,238
Projected Building Development Sq.Ft.	88,051	88,051	88,051	88,051	88,051	88,051	88,051	88,051	0
Building Area - End of Period	575,881	663,932	751,983	840,034	928,085	1,016,136	1,104,187	1,192,238	1,192,238

		1 Oct-20	2 Oct-21	3 Oct-22	4 Oct-23	5 Oct-24	6 Oct-25	7 Oct-26	8 Oct-27	9 Oct-28
Revenue Projection										
Retail Price Per FAR (escalated at)	2.5%	\$24.00	\$24.60	\$25.22	\$25.85	\$26.50	\$27.16	\$27.84	\$28.54	\$29.25
x Projected Absorption (Bldg Sq.Ft.)		x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 88,051	x 0
Gross Retail Sales		\$2,113,224	\$2,166,055	\$2,220,646	\$2,276,118	\$2,333,352	\$2,391,465	\$2,451,340	\$2,512,976	\$0
Less: Sales Costs @	6.5%	\$137,360	\$140,794	\$144,342	\$147,948	\$151,668	\$155,445	\$159,337	\$163,343	\$0
Net Revenue from Property Sales		\$1,975,864	\$2,025,261	\$2,076,304	\$2,128,170	\$2,181,684	\$2,236,020	\$2,292,003	\$2,349,633	\$0
Expense Projections										
Admin/Marketing Costs	2.0%	\$39,517	\$40,505	\$41,526	\$42,563	\$43,634	\$44,720	\$45,840	\$46,993	\$0
Real Estate Taxes										
R/E Taxes Per Acre escalated at	2.5%	\$5,954	\$6,103	\$6,256	\$6,412	\$6,572	\$6,736	\$6,904	\$7,077	\$7,254
x Annual Average Acres Remaining		x 27.056	x 23.449	x 19.841	x 16.234	x 12.626	x 9.019	x 5.411	x 1.804	x 0.000
Tax Obligation		\$161,093	\$143,108	\$124,127	\$104,091	\$82,980	\$60,750	\$37,359	\$12,765	\$0
Holding Costs		\$200,610	\$183,613	\$165,653	\$146,654	\$126,614	\$105,470	\$83,199	\$59,758	\$0
Net Annual Cash Flow		\$1,775,254	\$1,841,648	\$1,910,651	\$1,981,516	\$2,055,070	\$2,130,550	\$2,208,804	\$2,289,875	\$0
Present Value Factor at	20.0%	0.83333	0.69444	0.5787	0.48225	0.40188	0.3349	0.27908	0.23257	0.19381
Present Value of Cash Flows		\$1,479,372	\$1,278,914	\$1,105,694	\$955,586	\$825,892	\$713,521	\$616,433	\$532,556	\$0

Value by Discounted Sell-Off (Hypothetical)	\$7,507,968
(Extraordinary Assumption - No Remediation) round	\$7,510,000 \$260,222 per acre
Less: Environmental Remediation	-\$3,650,000
Value by Discounted Sell-Off (Hypothetical)	\$3,860,000 \$133,749 per acre
(Extraordinary Assumption - With Remediation)	

Sensitivity Analysis Table

Discount Rate	Absorption Period		
	7.0	8.0	9.0
17.5%	\$8,680,000	\$8,130,000	\$7,630,000
18.5%	\$8,420,000	\$7,870,000	\$7,370,000
20.0%	\$8,070,000	\$7,510,000	\$7,000,000
21.5%	\$7,730,000	\$7,170,000	\$6,660,000
22.5%	\$7,520,000	\$6,960,000	\$6,450,000

Reconciliation & Conclusion

The Sales Comparison Approach was utilized in the original Appraisal Report for developing the gross retail price of land and the Discounted Sell-Off Analysis (a form of the Income Capitalization Approach) was utilized in this Addendum. A reasonable absorption period was concluded based on current market conditions and future expectations. Projected revenues, holding costs and expenses were market derived, and the discount rate selected is commensurate with the risk perceived in the investment. The most probable buyer would likely utilize this technique and the discounted sell-off analysis provides a reliable indication of value for the property if sold in aggregate to a single developer/buyer.

Aggregate Market Value (As Is)

It is our opinion as of October 24, 2019 that the Aggregate Market Value (As Is) of the Fee Simple Estate in 28.86 acres (net) under the terms of the Development Agreement as if sold to a single developer/buyer and subject to an extraordinary assumptions summarized herein is:

AGGREGATE MARKET VALUE		
	Market Value (As Is) <u>(No Remediation)</u>	Market Value (As Is) <u>(\$3.6M Remediation)</u>
Market Value of Fee Simple Estate	\$4,640,000	\$990,000
Effective Date of Value	24-Oct-2019	24-Oct-2019

Aggregate Value (As Is, Hypothetical Condition)

It is further our opinion as of October 24, 2019 that the Aggregate Value (As Is) of 28.89 acres (net developable) as if sold to a single developer/buyer under the hypothetical condition there is no Development Agreement and subject to an extraordinary assumptions summarized herein is:

AGGREGATE VALUE (Hypothetical Condition)		
	Value (As Is) <u>(No Remediation)</u>	Value (As Is) <u>(\$3.6M Remediation)</u>
Value of Fee Simple Estate (Hypothetical)	\$7,510,000	\$3,860,000
Effective Date of Value	24-Oct-2019	24-Oct-2019

Respectfully submitted,
THE NICHOLSON GROUP LLC

Michael J. Tompkins
Wisconsin Certified General Appraiser (#608)

19-182-2, Addendum Letter

Appraisal Report

UWM Innovation Campus Land
Northeast Quadrant I-41 & W. Watertown Plank Road
Wauwatosa, Wisconsin 53226



Appraisal Date:
October 24, 2019

THE NICHOLSON GROUP LLC

November 26, 2019

Ms. Sherri Jordan
Milwaukee County – Department of Administrative Services
633 W. Wisconsin Avenue, Suite 903
Milwaukee, Wisconsin 53203

Subject: UWM Innovation Campus Land
Northeast Quadrant I-41 & Watertown Plank Road
Wauwatosa, Wisconsin 53226

We have completed an appraisal of the property rights associated with the fee simple estate in the real estate identified above and submit our findings in this appraisal report. The property currently has ±28.86 acres (net) of vacant developable land within UWM Innovation Campus located in the northeast quadrant of Interstate 41 and Watertown Plank Road. This developable land is zoned SP-MED, Medical Center District with a PUD Overlay District by the City of Wauwatosa, and the highest and best use is for phased development of mixed-use office, medical office, R&D, hotels and potential residential land use.

The land was sold in 2011 to UWM Foundation subject to the *UWM Innovation Campus Development Agreement* which states buildings in the campus are limited to a developed area of 853,271 square feet, with any additional developed area subject to an Additional Purchase Price. Per the Agreement, the developer or its successors and assigns, shall pay the County the appraised value of each additional square foot of improved building area the Developer is permitted to develop, but in no event shall the appraised value of the additional space be less than \$12.00 per-square-foot of building area. The entire campus, including existing apartments, hotel, ABB office, and UWM Building(s), are included in the 853,271-square-foot maximum before calculating the additional space for the additional purchase price. The UWM Real Estate Foundation is negotiating a possible sale of undeveloped land to a private developer that may develop the campus in excess of the original density of 853,271 square feet, and the client has requested an appraisal of the market value of the developable land in today's market on a per-square-foot of allowable building area as per the allowable Floor Area Ratio (FAR).

It is our opinion that the Market Value of the fee simple estate per-square-foot of allowable building area for "Additional Space" permitted in excess of the 853,271 square feet allowed under the UWM Innovation Campus Development Agreement, as of October 24, 2019, is as follows:

Market Value Per Sq.Ft. of Additional Space \$24.00 per square foot
--

This opinion of value per-square-foot of additional space does not reflect the market value of the vacant developable land within the campus as if sold in bulk or aggregate to a single investor.

The opinions expressed in this report can only be completely understood by reading the following report, exhibits, other data, assumptions and limiting conditions, and general service conditions. This appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the limiting and general service conditions as well as all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by The Nicholson Group, constitutes acceptance of all such limiting and general service conditions and terms.

Respectfully submitted,

THE NICHOLSON GROUP LLC



Michael J. Tompkins
Wisconsin Certified General Appraiser (#608)

19-198

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Scope of Work	
Property Appraised	UWM Innovation Campus Land Northeast Quadrant I-41 & Watertown Plank Road Wauwatosa, Wisconsin 53226
Appraisal Date	October 24, 2019
Inspection Date	October 24, 2019
Property Rights Appraised	Market Value of the fee simple estate per-square-foot of allowable building area for "Additional Space" permitted in excess of the 853,271 square feet allowed under the UWM Innovation Campus Development Agreement
Intended Use	The intended use of our opinions and this report is for internal planning purposes.
Intended User	The intended user of our opinions and this report is Milwaukee County ("client"). Use or reliance by others or for any other function is not intended by the appraiser. A party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship. No third parties are authorized to rely upon our opinions or this report without the express written permission of The Nicholson Group LLC.
Assets Included	Land Only
Scope of the Investigations	<p>In developing this real property appraisal, the appraiser conducted a complete appraisal process which considered the use of the three traditional approaches to value: the Cost, Sales Comparison and Income Capitalization Approaches. Being a land appraisal, only the Sales Comparison Approach was used.</p> <p>Michael J. Tompkins collected, researched and analyzed the information deemed necessary to develop credible assignment results, that is, being worthy of belief. Furthermore, Michael J. Tompkins: inspected the exterior and interior areas of the property; reviewed property information provided by the client; researched public records pertaining to the property; investigated market and neighborhood trends affecting the highest and best use; as appropriate, researched and gathered information pertaining to comparable land sales; analyzed the data; and, applied the appropriate valuation approaches to arrive at a reasonable and independent opinion of market value.</p>

Sources used in obtaining comparable data included: The Nicholson Group's proprietary database of sale transactions; public records; real estate sales data published by CoStar Group, MLS and tax assessor offices; other appraisers; and, real estate brokers. The terms of the transactions were verified through public records and/or by interviewing a party to the transaction. Data may have been used without verification by a party to the transaction if attempts to contact these individuals were unsuccessful and/or if the data was obtained from a reliable source and appeared to be correct.

The value opinions presented in this report are based upon review and analysis of the market conditions affecting real property value. The value opinion has been supported by relevant evidence and reasoned judgement to the degree necessary for the intended use.

Information, estimates and opinions furnished to the appraiser and contained in this report and/or in the appraisal workfile were obtained from sources considered reliable and believed to be true and correct. However, we can assume no responsibility for the accuracy of such items furnished to the appraiser.

While reasonable care has been taken to ensure that the facts stated herein are accurate and that any expressed or implied opinions are fair and reasonable, the opinions, estimates and projections in this appraisal constitute judgments as of the date of this appraisal and there can be no assurance that future results or events will be consistent with any such opinions, estimates or projections.

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice ("USPAP") for an Appraisal Report. This report presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop our opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning and analyses is retained in the appraisal workfile. The depth of discussion contained in this report is specific to the needs of the client and for the intended use state in this report. The appraiser is not responsible for unauthorized use of this report.

Standards Compliance	This appraisal has been prepared to conform with the requirements of: the Uniform Standards of Professional Appraisal Practice (“USPAP”); and, the Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute.
Competency Statement	According to the Competency Rule as set forth by USPAP, competency applies to factors such as, but not limited to, specific types of property, a specific type of property or asset, a market, a geographic area, an intended use, specific laws and regulations, or an analytical method. The appraisers are familiar with the subject property type and market area. Furthermore, the appraisers have the education, experience and competency to appropriately utilize the analytical methods employed in this report. The appraisers certify that they have the ability to properly identify the problem to be addressed, the knowledge and experience to complete the assignment competently and recognition of and compliance with laws and regulations that apply to the appraiser or to the assignment.
Exposure Time	Exposure time is defined in USPAP as “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal”. Further, “Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.” Exposure time is the amount of time necessary to expose a property to the open market in order to achieve a sale. The opinion of an exposure time is not intended to be a prediction of a date of sale. Furthermore, exposure time is always presumed to occur prior to the effective date of the appraisal. Implicit in this definition are the following characteristics: <ul data-bbox="667 1478 1451 1787" style="list-style-type: none">• the property is actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type property;• the property is offered at a price reflecting the most probable markup over market value used by sellers of similar type property; and,• sale is consummated under the terms and conditions of the definition of Market Value. It is our opinion that the reasonable exposure time, or the length of time necessary for the property to be exposed to the market prior to an arm’s length sale is one year.

Definitions

Market Value is defined as: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

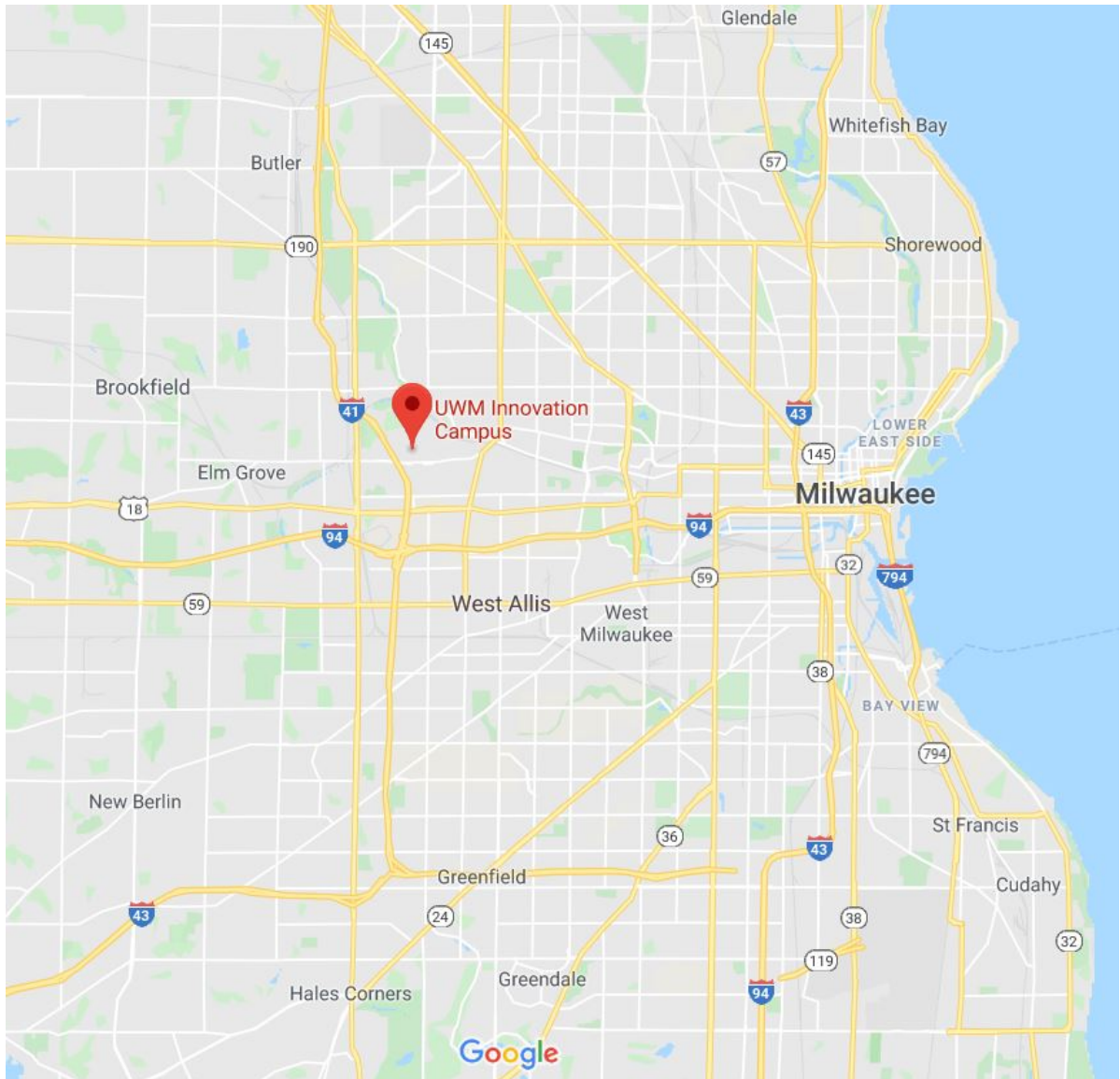
[Source 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994]

Fee Simple Estate is defined as: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute), 2015]

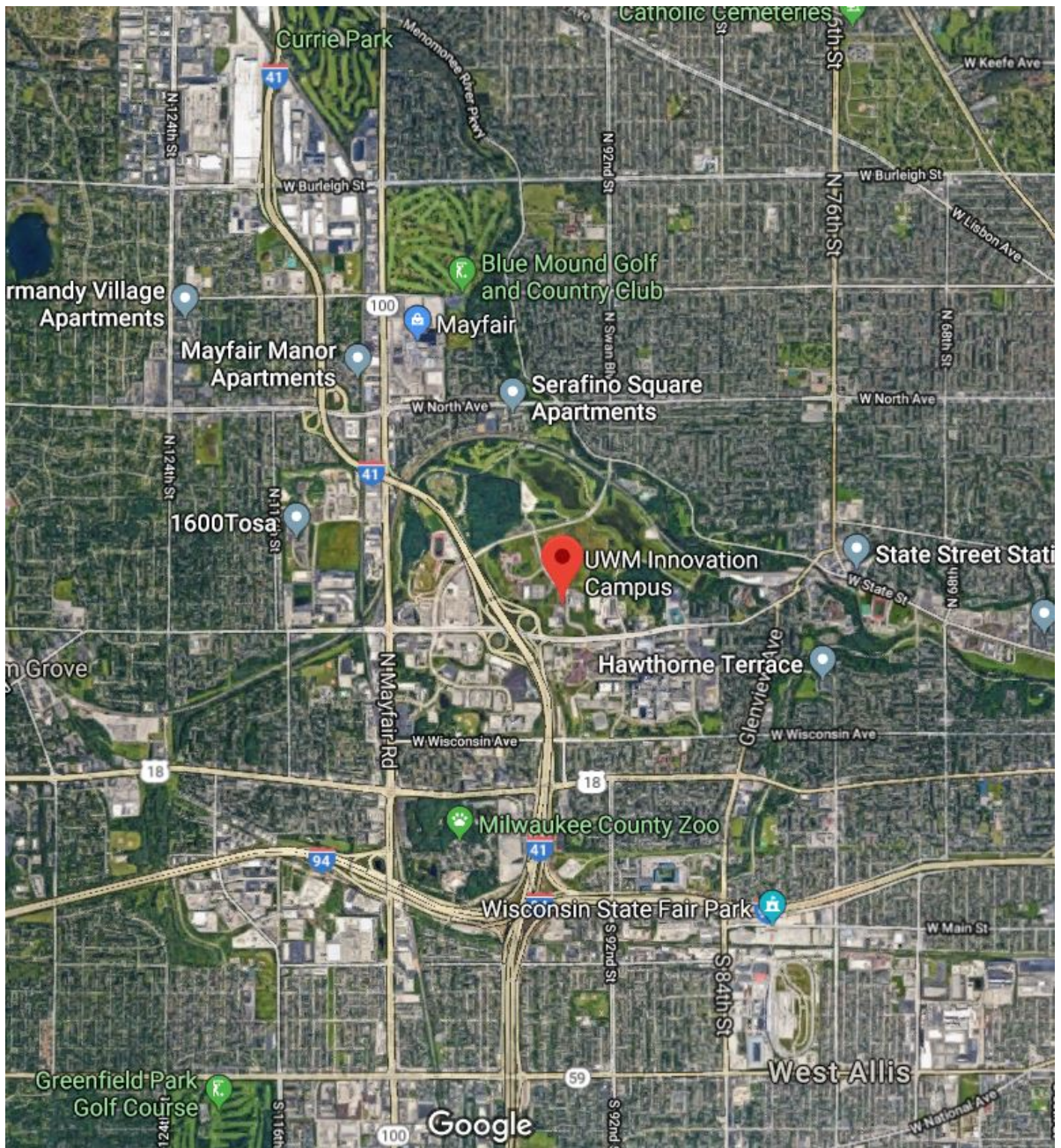
Highest and Best Use is defined as: "The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity." [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute), 2015]

Area Overview

The property is in the City of Wauwatosa, Milwaukee County, Wisconsin. The map below identifies the property location in metro Milwaukee followed by an aerial map of its location north of the Zoo Interchange. The map on the subsequent page identifies areas considered in the demographic analysis of this overview.

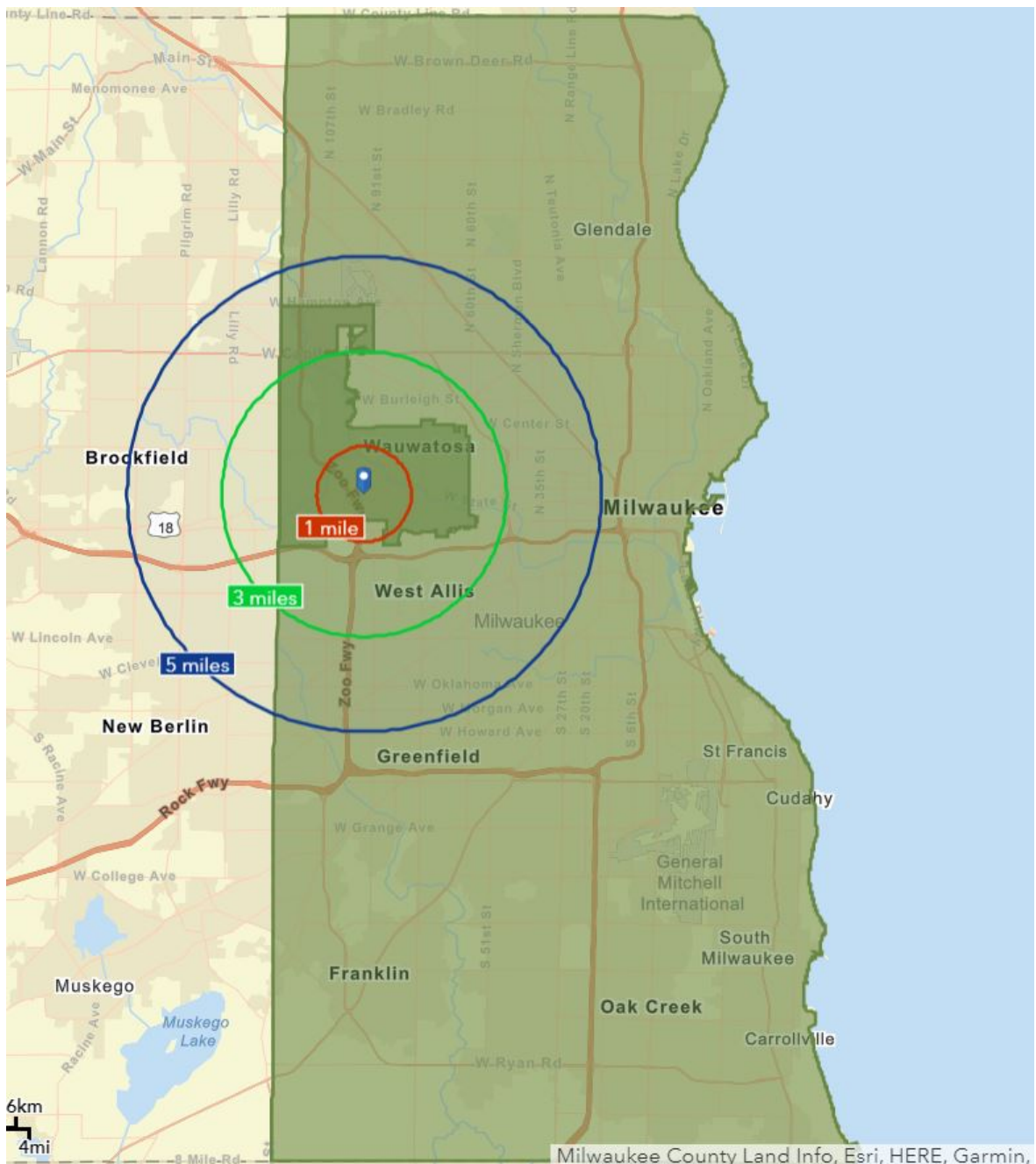


Aerial Map



Demographic Map - For reference purposes, the demographic map below identifies the following geographic areas and locations that will be compared in this section:

- 1) Milwaukee County – light green shaded area
- 2) City of Wauwatosa – dark green shaded area
- 3) 1-, 3-, 5-mile – radius rings
- 4) Subject Location – Star



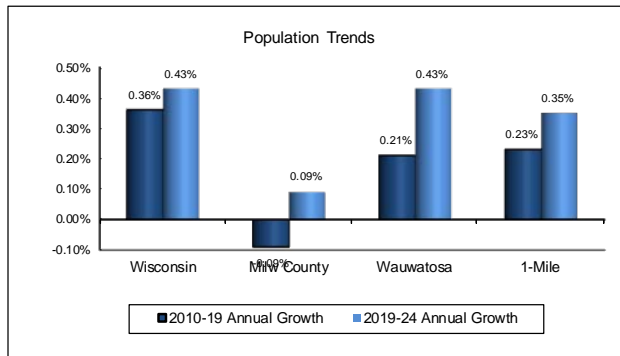
Population & Housing

Below is a comparative summary of population and housing trends in the State, County, City, and a 1-mile radius of the subject property.

Demographic Comparison and Trends

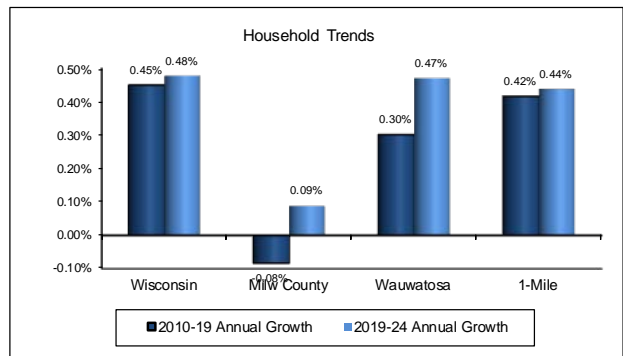
Population Trends

	Wisconsin	Milw County	Wauwatosa	1-Mile
2010 Total Population	5,686,986	947,735	46,396	7,180
2019 Total Population	5,881,444	939,979	47,288	7,331
2010-19 Annual Growth	0.36%	-0.09%	0.21%	0.23%
2024 Total Population	6,008,411	944,098	48,310	7,459
2019-24 Annual Growth	0.43%	0.09%	0.43%	0.35%



Household Trends

	Wisconsin	Milw County	Wauwatosa	1-Mile
2010 Total Households	2,279,768	383,591	20,435	3,306
2019 Total Households	2,373,777	380,717	20,996	3,432
2010-19 Annual Growth	0.45%	-0.08%	0.30%	0.42%
2024 Total Households	2,431,061	382,389	21,495	3,508
2019-24 Annual Growth	0.48%	0.09%	0.47%	0.44%



Education

	Wisconsin	Milw County	Wauwatosa	1-Mile
High School Diploma	1,093,384	148,065	4,463	569
Bachelor's Degree	815,914	123,927	12,145	1,933
Graduate/Prof Degree	445,090	72,626	8,731	1,565
High School Diploma	46%	43%	18%	14%
Bachelor's Degree	35%	36%	48%	48%
Graduate/Prof Degree	19%	21%	34%	38%

Current Housing Mix

	Wisconsin	Milw County	Wauwatosa	1-Mile
2019 Owner Occupied	1,571,939	182,381	12,439	1,705
2019 Renter Occupied	801,838	198,336	8,557	1,727
2019 Vacant	371,298	43,797	1,550	295
2019 Owner Occupied	57%	43%	55%	46%
2019 Renter Occupied	29%	47%	38%	44%
2019 Vacant	14%	10%	7%	10%

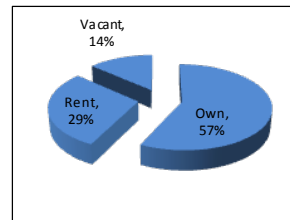
Median Age

	Wisconsin	Milw County	Wauwatosa	1-Mile
2010 Median Age	38.4	33.7	39.7	39.4
2019 Median Age	39.9	35.5	41.4	41.8
2024 Median Age	40.7	36.2	42.6	43.6

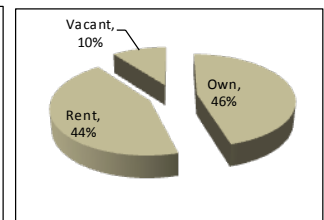
Median Home Value

	Wisconsin	Milw County	Wauwatosa	1-Mile
2019 Median Value	\$193,857	\$174,961	\$258,991	\$258,732
2024 Median Value	\$217,826	\$190,049	\$276,839	\$275,605

Current Housing Mix - State



1-Mile Radius Housing Mix



Summary of Trends

The county, city and one-mile radius areas are estimated to have experienced growth in population/households that is below the state average over the past 9 years with projected stronger growth over the next 5 years, with the city and 1-mile markets closer to the state average. Housing in a 1-mile radius is a mix of renter- and owner-occupancy with 10% vacancy. The median age of residents is slightly above the state average, and median home values are above the state average.

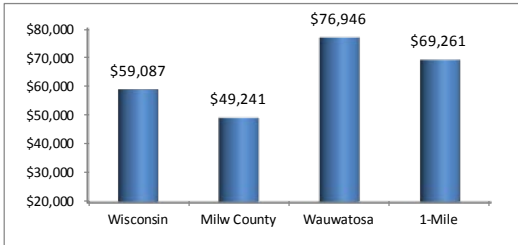
Income & Employment

The following table summarizes income levels and employment composition by sector.

Income & Employment Comparison Profile

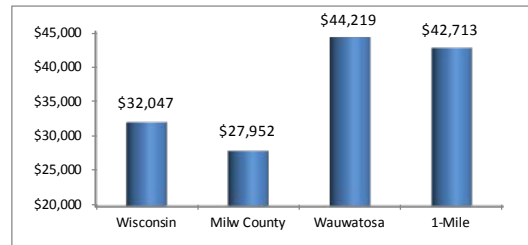
Median Household Income Trends

	Wisconsin	Milw County	Wauwatosa	1-Mile
2019 Median HH Income	\$59,087	\$49,241	\$76,946	\$69,261
2024 Median HH Income	\$67,243	\$54,782	\$86,116	\$77,276
2019-24 Annual Growth	2.62%	2.16%	2.28%	2.21%
2019 Ratio to State Avg		0.83	1.30	1.17



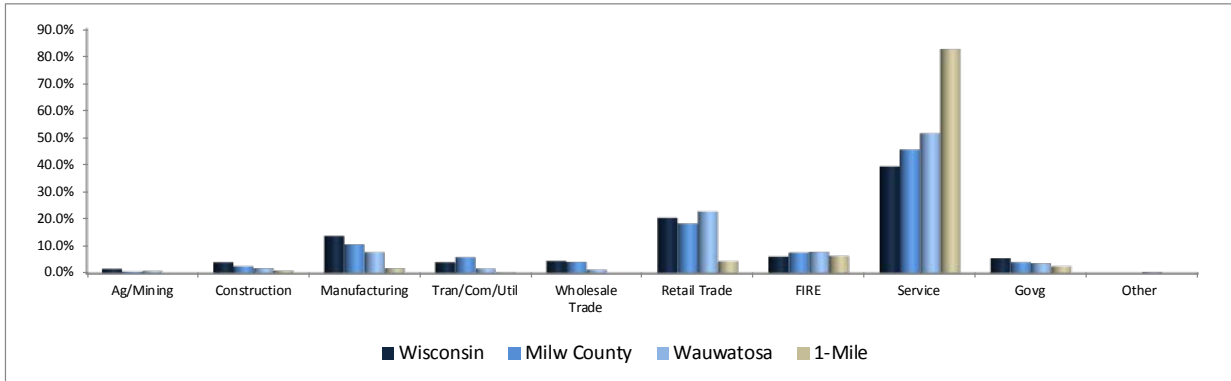
Per Capita Income Trends

	Wisconsin	Milw County	Wauwatosa	1-Mile
2019 Per Capita Income	\$32,047	\$27,952	\$44,219	\$42,713
2024 Per Capita Income	\$36,642	\$32,187	\$50,415	\$48,570
2019-24 Annual Growth	2.72%	2.86%	2.66%	2.60%
2019 Ratio to State Avg		0.87	1.38	1.33



Employment (Employees) By SIC Sector

	Wisconsin	Milw County	Wauwatosa	1-Mile		Wisconsin	Milw County	Wauwatosa	1-Mile
Agriculture/Mining	52,776	3,061	325	15	Agriculture/Mining	1.7%	0.6%	0.8%	0.1%
Construction	127,460	12,711	745	215	Construction	4.1%	2.6%	1.9%	1.0%
Manufacturing	431,901	52,165	3,029	401	Manufacturing	13.8%	10.7%	7.8%	1.9%
Transport/Comm/Utility	129,382	29,160	712	82	Transport/Comm/Utility	4.1%	6.0%	1.8%	0.4%
Wholesale Trade	141,123	20,719	499	69	Wholesale Trade	4.5%	4.2%	1.3%	0.3%
Retail Trade	642,501	90,193	8,877	920	Retail Trade	20.5%	18.4%	22.7%	4.4%
Finance/Ins/Real Estate	195,096	37,323	3,095	1,341	Finance/Ins/Real Estate	6.2%	7.6%	7.9%	6.4%
Service	1,233,956	223,000	20,131	17,164	Service	39.3%	45.5%	51.5%	82.5%
Government	176,678	19,799	1,483	545	Government	5.6%	4.0%	3.8%	2.6%
Unclassified	10,064	1,553	186	59	Unclassified	0.3%	0.3%	0.5%	0.3%
Totals	3,140,937	489,684	39,082	20,809	Totals	100.0%	100.0%	100.0%	100.0%



Source: 2010 Data is from U.S. Census and Current and Projected Data is Esri

Summary of Trends

City and 1-mile household and per-capita income levels are above the state average. Employment in local areas is heavily concentrated in the Service sector with a stronger concentration of employment relative to the state average.

1-, 3, & 5-Mile Trends

Below and on the following page is a summary of demographic trends in a 1-, 3-, and 5- mile radius of the subject.



Community Profile

1225 Discovery Pkwy, Milwaukee, Wisconsin, 53226
Rings: 1, 3, 5 mile radii

The Nicholson Group
Latitude: 43.04693
Longitude: -88.03142

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	7,077	124,100	385,805
2010 Total Population	7,180	122,253	375,983
2019 Total Population	7,331	122,728	372,649
2019 Group Quarters	670	1,980	6,256
2024 Total Population	7,459	124,217	374,205
2019-2024 Annual Rate	0.35%	0.24%	0.08%
2019 Total Daytime Population	25,031	140,703	370,039
Workers	21,644	83,965	173,721
Residents	3,387	56,738	196,318
Household Summary			
2000 Households	3,300	54,486	155,260
2000 Average Household Size	1.97	2.23	2.44
2010 Households	3,306	54,185	152,278
2010 Average Household Size	1.95	2.22	2.43
2019 Households	3,432	54,477	150,757
2019 Average Household Size	1.94	2.22	2.43
2024 Households	3,508	55,143	151,375
2024 Average Household Size	1.94	2.22	2.43
2019-2024 Annual Rate	0.44%	0.24%	0.08%
2010 Families	1,624	30,469	90,310
2010 Average Family Size	2.76	2.93	3.13
2019 Families	1,674	30,310	88,480
2019 Average Family Size	2.74	2.92	3.14
2024 Families	1,709	30,644	88,660
2024 Average Family Size	2.72	2.92	3.14
2019-2024 Annual Rate	0.41%	0.22%	0.04%
Housing Unit Summary			
2000 Housing Units	3,424	56,325	163,944
Owner Occupied Housing Units	57.3%	62.6%	53.2%
Renter Occupied Housing Units	39.1%	34.2%	41.5%
Vacant Housing Units	3.6%	3.3%	5.3%
2010 Housing Units	3,519	57,618	165,920
Owner Occupied Housing Units	52.9%	58.5%	49.7%
Renter Occupied Housing Units	41.0%	35.5%	42.0%
Vacant Housing Units	6.1%	6.0%	8.2%
2019 Housing Units	3,727	58,952	168,173
Owner Occupied Housing Units	45.7%	53.6%	45.6%
Renter Occupied Housing Units	46.3%	38.8%	44.1%
Vacant Housing Units	7.9%	7.6%	10.4%
2024 Housing Units	3,807	59,929	169,836
Owner Occupied Housing Units	45.5%	53.3%	45.7%
Renter Occupied Housing Units	46.7%	38.7%	43.4%
Vacant Housing Units	7.9%	8.0%	10.9%
Median Household Income			
2019	\$69,261	\$60,194	\$48,852
2024	\$77,276	\$69,349	\$54,498
Median Home Value			
2019	\$258,732	\$190,944	\$165,964
2024	\$275,605	\$207,054	\$179,555
Per Capita Income			
2019	\$42,713	\$36,148	\$27,228
2024	\$48,570	\$41,546	\$31,312
Median Age			
2010	39.4	37.3	34.3
2019	41.8	39.4	36.4
2024	43.6	40.7	37.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.

November 20, 2019



Community Profile

1225 Discovery Pkwy, Milwaukee, Wisconsin, 53226
Rings: 1, 3, 5 mile radii

The Nicholson Group
Latitude: 43.04693
Longitude: -88.03142

	1 mile	3 miles	5 miles
2019 Households by Income			
Household Income Base	3,432	54,477	150,757
<\$15,000	8.9%	8.4%	14.4%
\$15,000 - \$24,999	8.0%	8.7%	11.1%
\$25,000 - \$34,999	7.1%	9.1%	10.8%
\$35,000 - \$49,999	11.9%	13.9%	14.5%
\$50,000 - \$74,999	17.1%	19.5%	18.2%
\$75,000 - \$99,999	15.5%	14.0%	11.5%
\$100,000 - \$149,999	17.8%	15.5%	12.1%
\$150,000 - \$199,999	5.4%	5.8%	4.1%
\$200,000+	8.3%	5.0%	3.3%
Average Household Income	\$94,075	\$81,528	\$67,251
2024 Households by Income			
Household Income Base	3,508	55,143	151,375
<\$15,000	6.9%	6.6%	12.0%
\$15,000 - \$24,999	6.9%	7.5%	10.0%
\$25,000 - \$34,999	6.3%	7.9%	9.9%
\$35,000 - \$49,999	11.3%	12.7%	13.8%
\$50,000 - \$74,999	16.8%	18.4%	17.8%
\$75,000 - \$99,999	15.6%	14.5%	12.2%
\$100,000 - \$149,999	19.7%	18.3%	14.6%
\$150,000 - \$199,999	6.9%	8.1%	5.8%
\$200,000+	9.7%	6.0%	4.0%
Average Household Income	\$106,497	\$93,712	\$77,369
2019 Owner Occupied Housing Units by Value			
Total	1,705	31,608	76,651
<\$50,000	0.6%	2.2%	3.8%
\$50,000 - \$99,999	1.0%	6.3%	15.1%
\$100,000 - \$149,999	7.2%	23.1%	24.7%
\$150,000 - \$199,999	17.1%	22.5%	20.0%
\$200,000 - \$249,999	20.5%	13.9%	11.7%
\$250,000 - \$299,999	20.8%	11.1%	8.5%
\$300,000 - \$399,999	24.3%	12.3%	8.7%
\$400,000 - \$499,999	6.0%	4.6%	3.5%
\$500,000 - \$749,999	2.5%	3.2%	2.8%
\$750,000 - \$999,999	0.0%	0.6%	0.8%
\$1,000,000 - \$1,499,999	0.0%	0.3%	0.2%
\$1,500,000 - \$1,999,999	0.0%	0.0%	0.1%
\$2,000,000 +	0.0%	0.0%	0.2%
Average Home Value	\$270,824	\$228,251	\$205,587
2024 Owner Occupied Housing Units by Value			
Total	1,732	31,944	77,577
<\$50,000	0.4%	1.9%	3.4%
\$50,000 - \$99,999	0.7%	5.3%	13.5%
\$100,000 - \$149,999	5.4%	20.1%	22.0%
\$150,000 - \$199,999	13.9%	20.8%	18.9%
\$200,000 - \$249,999	18.6%	13.6%	11.9%
\$250,000 - \$299,999	21.5%	11.8%	9.3%
\$300,000 - \$399,999	29.1%	15.1%	10.7%
\$400,000 - \$499,999	7.2%	6.0%	4.7%
\$500,000 - \$749,999	3.2%	4.3%	4.0%
\$750,000 - \$999,999	0.0%	0.8%	1.2%
\$1,000,000 - \$1,499,999	0.0%	0.4%	0.3%
\$1,500,000 - \$1,999,999	0.0%	0.0%	0.1%
\$2,000,000 +	0.0%	0.0%	0.2%
Average Home Value	\$287,016	\$247,666	\$226,602

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.

November 20, 2019



Community Profile

1225 Discovery Pkwy, Milwaukee, Wisconsin, 53226
Rings: 1, 3, 5 mile radii

The Nicholson Group
Latitude: 43.04693
Longitude: -88.03142

	1 mile	3 miles	5 miles
2019 Population 25+ by Educational Attainment			
Total	5,289	86,647	245,125
Less than 9th Grade	0.3%	1.6%	3.6%
9th - 12th Grade, No Diploma	1.4%	3.5%	7.0%
High School Graduate	10.8%	19.6%	24.3%
GED/Alternative Credential	0.7%	2.6%	3.9%
Some College, No Degree	14.6%	18.3%	21.2%
Associate Degree	6.1%	8.5%	8.7%
Bachelor's Degree	36.5%	28.4%	20.0%
Graduate/Professional Degree	29.6%	17.5%	11.4%
2019 Population 15+ by Marital Status			
Total	6,302	100,403	296,389
Never Married	35.9%	38.2%	44.8%
Married	48.3%	44.8%	38.6%
Widowed	7.2%	5.4%	5.3%
Divorced	8.6%	11.5%	11.4%
2019 Civilian Population 16+ in Labor Force			
Civilian Employed	98.7%	96.8%	95.0%
Civilian Unemployed (Unemployment Rate)	1.3%	3.2%	5.0%
2019 Employed Population 16+ by Industry			
Total	4,028	67,331	180,063
Agriculture/Mining	0.2%	0.3%	0.3%
Construction	3.5%	4.0%	4.3%
Manufacturing	9.6%	12.6%	13.9%
Wholesale Trade	3.8%	3.7%	3.4%
Retail Trade	7.3%	8.8%	9.4%
Transportation/Utilities	2.6%	4.1%	4.6%
Information	2.0%	2.2%	1.7%
Finance/Insurance/Real Estate	6.9%	7.4%	6.4%
Services	62.9%	53.2%	52.4%
Public Administration	1.4%	3.8%	3.6%
2019 Employed Population 16+ by Occupation			
Total	4,027	67,333	180,060
White Collar	79.9%	70.2%	60.3%
Management/Business/Financial	15.2%	16.3%	12.7%
Professional	43.9%	30.6%	23.5%
Sales	8.6%	9.8%	9.3%
Administrative Support	12.2%	13.5%	14.8%
Services	11.3%	14.5%	19.8%
Blue Collar	8.8%	15.3%	19.9%
Farming/Forestry/Fishing	0.2%	0.1%	0.2%
Construction/Extraction	1.8%	2.7%	3.1%
Installation/Maintenance/Repair	0.8%	1.9%	2.4%
Production	3.7%	6.5%	8.7%
Transportation/Material Moving	2.3%	4.1%	5.5%
2010 Population By Urban/ Rural Status			
Total Population	7,180	122,253	375,983
Population Inside Urbanized Area	100.0%	100.0%	100.0%
Population Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Population	0.0%	0.0%	0.0%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.

November 20, 2019



Community Profile

1225 Discovery Pkwy, Milwaukee, Wisconsin, 53226
Rings: 1, 3, 5 mile radii

The Nicholson Group
Latitude: 43.04693
Longitude: -88.03142

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	3,307	54,185	152,278
Households with 1 Person	43.0%	35.8%	33.1%
Households with 2+ People	57.0%	64.2%	66.9%
Family Households	49.1%	56.2%	59.3%
Husband-wife Families	40.2%	40.6%	35.6%
With Related Children	16.3%	17.6%	15.8%
Other Family (No Spouse Present)	9.0%	15.6%	23.7%
Other Family with Male Householder	2.5%	4.0%	5.2%
With Related Children	1.2%	2.2%	2.9%
Other Family with Female Householder	6.5%	11.6%	18.6%
With Related Children	3.4%	7.5%	13.3%
Nonfamily Households	7.9%	8.0%	7.5%
All Households with Children	21.0%	27.7%	32.5%
Multigenerational Households	0.8%	1.9%	3.8%
Unmarried Partner Households	4.8%	7.1%	8.1%
Male-female	4.2%	6.3%	7.3%
Same-sex	0.6%	0.8%	0.7%
2010 Households by Size			
Total	3,306	54,185	152,279
1 Person Household	43.0%	35.8%	33.1%
2 Person Household	32.5%	33.0%	30.4%
3 Person Household	10.4%	14.1%	15.1%
4 Person Household	9.4%	10.8%	11.4%
5 Person Household	3.5%	4.3%	5.6%
6 Person Household	1.0%	1.4%	2.4%
7 + Person Household	0.2%	0.7%	1.9%
2010 Households by Tenure and Mortgage Status			
Total	3,306	54,185	152,278
Owner Occupied	56.3%	62.2%	54.2%
Owned with a Mortgage/Loan	39.6%	45.5%	39.9%
Owned Free and Clear	16.8%	16.7%	14.3%
Renter Occupied	43.7%	37.8%	45.8%
2010 Housing Units By Urban/ Rural Status			
Total Housing Units	3,519	57,618	165,920
Housing Units Inside Urbanized Area	100.0%	100.0%	100.0%
Housing Units Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Housing Units	0.0%	0.0%	0.0%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.

November 20, 2019



Community Profile

11815 W Morgan Ave, Milwaukee, Wisconsin, 53228
Rings: 1, 3, 5 mile radii

The Nicholson Group
Latitude: 42.98081
Longitude: -88.06125

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	3,996	40,157	96,115
Households with 1 Person	27.8%	33.4%	34.2%
Households with 2+ People	72.2%	66.6%	65.8%
Family Households	64.1%	60.1%	58.7%
Husband-wife Families	50.5%	47.0%	44.5%
With Related Children	17.5%	17.6%	17.4%
Other Family (No Spouse Present)	13.6%	13.1%	14.2%
Other Family with Male Householder	3.6%	3.9%	4.2%
With Related Children	1.9%	2.1%	2.3%
Other Family with Female Householder	10.0%	9.2%	10.0%
With Related Children	6.4%	5.4%	6.1%
Nonfamily Households	8.1%	6.5%	7.0%
All Households with Children	26.2%	25.5%	26.2%
Multigenerational Households	2.1%	2.0%	2.0%
Unmarried Partner Households	6.6%	6.3%	6.9%
Male-female	6.0%	5.8%	6.3%
Same-sex	0.6%	0.5%	0.6%
2010 Households by Size			
Total	3,996	40,157	96,114
1 Person Household	27.8%	33.4%	34.2%
2 Person Household	39.2%	35.2%	34.3%
3 Person Household	14.8%	14.2%	14.2%
4 Person Household	11.4%	10.9%	10.9%
5 Person Household	4.6%	4.2%	4.3%
6 Person Household	1.5%	1.4%	1.4%
7 + Person Household	0.8%	0.6%	0.7%
2010 Households by Tenure and Mortgage Status			
Total	3,996	40,157	96,115
Owner Occupied	56.5%	63.3%	62.9%
Owned with a Mortgage/Loan	37.1%	42.5%	43.3%
Owned Free and Clear	19.3%	20.7%	19.6%
Renter Occupied	43.5%	36.7%	37.1%
2010 Housing Units By Urban/ Rural Status			
Total Housing Units	4,206	42,000	101,459
Housing Units Inside Urbanized Area	100.0%	100.0%	99.6%
Housing Units Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Housing Units	0.0%	0.0%	0.4%

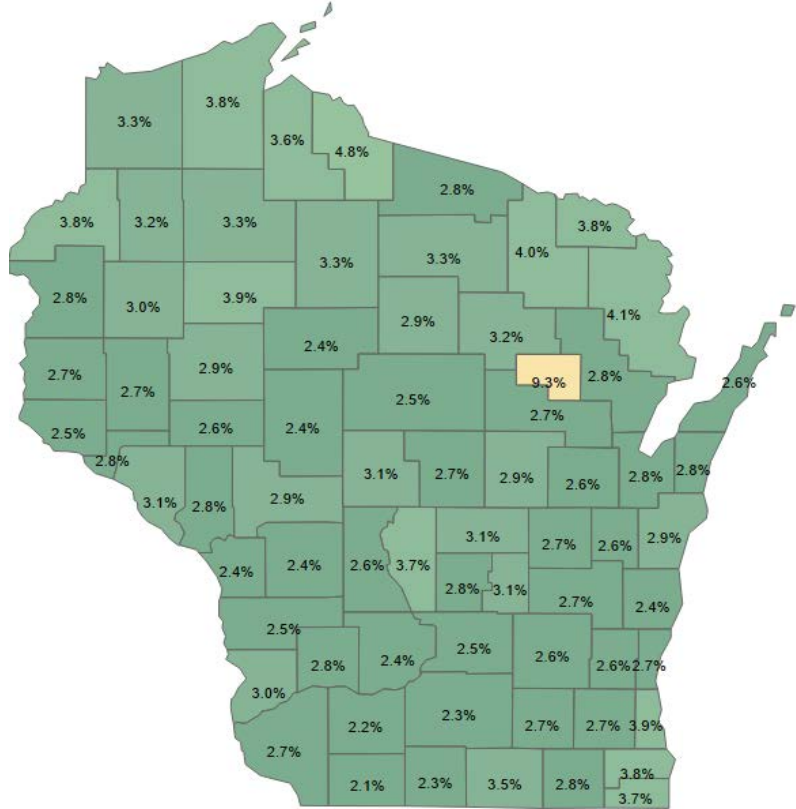
Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023 Esri converted Census 2000 data into 2010 geography.

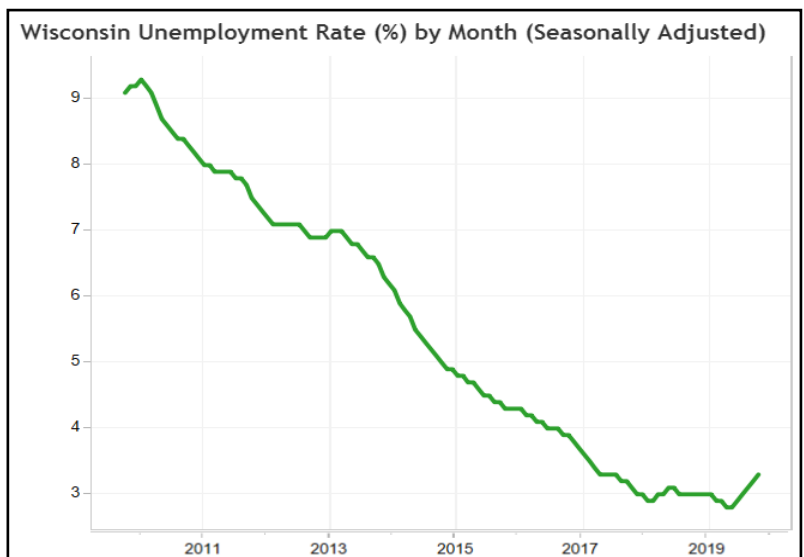
June 04, 2019

Employment Trends

Below is a summary of statewide unemployment rates by county (seasonally adjusted) as of September 2019 with Milwaukee County's unemployment of 3.9% above the state average of 3.3%.

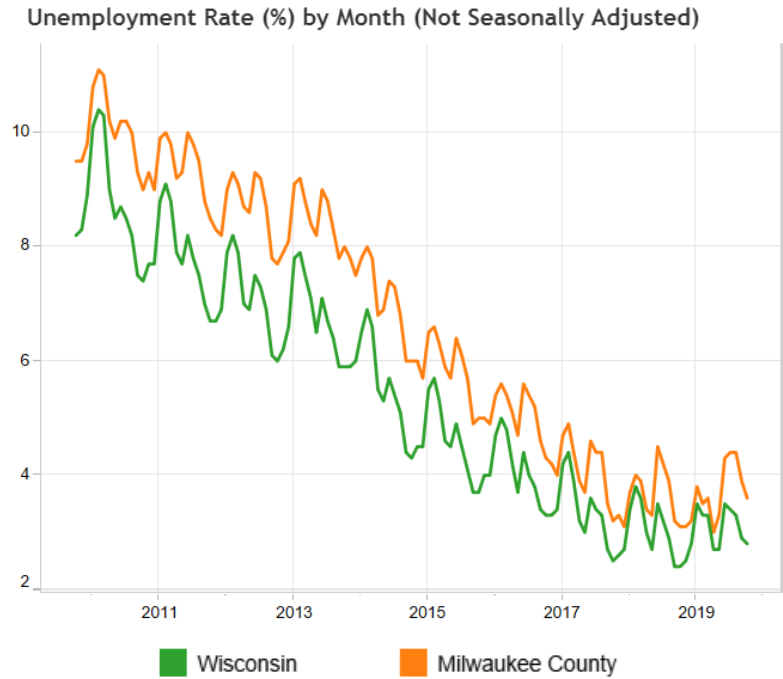


Below is a 10-year historic trend in statewide unemployment that declined from 2011-18 and stabilized at around 3.0% for 12-18 months (2018/19) with a recent increase to 3.3%.



Milwaukee County
Unemployment

The comparison below demonstrates that Milwaukee County's unemployment has been trending above the state; however, the unemployment gap with the state average has narrowed over the past 2-3 years.



Economic Forecast

Based on research and opinions of industry leaders in Milwaukee and throughout Wisconsin, the local and statewide economies remain strong but there has been less optimism in 2019 than a year ago due to the impact of tariffs, rising health care costs, and continued labor shortages listed as top concerns.

Job growth continues in the Milwaukee metro area but at a slower pace with six of ten major industry sectors reporting increases in jobs over the past year, and the other four sectors posting job declines with the steepest decline in the Professional and Business Services sector that is down 3.6% over last year.

Neighborhood Overview

The neighborhood is a mixed-use area between W. Wisconsin and North Avenues around I-41 and W. Watertown Plank Road. The neighborhood is part of the Watertown Plank Neighborhood within the Wauwatosa Life Sciences District according to the 2018-2038 Master Plan adopted by the City of Wauwatosa in 2018.



Neighborhood land use is a mix of medical, office, and R&D within the Milwaukee Regional Medical Center, Milwaukee County Research Park, the appraised UWM Innovation Campus. There are also areas of environmental/park and residential land use to the north/northeast along the Milwaukee River Parkway. Mayfair Mall and abundant commercial uses are located north of the neighborhood along N. Mayfair Road, and the Zoo Interchange, Milwaukee County Zoo and State Fair Park are located to the south. The map on the following page identifies the boundaries of the two research parks and the medical center in the area.



The appraised UWM Innovation Campus was built on former Milwaukee County grounds and is a public-private research park owned by UWM Innovation Park, LLC which is wholly-owned and controlled by the UWM Real Estate Foundation. Milwaukee County sold approximately 88.5 acres to the UWM Real Estate Foundation in 2011 and the City of Wauwatosa approved a tax-incremental financing district allowing the city to borrow to invest in streets and utilities to serve Innovation Campus with construction of infrastructure commencing in late 2011.

UWM Innovation Campus was originally intended to include laboratory and collaborative spaces that bring industry, academic, and medical practice together, with a focus on biomedical engineering/devices and advanced materials/manufacturing, and incorporate a mixed-use campus with private residences, wildlife habitat, and academic and industrial offices and laboratories. The campus is currently home to UWM's Innovation Accelerator Building, ABB, Inc. office, a Marriott Residence Inn, Echelon Apartments, and habitat lands including The Monarch Trail.

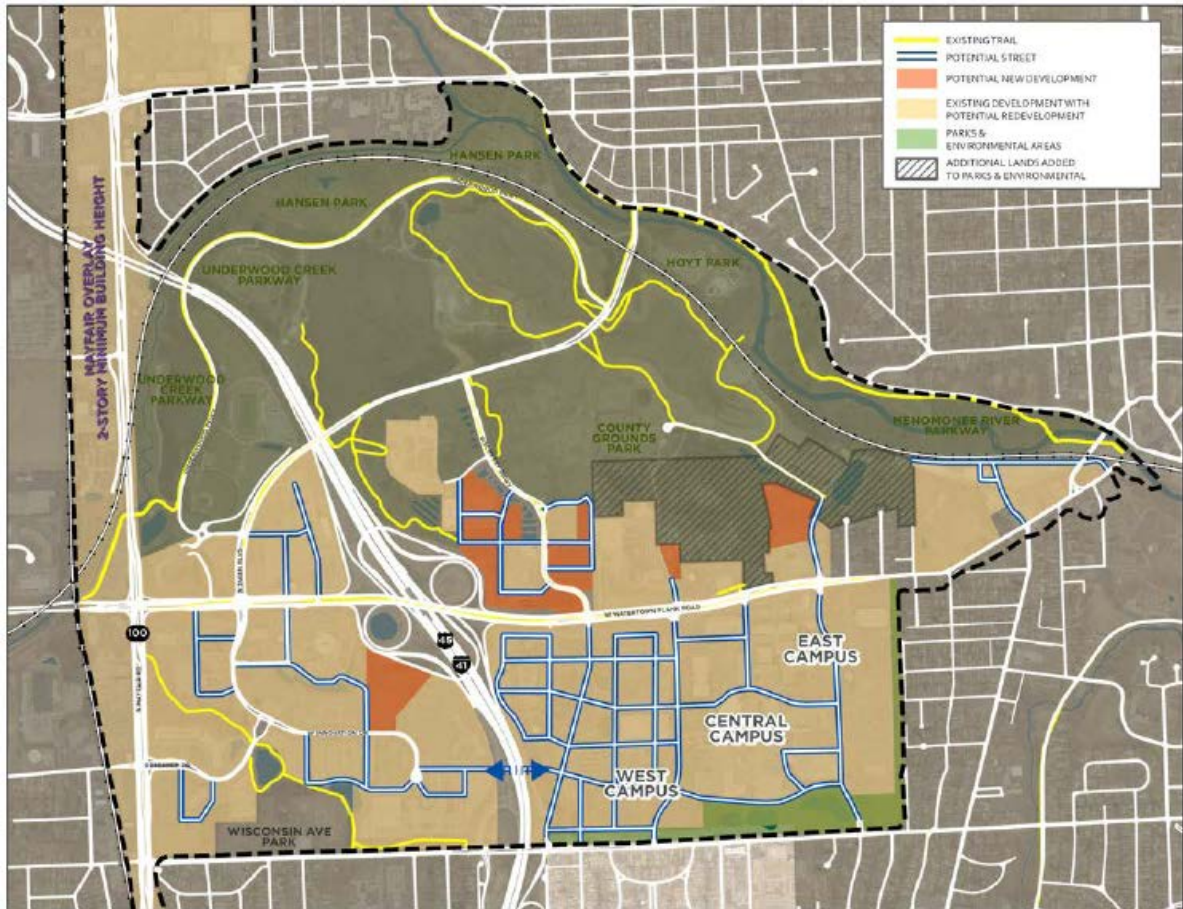
According to the newly adopted 2018-238 Master Plan for the City of Wauwatosa, despite originally-envisioned plans for Innovation Campus for lower-density development based on auto-dependent uses, the revised Master Plan for the city envisions a much denser alternative with the exception of the northern ±13.09 acres of the campus (i.e. Tax Parcel No. 3739999010 & 3739999029) that surround the Echelon Apartments and identified in the Master Plan for undevelopable park and public space as shown below:



The city's master plan proposes the remaining vacant land within the campus be developed for mixed use residential, office, and modest retail with taller buildings to be sited along the freeway, and with locations along Discovery Parkway that have view of environmental lands to the east/north proposed for residential.

Below is an extracted land use map and proposed road network with the appraised campus proposing new roads for development.

FRAMEWORK PLAN - Land Use and Road Network



The UWM Innovation Campus is currently improved with: 1) UWM Innovation Accelerator Building at 1225 Discovery Parkway that opened in 2014; 2) ABB Group’s Wisconsin Headquarters, a 95,000-square-foot building located at 1425 Discovery Parkway; 3) Echelon Apartments, a 188-unit luxury apartment complex that was a redevelopment of some historic buildings which opened in 2016; and 4) Marriot Residence, a 128-room extended stay hotel located at 1300 Discovery Parkway that opened in 2017.

The aerial map below identifies the improved uses, as well as the vacant land (outlined and shaded), with the northern ±13.09 acres of vacant land in the campus identified as habitat area and understood to be undevelopable.

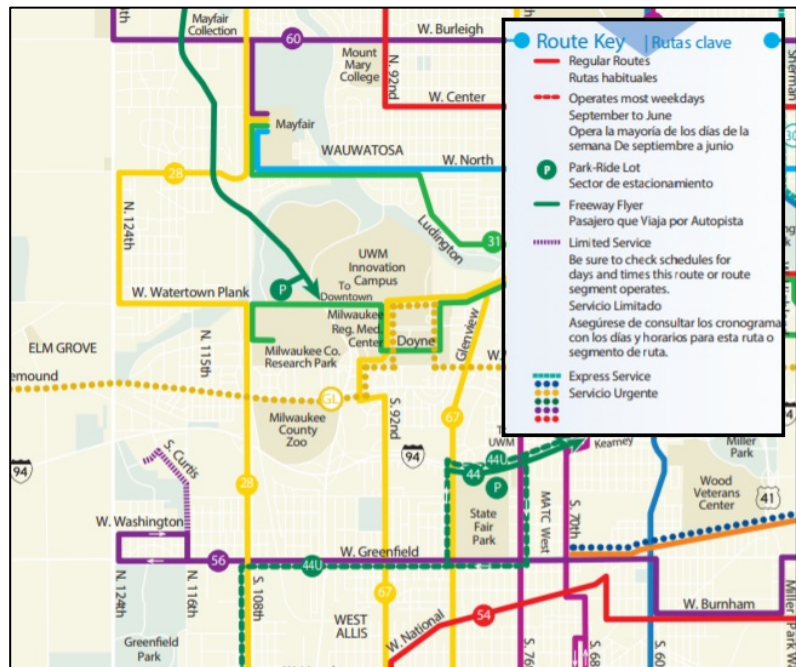


Land uses near the subject are summarized as follows:

North	±67-acres of wooded lands that are former Milwaukee County grounds acquired by the State of Wisconsin for urban state forest use, (i.e. public recreation, conservancy and educational uses.)
East	Power Plant then Ronald McDonald House east along W. Watertown Plank Road; passive recreation area and MMSD's Milwaukee County Grounds Underwood Creek flood management basins.
South	Milwaukee Regional Medical Center (Milwaukee County Mental Health, Medical College of Wisconsin, Froedtert Hospital & Children's Hospital of Wisconsin).
West	I-41/USH 45 and ramps to Watertown Plank Road; Wisconsin Lutheran College's football field and the Milwaukee County Public Works maintenance facility and greenhouses are situated across I-41; Milwaukee County Research Park is located at the southwest quadrant of Watertown Plank Road and USH 45.

Topography in the immediate neighborhood is rolling and sloping with land in UWM Innovation Campus reportedly at the highest point in Milwaukee County.

Both neighborhood and UWM Innovation Campus access is excellent via ramps along W. Watertown Plank Road to a newly redesigned I-41 Zoo Interchange. Access to the Milwaukee County Transit System (MCTS) is along Watertown Plank Road, with a route map presented at the top of the following page.



General Mitchell International Airport is located about 15 miles (i.e. 20 min) southeast of the campus. Please refer to the following page for a traffic count map of arterials in vicinity to the appraised campus; there are no traffic counts along Discovery Parkway.

The neighborhood is estimated to be 90% developed with limited vacant land that is primarily located within the appraised Innovation Campus and the Milwaukee County Research Park.

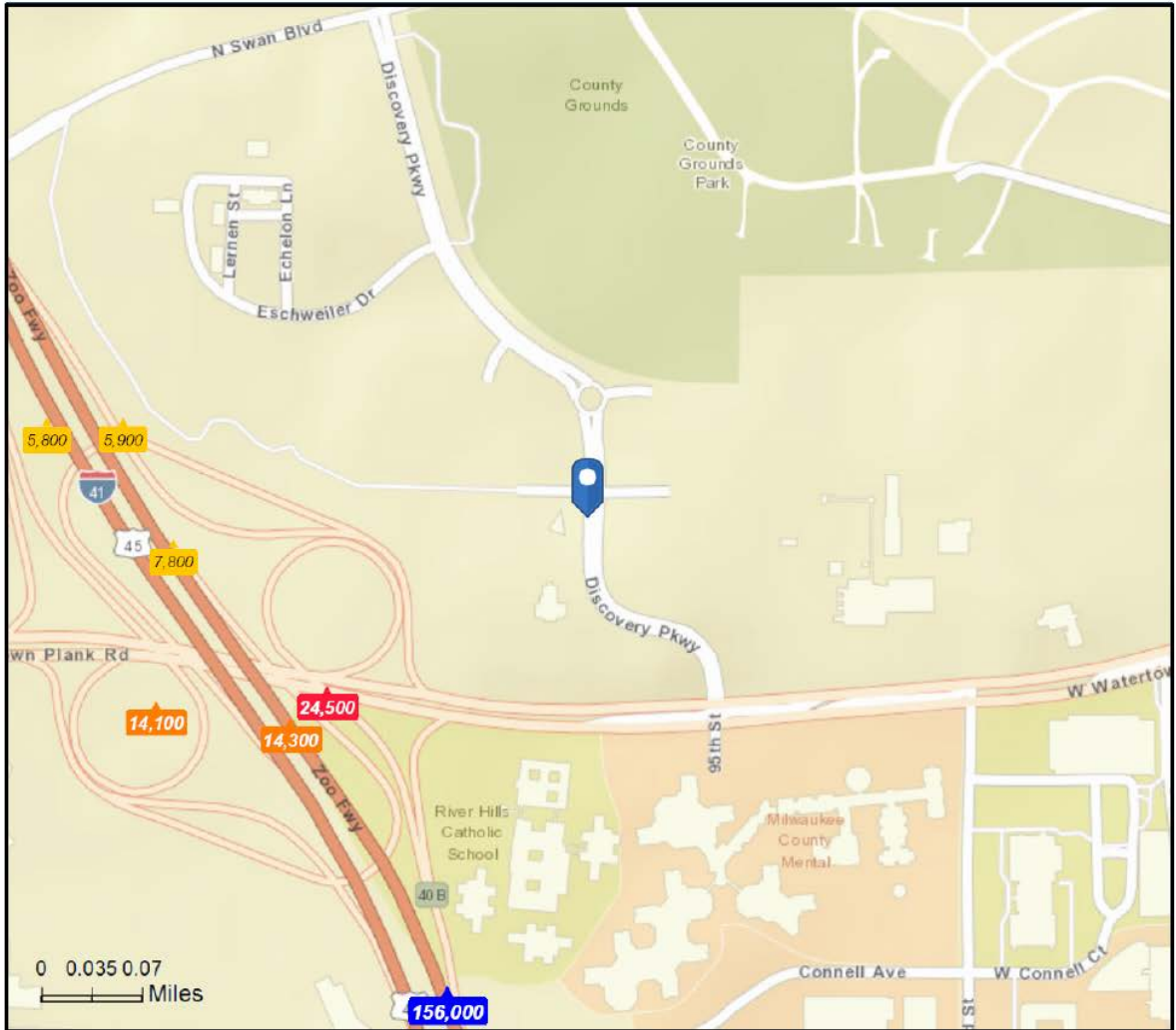
Overall, the neighborhood is in a stable-to-slow growth phase with recent improvements to the highway and interstate system in the neighborhood expected to spur future commercial growth and evidenced by the current interest in the appraised property by a private developer.



Traffic Count Map - Close Up

1225 Discovery Pkwy, Milwaukee, Wisconsin, 53226
Rings: 1, 3, 5 mile radii

The Nicholson Group
Latitude: 43.04693
Longitude: -88.03142



- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
 - ▲ 6,001 - 15,000
 - ▲ 15,001 - 30,000
 - ▲ 30,001 - 50,000
 - ▲ 50,001 - 100,000
 - ▲ More than 100,000 per day



Source: ©2019 Kalibrate Technologies (Q2 2019).

November 20, 2019

Summary of Property Appraised

Photographs of the subject property and other property-related information are provided in Exhibit A.

Size

±41.95 acres (gross) and ±28.86 acres (net developable) as summarized in the table below, which along with ±15.53 acres currently improved indicates a total campus area of ±57.48 acres:

UWM Innovation Campus Land Area Summary			
Address	Tax Parcel #	Zoning	Land ⁽¹⁾ Area (acres)
<u>Vacant Parcels</u>			
Developable			
Discovery Parkway	3739999024	SP-MED/PUD	6.47
Discovery Parkway	3739999028	SP-MED/PUD	22.39
Subtotal			28.86
Park/Habitat			
Discovery Parkway	3739999010	SP-MED/PUD	10.99
Discovery Parkway	3739999029	SP-MED/PUD	2.10
Subtotal			13.09
Totals (Vacant)			41.95
<u>Developed Parcels (Informational Only)</u>			
1225 Discovery Pkwy	3739999013 & 014	SP-MED/PUD	2.01
1300 Discovery Pkwy	3739999025	SP-MED/PUD	2.91
1425 Discovery Pkwy	3739999017	SP-MED/PUD	2.13
Discovery Parkway	3739999015	PUD	8.48
Totals (Improved)			15.53
Total Net Developable Land Area			57.48

⁽¹⁾ Land area is per Milwaukee County GIS Maps

Please refer to the parcel map on the following page that identifies the above parcels and land areas within the campus.

The land area is obtained from public assessment records. Although considered reliable, should any future detailed measurements indicate a significant difference in size, the value of the property may change and we reserve the right to revisit our analyses and amend our opinions.

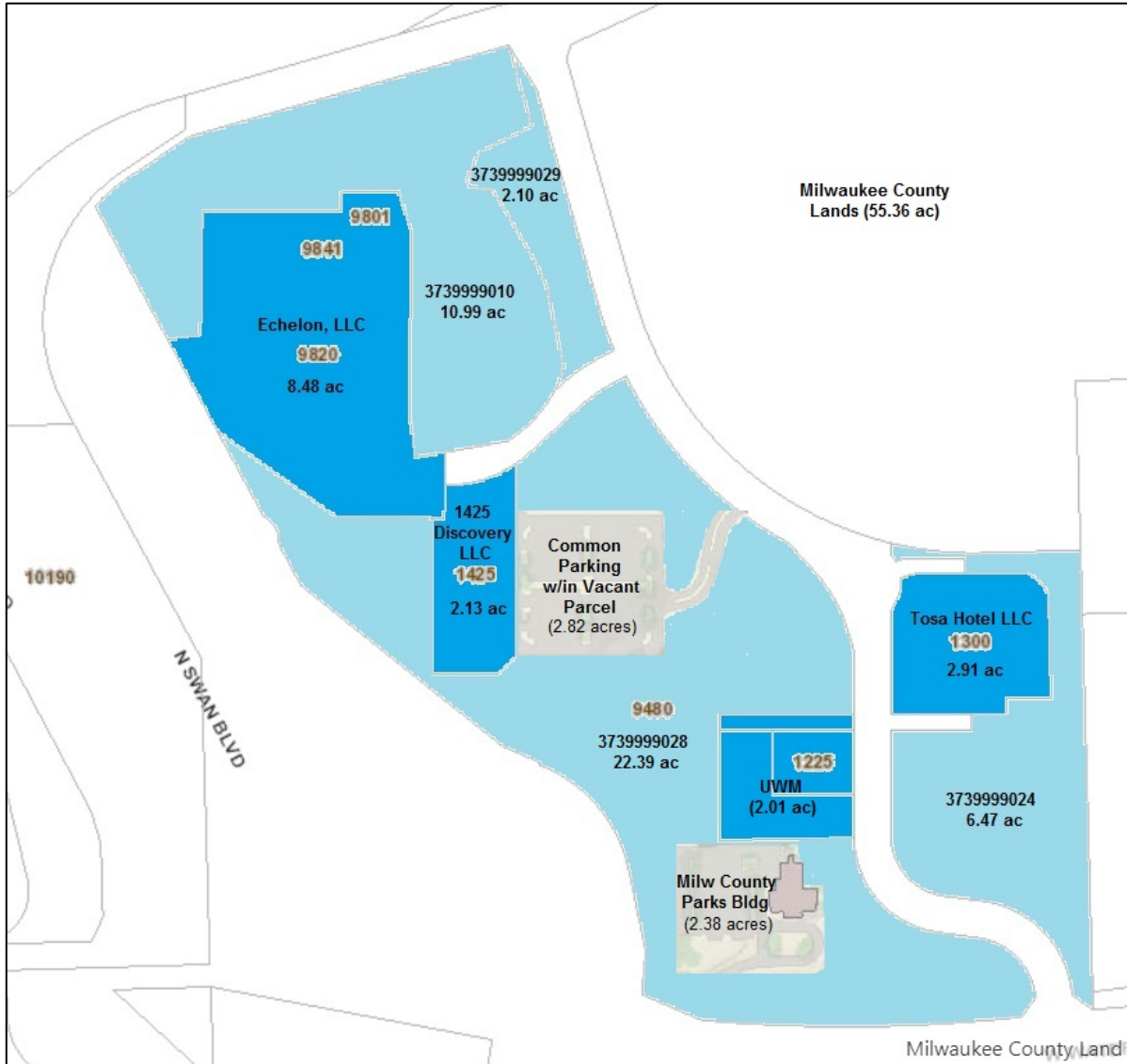
Shape

Irregular-Shaped Parcels

Frontage

Discovery Parkway with land to the north having frontage along N. Swan Boulevard and limited land to the south along Watertown Plank Road

Campus Parcel Map



Visibility/Access

UWM Innovation Campus is visible from all fronting street with some elevated exposure to Interstate 41; however, this exposure is partially-impaired due to topography, berms and on ramps to I-41 from W Watertown Plank Road.

Access

Campus access is excellent from the interstate and via a controlled intersection along W. Watertown Plank Road at Discovery Parkway. There is also access from the north at N. Swan Boulevard.

Topography	Rolling/sloping topography that is above-grade with I-41, Watertown Plank Road, and southern Discovery Parkway. The campus is understood to be the highest point in Milwaukee County and is generally cleared except for medium- to large-volume trees in the north/northwest portion of the campus. The topography is a desirable attribute as it allows for views of buildings along the interstate as well as views to the environmental lands to the east. There are large berms along the west property line and Swan Boulevard which serve as visual barriers.
Soils	No subsurface investigations were conducted or provided. The Nicholson Group is not responsible for and has not undertaken an investigation of unapparent subsurface conditions and cannot render a definitive opinion about buildability. Our conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability. We recommend due diligence be conducted through local building department or municipality to investigate buildability and whether property is suitable for intended use. The Nicholson Group makes no representations, guarantees or warranties.
Utility Services	Municipal water and sewer, gas and electric are understood to be adequate and available to the campus.
Easements	Utility easements exist across the subject property which is typical for large land parcels. As described and discussed above, there is a steam tunnel easement transecting the parcel from south to north which will have to be considered when developing the parcel. We are not aware of any easements which would adversely affect utility or marketability of the site. The Nicholson Group cannot guarantee that property is free of encroachments or easements and recommends further investigation and survey, if such information is needed.
Floodplain/Wetlands	According to FEMA Map No. 55079C 0066E dated September 26, 2008, the subject property is located in Zone X and subject to minimal flooding.

Please refer to the flood map on the following page.



Site/Building
Improvements

Site and building improvements on the appraised vacant land generally include:

Shared Parking Lot – A ±2.82-acre portion of Parcel No. 3739999028 is improved with a surface parking lot utilized by ABB for parking and appears to provide future access and additional parking to adjoining sites within the campus.

Milwaukee County Parks Property – A ±2.38-acre portion of portion of Parcel No. 3739999028 is improved with the Milwaukee County Parks building along with associated surface parking.

This appraisal gives no consideration to any contributory or detrimental value associated with these site or building improvements in developing an opinion of the market value of the land per-square-foot of allowable building area.

Identifying Land Description

An identifying land description below was obtained from public records for the property prior to being subdivided into the various tax parcels and is provided for reference purposes only. Please see Exhibit A for a copy of original CSM prior to subdivision.

Lot 1, Outlot 1 and Outlot 2 of Certified Survey Map No. 8330 recorded in the office of the Register of Deeds for Milwaukee County, Wisconsin, on February 16, 2011, as Document No.09971339, being part of the Northeast ¼ and the Southeast ¼ of the Southwest ¼ of Section 20, the Northeast ¼, Northwest ¼, Southeast ¼ and the Southwest ¼ of the Southeast ¼ of Section 20, the Northwest ¼ of the Southwest ¼ of Section 21 and the Northeast ¼ and the Northwest ¼ of the Northeast ¼ of Section 29, Township 7 North, Range 21 East. Said land being in the City of Wauwatosa, County of Milwaukee, State of Wisconsin.

The above parcels were subsequently subdivided into nine City of Wauwatosa tax parcels listed as follows:

Tax Parcel Summary	
Address	Tax Parcel #
Discovery Parkway	3739999010
1225 Discovery Pkwy	3739999013
1225 Discovery Pkwy	3739999014
Discovery Parkway	3739999015
1425 Discovery Pkwy	3739999017
Discovery Parkway	3739999024
1300 Discovery Pkwy	3739999025
Discovery Parkway	3739999028
Discovery Parkway	3739999029

- Shaded parcels denote vacant land in campus

Any identifying land description or illustration presented in this appraisal report is not and should not be construed as a complete and accurate legal description of the subject property; it should only be used to identify the subject property for appraisal purposes. We do not guarantee or warrant the completeness, correctness or accuracy of the legal descriptions of the subject property as provided and they should not be used for ownership transfer involving the property. The appraiser assumes no responsibility for matters legal in character, nor renders any opinions as to the title, which is assumed to be good.

History of Ownership and Property Sales

According to USPAP, an appraiser must analyze all agreements of sale, options, and listings of the subject property current as of the effect date of the appraisal; and, analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal.

Agreements of Sale and Options – Based on market investigation, UWM's original vision for the campus has not come to fruition and UWM is negotiating sale of a majority of the remaining land to a new developer, Milwaukee-based Irgens Partners LLC, as part of plans to develop more office. According to a March 19, 2019 article in Biztimes, Tom Irgens indicated an investment affiliate of the firm has entered into a contract to purchase ±25 acres within the campus; however, terms of this contract are undisclosed. The Biztimes article indicated that *"Dave Gilbert, president of the UWM Real Estate Foundation, said the Irgens option to purchase is for 12 months, but the developer could extend that up to 18 months. Gilbert said this gives the firm time to do its due diligence and fully study how the land would best be developed. It also gives Irgens time to reach out to prospective tenants."* According to the article, the ±25 acres under contract with Irgens represent what remains of campus land area identified for private corporate development. There are no other known agreements of sale or options.

Current Listings – There are no current known listings of the appraised property.

Three-Year Sales History – There have been no sales of the subject property in the past three years.

Assessments and Taxes

The subject is under the jurisdiction of the City of Wauwatosa tax authority with current assessment and taxes payable as follows.

Real Estate Assessment & Tax Summary						
Address	Tax Parcel #	Assessed Value			Equalized Value	Taxes
		Land	Improvements	Total		
		\$	\$	\$	\$	\$
Discovery Parkway	3739999024	1,883,000	0	1,883,000	2,107,900	44,762.18
Discovery Parkway	3739999028	4,674,400	344,000	5,018,400	5,617,900	119,242.08
Discovery Parkway	3739999010	Exempt	0	Exempt	Exempt	0.00
Discovery Parkway	3739999029	329,300	0	329,300	368,600	7,828.03
Totals		6,886,700	344,000	7,230,700	8,094,400	171,832.29
Assessment Ratio	0.89329				Special Assessments ⁽²⁾	0.00
Effective Tax Rate ⁽¹⁾	0.02376				Net Property Taxes	\$171,832.29
Mill Rate (/ \$1,000)	23.76				Late Payment Penalty	0.00
					Total Due	171,832.29

⁽¹⁾ Effective Tax Rate and Mill Rate inclusive of all credits

⁽²⁾ Special Assessment (if any)

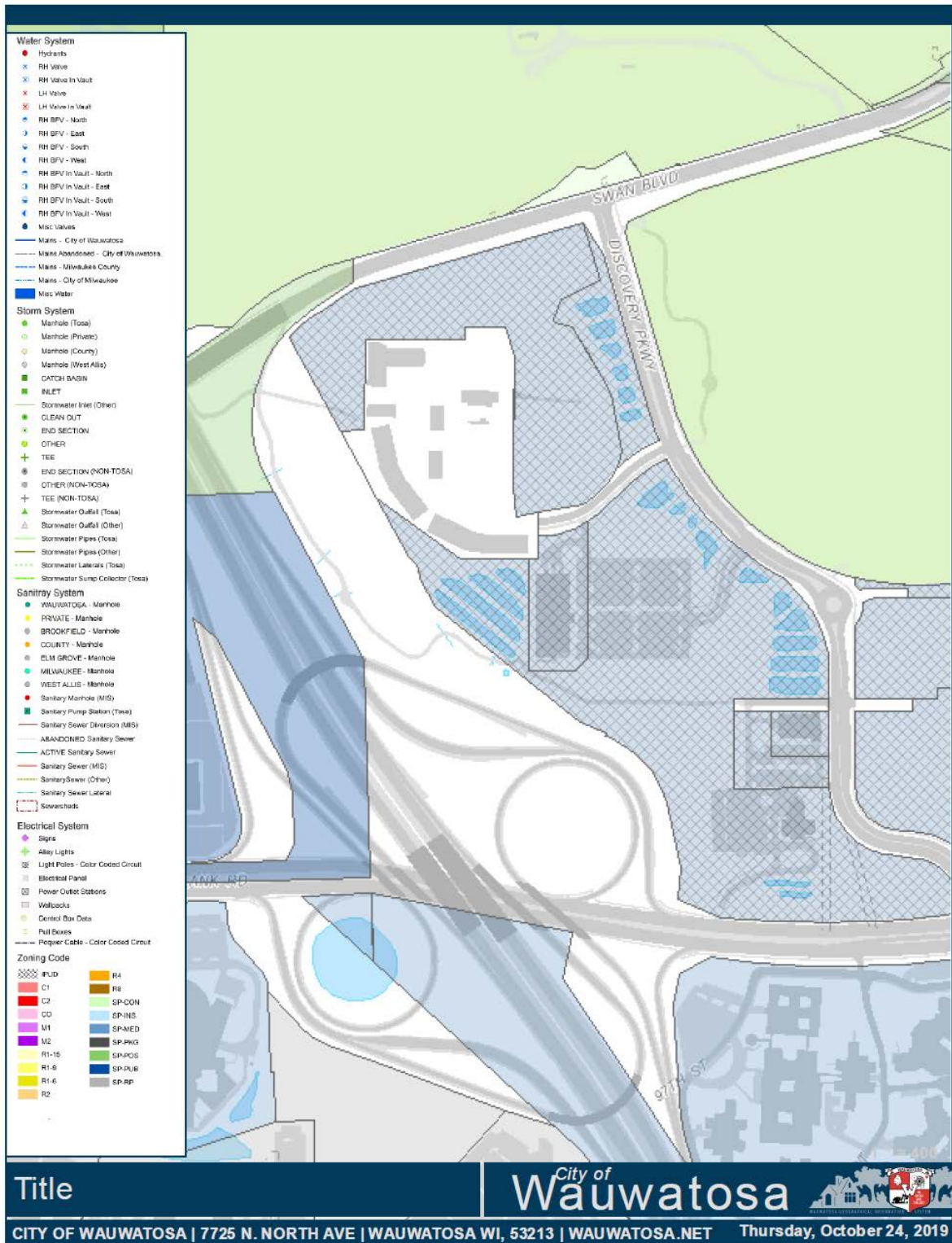
Tax Key No. 3739999010 is tax exempt for 2018 and 2019 per city officials and thus no assessment or taxes payable. Tax Key No. 3739999028 includes \$344,000 in building/site improvement assessment which, as noted earlier in the Property Overview, is excluded from consideration in this appraisal of land per FAR foot.

Zoning

SP-MED / PUD, Special Purpose – Medical Center District with a Planned Unit Development Overlay by the City of Wauwatosa. Special purpose zoning districts are tools for dealing with special situations or accomplishing special planning and zoning goals are base zoning classifications; they do not "over-lay" other base zoning districts. The /PUD, Planned Unit Development Overlay district is intended to accommodate development that may be difficult, if not impossible, to carry out under otherwise applicable zoning district standards.

Permitted uses in the base SP-MED district include: college/university; hospital; office (professional and medical); and research service. Conditional uses include: park/recreation/open space uses; utility/service; restaurants; sports/recreation facilities; and some agricultural. The /PUD overlay allows for flexibility and creativity in responding to changing social, economic, and market conditions allowing greater public benefits than could be achieved using conventional zoning and development regulations.

ZONING MAP EXCERPT FOR SUBJECT



As evidence of the flexibility afforded by the PUD overlay, the approval of the Marriott Extended-Stay Hotel within the campus, which is not a permitted or conditional use in the SP-MED district and not consistent with the guidelines of the original development agreement, indicates the PUD overlay permits other potential uses not specifically identified in the base district.

Open space, density and dimensional requirements for the base SP-MED district are as follows:

Lot and Building Standards	SP-MED
Minimum Lot Width (feet)	100
Minimum Setbacks (feet)	
Front	25
Side, Street	25
Side, Interior	25 ⁽¹⁾⁽²⁾
Rear	25 ⁽¹⁾⁽²⁾
Maximum Height (feet)	
Principal Buildings	No Max.
Accessory Buildings	50
Maximum Building Coverage (% of lot area)	
Interior Lot	35 ⁽³⁾
Corner Lot	40 ⁽³⁾

Development within the park/campus is also controlled by the UWM Innovation Campus Development Agreement as well as the City's 2018-38 Master Plan that proposes the remaining vacant land within the campus be developed for mixed use residential, office, and modest retail with taller buildings to be sited along the freeway, with locations along Discovery Parkway that have view of environmental lands to the east/north proposed for residential

The preceding description of the applicable subject zoning is a summary only and is not meant to be complete. The reader is strongly encouraged to obtain and read all applicable ordinances for complete zoning information. We make no guarantees or warranties pertaining to the zoning applicable to the subject property or to any of our interpretations of the zoning ordinance.

Hazardous Materials

An online check of the Wisconsin DNR Bureau for Remediation and Redevelopment Tracking System (BRRTS on the Web) identified the following issues within the appraised campus:

Closed ERP – Notification of hazardous substance discharge in October 2016 for the Echelon development with activity closed September 18, 2017 and continuing obligations with no further investigation or remediation required. (See Exhibit A)

Closed ERP – Notification of hazardous substance discharge in December 2012 with activity closed January 30, 2017 and continuing obligations with no further investigation/remediation required. (Exhibit A)

Closed ERP – Notification of hazardous substance discharge in February 2001 with activity closed January 14, 2013 with continuing obligations and no further investigation or remediation required. (Exhibit A)

Upon our physical inspection, no indication "to the untrained eye" of any environmental hazards were apparent. We assume that there are no unresolved or unknown environmental problems within the boundaries of the subject property. However, an appraiser is not qualified to assess environmental issues and is not considered an expert in this field.

Substances such as asbestos, mold, lead paint, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on or in the property, was not considered by the appraiser in the development of the conclusion of value. The stated value estimate is predicated on the assumption that there is no material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, and the client and any reader of this report is hereby advised that the appraiser is not qualified to detect such substances or develop the remediation cost.

Full compliance with applicable federal, state, and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity organization either have been or can be obtained or renewed for any use which the report covers..

Highest and Best Use

Legally Permissible

Legal restrictions involve the public restrictions of zoning and public or private easements. Under current zoning, permitted uses include college/university, hospital, office, and research service. Conditional uses include: park/open space, utility/service, restaurants, and sports/recreation facilities. The /PUD overlay further allows other uses not included in the base district such as hotel/motel, and the city's master plan also proposes potential residential use for land with exposure to the habitat areas to the east. Based on legal restrictions, a variety of institutional, medical, commercial office and research, some commercial restaurant and hotel, and potential residential uses are permitted either conditionally or unconditionally.

It should be noted that existing multi-family land use within the park was approved for required redevelopment of five older buildings known as the Eschweiler Buildings that have designated landmark status by Milwaukee County and are listed on the federal and state historic building registries. These buildings could not be demolished and were restored in accordance with national, state and local requirements for historically significant buildings.

Physically Possible

Size, shape, topography and access are key determinants of physically possible uses. The vacant developable land within the campus is ample to support permitted uses with its shape and topography having some development implications. Overall, the physical attributes are able to support legally permissible uses.

Financially Feasible

The campus is centrally-located in western Milwaukee County and has excellent access and transportation systems to support permitted development including the recently completed Zoo Interchange and Interstate 41 access ramps. The vacant developable land within the campus/park comprises a larger portion of the limited remaining supply of developable land area in west urban metropolitan Milwaukee which has seen significant commercial development activity in recent years.

Based on the overall ±28.86-acre (net) size and location of UWM Innovation Campus, phased commercial development of office, medical office, hotel and/or residential represents a financially feasible use of the property. Analysis of land sales herein indicates individual development sites of ±3 to ±12 acres are generally typical in today's market.

The appraisal problem and scope of work did not warrant an intensive financial feasibility study. Given the nature of the subject real estate, the conclusion of financial feasibility was based on reasoned judgment, observed evidence, experience and the valuation analyses as summarized within this appraisal report.

Maximally Productive

The City's 20-year Master Plan (2018-2038) referenced in the Neighborhood Overview section of this report proposes the remaining vacant land within the appraised campus be developed with mixed of e office, residential, and modest retail. Furthermore, the plan proposed taller (higher-density) buildings along the freeway/interstate for maximum exposure, and land along Discovery Parkway with views of the habitat and park areas to the east and north for modest retail or potential residential use.

Highest and Best Use

The highest and best use is that use which is legally permissible, physically possible and financially feasible and that generates the highest property value. The highest and best use of the site is concluded to be for phased development of mixed-use office, medical office, R&D, hotels and potential residential land use.

Overview of Valuation Procedures

Cost Approach	In the Cost Approach, an estimate is made of the reproduction or replacement cost new of the improvements. This amount is then adjusted to reflect depreciation resulting from physical deterioration, as well as functional and external obsolescence. The adjusted cost indication is then added to the estimated market value of the land resulting in an indication of value.
Sales Comparison Approach	In the Sales Comparison Approach, similar properties that have sold in the market area are analyzed and compared with the property being appraised. Adjustments are typically considered for differences in such factors as property rights conveyed; financing; conditions of sale; market conditions (date of sale); location; size; and, other physical characteristics. Analysis of comparable sales provides a range of unit prices within which the current real estate market is operating and within which the appraised property might be expected to sell.
Income Capitalization Approach	The Income Capitalization Approach involves forecasting the income and expenses of the subject property based on analysis of comparable rentals and market trends, and obtaining capitalization or discount rates from the market to convert the financial forecasts into value estimates.
Approaches Used	In the valuation of land on a per-square-foot of allowable building area (i.e. allowable floor area ratio or FAR) basis, the Sales Comparison Approach is considered the most reliable approach and was relied upon herein.

Sales Comparison Approach

Introduction

In the Sales Comparison Approach, similar properties that have recently sold in the market area are analyzed and compared with the property being appraised. Adjustments are considered for differences in such factors as property rights conveyed, financing, conditions of sale, market conditions (date of sale), location and physical characteristics of the property.

Land is valued as if vacant and available for development to its highest and best use. Similar land that has sold is investigated and a comparative analysis is made of factors influencing value. Land valuation can be very difficult due to the fact that no two land parcels are exactly similar thereby making comparison analysis more subjective in nature. Nonetheless, the land sales that have occurred in the subject market over the past several years coupled with our market investigations, experience and analysis has allowed us to form a reliable opinion of value.

Comparable Sales

The following key attributes were considered in selecting the most appropriate comparable land sales to use:

Location – Milwaukee County and Eastern Waukesha County with convenient interstate or highway access

Highest & Best Use – Commercial office, medical clinic, hotel, multi-family, or mixed use development

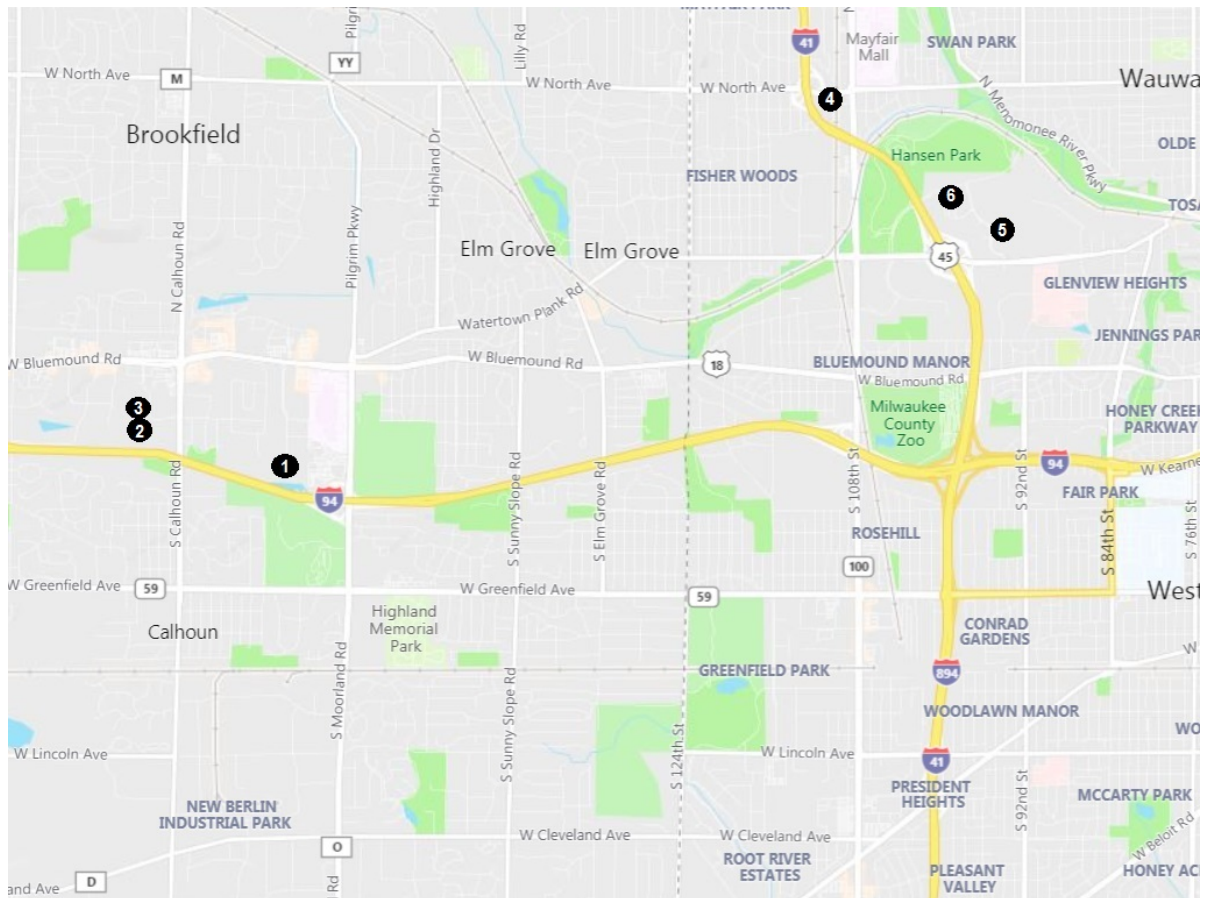
Date of Sale – 2016 to present; however, in order to include the last two (2) sales that occurred within the campus, the date of sale for these appraised campus sales only was extended back to 2014

Based on the parameters outlined above, the land sales summarized on the following page were selected; a map showing their locations is presented on the following page. Information pertaining to these comparables is in Exhibit B.

In our opinion, these comparables are the best available and are reliable indicators of value for the subject property after appropriate comparative analysis considerations.

Land Sales Summary				
Comp #	Property Name Address	Sale Date Land Size (Ac) Land Size (SF) Building Size (SF)	Sale Price \$/SF of Land \$/SF of GBA	Zoning Shape/Topography Utilities
Subject	UWM Innovation Campus Various Wauwatosa	24-Oct-19 Appraisal Date 28.86 acres 1,257,142 sq. ft.		SP-MED/PUD Irregular / Slight Sloped All available
1	Landmark Credit Union Parcel 555 S Executive Drive Brookfield Seller: 5111 South 9th Street LLC Buyer: Landmark Credit Union	24-Sep-19 16.58 acres 722,007 sq. ft. 306,000 sq. ft. (GBA)	\$8,000,000 \$11.08 /sf land \$26.14 /sf GBA	O&LR/C, Office & Limited Resid/Com'l Rectangular / Generally Level All available
2	Lifetime Fitness Parcel 17585 Golf Parkway Brookfield Seller: Deer Creek Development Partners, LLC Buyer: LTF Real Estate Company, Inc	6-Jun-18 12.50 acres 544,500 sq. ft. 125,000 sq. ft. (GBA)	\$7,600,000 \$13.96 /sf land \$60.80 /sf GBA	PDD #20, Planned Development Rectangular / Slopes down to south All available
3	Corridor Hotels Parcel 115 & 135 Discovery Drive Brookfield Seller: Deer Creek Development Partners, LLC	25-Sep-17 4.9090 acres 213,836 sq. ft. 138,000 sq. ft. (GBA)	\$3,800,000 \$17.77 /sf land \$27.54 /sf GBA	PDD #20, Planned Development Rectangular / Slightly Sloped All available
4	The Preserve at Mayfair Apartments Parcel 11011 W. North Avenue Wauwatosa Seller: Automotive Holding Corp Buyer: Mayfair Property Partners LLC	29-Mar-16 4.9700 acres 216,493 sq. ft. 274,232 sq. ft. (GBA)	\$5,200,000 \$24.02 /sf land \$18.96 /sf GBA	M-1/PUD, Light Industrial w/PUD Overlay Rectangular / Slightly Sloped All available
5	Marriott Hotel Site 1300 Discovery Parkway Wauwatosa Seller: UWM Innovation Park, LLC Buyer: TOSA Hotel, LLC	15-Mar-15 2.91 acres 126,640 sq. ft. 86,148 sq. ft. (GBA)	\$925,000 \$7.30 /sf land \$10.74 /sf GBA	SP-MED/PUD Rectangular / Slight Sloped All available
6	Echelon Apartments Site 9801 & 9820 Discovery Parkway Wauwatosa Seller: UWM Innovation Park, LLC Buyer: Echelon, LLC	17-Oct-14 10.74 acres 369,389 sq. ft. 228,863 sq. ft. (GBA)	\$4,000,000 \$10.83 /sq.ft. \$17.48 /sf GBA	PUD, Planned Development Slight Irregular / Rolling/Sloped All available

LAND SALES LOCATION MAP



Comparable 1 - This is the September 2019 sale of two parcels totaling ± 19.513 acres (gross) and ± 16.575 acres (net of ± 2.938 -acre pond) located at the south end of Executive Drive with Interstate 94 exposure for \$8,000,000. At time of sale, the property was improved with an $\pm 86,500$ -square-foot one- and part two-story office building plus full unfinished basement to be demolished with appraiser-estimated demolition costs of \$825,000 using MVS as no demolition permit has been submitted. The buyer, Landmark Credit Union, plans to develop a $\pm 158,000$ -square-foot administrative headquarters office building with the site having additional development potential for a future $\pm 148,000$ -square-foot office building (Phase II) at the north end of the site resulting in total development potential is $\pm 306,000$ square feet. The site is zoned Office & Limited Residential/Commercial District No. 2 and has I-94 exposure with the southern ± 4.9 acres (inclusive of on-site pond) fronting the freeway located within a floodplain.

Comparable 2 - This is the June 2018 sale of a 12.50-acre parcel of unimproved land located at the southwest corner of Discovery Drive and Golf Parkway for \$7,600,000 or \$13.96 per square foot of land area. This property is located on the south end of The Corridor, which is a 66-acre mixed use development. The buyer planned development of the site with a Lifetime Fitness Center to be completed in 2019. The 125,000 square foot facility will include an outdoor aquatic center with zero-depth entry pools, lap pools, and waterslides. There will also be dance, art, music, and tumbling studios available for children, indoor and outdoor cafes, and a full-service salon and spa. This site is located along the north side of Interstate 94 and has excellent visibility for both east- and west-bound interstate traffic. The parcel slopes down to the south and grading with retaining walls was required for development.

Comparable 3 - This is the September 2017 sale of a 4.91-acre parcel of unimproved land located at the northwest corner of Discovery Drive and Golf Parkway for \$3,800,000 or \$17.77 per square foot of land area. This property is located in the central portion of The Corridor, which is a 66-acre mixed use development. The grantee in this transaction is developing the site with a four-story, 132-room ($\pm 68,000$ -sq.ft.) Holiday Inn Express and a four-story, 137-room ($\pm 70,000$ -sq.ft.) Fairfield Inn. The two hotels totaling $\pm 138,000$ square feet will share the parking lot. The site has some limited visibility from Interstate 94.

Comparable 4 - This is the March 2016 sale of the ± 4.97 -acre Hall Automotive property located on the south side of North Avenue, west of Mayfair Road in the City of Wauwatosa. The buyer demolished the dealership for construction a multi-story, 236-unit luxury apartment complex known as The Reserve at Mayfair with a total GBA of $\pm 274,232$ square feet (excluding parking garage). Zoning is M-1, Light Industrial with a Planned Unit Development Overlay to allow for high-density multi-family. The sale price is \$5,200,000 or \$24.02 per square foot of land area. A tax increment financing district ("TID") was created by the City to offset the costs for site preparation including demolition of the auto dealership, environmental remediation and off-site costs (i.e. road, sidewalk and traffic signal); therefore, the sale price represents a vacant cleared site and these costs reported at \$555,000 are not added to the purchase price.

Property Rights Conveyed – The comparable sales represented transfers of a fee simple estate; therefore, no sale price adjustments for ownership rights are required.

Financing Terms - No adjustments are required for atypical financing.

Conditions of Sale – Conditions of sale typically include factors that impact a property's sale price such as atypical buyer and/or seller motivational issues or being a distressed property. No adjustments were required for conditions of sale.

Market Conditions (Time) – Area real estate market conditions have continued to appreciate over the past several years as local and national unemployment rates have decreased, vacancy rates in the area have decreased, rental rates have increased, and there has been an increased level of new construction plus additions to existing buildings. Property values have increased led by the manufacturing and multi-family sectors. The comparables were adjusted upward at an annual factor of +2.5% from their sale dates to the appraisal date to reflect appreciating market conditions.

Locational & Physical Attributes – Each of the comparable sales was compared and contrasted to the subject property relative to the locational and physical attributes that affect value. The locational and physical attributes considered most appropriate for comparing the comparable sales to the subject property are: overall location; site specific location; size (acres); shape/topography; zoning/highest and best use; utilities; and development density.

The following are discussions of the characteristics of the comparables versus the subject property. A summary of this analysis is presented in an adjustment grid format on pages 49 and 50.

Overall Location – The subject's location in Innovation Campus along Discovery Parkway is concluded to be overall inferior to Comparables 2, 3 and 4 that received upward adjustment. Comparables 2 and 3 are located in The Corridor, a new commercial mixed-use development along the interstate that is accessed via W. Bluemound Road; this development is an overall superior location and these two sales received -10% downward adjustments. Comparable 4 has a superior location just south of Mayfair Mall along W North Avenue, a commercial arterial with high traffic counts, and warranted a -10% downward adjustment. Comparable 1 within the Executive Drive Office Park is overall similar to the subject. Likewise, Comparables 5 and 6 are located within the appraised campus and received no adjustment.

Site Specific Location – The appraised vacant developable land area is generally comprised of non-corner or weak corner sites with convenient freeway access and land along the west side of the campus with exposure to Interstate 41. Exposure to a highly-trafficked interstate highway is a valuable attribute for commercial real estate. Comparables 1 and 2 have superior full and excellent Interstate 94 exposure and received -20% downward adjustments. Conversely, Comparable 4 and 5 have no interstate exposure and received +10% upward adjustments relative to the subject. Lastly, Comparables 3 and 6 have similar 'partial' or 'limited' interstate exposure and received no adjustment.

Size (Acres) – Smaller land parcels typically sell for more per unit of comparison than larger parcels, all other attributes being equal. The subject is ±28.86 acres of developable land area that will be divided into smaller parcels depending on intended use. Comparable 1 is a relatively large ±16.58-acre parcel that warranted a +5% upward adjustment for its size. Comparables 2 through 6 range from ±2.91 to ±12.5 acres and within the potential size range of subdivided parcels within the appraised development; therefore, no adjustment is applied.

Shape/Topography – The appraised vacant land comprises slightly irregular-shaped parcels with rolling/sloping topography that while developable, have some development implications. Comparables 1, 2, 3 and 4 are fully functional rectangular parcels that are adjusted -5% for shape, but have similar sloped topography. Comparables 5 and 6 are similar slightly irregular parcels with either sloped or rolling topography and received no adjustment.

Zoning/Highest and Best Use – The subject land is zoned SP-MED/PUD and has a highest and best use for mixed-use office, medical office, R&D, hotels and some potential residential land use as per the City’s Master Plan for the Watertown Plank area. With the exception of Comparable 4 that received a slight +5% upward adjustment for its base industrial zoning, the other five comparables have similar zoning and highest and best use and received no adjustment.

Utilities – Municipal sewer and water are available to the subject and comparables making them similar; no adjustments were made.

Development Density - When using allowable buildable square footage as the unit of comparison, the price differences due to permitted or allowable density of development are minimized or eliminated. The original sale and Development Agreement for UWM Innovation Campus was based on a floor area ratio (FAR) of 0.3019; however, despite plans for lower-density development, the City’s revised Master Plan envisions a much denser alternative which is supported by the current interest in the land by Irgens.

Below is a summary of the FAR for each of the comparable sales:

Comp	FAR (Bldg) Sq.Ft.	Land Area Sq.Ft.	Allowable FAR
1	306,000	722,007	0.42
2	125,000	544,500	0.23
3	138,000	213,836	0.65
4	274,232	216,493	1.27
5	86,148	126,640	0.68
6	228,863	369,389	0.62

Comparables 1, 3, 5 and 6 demonstrate a market FAR range of 0.42 to 0.68 and supports the city’s desire for higher development density relative to the original density of 0.3019 (FAR). Comparable 2’s lower density of 0.23 reflects this fitness center development having an outdoor aquatic center not included in GBA; a downward -10% adjustment is warranted. Conversely, Comparable 4 has a much higher permitted density (1.27 FAR) relative to the market and warrants a +10% adjustment.

Summary of Adjustments

The adjustments above are summarized in an adjustment grid presentation on the following two pages.

Land Sales Adjustment Grid				
10/24/2019				
Comparable	Subject	1	2	3
Property Name	UWM Innovation Campus	Landmark Credit Union Parcel	Lifetime Fitness Parcel	Corridor Hotels Parcel
Address	Various	555 S Executive Drive	17585 Golf Parkway	115 & 135 Discovery Drive
Location	Northeast Quadrant I-41 & Watertown Plank Rd	South end of Executive Drive along I-94	Southwest Corner Discovery Dr & Golf Parkway along I-94	Northwest Corner of Discovery Drive & Golf Parkway
Municipality	Wauwatosa	Brookfield	Brookfield	Brookfield
Sale Date	10/24/2019 (Appraisal Date)	9/24/2019	6/6/2018	9/25/2017
Parcel Size	<u>developable</u>			
Acres	28.86 acres	16.58 acres (net)	12.50 acres	4.91 acres
Sq. Ft.	1,257,142 sq. ft.	722,007 sq. ft.	544,500 sq. ft.	213,836 sq. ft.
Planned/Approved Building Area (GBA)		306,000 sq. ft.	125,000 sq. ft.	138,000 sq. ft.
Sale Price		\$8,000,000	\$7,600,000	\$3,800,000
Add: Demolition & Capital Expenditures		\$825,000	\$0	\$0
Add: Environmental		\$0	\$0	\$0
Total Price		\$8,825,000	\$7,600,000	\$3,800,000
	PSF Land Area	\$12.22/sq. ft.	\$13.96/sq. ft.	\$17.77/sq. ft.
	PSF Building Area	\$28.84/sq. ft.	\$60.80/sq. ft.	\$27.54/sq. ft.
Property Rights Conveyed		Similar	Similar	Similar
Financing Terms		Similar	Similar	Similar
Conditions of Sale		Similar	Similar	Similar
	Adjusted Price	\$8,825,000	\$7,600,000	\$3,800,000
Market Conditions				
Appraisal Date		Oct-19	Oct-19	Oct-19
Comparable Sale Date		- Sep-19	- Jun-18	- Sep-17
# Years Since Sale		0.08 years	1.38 years	2.08 years
Annual Adjustment Factor	@ 5.0%/ year	x 1.004	x 1.070	x 1.107
Total Adjusted Sales Price		\$8,860,300	\$8,132,000	\$4,206,600
Unit of Comparison (Land Sq. Ft.)		÷ 722,007 sq. ft.	÷ 544,500 sq. ft.	÷ 213,836 sq. ft.
Adjusted Price/Sq. Ft. of Land Area		\$12.27/sq. ft.	\$14.93/sq. ft.	\$19.67/sq. ft.
Unit of Comparison (Building Sq. Ft.)		÷ 306,000 sq. ft.	÷ 125,000 sq. ft.	÷ 138,000 sq. ft.
Adjusted Price/Sq. Ft. of Building Area		\$28.96/sq. ft.	\$65.06/sq. ft.	\$30.48/sq. ft.
Locational & Physical Attributes				
Overall Location		Similar	Superior	Superior
Location	UWM Innovation Campus	Executive Drive Office Park	The Corridor -10%	The Corridor -10%
Municipality	Wauwatosa	Brookfield	Brookfield	Brookfield
Traffic Counts (AADT)	No Traffic Count on Discovery Pkwy	4,300 S Executive Drive	No Traffic Count Data (new development)	No Traffic Count Data (new development)
Site Specific Location		Superior	Superior	Similar
Corner/Non-Corner	Non-Corner	Non-Corner	Weak Corner	Weak Corner
Site Access	Convenient	Convenient	Convenient	Convenient
Exposure - Interstate Highway	Limited to I-41	Excellent I-94 -20%	Excellent I-94 -20%	Limited to I-94
Size - Acres	28.86 acres (Divisible)	Similar 16.58 acres	Similar 12.50 acres	Similar 4.91 acres
Shape/Topography		Superior	Superior	Superior
Shape	Slightly Irregular	Rectangular -5%	Irregular Rectangle -5%	Rectangular -5%
Topography	Rolling/Sloping	Slopes down to south	Slopes down to south	Slightly Sloped
Zoning/Highest & Best Use		Similar	Similar	Similar
Zoning	SP-MED/PUD	O&LR/C, Office & Limited Resid/Com'l	PDD #20, Planned Development	PDD #20, Planned Development
Highest & Best Use	Mixed-use Office, Hotel/Motel, and Residential	Commercial, Office	Commercial, Fitness	Commercial, Hotel
Utilities		Similar	Similar	Similar
	All available	All available	All available	All available
Development Density		Similar	Superior	Similar
		0.42 FAR	0.23 FAR -10%	0.65 FAR
Adjusted Price/Sq. Ft. of Land		\$9.20/sq. ft. -25%	\$8.21/sq. ft. -45%	\$16.72/sq. ft. -15%
Adjusted Price/Sq. Ft. of Building		\$21.72/sq. ft.	\$35.78/sq. ft.	\$25.91/sq. ft.

Land Sales Adjustment Grid 10/24/2019		4	5	6
Comparable Property Name	Subject UWM Innovation Campus	The Preserve at Mayfair Apartments Parcel 11011 W. North Avenue	Marriott Hotel Site 1300 Discovery Parkway East side Discovery Pkwy, North of Watertown Plank Rd	Echelon Apartments Site 9801 & 9820 Discovery Parkway West side Discovery Pkwy, South of Swan Blvd
Address	Various			
Location	Northeast Quadrant I-41 & Watertown Plank Rd	South side of North Avenue, West of Mayfair Road		
Municipality	Wauwatosa	Wauwatosa	Wauwatosa	Wauwatosa
Sale Date	10/24/2019 (Appraisal Date)	3/29/2016	3/15/2015	10/17/2014
Parcel Size	<u>developable</u>			
Acres	28.86 acres	4.9700 acres	2.91 acres	8.48 acres
Sq. Ft.	1,257,142 sq. ft.	216,493 sq. ft.	126,640 sq. ft.	369,389 sq. ft.
Planned/Approved Building Area (GBA)		274,232 sq. ft.	86,148 sq. ft.	228,863 sq. ft.
Sale Price		\$5,200,000	\$925,000	\$4,000,000
Add: Demolition & Capital Expenditures		\$0	\$0	\$0
Add: Environmental		\$0	\$0	\$0
Total Price		\$5,200,000	\$925,000	\$4,000,000
	PSF Land Area	\$24.02/sq. ft.	\$7.30/sq. ft.	\$10.83/sq. ft.
	PSF Building Area	\$18.96/sq. ft.	\$10.74/sq. ft.	\$17.48/sq. ft.
Property Rights Conveyed		Similar	Similar	Similar
Financing Terms		Similar	Similar	Similar
Conditions of Sale	Adjusted Price	Similar \$5,200,000	Similar \$925,000	Similar \$4,000,000
Market Conditions				
Appraisal Date		Oct-19	Oct-19	Oct-19
Comparable Sale Date		- Mar-16	- Mar-15	- Oct-14
# Years Since Sale		3.57 years	4.61 years	5.02 years
Annual Adjustment Factor	@ 5.0%/ year	x 1.190	x 1.252	x 1.278
Total Adjusted Sales Price		\$6,188,000	\$1,158,100	\$5,112,000
Unit of Comparison (Land Sq. Ft.)		÷ 216,493 sq. ft.	÷ 126,640 sq. ft.	÷ 369,389 sq. ft.
Adjusted Price/Sq. Ft. of Land Area		\$28.58/sq. ft.	\$9.14/sq. ft.	\$13.84/sq. ft.
Unit of Comparison (Building Sq. Ft.)		÷ 274,232 sq. ft.	÷ 86,148 sq. ft.	÷ 228,863 sq. ft.
Adjusted Price/Sq. Ft. of Building Area		\$22.56/sq. ft.	\$13.44/sq. ft.	\$22.34/sq. ft.
Locational & Physical Attributes				
Overall Location	-	Superior	Similar	Similar
Location	UWM Innovation Campus	Wauwatosa/Mayfair	UWM Innovation Campus Wauwatosa	UWM Innovation Campus Wauwatosa
Municipality	Wauwatosa	Wauwatosa	Wauwatosa	Wauwatosa
Traffic Counts (AADT)	No Traffic Count on Discovery Pkwy	32,200 W North Ave -10%	No Traffic Count Data	No Traffic Count Data
Site Specific Location	-	Inferior	Inferior	Similar
Corner/Non-Corner	Non-Corner	Non-Corner	Non-Corner	Non-Corner
Site Access	Convenient	Convenient	Convenient	Convenient
Exposure - Interstate Highway	Limited to I-41	None 10%	None 10%	Partial
Size - Acres	28.86 acres (Divisible)	Similar 4.97 acres	Similar 2.91 acres	Similar 8.48 acres
Shape/Topography	-	Superior	Similar	Similar
Shape	Slightly Irregular	Rectangular -5%	Slight Irregular	Slight Irregular
Topography	Rolling/Sloping	Slightly Sloped	Slight Sloped	Rolling/Sloped
Zoning/Highest & Best Use	-	Inferior 5%	Similar	Similar
Zoning	SP-MED/PUD	M-1/PUD, Light Industrial w/PUD Overlay	SP-MED/PUD	PUD, Planned Development
Highest & Best Use	Mixed-use Office, Hotel/ Motel, and Residential	High-Density Apartments	Commercial, Hotel	Multi-Family, Apartments
Utilities	- All available	Similar All available	Similar All available	Similar All available
Development Density		Inferior 10% 1.27 FAR	Similar 0.68 FAR	Similar 0.62 FAR
Adjusted Price/Sq. Ft. of Land		\$31.44/sq. ft. 10%	\$10.05/sq. ft. 10%	\$13.84/sq. ft. 0%
Adjusted Price/Sq. Ft. of Building		\$24.82/sq. ft.	\$14.79/sq. ft.	\$22.34/sq. ft.

Indicated Value by
Sales Comparison

Because of the nature of the adjustments, the adjusted per-acre price for each sale is not to be interpreted as the value of the subject parcel but part of a range within which the value of the subject parcel is expected to fall.

The comparables have adjusted sale prices per-square-foot of building area (FAR) widely ranging from \$14.79 to \$35.78, with an average of \$24.23 and median of \$23.58. This adjusted range is much wider than preferred and is primarily due to Comparable 2 (Lifetime Fitness Parcel) that required significant net adjustment of -45% and Comparable 5 (Marriott Hotel Site) that occurred back in March 2015 with the market conditions adjustment of 2.5% per annum potentially not fully capturing improved market conditions. Excluding these two comparables at the extremes, the range of the other three comparables narrows considerably to between \$21.72 and \$25.91 per square foot (FAR), with an average and median between \$23.50 and \$24.00 per square foot (FAR) that is generally similar to the average/median of all five comparables.

The comparables were analyzed based on a variety of value driving factors and consideration was given to the differences and similarities of each of the comparables relative to the subject property. The comparables provide good market evidence for the per-square-foot value of the subject property after appropriate adjustments are made. The comparables are the best available in the market area to use in this valuation analysis. None of the comparables were given more consideration in the final value estimate conclusion than others. The indicated value of the subject property is reasonably estimated towards the middle of the indicated value range as reflected by the average price per acre.

Based on analysis, the indicated value by Sales Comparison is **\$24.00** per-square-foot of allowable building area,

**Reconciliation
& Conclusion**

In the reconciliation to value, the quantity and quality of the data was considered as was its relevance to the subject property. The comparables were analyzed based on a variety of value driving factors and consideration was given to the differences and similarities of each of the comparables relative to the subject property. The comparables provide good market evidence for the market value per-square-foot of FAR for the subject property after appropriate comparison considerations. The comparables are the best available in the market area to use. The Sales Comparison Approach provides a reliable indication of value.

It is our opinion that the Market Value of the fee simple estate per-square-foot of allowable building area for "Additional Space" permitted in excess of the 853,271 square feet allowed under the UWM Innovation Campus Development Agreement, as of October 24, 2019, is as follows:

Market Value Per Sq.Ft. of Additional Space \$24.00 per square foot
--

This opinion of value per-square-foot of additional space does not reflect the market value of the vacant developable land within the campus as if sold in bulk or aggregate to a single investor.

Exhibit A
Subject Property Photographs & Information

Subject Photographs (10/24/2019)



North at Entrance from W Watertown Plank Road



Southwest at Campus



Southwest from Discovery Parkway



Vacant Developable Land



West View from Across Discovery Parkway



View Southeast from Interstate 41



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CONTINUING OBLIGATIONS APPLY						
Due to remaining contamination, continuing obligations apply to one or more properties. For information specific to the continuing obligations review the documentation below. Prior to constructing or reconstructing a water supply well, you need to contact DNR for approval of well construction specifications.						
02-41-559795 UW-MILWAUKEE INNOVATION PARK PROPOSED						
CLOSED ERP						
Location Name (Click Location Name or FID to View Location Details)					County	WDNR Region
UW-MILWAUKEE INNOVATION PARK PROPOSED					MILWAUKEE	SOUTHEAST
Address					Municipality	
1225 DISCOVERY PARKWAY					WAUWATOSA	
PLSS Description	Latitude	Longitude	Google Maps	RR Sites Map		
SE 1/4 of the SE 1/4 of Sec 20, T07N, R21E	43.0469287	-88.0317975	CLICK TO VIEW	CLICK TO VIEW		
Additional Location Description					Size (Acres)	Facility ID
APPROX 1200 FEET E-NE OF USH 41 & W WATERTOWN PLANK RD INTERSECTION					1	341226270
Jurisdiction	PECFA No.	EPA Cerclis ID	Start Date	End Date	Last Action	
DNR RR			2012-12-18	2017-01-30	2017-02-15	
Characteristics						
PECFA Tracked?	EPA NPL Site?	Eligible for PECFA Funds?	Above Ground Storage Tank?	Drycleaner?	Co-Contamination?	WI DOT Site? COs Apply?
No	No	No	No	No	No	Yes
Actions						
Place Cursor Over Action Code to View Description						
Date	Code	Name	Comment			
2012-12-18	1	Notification of Hazardous Substance Discharge				
2012-12-20	2	Responsible Party (RP) letter sent				
2014-10-03	195	Semi-Annual/PECFA Cost Reporting,(NR700) Requirement Met	Period: 1/1/2014 - 6/30/2014			
Click 195 Action Name above to view NR700.11 report						
2015-07-31	195	Semi-Annual/PECFA Cost Reporting,(NR700) Requirement Met	Period: 1/1/2015 - 6/30/2015			
Click 195 Action Name above to view NR700.11 report						
2016-01-14	779	Case Closure Review Fee Received	REC'D CK #233019 \$1050.00			
2016-01-14	710	Database Fee Paid for Soil Continuing Obligation(s)	REC'D CK #233019 \$300.00			
2016-01-27	79	Case Closure Review Request Received	AUTO-ENTERED			
2016-02-03	195	Semi-Annual/PECFA Cost Reporting,(NR700) Requirement Met	Period: 7/1/2015 - 12/31/2015			
Click 195 Action Name above to view NR700.11 report						
2016-03-22	198	Request for Additional Information (Fee-Based or Closure)	NEED SOME CLARIFICATIONS.			
2016-07-26	195	Semi-Annual/PECFA Cost Reporting,(NR700)	Period: 1/1/2016 - 6/30/2016			

		Requirement Met	
Click 195 Action Name above to view NR700.11 report			
2016-10-28	199	Additional Information Received (Fee-Based or Closure)	REC'D ADD'L INFO
2016-11-30	198	Request for Additional Information (Fee-Based or Closure)	REQUEST REVISIONS
2016-12-19	99	Miscellaneous	REC'D RESUBMITTAL FOR CASE CLOSURE, FEE PREVIOUSLY PAID
2017-01-10	195	Semi-Annual/PECFA Cost Reporting (NR700) Requirement Met	Period: 7/1/2016 - 12/31/2016
Click 195 Action Name above to view NR700.11 report			
2017-01-30	56	Continuing Obligation(s) Applied	
Linked to Code 56: 20170130 56 CO Packet.pdf Click to Download or Open			
2017-01-30	232	Continuing Obligation - Residual Soil Contamination	
2017-01-30	11	Activity Closed	
2017-01-30	199	Additional Information Received (Fee-Based or Closure)	
Other Documents and Images Not Linked to Actions Above Click File Name to Download or Open			
The file below contains permanent records related to the site available at the time the paper Site File was scanned and uploaded. Records withheld by the department due to confidentiality, attorney-client privilege, and other sensitive records, as well as lab data, may not be included. Additional records associated with the site may or may not be accessible through an open records request.			
Site File	0241559795 Site File.pdf		
Substances			
Substance	Type	Est Amt Released	Units
Polynuclear Aromatic Hydrocarbons	Petroleum		
Arsenic	Metals		
Who			
Role	Name/Address		
Responsible Party	UW MILWAUKEE REAL ESTATE FOUNDATION 1440 E NORTH AVE MILWAUKEE, WI 53202		
For Additional Information, Please Contact			
JENNIFER DORMAN 414-263-8683 jennifer.dorman@wisconsin.gov			

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CONTINUING OBLIGATIONS APPLY							
Due to remaining contamination, continuing obligations apply to one or more properties. For information specific to the continuing obligations review the documentation below. Prior to constructing or reconstructing a water supply well, you need to contact DNR for approval of well construction specifications.							
02-41-267167 MILWAUKEE CNTY GROUNDS, NE QUADRANT							
CLOSED ERP							
Location Name (Click Location Name or FID to View Location Details)					County	WDNR Region	
MILWAUKEE CNTY GROUNDS, NE QUADRANT					MILWAUKEE	SOUTHEAST	
Address					Municipality		
USH 45 & WATERTOWN PLANK					WAUWATOSA		
PLSS Description	Latitude	Longitude	Google Maps	RR Sites Map			
SW 1/4 of the SE 1/4 of Sec 20, T07N, R21E	43.0472882	-88.0338486	CLICK TO VIEW	CLICK TO VIEW			
Additional Location Description					Size (Acres)	Facility ID	
					UNKNOWN	341030690	
Jurisdiction	PECFA No.	EPA Cerclis ID	Start Date	End Date	Last Action		
DNR RR			2001-02-16	2003-01-14	2003-02-19		
Characteristics							
PECFA Tracked?	EPA NPL Site?	Eligible for PECFA Funds?	Above Ground Storage Tank?	Drycleaner?	Co-Contamination?	WI DOT Site?	COs Apply?
No	No	No	No	No	No	No	Yes
Actions							
Place Cursor Over Action Code to View Description							
Date	Code	Name	Comment				
2001-02-16	1	Notification of Hazardous Substance Discharge					
2001-02-16	99	Miscellaneous	REC'D PHASE I & II ESA REPORT				
2001-02-16	28	Phase I Environmental Site Assessment (ESA) Rpt Received					
2001-02-16	29	Phase II Environmental Site Assessment (ESA) Rpt Received	AUTOPOPULATED FROM 28 ENTRY				
2001-12-19	79	Case Closure Review Request Received	GK. RECVD CHECK #434581 SENT TO GK 02/09/2002				
2002-01-25	80	Closure Not Recommended	PARTIAL CLOSURE LETTER. WAITING FOR RESPONSE. GK.				
2002-03-08	700	Database Fee Paid for Groundwater Continuing Obligation(s)	REC'D CK# 441633 \$250.00 NEED ADD'L INFORM,packet incomplete.				
2002-10-14	99	Miscellaneous	PKT STILL INCOMPLETE, E-MAILED RP-mw				
2002-12-09	90	SER First In/First Out (FIFO) Review Process Started	~GK GIS PKT COMPLETE (MW)				
2003-01-14	236	Continuing Obligation - Residual GW Contamination	*** AUTO POPULATED AT FINAL CLOSURE DUE TO 700 ACTION ***				
2003-01-14	232	Continuing Obligation - Residual Soil Contamination					

2003-01-14	.11	Activity Closed	PACKET SUBMITTED TO ANDY B	
2003-01-14	.56	Continuing Obligation(s) Applied	AUTO-POPULATED AS REPLACEMENT FOR CODE 50	
Linked to Code 56:		20030114_56_CO_Packet.pdf Click to Download or Open		
2003-01-14	.50	GIS Registry Site	AUTOPOPULATED ON 27-OCT-04	
Other Documents and Images Not Linked to Actions Above Click File Name to Download or Open				
The file below contains permanent records related to the site available at the time the paper Site File was scanned and uploaded. Records withheld by the department due to confidentiality, attorney-client privilege, and other sensitive records, as well as lab data, may not be included. Additional records associated with the site may or may not be accessible through an open records request.				
Site File		0241267167_Site_File.pdf		
Substances				
Substance		Type	Est Amt Released	Units
Diesel Fuel		Petroleum		
Metals (lead, cadmium)		Metals		
Chlorinated Solvents		VOC		
Polynuclear Aromatic Hydrocarbons		Petroleum		
Volatile Organic Compounds		VOC		
Who				
Role	Name/Address			
For Additional Information, Please Contact				
JENNIFER DORMAN 414-263-8683 jennifer.dorman@wisconsin.gov				

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CONTINUING OBLIGATIONS APPLY							
Due to remaining contamination, continuing obligations apply to one or more properties. For information specific to the continuing obligations review the documentation below. Prior to constructing or reconstructing a water supply well, you need to contact DNR for approval of well construction specifications.							
02-41-578083 ECHELON DEVELOPMENT							
CLOSED ERP							
Location Name (Click Location Name or FID to View Location Details)					County	WDNR Region	
ECHELON DEVELOPMENT					MILWAUKEE	SOUTHEAST	
Address					Municipality		
9820 MARIPOSA LN					WAUWATOSA		
PLSS Description		Latitude	Longitude	Google Maps	RR Sites Map		
NW 1/4 of the SE 1/4 of Sec 20, T07N, R21E		43.0504924	-88.0359516	CLICK TO VIEW	CLICK TO VIEW		
Additional Location Description					Size (Acres)	Facility ID	
					8	341280280	
Jurisdiction	PECFA No.	EPA Cerclis ID		Start Date	End Date	Last Action	
DNR RR				2016-10-06	2017-09-18	2017-10-06	
Characteristics							
PECFA Tracked?	EPA NPL Site?	Eligible for PECFA Funds?	Above Ground Storage Tank?	Drycleaner?	Co-Contamination?	WI DOT Site?	COs Apply?
No	No	No	No	No	No	No	Yes
Actions							
Place Cursor Over Action Code to View Description							
Date	Code	Name			Comment		
2016-09-16	28	Phase I Environmental Site Assessment (ESA) Rpt Received			REC'D COPY OF 6/4/14 PHASE 1 ESA		
Linked to Code 28: 20160916_28_Phase_I.pdf Click to Download or Open							
2016-09-16	99	Miscellaneous			REC'D COPY OF 9/4/14 LOW HAZ EXEMPTION REQUEST		
Linked to Code 99: 20160916_99_Low_Haz_Exemption_Request.pdf Click to Download or Open							
2016-09-16	99	Miscellaneous			REC'D COPY OF 7/31/14 SOIL MANAGEMENT AND MATERIALS HANDLING PLAN		
Linked to Code 99: 20160916_99_Soil_Management_Plan.pdf Click to Download or Open							
2016-10-06	1	Notification of Hazardous Substance Discharge					
Linked to Code 1: 20161006_01_Notification.pdf Click to Download or Open							
2016-10-07	2	Responsible Party (RP) letter sent					
Linked to Code 2: 20161007_02_RP_LTR.pdf Click to Download or Open							
2016-10-07	99	Miscellaneous			PROVIDED APPROVAL TO TAKE EXCAVATED SOIL TO BARKOW PROPERTY UNDER NR 718 (ALSO SEE 02-41-551680)		
Linked to Code 99: 20160107_99_SMP_Approval.pdf Click to Download or Open							
2016-12-07	43	Site Activity Status Update Received			REC'D 'NR 718.12 CONTAMINATED SOIL		

			MANAGEMENT ACTIVITY SUMMARY' - SOIL MOVED TO FID 241224940
Linked to Code 43: 20161207_43_soil_mgmt_doc.pdf Click to Download or Open			
2017-01-14	195	Semi-Annual/PECFA Cost Reporting_(NR700)_Requirement Met	Period: 7/1/2016 - 12/31/2016
Click 195 Action Name above to view NR700.11 report			
2017-06-07	710	Database Fee Paid for Soil Continuing Obligation(s)	REC'D CK #1918 \$300.00
2017-06-07	779	Case Closure Review Fee Received	REC'D CK #1918 \$1050.00
2017-07-06	195	Semi-Annual/PECFA Cost Reporting_(NR700)_Requirement Met	Period: 1/1/2017 - 6/30/2017
Click 195 Action Name above to view NR700.11 report			
2017-07-27	198	Request for Additional Information (Fee-Based or Closure)	AR Pause
2017-07-27	79	Case Closure Review Request Received	AUTO-ENTERED
2017-08-09	199	Additional Information Received (Fee-Based or Closure)	
2017-08-28	198	Request for Additional Information (Fee-Based or Closure)	ADDITIONAL INFO NEEDED
2017-09-14	199	Additional Information Received (Fee-Based or Closure)	AR Restart
2017-09-18	11	Activity Closed	
2017-09-18	232	Continuing Obligation - Residual Soil Contamination	
2017-09-18	56	Continuing Obligation(s) Applied	
Linked to Code 56: 20170918_56_CO_Packet.pdf Click to Download or Open			
Substances			
Substance		Type	Est Amt Released
Polynuclear Aromatic Hydrocarbons		Petroleum	
Who			
Role	Name/Address		
Responsible Party	ECHELON LLC C/O THE MANDEL GROUP 301 E ERIE ST MILWAUKEE, WI 53202		

For Additional Information, Please Contact
JENNIFER DORMAN 414-263-8683 jennifer.dorman@wisconsin.gov

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EXHIBIT B
Comparable Land Sale Information

Land Sale No. 1

Property Identification

Record ID	1742
Property Type	Commercial, Office
Property Name	Landmark Credit Union Parcel
Address	555 S Executive Drive, Brookfield, Waukesha County, Wisconsin
Location	South end of Executive Drive along I-94
Tax ID	BRC 1141999 & BRC 1141999008
MSA	Waukesha

Sale Data

Grantor	5111 South 9th Street LLC
Grantee	Landmark Credit Union
Sale Date	September 24, 2019
Deed Book/Page	Doc #4423673
Property Rights	Fee simple
Conditions of Sale	Arm's length
Financing	Cash to seller
Sale Price	\$8,000,000
Cash Equivalent	\$8,000,000
Upward Adjustment	\$250,000 Estimated Demolition
Adjusted Price	\$8,250,000

Land Data

Zoning	O&LR/C, Office & Limited Residential/Commercial, Planned Development
Topography	Generally Level
Utilities	All Available
Shape	Rectangular
Flood Info	South 4.9 acres in Floodplain
User 5	Interstate Exposure
User 6	4 full

Land Size Information

Gross Land Size	19.513 Acres or 849,986 SF
Useable Land Size	16.575 Acres or 722,007 SF , 84.94%

Indicators

Sale Price/Gross Acre	\$409,983 Actual or \$422,795 Adjusted
Sale Price/Gross SF	\$9.41 Actual or \$9.71 Adjusted
Sale Price/Useable Acre	\$482,655 Actual or \$497,738 Adjusted
Sale Price/Useable SF	\$11.08 Actual or \$11.43 Adjusted

Land Sale No. 1 (Cont.)

Remarks

This is the September 2019 sale of two parcels totaling ± 19.513 acres (gross) and ± 16.575 acres (net of ± 2.938 -acre pond) located at the south end of Executive Drive with Interstate 94 exposure for \$8,000,000. At time of sale, the property was improved with an $\pm 86,500$ -square-foot one- and part two-story office building plus full unfinished basement to be demolished with appraiser-estimated demolition costs of \$825,000 using MVS as no demolition permit has been submitted. The buyer, Landmark Credit Union, plans to develop a $\pm 158,000$ -square-foot administrative headquarters office building with the site having additional development potential for a future $\pm 148,000$ -square-foot office building (Phase II) at the north end of the site resulting in total development potential is $\pm 306,000$ square feet. The site is zoned Office & Limited Residential/Commercial District No. 2 and has I-94 exposure with the southern ± 4.9 acres (inclusive of on-site pond) fronting the freeway located within a floodplain.



Land Sale No. 2**Property Identification**

Record ID	1683
Property Type	Commercial, Fitness Center
Property Name	Lifetime Fitness Parcel
Address	17585 Golf Parkway, Brookfield, Waukesha County, Wisconsin
Location	Southwest corner of Discovery Drive & Golf Parkway
Tax ID	BRC 1120-975-014
MSA	Waukesha
Market Type	Suburban

Sale Data

Grantor	Deer Creek Development Partners, LLC
Grantee	LTF Real Estate Company, Inc.
Sale Date	June 06, 2018
Property Rights	Fee Simple
Conditions of Sale	Arm's length
Financing	Cash to seller
Sale Price	\$7,600,000
Cash Equivalent	\$7,600,000

Land Data

Zoning	PDD, Planned Development
Topography	Slopes down to the south
Utilities	All available
Shape	Irregular rectangle
User 5	Non-corner
User 6	Reasonable

Land Size Information

Gross Land Size	12.500 Acres or 544,500 SF
Front Footage	excellent exposure to I-94;

Indicators

Sale Price/Gross Acre	\$608,000
Sale Price/Gross SF	\$13.96

Remarks

This is the June 2018 sale of a 12.50-acre parcel of unimproved land located at the southwest corner of Discovery Drive and Golf Parkway for \$7,600,000 or \$13.96 per square foot of land area. This property is located on the south end of The Corridor, which is a 66-acre mixed use development. The buyer planned development of the site with a Lifetime Fitness Center to be completed in 2019. The 125,000 square foot facility will include an outdoor aquatic center with zero-depth entry pools, lap pools, and waterslides. There will also be dance, art, music, and tumbling studios available for children, indoor and outdoor cafes, and a full-service salon and spa. This site is located along the north side of Interstate 94 and has excellent visibility for both east- and west-bound interstate traffic. The parcel slopes down to the south and grading with retaining walls was required for development.

Land Sale No. 2 (Cont.)



Land Sale No. 3**Property Identification**

Record ID	1684
Property Type	Commercial, Hotel
Property Name	Corridor Hotels Parcel
Address	115 and 135 Discovery Drive, Brookfield, Waukesha County, Wisconsin
Location	Northwest corner of Discovery Drive & Golf Parkway
Tax ID	BRC 1120-975-007
MSA	Waukesha

Sale Data

Grantor	Deer Creek Development Partners, LLC
Grantee	Sesame Lodging, LLC
Sale Date	September 25, 2017
Deed Book/Page	Doc #4303287
Property Rights	Fee simple
Conditions of Sale	Arm's length
Financing	Cash to seller

Sale Price \$3,800,000

Land Data

Zoning	PDD, Planned Development
Topography	Slightly Sloped
Utilities	All Available
Shape	Rectangular
Flood Info	Not in floodplain
User 5	Weak corner
User 6	2 full
User 7	low trafficked streets

Land Size Information

Gross Land Size 4.909 Acres or 213,836 SF

Indicators

Sale Price/Gross Acre	\$774,088
Sale Price/Gross SF	\$17.77

Remarks

This is the September 2017 sale of a 4.91-acre parcel of unimproved land located at the northwest corner of Discovery Drive and Golf Parkway for \$3,800,000 or \$17.77 per square foot of land area. This property is located in the central portion of The Corridor, which is a 66-acre mixed use development. The grantee in this transaction is developing the site with a four-story, 132-room (±68,000-sq.ft.) Holiday Inn Express and a four-story, 137-room (±70,000-sq.ft.) Fairfield Inn. The two hotels totaling ±138,000 square feet will share the parking lot. The site has some limited visibility from Interstate 94.

Land Sale No. 3 (Cont.)



Land Sale No. 4**Property Identification**

Record ID	1417
Property Type	Multi-family, Multi-Family
Property Name	Hall Automotive Parcel (The Reserve at Mayfair Apartments)
Address	11011 W. North Avenue, Wauwatosa, Milwaukee County, Wisconsin
Location	South Side of North Ave., West of Mayfair Rd.
Tax ID	339-9983-02

Sale Data

Grantor	Automotive Holding Corp.
Grantee	Mayfair Property Partners LLC
Sale Date	March 29, 2016
Deed Book/Page	Doc #10550527
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Charlie Hall (Seller); (888) 441-0425, Michael Campbell (Buyer), (678) 485-3672
Sale Price	\$5,200,000

Land Data

Zoning	M-1/PUD, Light Industrial w/ Planned Unit Development Overla
Topography	Gently Sloped
Utilities	All Available
Shape	Rectangular

Land Size Information

Gross Land Size	4.970 Acres or 216,493 SF
Actual Units	236
Front Footage	26,700 AADT (North Ave; 2010);

Indicators

Sale Price/Gross Acre	\$1,046,278
Sale Price/Gross SF	\$24.02
Sale Price/Actual Unit	\$22,034

Remarks

This is the March 2016 sale of the ≈4.97-acre Hall Automotive property located on the south side of North Avenue, west of Mayfair Road in the City of Wauwatosa. The buyer demolished the dealership for construction a multi-story, 236-unit luxury apartment complex known as The Reserve at Mayfair with a total GBA of ≈274,232 square feet (excluding parking garage). Zoning is M-1, Light Industrial with a Planned Unit Development Overlay to allow for high-density multi-family. The sale price is \$5,200,000 or \$24.02 per square foot of land area. A tax increment financing district ("TID") was created by the City to offset the costs for site preparation including demolition of the auto dealership, environmental remediation and off-site costs (i.e. road, sidewalk and traffic signal); therefore, the sale price represents a vacant cleared site and these costs reported at \$555,000 are not added to the purchase price.

Land Sale No. 4 (Cont.)



Land Sale No. 5**Property Identification**

Record ID	1423
Property Type	Commercial, Hotel
Property Name	Marriott Hotel Site
Address	1300 Discovery Parkway, Wauwatosa, Milwaukee County, Wisconsin
Location	Discovery Parkway north of W. Watertown Plank Road
Tax ID	373-9999-25 (newly created)
MSA	Milwaukee
Market Type	Business Park

Sale Data

Grantor	UWM Innovation Park, LLC
Grantee	TOSA Hotel, LLC
Sale Date	May 15, 2015
Deed Book/Page	Doc #10461584
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller

Sale Price \$925,000

Land Data

Zoning	PUD, Planned Development
Topography	Generally Level w/upward slope to south
Utilities	All Available
Shape	Irregular Rectangle

Land Size Information

Gross Land Size 2.907 Acres or 126,640 SF

Indicators

Sale Price/Gross Acre	\$318,170
Sale Price/Gross SF	\$7.30

Remarks

This is the May 2015 sale of a ±2.907-acre parcel located on the east side of Discovery Parkway north of W. Watertown Plank Road in the UWM Innovation Campus in the City of Wauwatosa. TOSA Hotel LLC, an entity of Hospitality Specialists Inc. out of Jacksonville, Illinois purchased the property from UWM Innovation Park, LLC for \$925,000 or \$7.30 per square foot for development of a 128-room Marriott Extended Stay Hotel with a total GBA of ±86,148 square feet. The site an irregular rectangle that is 100% developable with a slight upward slope to the south boundary and there are no undevelopable wetlands. Municipal sewer and water are available along Discovery Parkway.

Land Sale No. 5 (Cont.)



Land Sale No. 6**Property Identification**

Record ID	1400
Property Type	Commercial, Multi-Family
Property Name	Echelon Apartments at Innovation Campus
Address	9801 & 9820 Discovery Parkway, Wauwatosa, Milwaukee County, Wisconsin
Location	SEQ of Hwy 41/45 & Swan Road
Tax ID	373999915 (original); 373000300 & 373000400 (new)
MSA	Milwaukee
Market Type	Suburban

Sale Data

Grantor	UWM Innovation Park, LLC
Grantee	Echelon, LLC
Sale Date	October 17, 2014
Property Rights	Fee Simple
Conditions of Sale	Arm's length
Financing	Cash to seller

Sale Price \$4,000,000

Land Data

Zoning	PUD, Planned Unit Development
Topography	Generally level
Utilities	All available
Shape	"L" Shaped

Land Size Information

Gross Land Size	8.480 Acres or 369,389 SF
Planned Units	188

Indicators

Sale Price/Gross Acre	\$471,698
Sale Price/Gross SF	\$10.83
Sale Price/Planned Unit	\$21,277

Remarks

This is the October 2014 sale of a ±8.48-acre parcel located within UWM Innovation Campus along Discovery Parkway in the southeast quadrant of Highway 41/45 and Swan Road in the City of Wauwatosa. The parcel was approved to be developed with a 188-unit apartment complex comprising six (6) three-story garden-style apartment buildings totaling ±228,863 square feet plus underground parking. The property sold for \$4,000,000 or \$21,277 per unit. At the time of sale, the property was improved with several historic buildings designed by Alexander Eschweiler in the early 20th century. These buildings were required to be restored as part of this development project; however, due to their age and poor condition they were understood and reported to have no contributory value at time of sale.

Land Sale No. 6 (Cont.)



EXHIBIT C

Assumptions and Limiting Conditions

No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. The appraisal presumes, unless otherwise noted, that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances which cannot be cleared through normal processes. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Unless otherwise specifically noted within the appraisal report, it is assumed that title to the property appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions that would adversely affect marketability or value. We are not aware of any title defects nor have we been advised of any unless such is specifically noted in the report. We, however, have not examined title and make no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined, and considered in the appraisal report. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespass exists unless noted in the report. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the accuracy of any data, opinions, or estimates identified as being furnished by others which have been used in formulating this analysis.

Land areas and descriptions used in this appraisal were either obtained from public records or furnished by the client and have not been verified by legal counsel or a licensed surveyor. The land description is included for identification purposes only and should not be used in a conveyance or other legal document without proper verification by an attorney. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size. All engineering studies are assumed to be correct. The plot and site plans and other illustrative material in this report are included only to help the reader visualize the property and they should not be scaled for size. Any survey or right-of-way plat sheet included was provided by the client and assumed accurate. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable.

Assumptions and Limiting Conditions, Continued

We have made a physical inspection of the property and noted any readily visibly apparent physical defects, if any, in our report. This inspection was made by individuals generally familiar with real estate and building construction; however, these individuals are not architectural or structural engineers who would have detailed knowledge of building design and structural integrity. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that might exist. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property has been engineered in such a manner that the improvements conform to all applicable local, state, and federal building codes and ordinances. We are not engineers and are not competent to judge matters of an engineering nature. We have not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, make no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report, no problems were brought to our attention by ownership or management. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, we reserve the right to amend the appraisal conclusions reported herein.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. We have not considered the possible noncompliance with the requirements of ADA in estimating the value of the property.

Assumptions and Limiting Conditions, Continued

No soil analysis or geological studies were ordered or made in conjunction with this appraisal, nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated, it is also assumed that there are no air or development rights of value that may be transferred. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.

The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and projected stable economic conditions. These forecasts are, therefore, subject to changes with future conditions. Any cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future; rather, they are estimates of current market expectations of future income and expenses. The achievements of the financial forecasts are subject to fluctuating economic conditions and are dependent upon other projected future occurrences that obviously cannot be assured. Actual results will likely occur from the projections made herein and we cannot and do not warrant that these forecasts will occur. Projections may be affected by circumstances beyond the current realm of our knowledge or control.

Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape have been considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use for which the value estimates contained in this report is based, unless otherwise stated.

Testimony or attendance in court or at any other hearing is not required by reason of this appraisal unless arrangements are made within a reasonable time in advance for such testimony, and then such testimony shall be at the prevailing per diem for the individuals involved.

The date of value to which the conclusions and opinions expressed apply is set forth in this report. Unless otherwise noted, this date represents the last date of our physical inspection of the property. The value opinion herein rendered is based on the status of the national business economy and the purchasing power of the U.S. dollar as of that date.

EXHIBIT D**Appraisal Certification**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have not performed services as an appraiser, or in any other capacity, regarding the property that is subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one has provided significant professional assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Michael J. Tompkins
Wisconsin Certified General Appraiser (#608)

EXHIBIT E
Professional Qualifications

Michael J. Tompkins
The Nicholson Group LLC

Experience

Mr. Tompkins has extensive experience in the valuation of investment real estate including health care properties, office buildings, business parks, shopping centers, apartments, marinas, hotels, mixed-use developments, condominium complexes, and developmental land. Mr. Tompkins specializes in valuation and consulting services related to the health care industry, including extensive experience with medical-office/clinics, skilled nursing facilities, independent and assisted living facilities, senior apartments, and continuing care retirement communities.

Prior to joining The Nicholson Group in 1993, Mr. Tompkins was an Area Manager with the Real Estate Advisory Group (REAG), an operating unit of American Appraisal Associates, the world's largest independent valuation consulting firm. Mr. Tompkins headed the coordination, administration and implementation of national and regional appraisal/consulting services provided by REAG and later The Nicholson Group, including an account with a prominent pension fund advisory firm where he was responsible for the administrative and appraisal activities on over one billion dollars in real property annually. Mr. Tompkins specializes in the design, development, and implementation of computer modeling techniques for the appraisal of investment real estate; these techniques were instrumental in the nationwide standardization of appraisal services provided by REAG, as well as current regional appraisal services provided by The Nicholson Group. Mr. Tompkins has co-authored an article on the application of computer modeling in appraisal, and has assisted in an article on demand-side analysis techniques that was published in real estate journals nationwide.

Mr. Tompkins has over 25 years of appraisal experience with institutional-grade investment properties throughout Wisconsin, Southern California, Northern California, Texas, Illinois, New York, Florida, and Washington D.C, among other states. Mr. Tompkins has professional knowledge and experience with appraising properties throughout the State of Wisconsin, including the primary markets such as Milwaukee, Madison, Fox Valley, Green Bay, Stevens Point/Wausau, La Crosse, and Eau Claire. Mr. Tompkins has been a Certified General Appraiser in the State of Wisconsin since 1992.

Academics

University of Wisconsin – Madison
Bachelors of Business Administration - Real Estate and Urban
Land Economics (1988)

Bachelor of Business Administration – Finance, Investments
& Banking (1988)

Appraisal Institute
Numerous real estate appraisal courses

Michael J. Tompkins
Professional Qualifications, continued

**Professional
Affiliations**

State Certifications
 Wisconsin Certified General Appraiser #608

Appraisal Institute - MAI Candidate (former)

National Council of Real Estate Investment Fiduciaries (NCREIF)
 Valuation Committee (former)

University of Wisconsin Real Estate Alumni Association

**Personal
Affiliations**

Western Lakes Fire District, Board of Directors
 Secretary (2017-present)

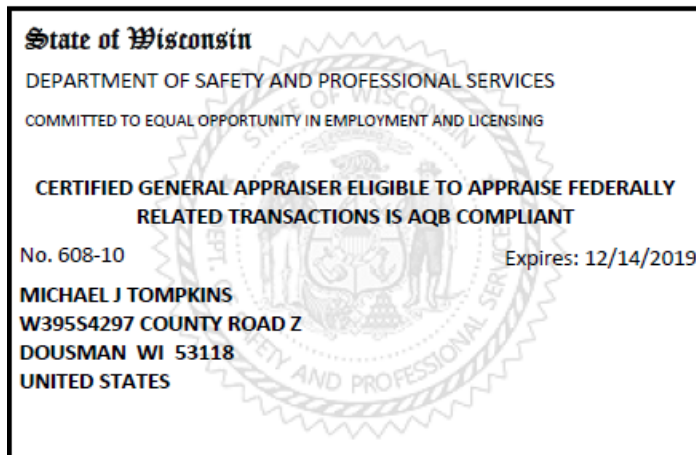
Dousman Fire District, Board of Directors
 Vice President (2013-2016)

Kettle Moraine Girls Basketball Club, Board of Directors
 Board Member (2004-2010)
 Board President (2009-2010)
 Youth Coach (2006-2012)

First United Methodist Church, Waukesha (Finance Committee -former)

United States Naval Academy Parents Association (2007-2011)

Wisconsin Naval Academy Parents Association (2007-2011)



Firm Overview

The Nicholson Group is a Milwaukee-based real estate valuation firm established in 1993 and has become one of the pre-eminent valuation consulting firms in Wisconsin. The Nicholson Group provides real estate appraisal services to a variety of clients including financial institutions, law firms, corporations, real estate operating companies, insurance companies and governmental bodies. We provide complete support from initial consultation through providing our **independent and unbiased** opinions in narrative reports and if requested, expert testimony. We pride ourselves in our ability to provide quality-oriented services with high established levels of **integrity, trust and client commitment**.

The Nicholson Group is dedicated to providing reliable, well documented appraisals, market studies, review appraisals, expert testimony and litigation support services in a personal and timely manner. Our services are provided to the highest possible standards including complying with: the Uniform Standards of Professional Appraisal Practice (“USPAP”); and, the Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute.

We are very experienced and proficient with many types of properties including industrial, office, shopping centers, apartments and land. Appraisers within the firm have particular specialties in the valuation of hotels, golf courses, waterparks and marinas as well as being recognized for expertise with senior-oriented enterprises such as skilled nursing facilities, CBRFs, assisted living facilities and RCACs. We are proficient in the use of Argus® software which is the appraisal industry standard for lease-by-lease discounted cash flow analysis.

Our firm is characterized by valuation **knowledge and experience, credibility, objectivity** and **client commitment** that have earned us high levels of respect throughout the real estate community.

Lawrence R. Nicholson has held the MAI designation from the Appraisal Institute since 1989. Obtaining the MAI designation from the Appraisal Institute means that an appraiser has been elevated into the upper echelon of valuation experts. This designation has long been recognized by courts of law, governmental agencies, financial institutions and investors as a mark of excellence in the field of real estate valuation and analysis. MAI’s are true professionals who have made a commitment to being the best in the real estate appraisal field.

Integrity matters at The Nicholson Group.

**The Nicholson Group
Client Listing**

<u>Financial Institutions</u>	<u>Municipal/Public</u>	<u>Attorneys</u>
Associated Bank	Cardinal Stritch University	Balisle & Roberson
Badger Bank	Carroll University	Davis & Kuelthau
Bank Mutual	City of Brookfield	DeWitt, Ross & Stevens
Bridgewater Bank	City of Delafield	Foley & Lardner
BMO Harris Bank	City of Delavan	Friebert, Finerty & St. John
CIBM Bank	City of Glendale	Godfrey & Kahn
CIBC Bank	City of Greenfield	Michael Best & Friedrich
Citizens Bank of Mukwonago	City of Janesville	Municipal Law & Litigation Group
Commerce State Bank	City of Medford	Quarles & Brady
First American Bank	City of Milwaukee	Reinhart Boerner Van Duren
First Bank Financial Centre	City of Monona	Seibel Law Offices LLC
First Business Bank	City of Muskego	Stafford Rosenbaum
First Citizens Bank	City of New Berlin	von Briesen & Roper
First National Bank Fox Valley	City of Oconomowoc	Weiss Berzowski Brady
Investors Bank	City of Pewaukee	Whyte Hirshboeck Dudek
Ixonia Bank	City of Plymouth	
Johnson Bank	City of Racine	<u>Corporate</u>
JP Morgan Chase Bank	City of Sun Prairie	Abbott Laboratories
Landmark Credit Union	City of Wausau	Agnesian HealthCare, Inc.
Old National Bank	City of Wauwatosa	Boys & Girls Club of Milwaukee
Oostburg State Bank	City of West Allis	Bradley Center Sports & Entertainment Corp.
Park Bank	City of West Bend	Caterpillar Inc.
PNC Bank	Redevelopment Authority of the City of Milwaukee (RACM)	Grunau Company
Pyramax Bank	Milwaukee Area Technical College	Harley Davidson
TCF Bank	Milwaukee County	Harmony Living Centers
Town Bank	Milwaukee County Research Park	Journal - Sentinel, Inc.
Tri-City National Bank	Milwaukee Metropolitan Sewerage District (MMSD)	Lad Lake Inc.
U.S. Bank	Marquette University	Lake Country Manufacturing
Waukesha State Bank	Milwaukee Public Schools	Lauterbach Group
Wells Fargo Bank	Town of Brookfield	Milwaukee World Festivals Inc.
Westbury Bank	Town of Sheboygan	Noah's Ark Family Park, Inc.
Wintrust Financial Corporation	UW-Milwaukee Real Estate Foundation	Rockwell Automation
<u>Insurance Companies</u>	Village of Greendale	Sargento Foods
American Family Insurance	Village of Hartland	Skipper Buds
Fidelity Real Estate Group	Village of Kohler	SkipperLiner Marine Group
Northwestern Mutual Life	Village of Menomonee Falls	Spancrete Industries
Symetra Life Insurance Co	Village of Mukwonago	Target – Dayton Hudson
<u>Real Estate Operating Companies</u>	Village of Pleasant Prairie	Teamsters General Local No. 200
Fiduciary Real Estate	Village of Shorewood	The Conservation Fund
General Capital Group	Village of Wales	Trane
Interstate Partners	Village of West Milwaukee	U-Haul International
Metropolitan Associates	Waukesha County	Walgreen Company
Pabst Farms Development Co.	Waukesha School District	Wal-Mart Stores & Wal-Mart Realty
Public Storage, Inc	WI Department of Administration	Wisconsin Alumni Research Foundation (WARF)
Zilber Ltd. & Towne Realty Inc.	WI Department of Justice	Zilber Charitable Foundation
	WI Department of Transportation	
	Wisconsin Lutheran College	

General Service Conditions

The services provided by The Nicholson Group LLC have been performed in accordance with professional appraisal standards. Our compensation was not contingent in any way upon our conclusions. We have assumed, without independent verification, the accuracy of all data provided to us. All files, work papers, or documents developed by us during the course of the engagement are our property. We will retain this data for at least five-years.

Our opinions and report are to be used only for the specific purpose stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report shall be disseminated to the public through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of The Nicholson Group LLC.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement. The extent of The Nicholson Group LLC's liability as a result of any of the preceding items, or any other matter related to this engagement, is limited to the appraisal fee paid by the client for these appraisal services. Your obligation for indemnification and reimbursement shall extend to any controlling person of The Nicholson Group LLC, employee, affiliate or agent.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.