

# APPRAISAL REPORT

Milwaukee Public Museum Property  
800 W. Wells Street & 815 N. James Lovell Street  
Milwaukee, Wisconsin 53233



Appraisal Date:  
January 4, 2019

***THE NICHOLSON GROUP LLC***

February 1, 2019

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

Subject: Milwaukee Public Museum Property  
 800 W. Wells Street & 815 N. James Lovell Street  
 Milwaukee, Wisconsin 53233

We have made an appraisal of the real property rights associated with the fee simple estate in the subject property and submit our findings in the following appraisal report. The appraised property comprises ±3.717 acres improved with a ±479,969-square-foot (GBA) museum property that includes three independent but connected buildings described as follows:

*Milwaukee Public Museum (MPM)* – A ±417,449-square-foot (GBA) seven-story museum with basement and mechanical penthouse completed in 1962. The building and its mechanical systems are in deferred condition with a Facility Condition Assessment Report estimating \$86.45 million for necessary replacements and capital needs over the next 20 years.

*Discovery World (DW) Building* – A ±44,440-square-foot (GBA) four-story former science and technology museum completed in 1997 and formerly occupied by Discovery World who vacated the building in 2006. The leasehold improvements are currently owned by Milwaukee Public Museum, Inc. on land leased from Milwaukee County, and the building has been a vacant shell for the past ±13 years and is currently utilized by MPM Inc. for temporary storage.

*Daniel M. Soref Dome Theater & Planetarium (Dome Theater)* – A ±18,080-square-foot (GBA) dome theater with six-story tall screen and a seating capacity of 266. This IMAX/Dome theatre was completed in 1997 and is in good condition except for deferred maintenance related to dome roof scheduled for replacement at a cost of \$873,554 in Spring 2019.

**Aggregate Market Value**

The report concludes our opinion of the aggregate Market Value of the Fee Simple Estate in the property based on separate valuation of the three building sections in their actual physical condition and subject to the zoning in effect as of the appraisal date (January 4, 2019) is:

<b>Aggregate Market Value</b>				
Value Conclusion by Building				
	<u>MPM</u>	<u>DW Building</u>	<u>Dome Theater</u>	<u>Aggregate Value</u>
Concluded Market Value	\$6,300,000	\$2,500,000	\$2,600,000	<b>\$11,400,000</b>

The aggregate market value is the summation of the three independent building values and is not to be construed as the market value of the overall property sold as a single asset.

**Aggregate Use Value**

This appraisal further develops an opinion of the aggregate Use Value of the Fee Simple Estate assuming continued use of the MPM building as a museum, in their actual physical condition and subject to the zoning in effect as of the appraisal date (January 4, 2019), is:

<b>Aggregate Use Value</b>				
Value Conclusion by Building				
	<u>MPM</u>	<u>DW Building</u>	<u>Dome Theater</u>	<u>Aggregate Value</u>
Concluded Use Value	\$9,200,000	\$2,500,000	\$2,600,000	<b>\$14,300,000</b>

The aggregate use value is the summation of the three independent building values and is not to be construed as the use value of the overall property sold as a single asset.

The Market Value and Use Value of the DW Building and Dome Theater are the same as their existing (continued use) is also the concluded highest and best use of these two buildings.

This appraisal and value conclusions are conditioned upon the following extraordinary assumptions:

*The City of Milwaukee will approve subdivision and/or a condominium plat that subdivides the property into the three buildings identified herein. Furthermore, all necessary perpetual easements will be recorded with respect to the common elements/areas of the property.*

*The Market Value of the Fee Simple Estate in the MPM and Dome Theatre buildings excludes consideration to the existing lease between Milwaukee County (lessor) and Milwaukee Public Museum, Inc. (lessee) that is understood to run through December 31, 2022.*

*The Market Value of the DW building is based on the fee simple estate, and unencumbered by the current ownership structure (i.e. leasehold improvements owned by Milwaukee Public Museum, Inc. on land leased from Milwaukee County.)*

*Cost figures utilized herein for outstanding capital needs to address items of deferred maintenance and capital needs to replace existing building structure and systems are based on the Milwaukee County Department of Administrative Services Information Report of a Milwaukee Public Museum Facility Condition Assessment dated August 17, 2018. This report includes updates to a 2015 assessment conducted by Milwaukee County in consultation with Thunderbird Engineering and Faith Technologies, Inc. We have relied upon these figures as being true and accurate without further verification.*

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***



Lawrence R. Nicholson, MAI  
Wisconsin Certified General Appraiser (#116)



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

Attachment  
18-229

**TABLE OF CONTENTS**

Scope of Work .....	6
Area Overview .....	12
Neighborhood Overview .....	25
Summary of Property Appraised.....	28
Highest and Best Use .....	53
Overview of Valuation Procedures.....	65
Cost Approach .....	66
Sales Comparison Approach - MPM Building (Market Value) .....	84
Sales Comparison Approach - DW Building (Market Value & Use Value) .....	95
Sales Comparison Approach – Dome Theater.....	105
Reconciliation and Conclusions .....	107
 <u>Exhibits</u>	
A - Subject Photographs .....	109
B – Comparable Land Sales Information.....	114
C – Comparable Improved Sales Information .....	122
D – Assumptions and Limiting Conditions .....	138
E – Appraisal Certification.....	141
F – Professional Qualifications .....	143
 General Service Conditions .....	 149

**Scope of Work**

Property	Milwaukee Public Museum Property 800 W. Wells Street & 815 N. James Lovell St Milwaukee, Wisconsin 53233
Appraisal Date	January 4, 2019
Inspection Date	January 4, 2019
Appraisal Purpose & Rights Appraised	'Market Value' and 'Use Value' of the Fee Simple Estate
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.
Intended Use	The intended use of our opinions and this report is for internal planning purposes.
Assets Included	Land and improvements.
Assets Excluded	Any personal property, supplies, materials on hand, inventories, company records, and any current or intangible assets that may exist.
Scope of the Investigations	<p>In developing this real property appraisal, the appraiser conducted a complete appraisal development process which considered the use of the three traditional approaches to value: the Cost, Sales Comparison and Income Capitalization Approaches. This appraisal utilizes the Cost Approach and Sales Comparison Approach to value. The Cost Approach is relied upon solely for the "Use Value" of the MPM as market investigation identified no comparable sales of museums sold for continued use.</p> <p>There are no comparable rentals for the individual building components from which to develop a supportable indication of value by the Income Capitalization Approach; therefore, the Income Capitalization Approach was not used and its omission does not reduce the credibility of the market value opinion herein.</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 representatives of Milwaukee Public Museum, Inc.; researched public records pertaining to the subject property; investigated market and neighborhood trends affecting the highest and best use; as appropriate, researched and gathered information pertaining to comparable land and improved sales, rents, operating expenses, depreciation, and capitalization rates; analyzed the data; and, applied the appropriate valuation approaches to arrive at a reasonable and independent opinion of market value.

Lawrence R. Nicholson, MAI did not inspect the appraised property but has reviewed the valuation analyses and the techniques used and have concluded that the conclusions stated herein are adequately supported, reasonable and credible.

Sources used in obtaining comparable data included: The Nicholson Group's proprietary database of sale and lease transactions; public records; real estate sales data published by CoStar Group, MLS, and tax assessor offices; other appraisers; and, real estate brokers. The comparable sales were inspected and 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 Conformance

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 appraiser is familiar with the subject property type and market area. Furthermore, the appraiser has the education, experience and competency to appropriately utilize the analytical methods employed in this report. The appraiser certifies that he has 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:

- 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 length of time necessary for all three individual building components to be exposed to the market prior to an arm's length sale occurring at the market value as concluded herein, is 18-24 months.

## Extraordinary Assumptions

Extraordinary Assumption is defined as: “An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.” Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute), 2015]

This appraisal and value conclusions are conditioned upon the following Extraordinary Assumption:

*The City of Milwaukee will approve subdivision and/or a condominium plat that subdivides the property into the three buildings identified herein. Furthermore, all necessary perpetual easements will be recorded with respect to the common elements/areas of the property.*

*The Market Value of the Fee Simple Estate in the MPM and Dome Theatre buildings excludes consideration to the existing lease between Milwaukee County (lessor) and Milwaukee Public Museum, Inc. (lessee) that is understood to run through December 31, 2022.*

*The Market Value of the DW building is based on the fee simple estate, and unencumbered by the current ownership structure (i.e. leasehold improvements owned by Milwaukee Public Museum, Inc. on land leased from Milwaukee County.)*

*Cost figures utilized herein for outstanding capital needs to address items of deferred maintenance and capital needs to replace existing building structure and systems are based on the Milwaukee County Department of Administrative Services Information Report of a Milwaukee Public Museum Facility Condition Assessment dated August 17, 2018. This report includes updates to a 2015 assessment conducted by Milwaukee County in consultation with Thunderbird Engineering and Faith Technologies, Inc. We have relied upon these figures as being true and accurate without further verification.*

## 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]

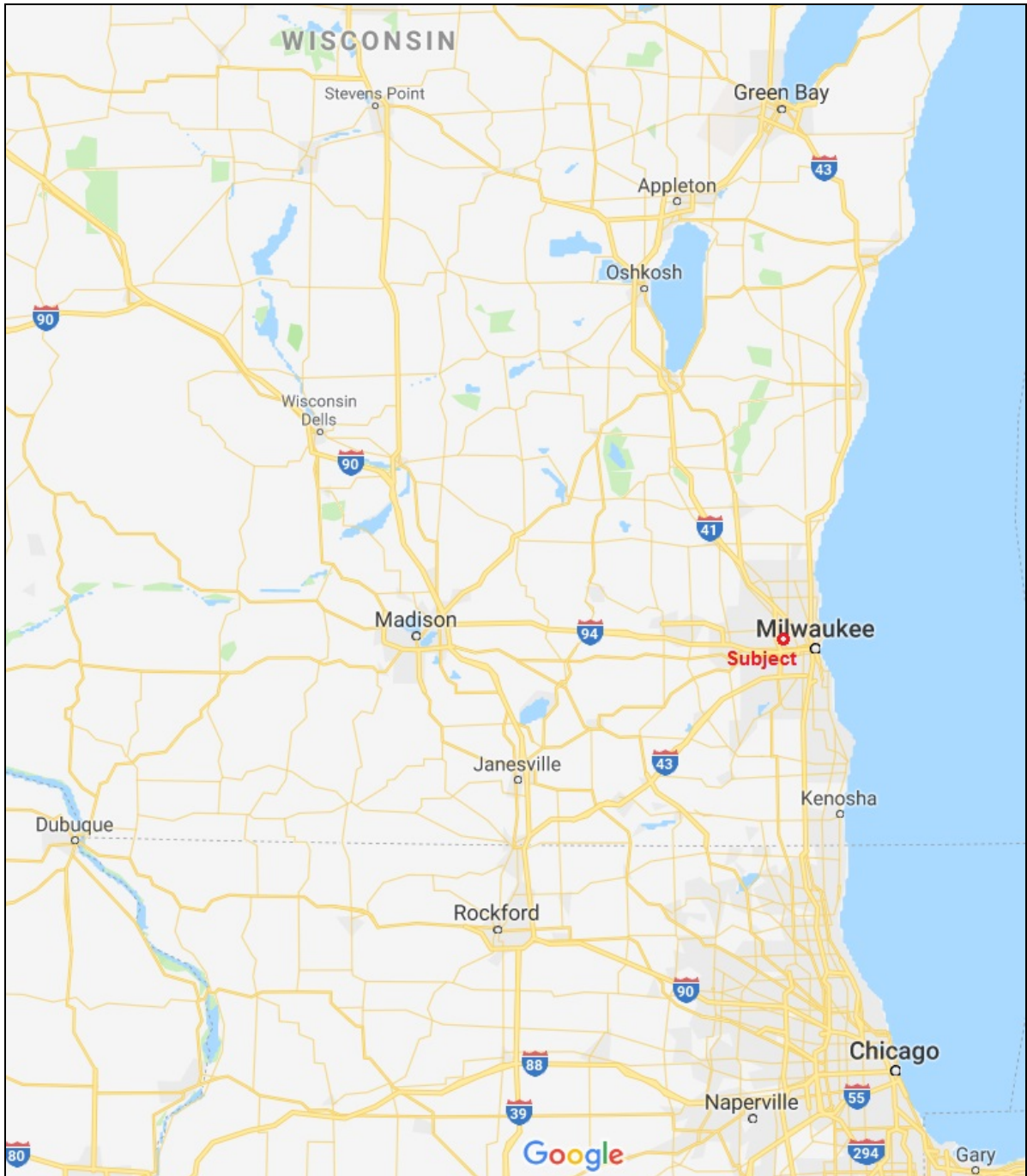
Use Value or Value in Use is defined as: “The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.” [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Chicago: Appraisal Institute), 2015]

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, 6<sup>th</sup> 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, 6<sup>th</sup> ed. (Chicago: Appraisal Institute), 2015]

**Area Overview**

The property is in the City of Milwaukee, Milwaukee County, Wisconsin. The map below identifies the property location in Wisconsin followed by an aerial map of its location within the downtown area. The map on the subsequent page identifies areas considered in the demographic analysis of this market overview.

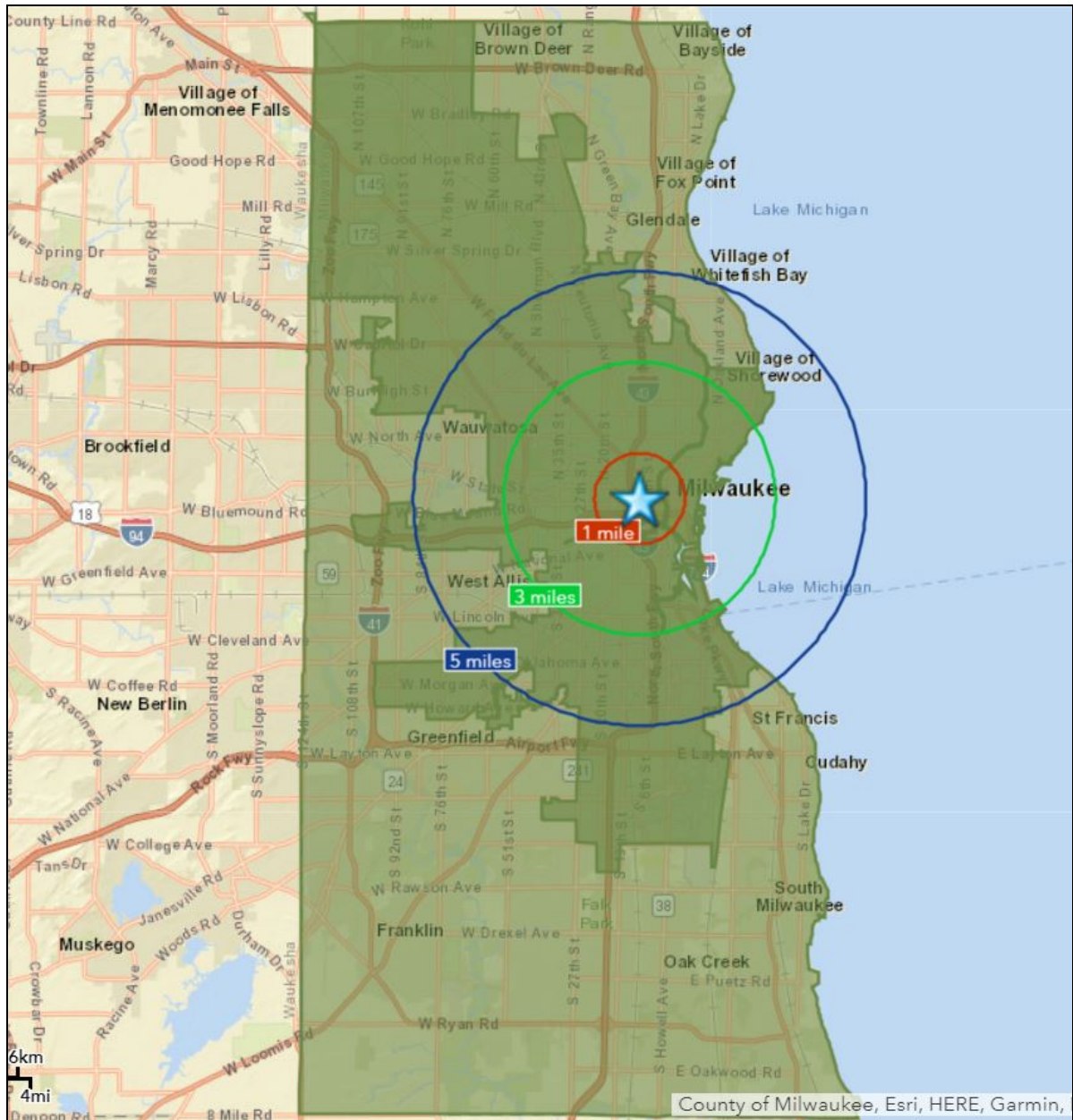


Aerial Map



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 Milwaukee – dark green shaded area
- 3) 1-, 3-, 5-mile – radius rings
- 4) Subject Location – pinpoint



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	Milwaukee	1-Mile
2010 Total Population		5,686,986	947,735	594,746	23,648
2018 Total Population		5,847,633	942,846	587,575	25,846
2010-18 Annual Growth		0.34%	-0.06%	-0.15%	1.08%
2023 Total Population		5,963,700	938,681	584,056	27,830
2018-23 Annual Growth		0.39%	-0.09%	-0.12%	1.49%

Household Trends		Wisconsin	Milw County	Milwaukee	1-Mile
2010 Total Households		2,279,768	383,591	230,171	8,877
2018 Total Households		2,354,192	380,729	226,840	10,216
2010-18 Annual Growth		0.40%	-0.09%	-0.18%	1.77%
2023 Total Households		2,405,034	378,528	225,317	11,221
2018-23 Annual Growth		0.43%	-0.12%	-0.13%	1.89%

**Population Trends**

Area	2010-18 Annual Growth	2018-23 Annual Growth
Wisconsin	0.34%	0.39%
Milw County	-0.06%	-0.09%
Milwaukee	-0.15%	-0.12%
1-Mile	1.08%	1.49%

**Household Trends**

Area	2010-18 Annual Growth	2018-23 Annual Growth
Wisconsin	0.40%	0.43%
Milw County	-0.09%	-0.12%
Milwaukee	-0.18%	-0.13%
1-Mile	1.77%	1.89%

Education		Wisconsin	Milw County	Milwaukee	1-Mile
High School Diploma		1,095,178	144,065	88,446	1,799
Bachelor's Degree		783,511	123,669	57,940	3,354
Graduate/Prof Degree		424,340	71,598	32,130	2,277
High School Diploma		48%	42%	50%	24%
Bachelor's Degree		34%	36%	32%	45%
Graduate/Prof Degree		18%	21%	18%	31%

Current Housing Mix		Wisconsin	Milw County	Milwaukee	1-Mile
2018 Owner Occupied		1,550,378	182,516	90,919	1,209
2018 Renter Occupied		803,814	198,213	135,921	9,008
2018 Vacant		368,830	42,965	32,106	1,033
2018 Owner Occupied		57%	43%	35%	33%
2018 Renter Occupied		30%	47%	52%	55%
2018 Vacant		14%	10%	12%	13%

**Current Housing Mix - State**

**1-Mile Radius Housing Mix**

Median Age		Wisconsin	Milw County	Milwaukee	1-Mile
2010 Median Age		38.4	33.7	30.3	24.1
2018 Median Age		39.7	35.2	31.6	24.8
2023 Median Age		40.5	36	32.3	25.2

Median Home Value		Wisconsin	Milw County	Milwaukee	1-Mile
2018 Median Value		\$188,661	\$174,987	\$138,466	\$234,806
2023 Median Value		\$208,827	\$185,518	\$146,304	\$263,686

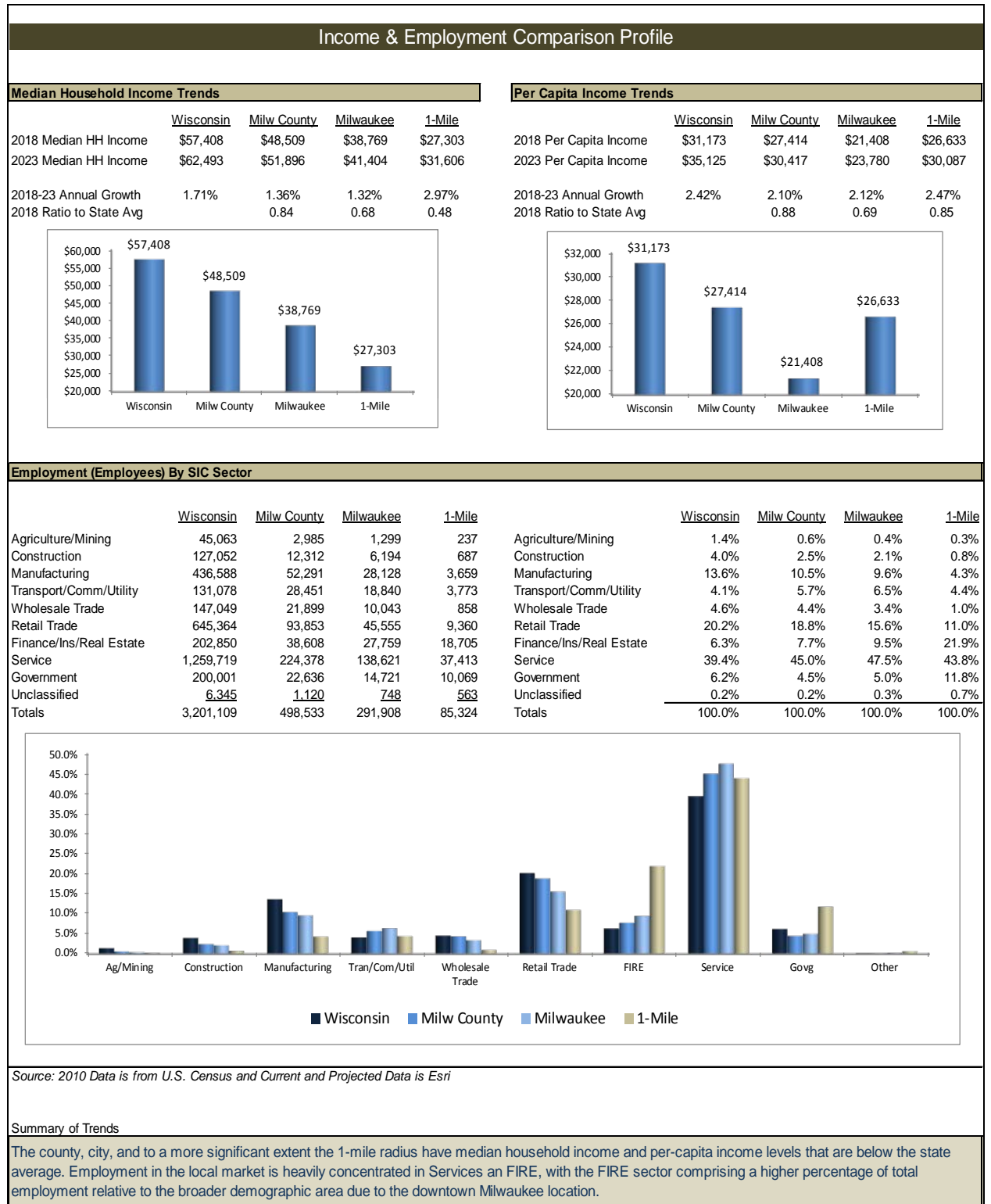
  

**Summary of Trends**

In contrast to flat to slight negative trends in the county and city, the 1-mile radius market is estimated to have experienced very strong growth in population and households over the past 8 years with projections for similar strong growth trends over the next 5 years. Housing in a 1-mile radius is primarily a rental market (55% rent vs. 33% own) with a generally similar vacancy rate relative to the state average. The median age of local (1-mile) residents is below the state average, while housing values are higher.

Income & Employment


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





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.


 <b>Community Profile</b>				
800 W Wells St, Milwaukee, Wisconsin, 53233 Rings: 1, 3, 5 mile radii		The Nicholson Group Latitude: 43.04029 Longitude: -87.92173		
	1 mile	3 miles	5 miles	
<b>Population Summary</b>				
2000 Total Population	20,447	234,440	474,758	
2010 Total Population	23,648	231,120	470,367	
2018 Total Population	25,846	229,966	466,912	
2018 Group Quarters	7,369	11,519	15,987	
2023 Total Population	27,830	230,711	465,423	
2018-2023 Annual Rate	1.49%	0.06%	-0.06%	
2018 Total Daytime Population	96,904	280,329	486,822	
Workers	85,204	153,301	242,442	
Residents	11,700	127,028	244,380	
<b>Household Summary</b>				
2000 Households	7,467	86,653	186,740	
2000 Average Household Size	1.83	2.58	2.47	
2010 Households	8,877	87,078	185,810	
2010 Average Household Size	1.80	2.52	2.44	
2018 Households	10,216	87,540	184,666	
2018 Average Household Size	1.81	2.50	2.44	
2023 Households	11,221	88,221	184,132	
2023 Average Household Size	1.82	2.48	2.44	
2018-2023 Annual Rate	1.89%	0.16%	-0.06%	
2010 Families	2,164	41,746	98,388	
2010 Average Family Size	2.77	3.55	3.28	
2018 Families	2,421	40,374	95,398	
2018 Average Family Size	2.72	3.53	3.28	
2023 Families	2,739	40,108	94,225	
2023 Average Family Size	2.71	3.52	3.28	
2018-2023 Annual Rate	2.50%	-0.13%	-0.25%	
<b>Housing Unit Summary</b>				
2000 Housing Units	8,306	96,471	201,407	
Owner Occupied Housing Units	6.8%	24.1%	39.6%	
Renter Occupied Housing Units	83.1%	65.8%	53.2%	
Vacant Housing Units	10.1%	10.2%	7.3%	
2010 Housing Units	9,995	100,712	207,615	
Owner Occupied Housing Units	12.5%	23.4%	36.8%	
Renter Occupied Housing Units	76.3%	63.1%	52.7%	
Vacant Housing Units	11.2%	13.5%	10.5%	
2018 Housing Units	11,249	103,785	211,512	
Owner Occupied Housing Units	10.7%	19.9%	32.6%	
Renter Occupied Housing Units	80.1%	64.4%	54.7%	
Vacant Housing Units	9.2%	15.7%	12.7%	
2023 Housing Units	12,305	106,076	214,333	
Owner Occupied Housing Units	10.1%	19.8%	32.6%	
Renter Occupied Housing Units	81.1%	63.3%	53.3%	
Vacant Housing Units	8.8%	16.8%	14.1%	
<b>Median Household Income</b>				
2018	\$27,303	\$31,433	\$39,825	
2023	\$31,606	\$34,485	\$42,774	
<b>Median Home Value</b>				
2018	\$234,806	\$122,429	\$154,487	
2023	\$263,686	\$132,169	\$165,192	
<b>Per Capita Income</b>				
2018	\$26,633	\$19,981	\$23,837	
2023	\$30,087	\$22,505	\$26,507	
<b>Median Age</b>				
2010	24.1	27.3	30.2	
2018	24.8	28.3	31.6	
2023	25.2	29.2	32.4	

**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 2018 and 2023 Esri converted Census 2000 data into 2010 geography.


January 15, 2019

		Community Profile		
		1 mile	3 miles	5 miles
		800 W Wells St, Milwaukee, Wisconsin, 53233		
		Rings: 1, 3, 5 mile radii		
		The Nicholson Group		
		Latitude: 43.04029		
		Longitude: -87.92173		
<b>2018 Households by Income</b>				
Household Income Base		10,216	87,540	184,666
<\$15,000		33.6%	25.7%	19.5%
\$15,000 - \$24,999		13.7%	15.7%	13.3%
\$25,000 - \$34,999		9.4%	12.2%	11.7%
\$35,000 - \$49,999		8.4%	13.3%	13.8%
\$50,000 - \$74,999		9.9%	13.6%	16.3%
\$75,000 - \$99,999		9.0%	7.2%	9.7%
\$100,000 - \$149,999		7.9%	7.1%	9.5%
\$150,000 - \$199,999		3.7%	2.6%	3.2%
\$200,000+		4.4%	2.5%	2.9%
Average Household Income		\$56,513	\$50,618	\$59,058
<b>2023 Households by Income</b>				
Household Income Base		11,221	88,221	184,132
<\$15,000		30.0%	23.3%	17.8%
\$15,000 - \$24,999		13.2%	14.8%	12.5%
\$25,000 - \$34,999		9.5%	12.4%	11.6%
\$35,000 - \$49,999		8.7%	13.4%	13.6%
\$50,000 - \$74,999		9.8%	13.9%	16.2%
\$75,000 - \$99,999		10.4%	7.9%	10.3%
\$100,000 - \$149,999		9.2%	8.2%	10.7%
\$150,000 - \$199,999		4.1%	3.1%	3.7%
\$200,000+		5.2%	3.1%	3.5%
Average Household Income		\$64,593	\$57,004	\$65,784
<b>2018 Owner Occupied Housing Units by Value</b>				
Total		1,190	20,669	68,988
<\$50,000		2.6%	9.1%	5.0%
\$50,000 - \$99,999		12.1%	32.0%	20.4%
\$100,000 - \$149,999		8.0%	19.9%	22.7%
\$150,000 - \$199,999		13.8%	12.7%	20.2%
\$200,000 - \$249,999		19.5%	9.6%	12.1%
\$250,000 - \$299,999		10.9%	4.9%	6.6%
\$300,000 - \$399,999		12.4%	5.9%	6.6%
\$400,000 - \$499,999		7.6%	2.3%	2.6%
\$500,000 - \$749,999		10.8%	2.4%	2.4%
\$750,000 - \$999,999		1.8%	0.8%	0.8%
\$1,000,000 - \$1,499,999		0.6%	0.3%	0.4%
\$1,500,000 - \$1,999,999		0.0%	0.0%	0.0%
\$2,000,000 +		0.1%	0.1%	0.1%
Average Home Value		\$287,196	\$167,809	\$189,545
<b>2023 Owner Occupied Housing Units by Value</b>				
Total		1,226	21,000	69,943
<\$50,000		2.3%	8.3%	4.5%
\$50,000 - \$99,999		11.5%	29.8%	18.9%
\$100,000 - \$149,999		6.0%	18.6%	20.7%
\$150,000 - \$199,999		10.0%	12.2%	19.6%
\$200,000 - \$249,999		17.2%	9.9%	12.6%
\$250,000 - \$299,999		11.2%	5.6%	7.5%
\$300,000 - \$399,999		14.8%	7.6%	8.2%
\$400,000 - \$499,999		9.9%	3.1%	3.4%
\$500,000 - \$749,999		14.5%	3.4%	3.1%
\$750,000 - \$999,999		2.0%	1.0%	0.9%
\$1,000,000 - \$1,499,999		0.6%	0.3%	0.5%
\$1,500,000 - \$1,999,999		0.0%	0.0%	0.0%
\$2,000,000 +		0.1%	0.1%	0.1%
Average Home Value		\$317,278	\$184,085	\$204,095
<b>Data Note:</b> 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.				
<b>Source:</b> U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023 Esri converted Census 2000 data into 2010 geography.				
January 15, 2019				

		<b>Community Profile</b>		
800 W Wells St, Milwaukee, Wisconsin, 53233		The Nicholson Group		
Rings: 1, 3, 5 mile radii		Latitude: 43.04029		
		Longitude: -87.92173		
	1 mile	3 miles	5 miles	
<b>2010 Population by Age</b>				
Total	23,650	231,118	470,369	
0 - 4	3.8%	8.3%	7.8%	
5 - 9	2.4%	7.2%	6.9%	
10 - 14	1.9%	6.8%	6.7%	
15 - 24	48.0%	22.8%	18.8%	
25 - 34	18.6%	18.3%	17.2%	
35 - 44	7.6%	11.6%	12.5%	
45 - 54	7.4%	10.5%	12.2%	
55 - 64	5.4%	7.8%	9.4%	
65 - 74	2.9%	3.6%	4.4%	
75 - 84	1.5%	2.1%	2.8%	
85 +	0.5%	1.0%	1.4%	
18 +	90.7%	73.4%	74.3%	
<b>2018 Population by Age</b>				
Total	25,844	229,966	466,914	
0 - 4	3.6%	7.8%	7.2%	
5 - 9	2.4%	6.9%	6.7%	
10 - 14	1.9%	6.2%	6.4%	
15 - 24	43.5%	21.6%	18.0%	
25 - 34	20.9%	19.3%	16.9%	
35 - 44	8.3%	11.4%	12.5%	
45 - 54	6.9%	9.6%	11.0%	
55 - 64	6.2%	8.8%	10.6%	
65 - 74	4.1%	5.1%	6.5%	
75 - 84	1.7%	2.2%	2.8%	
85 +	0.6%	1.1%	1.5%	
18 +	90.9%	75.5%	76.0%	
<b>2023 Population by Age</b>				
Total	27,829	230,709	465,423	
0 - 4	3.9%	7.9%	7.2%	
5 - 9	2.6%	6.7%	6.5%	
10 - 14	2.0%	5.9%	6.2%	
15 - 24	41.0%	20.5%	17.3%	
25 - 34	21.0%	19.5%	16.9%	
35 - 44	9.5%	12.0%	12.7%	
45 - 54	6.7%	9.4%	10.7%	
55 - 64	6.1%	8.6%	10.2%	
65 - 74	4.7%	5.9%	7.5%	
75 - 84	2.0%	2.6%	3.5%	
85 +	0.6%	1.0%	1.4%	
18 +	90.3%	76.1%	76.6%	
<b>2010 Population by Sex</b>				
Males	12,916	117,077	230,676	
Females	10,732	114,043	239,691	
<b>2018 Population by Sex</b>				
Males	14,105	116,391	229,270	
Females	11,741	113,575	237,642	
<b>2023 Population by Sex</b>				
Males	15,112	116,690	229,051	
Females	12,719	114,021	236,373	


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


January 15, 2019

 <b>esri</b>		Community Profile		
800 W Wells St, Milwaukee, Wisconsin, 53233 Rings: 1, 3, 5 mile radii		The Nicholson Group Latitude: 43.04029 Longitude: -87.92173		
	1 mile	3 miles	5 miles	
<b>2018 Population 25+ by Educational Attainment</b>				
Total	12,558	132,261	288,095	
Less than 9th Grade	2.9%	8.6%	5.7%	
9th - 12th Grade, No Diploma	9.7%	13.0%	10.1%	
High School Graduate	14.3%	21.5%	22.0%	
GED/Alternative Credential	5.4%	4.7%	4.4%	
Some College, No Degree	16.3%	20.0%	20.4%	
Associate Degree	6.5%	5.5%	6.6%	
Bachelor's Degree	26.7%	17.1%	19.2%	
Graduate/Professional Degree	18.1%	9.7%	11.6%	
<b>2018 Population 15+ by Marital Status</b>				
Total	23,802	181,987	372,193	
Never Married	79.8%	62.6%	54.4%	
Married	11.9%	24.6%	30.9%	
Widowed	1.7%	3.3%	4.1%	
Divorced	6.7%	9.6%	10.6%	
<b>2018 Civilian Population 16+ in Labor Force</b>				
Civilian Employed	96.3%	93.4%	94.6%	
Civilian Unemployed (Unemployment Rate)	3.7%	6.6%	5.4%	
<b>2018 Employed Population 16+ by Industry</b>				
Total	12,798	103,425	225,684	
Agriculture/Mining	0.2%	0.7%	0.5%	
Construction	1.4%	3.8%	3.5%	
Manufacturing	9.2%	13.8%	13.2%	
Wholesale Trade	1.5%	1.9%	2.0%	
Retail Trade	7.8%	9.2%	9.6%	
Transportation/Utilities	1.5%	2.8%	3.7%	
Information	1.8%	1.8%	1.8%	
Finance/Insurance/Real Estate	6.5%	5.8%	6.1%	
Services	67.6%	57.9%	56.6%	
Public Administration	2.5%	2.3%	2.9%	
<b>2018 Employed Population 16+ by Occupation</b>				
Total	12,798	103,424	225,683	
White Collar	66.9%	50.8%	56.0%	
Management/Business/Financial	16.0%	11.1%	12.1%	
Professional	28.3%	20.4%	22.9%	
Sales	7.8%	7.8%	8.3%	
Administrative Support	14.8%	11.5%	12.7%	
Services	25.0%	26.9%	23.6%	
Blue Collar	8.1%	22.3%	20.4%	
Farming/Forestry/Fishing	0.2%	0.6%	0.5%	
Construction/Extraction	0.8%	3.2%	2.9%	
Installation/Maintenance/Repair	1.2%	2.0%	2.1%	
Production	3.2%	10.0%	8.7%	
Transportation/Material Moving	2.8%	6.5%	6.2%	
<b>2010 Population By Urban/ Rural Status</b>				
Total Population	23,648	231,120	470,367	
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 2018 and 2023 Esri converted Census 2000 data into 2010 geography.

**January 15, 2019**

 <b>Community Profile</b>				
800 W Wells St, Milwaukee, Wisconsin, 53233 Rings: 1, 3, 5 mile radii		The Nicholson Group Latitude: 43.04029 Longitude: -87.92173		
	1 mile	3 miles	5 miles	
<b>2010 Households by Type</b>				
Total	8,877	87,078	185,810	
Households with 1 Person	53.8%	38.1%	35.7%	
Households with 2+ People	46.2%	61.9%	64.3%	
Family Households	24.4%	47.9%	53.0%	
Husband-wife Families	10.3%	20.5%	27.6%	
With Related Children	2.5%	11.0%	13.4%	
Other Family (No Spouse Present)	14.1%	27.4%	25.4%	
Other Family with Male Householder	2.2%	6.3%	5.7%	
With Related Children	1.0%	3.6%	3.2%	
Other Family with Female Householder	11.9%	21.1%	19.7%	
With Related Children	9.5%	16.1%	14.3%	
Nonfamily Households	21.8%	14.0%	11.3%	
All Households with Children	13.1%	31.2%	31.4%	
Multigenerational Households	1.1%	5.2%	4.3%	
Unmarried Partner Households	6.7%	11.0%	9.7%	
Male-female	5.9%	10.0%	8.7%	
Same-sex	0.8%	1.0%	1.0%	
<b>2010 Households by Size</b>				
Total	8,876	87,079	185,811	
1 Person Household	53.8%	38.1%	35.7%	
2 Person Household	27.6%	24.9%	28.0%	
3 Person Household	10.2%	13.4%	14.6%	
4 Person Household	4.8%	9.6%	10.4%	
5 Person Household	1.9%	6.5%	5.9%	
6 Person Household	0.8%	3.6%	2.8%	
7 + Person Household	0.8%	3.8%	2.6%	
<b>2010 Households by Tenure and Mortgage Status</b>				
Total	8,877	87,078	185,810	
Owner Occupied	14.1%	27.0%	41.1%	
Owned with a Mortgage/Loan	11.6%	20.1%	30.9%	
Owned Free and Clear	2.5%	6.9%	10.2%	
Renter Occupied	85.9%	73.0%	58.9%	
<b>2010 Housing Units By Urban/ Rural Status</b>				
Total Housing Units	9,995	100,712	207,615	
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%	
<p><b>Data Note:</b> 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.</p> <p><b>Source:</b> U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023 Esri converted Census 2000 data into 2010 geography.</p>				
January 15, 2019				

		Community Profile		
		1 mile	3 miles	5 miles
		800 W Wells St, Milwaukee, Wisconsin, 53233		
		Rings: 1, 3, 5 mile radii		
		The Nicholson Group		
		Latitude: 43.04029		
		Longitude: -87.92173		
Top 3 Tapestry Segments		1 mile	3 miles	5 miles
1. Metro Renters (3B)		City Commons (11E)	City Commons (11E)	City Commons (11E)
2. Dorms to Diplomas (14C)		Metro Renters (3B)	Metro Renters (3B)	Emerald City (8B)
3. College Towns (14B)		College Towns (14B)	College Towns (14B)	Rustbelt Traditions (5D)
2018 Consumer Spending		1 mile	3 miles	5 miles
Apparel & Services: Total \$		\$16,476,710	\$125,253,127	\$298,149,601
Average Spent		\$1,612.83	\$1,430.81	\$1,614.53
Spending Potential Index		74	66	74
Education: Total \$		\$12,615,941	\$84,390,921	\$199,877,768
Average Spent		\$1,234.92	\$964.03	\$1,082.37
Spending Potential Index		85	67	75
Entertainment/Recreation: Total \$		\$21,999,350	\$169,252,621	\$417,637,209
Average Spent		\$2,153.42	\$1,933.43	\$2,261.58
Spending Potential Index		67	60	70
Food at Home: Total \$		\$36,850,731	\$287,617,100	\$688,319,052
Average Spent		\$3,607.16	\$3,285.55	\$3,727.37
Spending Potential Index		72	65	74
Food Away from Home: Total \$		\$27,183,670	\$201,527,868	\$480,314,241
Average Spent		\$2,660.89	\$2,302.12	\$2,600.99
Spending Potential Index		76	66	74
Health Care: Total \$		\$35,020,927	\$281,469,128	\$715,852,962
Average Spent		\$3,428.05	\$3,215.32	\$3,876.47
Spending Potential Index		60	56	68
HH Furnishings & Equipment: Total \$		\$14,467,280	\$110,338,375	\$271,629,918
Average Spent		\$1,416.14	\$1,260.43	\$1,470.93
Spending Potential Index		68	60	70
Personal Care Products & Services: Total \$		\$5,833,461	\$44,615,727	\$109,073,711
Average Spent		\$571.01	\$509.66	\$590.65
Spending Potential Index		69	62	71
Shelter: Total \$		\$129,330,221	\$977,657,624	\$2,337,737,255
Average Spent		\$12,659.58	\$11,168.12	\$12,659.27
Spending Potential Index		75	67	75
Support Payments/Cash Contributions/Gifts in Kind: Total \$		\$15,623,703	\$121,862,204	\$309,155,252
Average Spent		\$1,529.34	\$1,392.07	\$1,674.13
Spending Potential Index		62	56	67
Travel: Total \$		\$13,595,717	\$104,766,319	\$265,484,139
Average Spent		\$1,330.83	\$1,196.78	\$1,437.64
Spending Potential Index		62	56	67
Vehicle Maintenance & Repairs: Total \$		\$7,573,386	\$58,412,432	\$142,568,532
Average Spent		\$741.33	\$667.27	\$772.03
Spending Potential Index		69	62	72

**Data Note:** Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

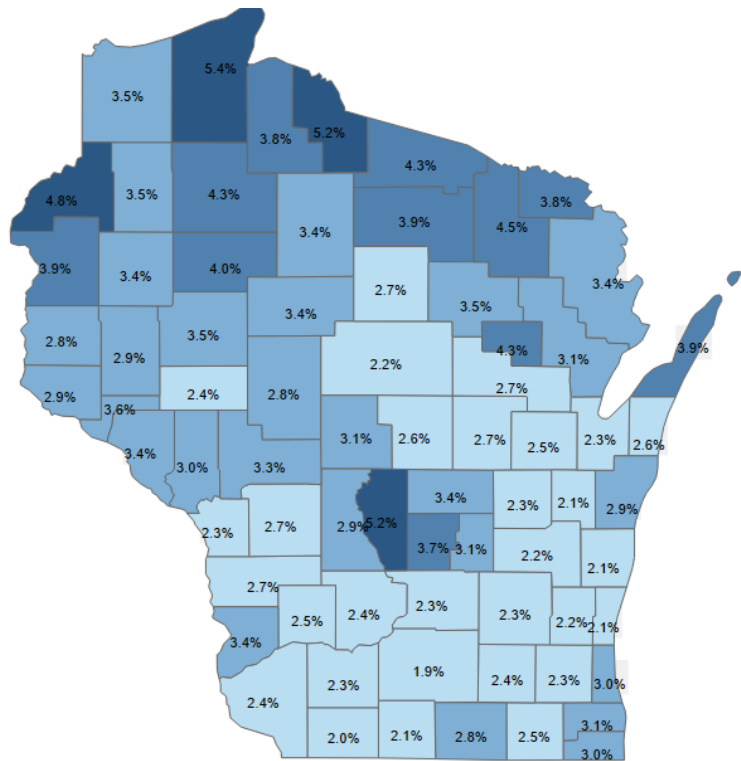
**Source:** Consumer Spending data are derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

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

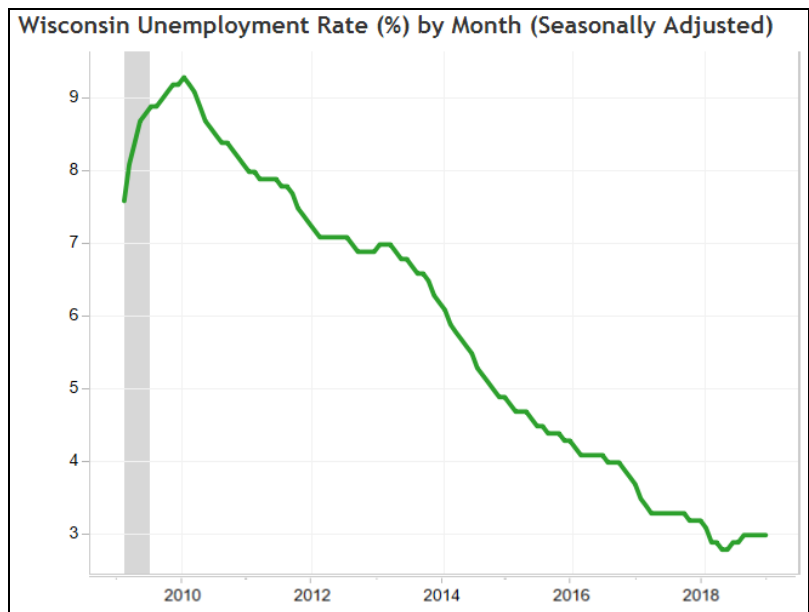
January 15, 2019

Employment Trends

The graphic below is a summary of statewide county unemployment rates (seasonally adjusted) as of December 2018 with Milwaukee County unemployment at 3.0% being in-line with the state average.

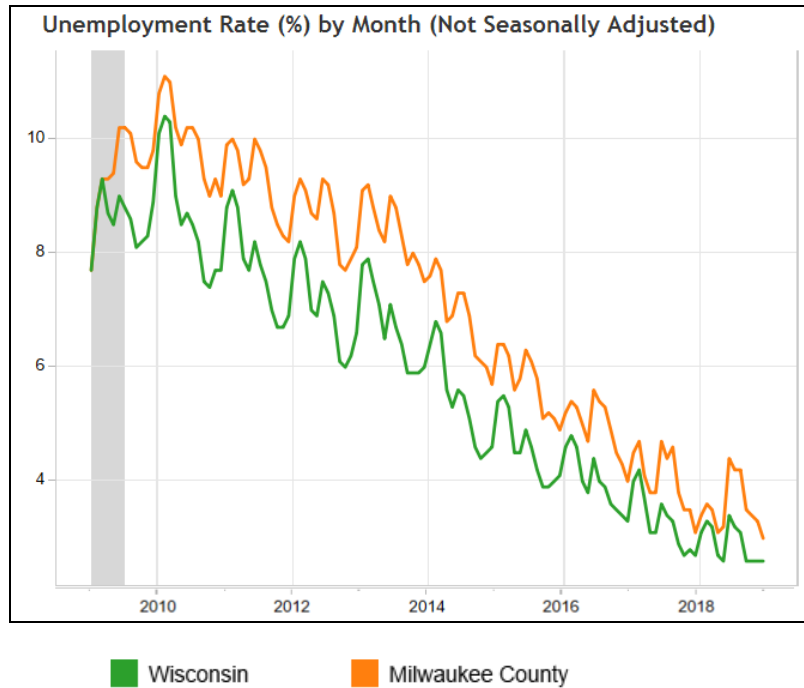


The graph below is a 10-year (Dec-08 to Dec-18) historic trend in statewide unemployment rate that peaked in 2010 and declining over the past 8 years.



Milwaukee County  
Unemployment

The graphic comparison below demonstrates that while Milwaukee County unemployment has been trending similar to the state, the unemployment rate is consistent higher (note; the above rate trends are not seasonally adjusted):



Economic Forecast

Based on research and opinions of industry leaders in Milwaukee and throughout Wisconsin, the local and statewide economies remain strong but there is less optimism than a year ago with tariffs, health care costs, and labor shortage listed as top concerns.

Job growth continues in the 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 declines in the Professional and Business Services sector, down 3.6% over last year. On the positive side, Manufacturing has recorded 14 consecutive months of job growth.

According to Marcus & Millichap *“new life is being pumped into downtown Milwaukee with the strongest single quarter of job growth in decades at the onset of 2018, sharing in the energy surrounding recent additions to the downtown over the past few years.”* The 2<sup>nd</sup> Quarter 2018 Outlook by Marcus & Millichap also states that *“Robust office demand and a growing economy has owners looking at ways to revitalize aging offices as well, especially with minimal new supply this year.”*



**Neighborhood Overview**

The subject is located in the Westtown Neighborhood District that is between the Milwaukee River and Interstate 43 and McKinley Avenue and St. Paul Avenue. The boundaries and general land uses in and around the neighborhood are identified in the aerial map below:



Neighborhood uses/attractions include: Historic Old World Third Street entertainment and businesses; The Brewery, a mixed-use redevelopment of the Historic Pabst Brewery in the northwest quadrant; Wisconsin Entertainment and Sports Center district anchored by Fiserv Forum and home to the Milwaukee Bucks; the Wisconsin Center convention area just east of the subject; The Avenue redevelopment into office, apartments, retail, and new 3<sup>rd</sup> Street Market Hall. The neighborhood is also home to major cultural institutions including the Milwaukee Public Museum (subject), along with numerous hotels, restaurants, shopping destinations, offices, apartments and concentration of county/city municipal buildings.

In the past 5-10 years, there has been significant redevelopment activity with the northern half of the neighborhood experiencing the most demand driven by the Wisconsin Entertainment & Sports Center development area outlined in blue on the previous aerial map which is anchored by Fiserv Forum. This area has stimulated ongoing redevelopment in The Brewery, a ±20-acre redevelopment of the 150-year-old Pabst Brewery that closed in 1996 and acquired in 2006 for revitalization through a public-private partnership between Joseph J. Zilber and the City of Milwaukee. Office use is concentrated in the south/southeast quadrant with county/city government uses in the west-central neighborhood and mixed-use office and restaurant uses along the Milwaukee River.

Uses surrounding the subject site include:

North	MacArthur Square & Public Parking Structure, then city courthouse and county safety building
East	State Office Building; then Wisconsin Center Convention Center
West	Park and County Courthouse, then I-43
South	Fire Station, multi-family apartments, Milwaukee Public Library, and Wisconsin Club.



The immediate subject neighborhood comprises the city's primary concentration of municipal buildings that along with the subject property surround MacArthur Square and an underground parking structure with  $\pm 1,450$  covered parking spaces. Monthly reserved and unreserved spaces are also available.

West of the immediate neighborhood and I-43 is the Marquette University campus with expanding enrollment and demand for new facilities and student housing; however, the MU master plan identifies areas on the west side of campus for expansion with the only buildings in the subject neighborhood comprising an existing student housing tower (Straz Tower) and an office building (801-803 W Michigan Street) that is planned for future expansion. The subject is situated east of Marquette University and south of the central campus of Milwaukee Area Technical College with the potential of future demand in the neighborhood from these primary use concentrations.

Neighborhood access is very good with immediate access to the interstate system via the Marquette Interchange that was completely reconstructed within the past 10-15 years. The neighborhood is located north of the Milwaukee Intermodal Station that provides access to public transportation systems including the Milwaukee County Transit System and The Hop Streetcar, Amtrak, and bus companies including Greyhound.

The neighborhood is in slow phased redevelopment stage with expectations for steady redevelopment activity that will continue to be concentrated in the northern half of the neighborhood over the next 5-10 years due to on-going activity within the Wisconsin Entertainment & Sports Center redevelopment area. The immediate subject neighborhood in the southern half of the neighborhood has generated less demand for redevelopment; however, there have been some additions to the multi-family apartment market and plans for The Avenue redevelopment that may spark increased activity. Therefore, as the supply of redevelopment sites in the northern half of the neighborhood declines, demand will eventually expand into the immediate neighborhood.

**Summary of Property Appraised**

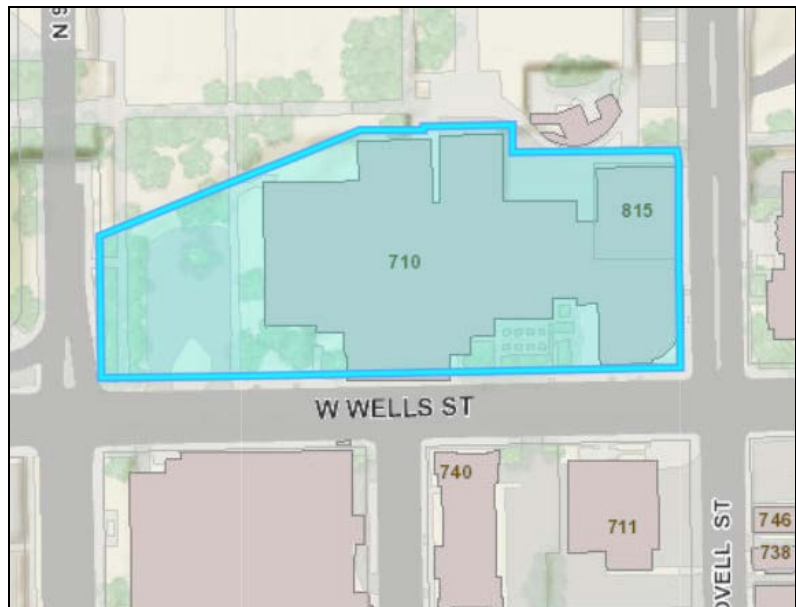
**Site** The site overview identifies and reviews the physical attributes of the appraised site to determine the effect on the most probable use. A GIS Plat Map is presented below; photographs of the subject site are provided in Exhibit A.

**Size** Below is a summary of site area following by appraiser-estimated allocation of the site to the three building components:

Land Area Summary			
Address	Tax Parcel #	Land Area	
		Sq.Ft.	Acres
710 880 W Wells St	3611701115	<sup>(1)</sup> 161,911	3.717
Land Allocation <sup>(2)</sup>	GBA %		
MPM Site	86.97%	140,821	3.233
DW Site	9.26%	14,991	0.344
Dome Theater Site	3.77%	6,099	0.140

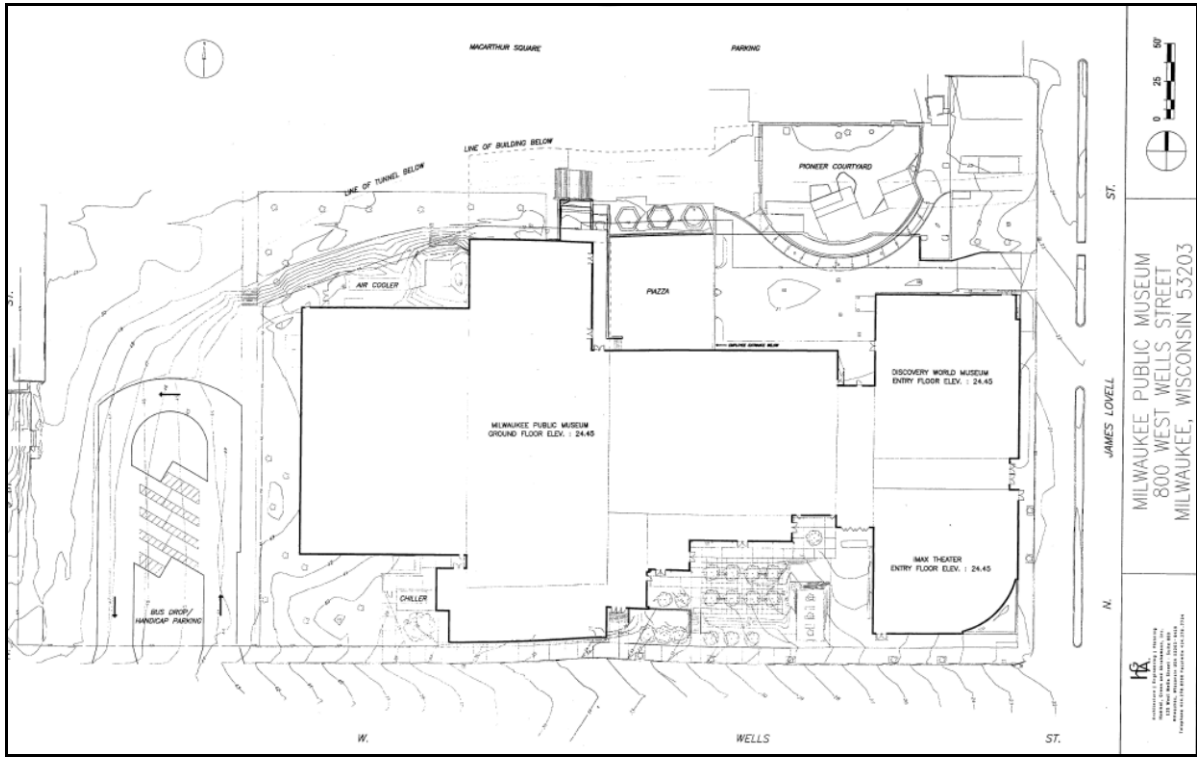
<sup>(1)</sup> Land Area Source: City of Milwaukee GIS (Map Milwaukee)

<sup>(2)</sup> Site allocation based on ratio of bldg GBA to total GBA

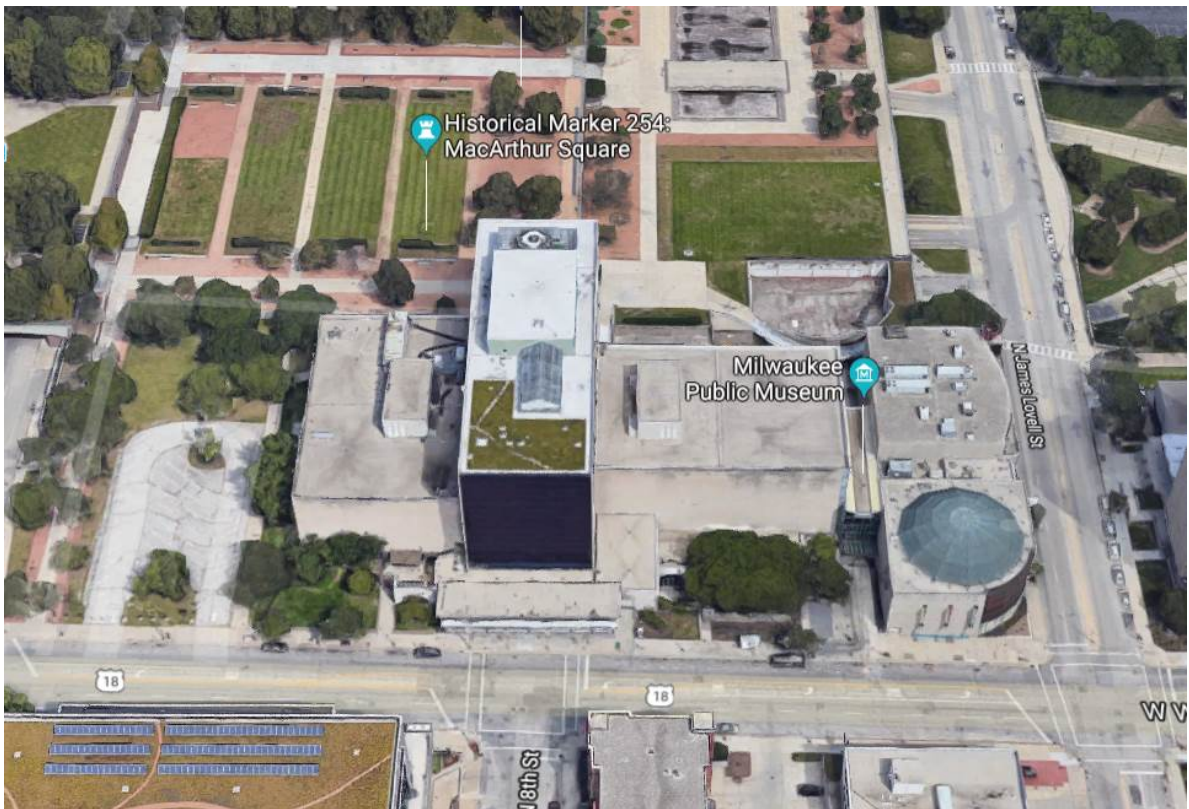


Although the parcel size was provided by what is considered a reliable source, should any further detailed measurements of the parcel indicate a significant difference in the parcel size, the value of the subject property as concluded herein may change and we reserve the right to amend our value opinion.

Site Plan



Aerial View Looking North



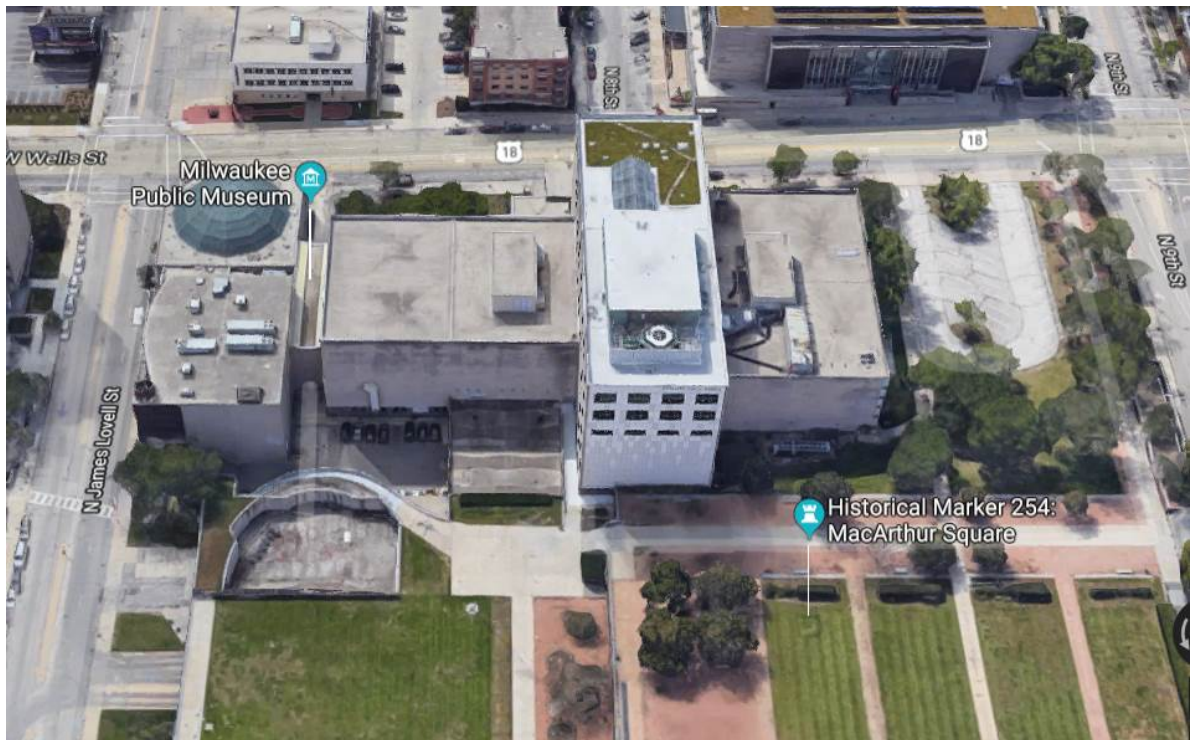
---

Frontage/Access	The site has an estimated $\pm 662$ feet of frontage along W Wells Street and $\pm 250$ feet of frontage along N. James Lovell Street. There is one vehicular access point along N. James Lovell Street that accesses a parking lot and truck deliver-loading areas, and two vehicular access points along W. Wells Street that access a surface parking lot west of the museum.
Visibility	The property is readily visible from all directions on fronting streets.
Shape/Topography	Slightly irregular-shaped site that is at grade with fronting streets and has a gentle downward slope from west to east
Soils	No subsurface investigations were conducted. The Nicholson Group is not responsible for and has not undertaken an investigation of unapparent 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 the local building department or municipality to investigate buildability and whether the property is suitable for intended use. The Nicholson Group makes no representations, guarantees or warranties.
Utility Services	Municipal utilities including sewer, water, gas, electricity, steam, and telephone are available to the site. The MPM basement has new switchgear installed by We Energies at a reported cost of \$2.5 million, and is fed by two off-site substations and provides electrical service to the subject and thirteen (13) other buildings in the area.
Easements	Several easements are understood to impact the property and include, but are not limited to: 1) easement/encroachment of portions of the ground floor into adjacent Tax Parcel No. 3611688111 (841 N James Lovell St. which is MacArthur Square and underground parking structure) with MPM's ground floor areas within the adjacent site including the parking garage entrance lobby, maintenance and security offices, and the student lunchroom; 2) Subterranean easement related to the Kilbourn Avenue tunnel along the north property line; 3) perpetual easement for access to the entry hall accessing DW and Dome Theater; and 4) assumed easements for We Energies access to switch gear in the basement of MPM. Please note that no documentation related to these easements was consulted in conjunction with this appraisal.

There are also likely several other easements including standard utility easements that have not been investigated. Overall, we are not aware of these or any other easements adversely affecting 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.

#### Site Improvements

Site improvements include: two asphalt-paved employee parking areas (west & north); concrete sidewalk, courtyard, and outdoor picnic area; retaining wall; fencing; flagpole; pole-mounted and walkway lighting; clock monument; landscaping; and underground utilities. The site improvements are periodically maintained and are in overall fair condition.



Aerial View Looking South



Aerial View Looking East



Aerial View Looking West



Building Improvements                      The building improvements are identified and examined to determine functional utility, quality, and condition. This overview is based on a review of a limited set of plans and physical inspection. For Property Photographs please refer to Exhibit A.

General Building Description:  
 # of Buildings/Use:                      Three (3) buildings connected by an entry and each with independent mechanical systems.

Year Built                                      1962 (MPM) / 1997 (DW) / 1997 (Dome)  
 Actual Age                                      ±57 years (MPM) / ±22 years (DW) / ±22 years (Dome)

Building Size (GBA)                      ±479,969 square feet, allocated by building as follows:

	Basement Sq.Ft.	Above Gr Sq.ft.	Total Sq.Ft.	Year Built
Milwaukee Public Museum	66,280	351,169	417,449	1962
Fmr Discovery World Bldg	0	44,440	44,440	1997
Dome Theater	0	18,080	18,080	1997
Totals	66,280	413,689	479,969	1967

Source: Milwaukee Public Museum, Inc.

For reference, the above areas are allocated by floor as follows:

Allocation by Floor

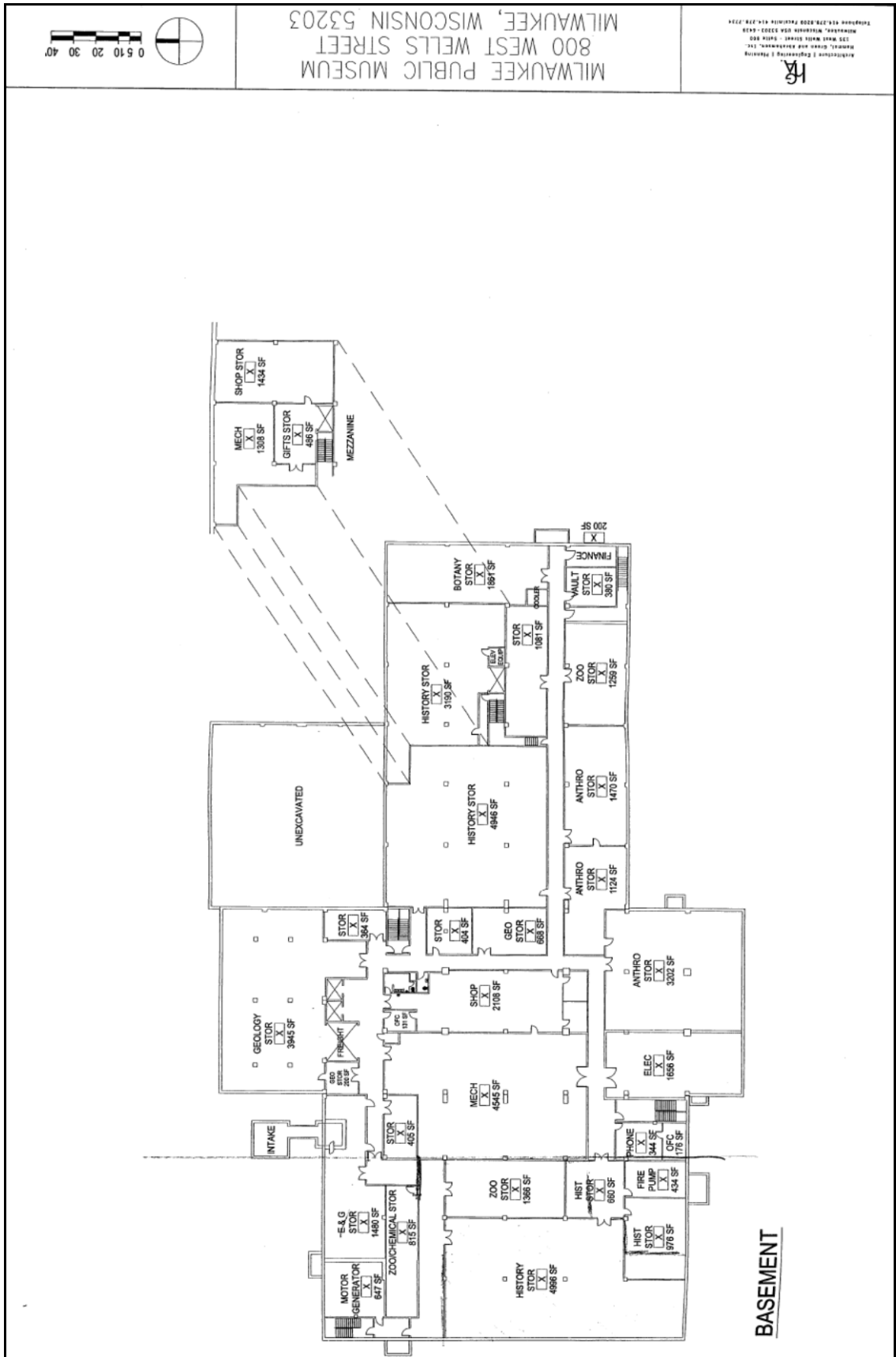
	MPM	DWM	Dome	Total
Basement	66,280	0	0	66,280
Ground	87,770	11,110	9,040	107,920
First	68,702	11,110	9,040	88,852
Second	55,563	11,110	0	66,673
Third	59,778	11,110	0	70,888
Fourth	23,000	0	0	23,000
Fifth	25,950	0	0	25,950
Sixth	24,395	0	0	24,395
Penthouse	6,011	0	0	6,011
Total	417,449	44,440	18,080	479,969

The gross building areas are based on figures provided by a representative of Milwaukee Public Museum, Inc. based on a document with figures that originated from a building survey conducted by Hammel, Green and Abrahamson, Inc. The information provided was relied upon as being true and accurate. If any further detailed measurement of the buildings indicate a significant change in the gross building area, the values as concluded herein may change accordingly and we reserve the right to amend our opinions of value.

<b>Summary of Building Construction Features – Milwaukee Public Museum</b>	
Construction Type	<p><u>Structural</u>                      Steel and concrete I-beam structure</p> <p><u>Exterior Walls</u>                Mix of concrete panels, stone, brick/block, insulated glass I in aluminum frames, and metal deck panel system along south-facing wall of the high-rise section; Aluminum frame windows on the ground floor and floors 4-6 only</p> <p><u>Floors</u>                              Poured concrete on structural floor</p> <p><u>Roof</u>                                Built-up membrane with roof drains. A portion of the roof over 7-story building section has a grass (green) roof that is ±7-8 years old, and over the common entry hall is a steel-frame glass roof</p>
Power	Ample (undisclosed amperage) three-phase with a backup generator
Lighting	Suspended and recessed fluorescent, incandescent, and LED light fixtures. Natural lighting is available in the ground floor garden galleries and the first floor butterfly exhibit. Museum exhibit areas (Floors 1-3) have no windows with only low-intensity recessed and tract lighting.
HVAC	Heating is via city steam with chilled water cooling via four (4) chillers (i.e. 300-ton, 350-ton, and 2 100-ton units) within the rooftop mechanical penthouse. The building has numerous air handling units (AHUs) to distribute heating and cooling throughout the building. The butterfly exhibit has independent HVAC and humidity controls.
Sprinkler	Wet-pipe system in some exhibit areas and totaling only ±25% of GBA
Vertical Transportation	Two (2) public (3,000lb capacity), four (4) 2,000lb freight; and one (1) large 10,000lb freight. Escalator(s) provide for vertical transportation between certain floors, along with several stairwells
Interior Finish	Ground level finishes include: mix of porcelain, carpet, quarry and vinyl tile flooring; painted concrete block, gypsum, wood over stud walls; and mix of finished and suspended acoustic tile ceilings with open to glass ceiling in the entry way. Exhibit Floors (Floors 1-3) finishes include granite/stone, sheet vinyl, wood, carpet, and brick flooring; wall coverings with a mix of glass panel, painted gypsum, block, sound-proof, and stone. Ceilings are a mix of dropped acoustic tile and dark painted open ceilings. Floors 4-6 for office/storage/lab and storage use have primarily vinyl-tile flooring, wood panel and painted concrete block and gypsum walls, and mix of finished, open, and suspended tile ceilings with primarily strip fluorescent lighting. The mechanical penthouse is painted block walls, open ceilings, and unfinished and sealed concrete floors, and the basement is primarily sealed concrete floors and open ceilings.
Special Features	Rooftop greenhouse comprised of glass in aluminum framing; and a commercial grade kitchen, café, and lunchroom on the ground floor

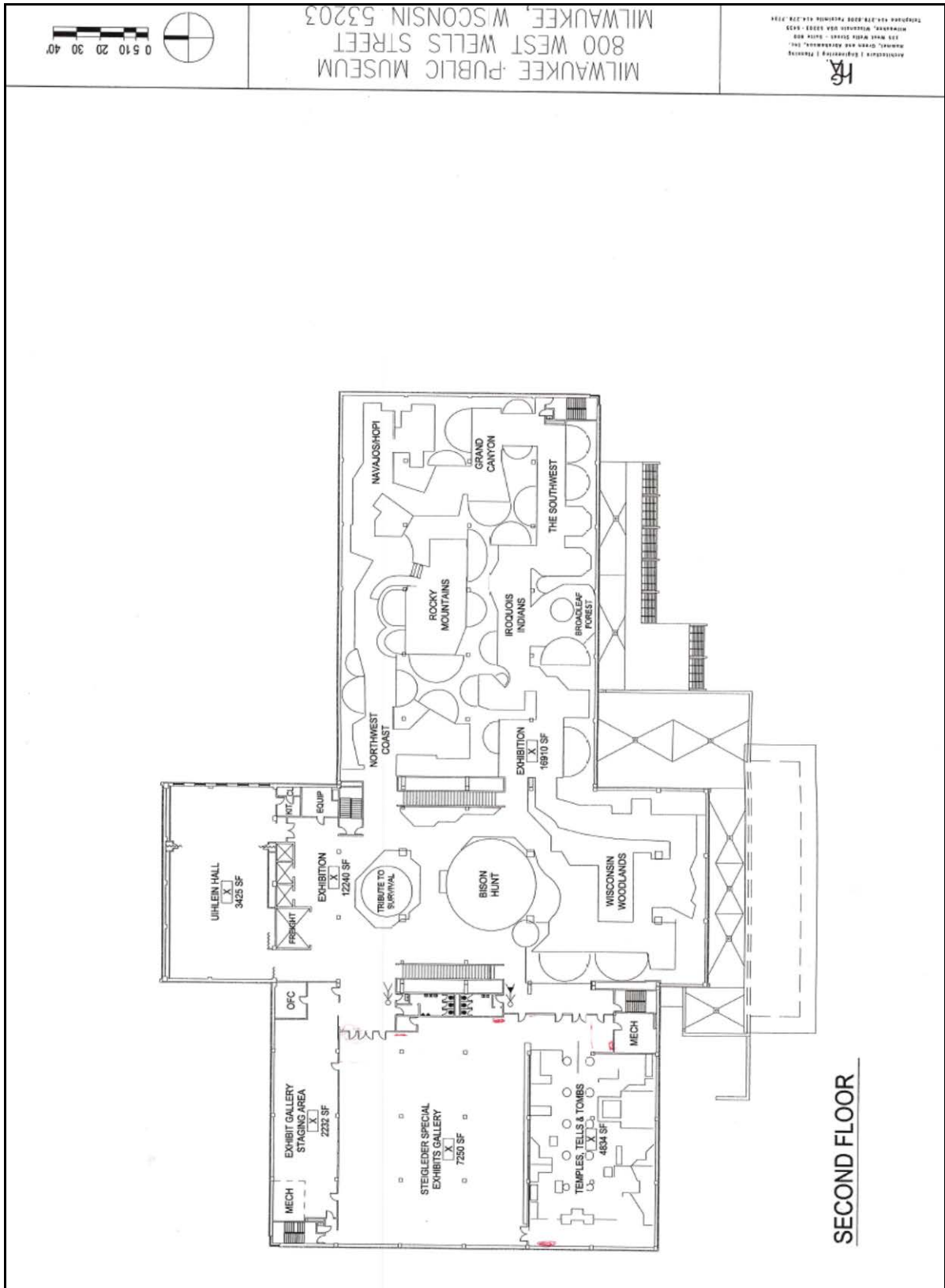
<b>Summary of Building Construction Features – Former Discovery World Building</b>	
Construction Type	<p><u>Structural</u>                      Structural steel and load-bearing concrete block exterior walls</p> <p><u>Exterior Walls</u>                Concrete panel with areas having a copper panel facade; aluminum frame windows on small portions of the 1<sup>st</sup> floor and 4th floors</p> <p><u>Floors</u>                              Poured concrete over ribbed metal floor decks on steel bar joists and beams</p> <p><u>Roof</u>                                 Built-up rubberized membrane with roof drains.</p>
Floor Height	±15' floor heights on the 1 <sup>st</sup> , 2 <sup>nd</sup> , and 4 <sup>th</sup> floors, with an estimated ±19' floor height on the 3 <sup>rd</sup> floor with the stadium seating.
Power	1,000 amp three-phase
HVAC	Gas-fired rooftop HVAC units
Sprinkler	100% wet-pipe sprinkler system
Vertical Transportation	One (1) 8,000lb capacity freight elevator and several stairwells
Interior Layout/Finish	With the exception certain buildouts, the building was effectively gutted to the bare floors and open ceilings to the floor/roof trusses with exposed HVAC ducts and electrical fixtures. The third floor has a stadium-seat theater area. The fourth floor is also open and unfinished.
Other Building Features	There are minor architectural design elements to the interior and exterior of the building including the circular entrance lobby with copper panels. The exterior of the building at the southeast corner and northeast rooftop also have some architectural elements; however, none of these elements have significant positive or negative impact on the property value to the next user. The building also has one dock high loading door at the northwest corner of the ground floor

<b>Summary of Building Construction Features – Dome Theater &amp; Planetarium</b>	
Construction Type	<p><u>Structural</u>                      Structural steel and load-bearing concrete block</p> <p><u>Exterior Walls</u>                Primarily concrete panels with curved copper panel facade at the building's southeast corner</p> <p><u>Floors</u>                              Poured concrete over ribbed metal floor decks on steel bar joists and beams</p> <p><u>Roof</u>                                 Domed roof area is steel/mesh and planned for replacement in early 2019; and flat surfaces are built-up membrane</p>
Height	Theater area has an interior ceiling height of ±48 feet, and ground floor lobby area is estimated at ±15-18' in height with support offices on the first and second floors with clear heights of ±8-10 feet
Power	1,200 amp three-phase electrical
HVAC	Gas-fired rooftop HVAC
Sprinkler	Sprinkler system in support/office areas only
Vertical Transportation	One passenger elevator and two stairwells
Interior Layout/Finish	The first floor lobby and concession areas has carpet flooring with painted gypsum and glass walls, and mix of finished ceiling, with perimeter offices and support areas comprised of painted concrete block with sheet vinyl flooring except time in the bathroom and suspended acoustic tile ceilings. The theater is domed with stadium seating with 260 standard seats plus six handicapped-accessible spaces for a total seating capacity of 266 seats. Flooring is carpet along the stairwells and tile throughout the seating area. The non-screened walls are gypsum or concrete block with sound-proof wall coverings. Lighting is indirect along perimeter of screen and along stairs to seating.
Other Building Features	There is a glass-enclosed area of the lobby that is unused and previously housed large IMAX projection equipment that was recently replaced with a new digital system that requires a small area for operation. (Note: The digital projection and surround sound equipment is personal property and not included in this valuation.)









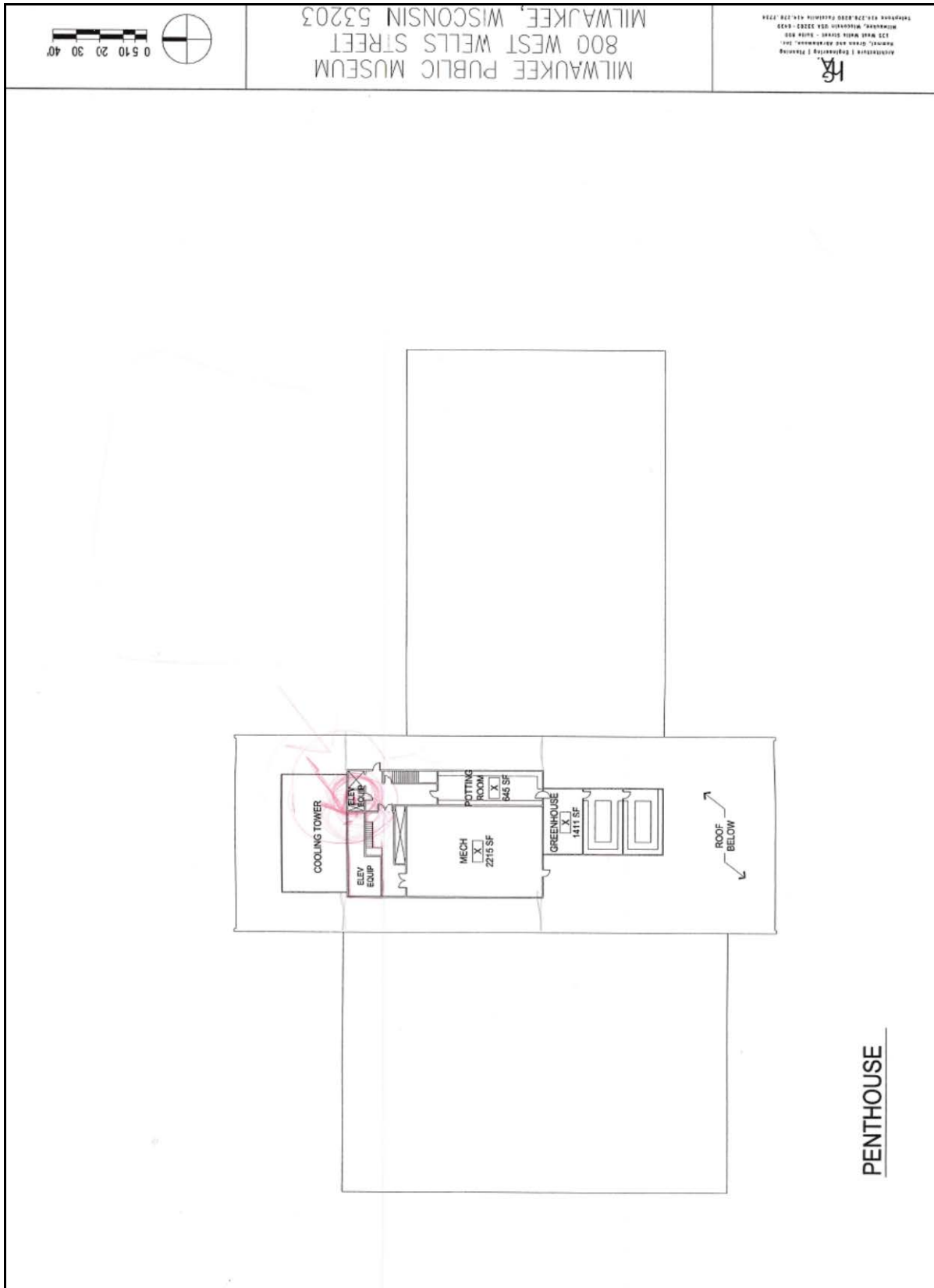












Condition and  
Deferred Maintenance

This summary of condition and deferred maintenance is based on a physical inspection, conversations with Michael Dobson (Director of Facilities and Operations for Milwaukee Public Museum), along with information contained in a Milwaukee Public Museum Facility Condition Assessment Executive Summary – August 2018 prepared by the Department of Administrative Services Milwaukee County and dated August 17, 2018. This summary is by building:

MPM Building - The MPM and systems are  $\pm 57$  years old and suffer from items of deferred maintenance that require replacements, upgrades and modernizations over the next  $\pm 20$  years. Items of deferred maintenance, including but not limited to roof, façade, windows and mechanical systems, are putting museum artifacts (96% of which are in on-site storage) at risk and are understood to threaten renewal of accreditation by the American Alliance of Museums (AAM), a process that begins in Fall 2019 with a final determination and report by 2020.

The most immediate (5-year) Capital Improvement Plan (2019-2023) that is reportedly limited by Milwaukee County to a maximum of 4-6 items per year include the following:

- MPM Roof - \$0.81 $\pm$  million
- Elevator replacement/modernizations - \$3.84 $\pm$  million
- Exterior Window - \$1.16 $\pm$  million
- Building façade & dock - \$1.90 $\pm$  million
- VAV & AHU Systems - \$4.06 million
- Fire Suppression Systems & Separations - \$3.50 million
- Fresh Air Tunnel Modernization - \$0.80 million
- Tech/Fire/Security Replacements - \$1.38 million
- Steam Line Replacement - \$0.40 million

The above list totals \$17.85 million of reported immediate near-term needs but is limited to 4-6 items per year. These deferred maintenance items are only a portion of the Funding Needs Report prepared by Milwaukee County Department of Administrative Services which total \$86.45 million (note: excluding \$0.87 million for the Dome Theater roof replacement) of which \$83.3 million is understood and reported to be necessary for 'renewal' of accreditation and just \$3.15 million identified as non-renewal related.

Below is a summary of the Funding Needs Report grouped into five-year increments as summarized in the table at the bottom.

Funding Needs Report Summary Milwaukee Public Museum			
<u>Year</u>	<u>Renewal</u>	<u>Non-Renewal</u>	<u>Total</u>
2018 <sup>(1)</sup>	4,383,514	418,171	4,801,685
2019	64,241	0	64,241
2020	14,680,319	1,714,988	16,395,307
2021	75,880	0	75,880
2022	785,408	0	785,408
2023	0	0	0
2024	0	0	0
2025	28,113,520	1,013,066	29,126,586
2026	978,721	0	978,721
2027	509,513	0	509,513
2028	132,699	0	132,699
2029	74,555	0	74,555
2030	27,453,213	0	27,453,213
2031	88,062	0	88,062
2032	891,593	0	891,593
2033	135,492	0	135,492
2034	0	0	0
2035	4,137,640	0	4,137,640
2036	120,594	0	120,594
2037	674,240	0	674,240
<b>Total</b>	<b>83,299,204</b>	<b>3,146,225</b>	<b>86,445,429</b>

<sup>(1)</sup> Excludes \$873,554 for Dome roof replacement not part of MPM

Summary			
5-year	19,989,362	2,133,159	22,122,521
10-year	49,591,116	3,146,225	52,737,341
15-year	78,231,238	3,146,225	81,377,463
20-year	83,299,204	3,146,225	86,445,429

Discovery World Building – Overall, the structural and mechanical elements of this vacant facility are in fair condition with no identified or reported deferred maintenance; however, they have been minimally maintained for the current storage use. As a shell building, the interior buildout has been virtually gutted and the building would require a complete buildout for its intended/highest and best use.

Dome Theater – This building is in generally good condition with the cost to replace the dome roof at \$873,554 and planned for replacement in early-to-mid 2019; this cost was removed from the MPM funding needs as summarized in the table above.

---

Occupancy Status	MPM and Dome Theater are occupied by Milwaukee Public Museum, Inc., a not-for-profit entity that is reportedly under a lease to Milwaukee County through December 31, 2022. As indicated herein, no consideration is given to this lease in the valuation of the Fee Simple Estate. The DW building is a vacant shell building for MPM storage and comprises leasehold improvements owned by Milwaukee Public Museum, Inc. on land leased from Milwaukee County.
Current Owner	MPM, Dome Theater, and land underlying the DW building are owned by Milwaukee County. The Milwaukee Public Museum, Inc. owns the DW leasehold improvements.
Identifying Land Description	The identifying land description extracted from public records for the appraised tax parcel is as follows:

PLAT OF EAST HALF OF THE NW 1/4 SEC 29-7-22 BLOCK 170 PART OF BLKS 169 & 170 & VAC STS & ALLEYS ADJ DESC COM NE COR LOT 8 BLK 170-TH W 190'-TH N 31.5'-TH W 102'-TH S 4.5'-TH W 70'-TH SWLY TO A PT ON E LI N 9TH ST 87.75' S OF NE COR LOT 7 BLK 169-TH S 163.25' TO N LI W WELLS ST-TH E 662' TO W LI N JAMES LOVELL ST-TH N 251' TO PT OF COM & SUBTERRANEAN PERMANENT EASMT & EASMT IN DOC #8170175 BID #05, #21

The site is further identified as:

City of Milwaukee Tax Key No. 3611701115

The identifying land description is assumed to be correct; however, any identifying land description 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 along with the tax parcel number, site plan and property address to identify the subject property for appraisal purposes. We do not guarantee or warrant the completeness, correctness or accuracy of the legal description of the subject property as provided and it should not be used for ownership transfer involving the subject 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 – There are no agreements of sale or options to purchase the subject property.

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

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

#### Zoning

C9D(A), Downtown Civic Activity (Sub-district A) by the City of Milwaukee. According to the zoning ordinance, “The civic activity district is designed and intended to serve as a regional center for office, governmental, educational, cultural and recreational activities. Retail uses should be limited and should be designed to serve employees in the district, patron of cultural, recreational, or educational activities, or district residents.”

Allowable uses include a variety of group residential, educational, community-service, commercial/office, health care, general service, accommodation and food service, and entertainment and recreational uses, among others. Multi-family residential is a limited use.

The C9D(A) zoning district indicates the following design standards: 10' front setback requirement; 3' minimum side setback requirement; no rear setback requirement; 100' minimum lot width requirement; 20,000 square foot minimum lot area requirement; and 30' minimum building height with no maximum. Downtown zoning districts do not have off-street parking requirements; parking requirements vary by use.

The improvements are understood to represent a legally conforming use. It is assumed all necessary permits and approvals have been secured and the building was constructed and/or renovated to comply with local zoning ordinances, building codes, and all other applicable regulations or have been legally “grandfathered”.

The preceding descriptions of the applicable subject zoning are summaries only and are 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. Furthermore, we do not guarantee or warrant any zoning or building code compliance. If a user of this report has an issue relating to the zoning or building codes as they pertain to the subject property, it is strongly recommended that any such user obtain professional zoning and/or building code consultation from a qualified person.

Assessments and Taxes

The subject is tax exempt with only special assessments for concrete pavement in the amount of \$475.12 for 2018 payable in 2019. However, the assessed land value is provided in tax records for reference purposes.

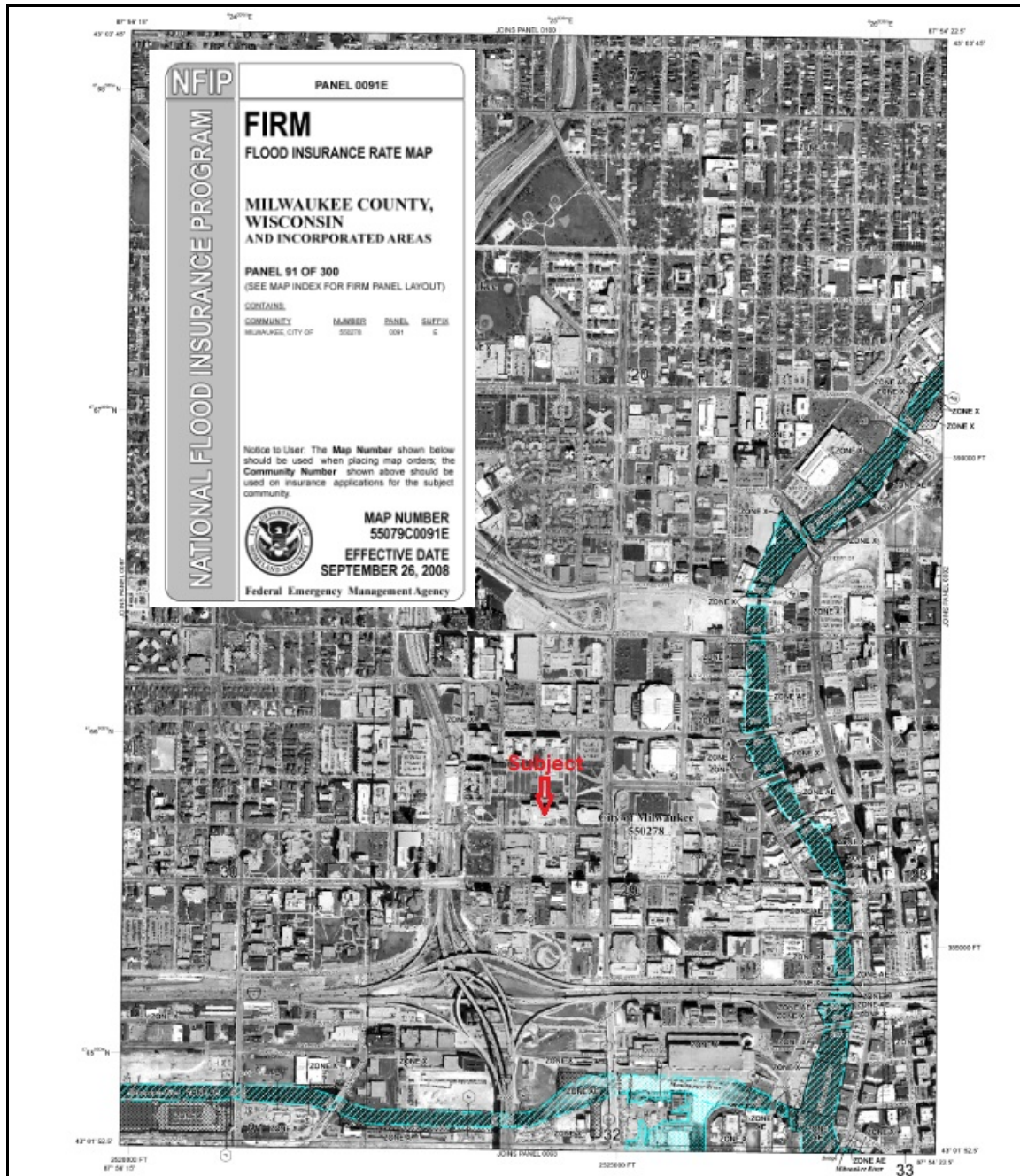
Real Estate Assessment & Tax Summary						
2018 Assessment & Taxes Payable						
Address	Tax Parcel #	Assessed Value			Equalized Value	Taxes
		Land	Improvements	Total		
		\$	\$	\$	\$	\$
710 880 W Wells St	3611701115	6,447,000	0	6,447,000	6,440,600	0.00
Assessment Ratio	1.00100					Special Assessments <sup>(2)</sup> 475.12
Effective Tax Rate <sup>(1)</sup>	0.00000					Net Property Taxes \$475.12
Mill Rate (/ \$1,000)	0.00					
Payment Status						
				<u>Due Date</u>	<u>Date Paid</u>	<u>Amt Paid</u>
				1 <sup>st</sup> Installment 01/31/19	-	\$0.00
				Balance Due		\$475.12

<sup>(1)</sup> Effective Tax Rate and Mill Rate inclusive of all credits

<sup>(2)</sup> Special Assessment is for concrete pavement

Floodplain

According to the FEMA Floodplain Map Panel: 55079C0091E dated September 26, 2008 the site is in Zone X, an area of minimal flooding.



## Hazardous Materials

An online check of the Wisconsin DNR Bureau for Remediation and Redevelopment Tracking System (BRRTS on the Web) identified three activities as follows along with status:

09-41-291908 - Underground Storage Tank – Closure ESA report received 3/9/93 with no further action required

04-41-190797 – Spill Reported – Spill reported as of 6/2/94 with closure as of 6/3/94

04-41-533730 – Spill Reported – Spill reported as of 8/3/02 with closure as of 7/10/07

Therefore, there are no known environmental issues. Upon inspection, no indication "to the untrained eye" of any environmental hazards or detrimental environmental concerns were apparent. No Environmental Site Assessment reports were provided in the course of this investigation. 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.

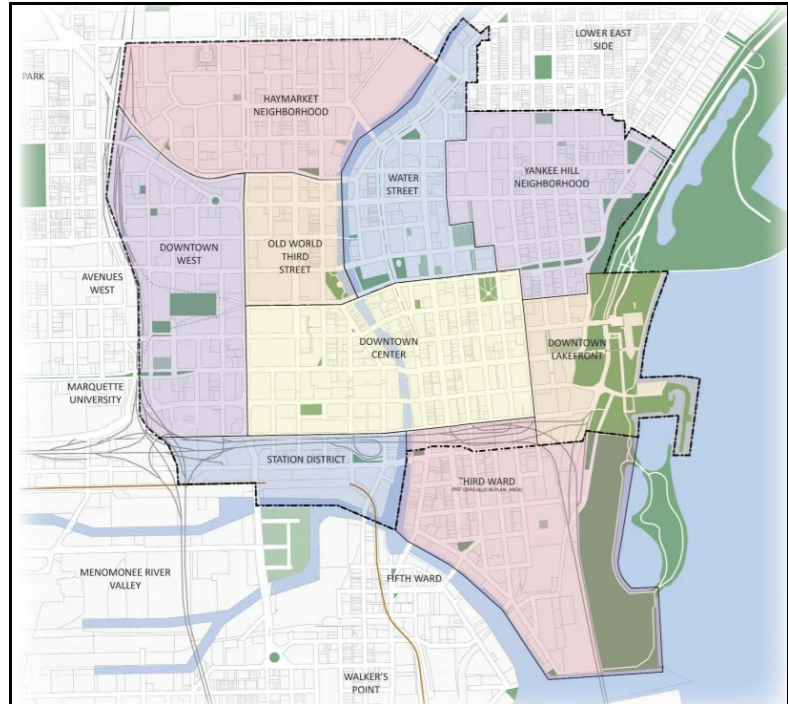
Substances such as asbestos, mold, lead paint, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the existence of hazardous substances, which 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

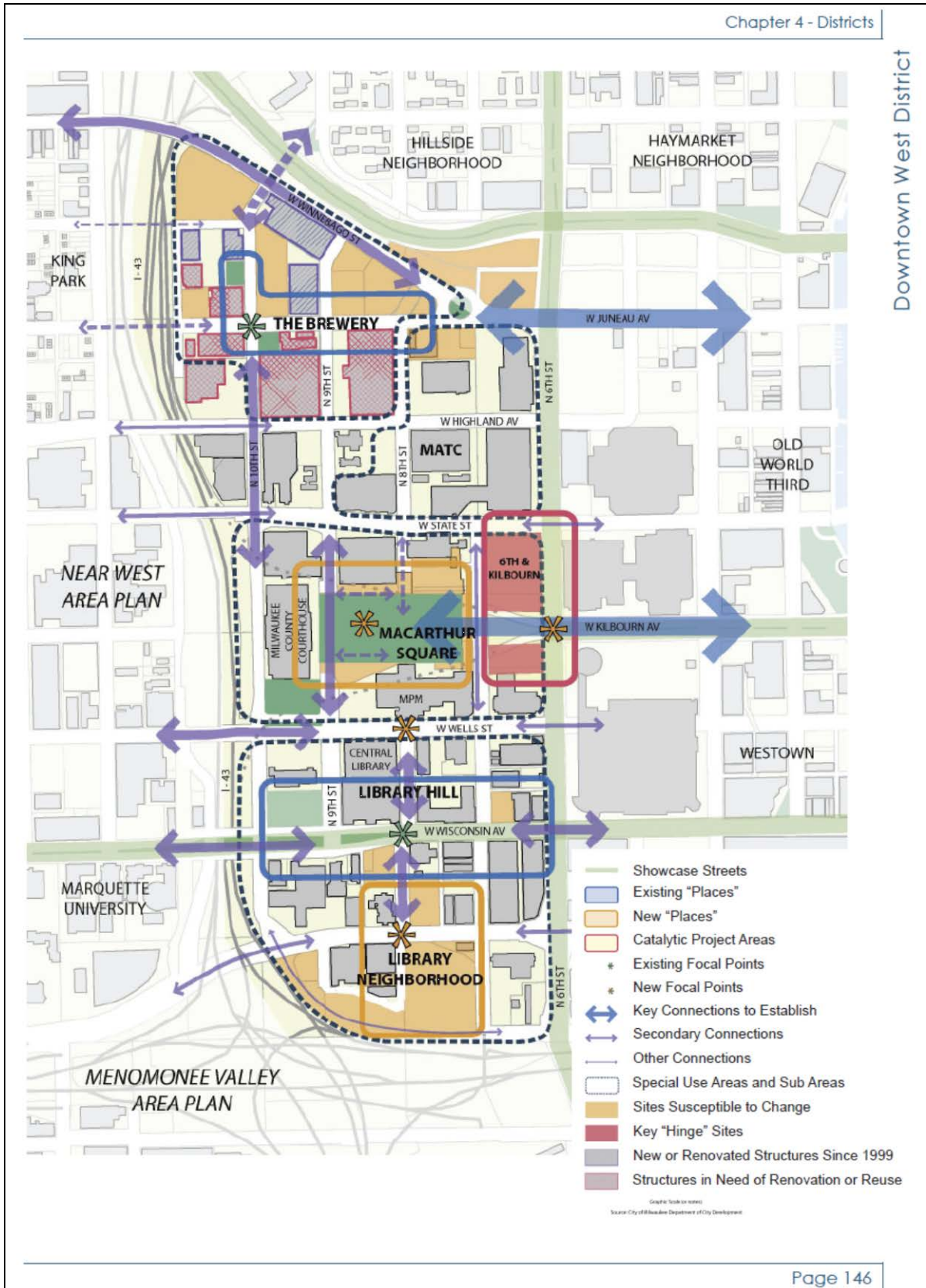
Land as Vacant

**Legally Permissible** - Legal restrictions includes public restrictions of zoning and private restrictions of easements. The site is zoned C9D(A), Central Business – Civic Activity district by the City of Milwaukee and is located in the Downtown West District of the Downtown Comprehensive Plan as identified below.



Uses permitted (and limited) in the C9D(A) zoning district include: residential (not on street level); educational; community-service uses; offices (general, government, bank, and medical); hotel; restaurant; and entertainment & recreation uses, among others.

The comprehensive plan identifies the Downtown West area as comprising a collection of three distinct districts with the subject located in the *MacArthur Square* and its surrounding government campus. This distinct area is south of *The Brewery and MATC* area at the north end, and north of the *Library Hill and Neighborhood* area at the south end of Downtown West. Please refer to the map on the following page for these three districts. As mentioned in the Comprehensive Plan, MacArthur Square is identified as a poorly designed, maintained, and under-utilized park that sits atop an underground parking garage serving the County complex and is generally cut off from downtown.



According to the Downtown comprehensive plan, recommendations in the Downtown West district include, among other items, a desire to provide more market rate and affordable housing options.

There are easements north of the appraised site related to its connection with MacArthur Square and subterranean easement for the Kilbourn Avenue tunnel; however, there appear to be no easements that negatively impact value. Based on the legal attributes of the parcels, office, multi-family (w/commercial at street level); hotel, educational; community-service uses; restaurant; and entertainment & recreation uses are legally permissible.

**Physically Possible** - Physical aspects of the property impose constraints on possible uses of the property. Size, shape, topography, soils and access are key determinants of physically possible uses. The parcel has ample physical attributes and accessibility to support a variety of development. Based on a review of the physical aspects of the parcels, the legally permissible uses are all physically possible.

**Financially Feasible** – The subject property's location adjacent to MacArthur Square and concentration of civic/governmental land use would indicate feasibility of government office, law office, and other civic related uses that benefit from a location to nearby government campus. Consideration to the feasibility of other permissible uses warrants a summary overview of market conditions and trends with respect to these uses. The next page has a summary of Downtown West market conditions relative to the Downtown East and Third Ward/Walker's Point submarkets for Office, Multi-Family, and Hotel. From this market data, the following observations are made:

- Office Market - The Downtown West submarket has above-market vacancy of 10.5% with negative net absorption through year-end 2018, which is weaker than the nearby Downtown East and Third Ward markets. These trends and the absence of proposed/new construction of office in Downtown West indicate a current lack of market demand for new office space in this district.

- Multi-Family Market - The Downtown West submarket has above-market vacancy relative to the other markets; however, absorption, unit deliveries, and new construction trends indicate there has been growth in Downtown West market relative to the other submarkets. Furthermore, there are currently six (6) projects totaling 787 units that are either proposed or under construction and indicate market demand and feasibility of apartments.

**Summary of Market Conditions for Office, Multi-Family, and Hotel**  
Downtown Milwaukee Submarkets

**Office Submarket Overview**

Year-End 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
<b>Existing</b>									
Downtown East	126	12,931,886	1,039,585	1,053,722	8.1%	213,451	0	463,537	\$22.97
Downtown West	56	6,671,435	677,340	698,747	10.5%	(119,240)	0	0	\$17.15
Third Ward/Walkers P.	81	3,292,748	295,298	314,260	9.5%	(116,040)	0	0	\$17.79
<b>Overall (9 Counties)</b>	<b>3,941</b>	<b>85,144,051</b>	<b>5,842,699</b>	<b>6,149,783</b>	<b>7.2%</b>	<b>458,658</b>	<b>290,070</b>	<b>634,537</b>	<b>\$17.05</b>

**Proposed/Under Construction**

790 N Water St	Dtwn East	280,817	New 25-story BMO Tower planned for delivery by year-end 2019						
511 N Broadway St	Dtwn East	153,000	Proposed 9-story office building to begin April 2019						
1301-57 N Edison St	Dtwn East	100,144	Proposed office building						
1421 N Water St	Dtwn East	65,000	Proposed office building						
1400 N Water St	Dtwn East	82,720	New 5-story office building planned for delivery by Feb 2019						
360 W Freshwater Wy	Third Ward	80,000	Proposed office building						
S Water Street	Third Ward	242,000	Proposed office building						
143 N Milwaukee St	Third Ward	196,000	Proposed One Catalano Square, a 5-story office building						
<b>Totals</b>		<b>1,199,681</b>	<b>Total of eight proposed office buildings</b>						

Source: CoStar Property®

**Multi-Family Submarket Overview**

Year-End 2018

Market	Existing Inventory		Vacancy		YTD Net Absorption	YTD Deliveries	Under Const	1-Bed Asking Rent
	# Blds	Total Units	Vacant	Vac %				
<b>Existing</b>								
Downtown East	127	6,885	493	7.6%	237	310	408	\$1,073
Downtown West	32	3,913	423	12.7%	281	436	614	\$1,139
Third Ward/Walkers P.	51	2,557	152	6.9%	124	139	359	\$1,390
<b>Overall (9 Counties)</b>	<b>4,303</b>	<b>161,456</b>	<b>7,370</b>	<b>4.8%</b>	<b>3,852</b>	<b>3,195</b>	<b>6,618</b>	<b>\$822</b>

**Proposed/Under Construction**

Downtown East	7	952	Street Car Flats, Edison Place, Avenir Apts, Coture, Vantage on the Park, and Ascent MKE					
Downtown West	6	787	Five Fifty Ultra Lofts; St Anthony Apts; Vim and Vigor; Brewery Lofts; Plankinton Clover; eMbarKE					
Third Ward/Walkers P.	11	680	Federal Commons; The Quartet; The Barclay; Olson Place; Seven04 Place; The Yards; The Grainery					
<b>Totals</b>		<b>2,419</b>	<b>Total of twenty-four proposed apartment buildings in the three submarkets</b>					

Source: CoStar Property®

**Hotel Submarket Overview**

Market	Existing Inventory		
	# Blds	Total Units	Sq.Ft.

**Existing**

Downtown East	10	1,670	1,759,149
Downtown West	11	2,550	1,761,149
Third Ward/Walkers P.	2	258	283,160

**Proposed/Under Construction**

501 N Jefferson St	Dtwn East	330	Proposed 4-star hotel in Downtown East submarket to begin construction in 2020	
N Dr. MLK Jr. Blvd	Dtwn West	140	Proposed 105,000-sq.ft. 4-star hotel in Downtown West to begin construction 2019	
503-521 Plankinton Ave	Dtwn West	132	New 4-story Cambria Hotel adjacent to Shops at Grand Avenue in Downtown West to open Summer 2019	
333 N Water St	Third Ward	135	Proposed new 3-star hotel in a mixed-use hotel, apartment, and retail building in Third Ward	

Source: CoStar Property®



---

- Hotel Market - The Downtown West submarket has the strongest concentration of rooms in the downtown area which is due, in part, to demand generated from the Wisconsin Center. The Downtown West submarket has eleven hotels with a total of 2,550 rooms plus two (2) proposed/planned hotels that would add a total 272 units. Recent market reports indicate that with average occupancies in the mid-60's and recent/planned additions, downtown Milwaukee is approaching over-saturation of hotel rooms without any new demand generators like an expansion of the convention center.

- Entertainment/Recreation Market – Current development activity and demand relative to the entertainment/recreation sector in downtown is concentrated around the Wisconsin Entertainment & Sports Center Development area anchored by Fiserv Forum. Thus, entertainment and recreation use demand in Milwaukee will be concentrated around the sports center district into the foreseeable future with limited demand in the vicinity of the subject.

- Educational – Two educational institutions in proximity to the subject include Marquette University (MU) and Milwaukee Area Technical College (MATC). The MU campus is located west of I-43 with the exception of a student residence (David A. Straz, Jr. Tower Hall) located one block southwest of the subject and an office building (801-803 W. Michigan St) and surrounding land that was identified in the MU campus master plan as planned for an Athletic Performance Research Center; however, this center is now being built at a more campus-central location near the Al McGuire Center and demonstrating the university's hesitancy at this time to expand campus operations east into the subject neighborhood. The MATC downtown campus is located north of MacArthur Square with a recent off-campus student housing completed at N 9<sup>th</sup> St. and W Highland Avenue (i.e. Eleven25 at Pabst.) Based on investigation, there is no current but may potentially be some long-term market demand for off-campus housing to support the nearby MU and MATC campuses.

Finally, other legally permissible uses including community-service; restaurant; and entertainment and recreation uses are considered secondary to the above primary uses of the site and would only be part of potential ground-level uses under a mixed-use development.

Given the subject's location and consideration to market conditions in the primary product types permitted (or limited) in the C9D(A) district, development of government office, civic uses, and secondarily to hold for a phased mixed-use development with apartments, office, and ground level commercial is concluded to be a feasible use. Given the lack of development activity in and around MacArthur Square and the subject's immediately vicinity, mixed-use development other than for an owner-user government or civic use would be phased with completion over several years as dictated by market demand.

**Maximally Productive and Highest & Best Use** - The most productive use is to maximize its development potential given locational and legal attributes. The concluded maximally productive use and highest and best use, as if vacant and available for development, is for development of a government or civic office building, and secondarily hold for a phased mixed-use development in accordance with the city land use plan and zoning requirements.

Property As Improved

**Legally Permissible** - The existing improvements are understood to represent an approved and legally conforming use in the C9D zoning district and are compatible with surrounding land uses around MacArthur Square and south in the Library district. The improvements appear to meet setback, height and coverage requirements or are assumed to have been legally grandfathered; however, based on the DW building being vacant for the past ±13 years and only utilized for storage, it is assumed that certain areas of this building do not meet all building codes that would need to be addressed prior to occupancy. There are no known easements that have a negative impact on value. It is further assumed (extraordinary assumption) that the City of Milwaukee will permit subdivision of the appraised parcel (by condominium plat or otherwise) into the three building components along with necessary perpetual easements and common elements. The property as improved appears to represent a legally permissible use apart from potential building code violations associated with the shell DW building being minimally-maintained and used as temporary storage. The C9D zoning district further permits a variety of alternative uses including exclusive- or mixed-use with office, multi-family (w/commercial at street level); hotel, educational; community-service uses; restaurant; and entertainment and recreation uses.

**Physically Possible** - Physical considerations of the property as improved include the size, design, and condition of the improvements. This analysis of physical attributes is separated into the three building components that make up the appraised property, and subdivision of which is assumed to be permissible.

Milwaukee Public Museum – This ±417,449-square-foot (including basement) building was completed in 1962 and is functional for its intended museum use including support areas on the ground floor, exhibit/banquet space on the 1<sup>st</sup> thru 3<sup>rd</sup> floors, and supportive office, lab, mechanical and artifact storage on the 4<sup>th</sup> thru 6<sup>th</sup> floors and basement. The building is ±57 years old with an estimated effective age of ±45-50 years (note: prior to and excluding capital expenditures for deferred maintenance) and is structurally sound; however, the building has significant items of deferred maintenance and near-term capital needs for deficiencies related to the roof, building façade, exterior windows, elevators, and building systems, among others. It is our understanding that continued use and operation as a museum requiring re-accreditation in 2020, will require capital needs for deferred maintenance and replacements over the next 20-years totals \$86.45 million as previously summarized on Page 47.

The building can support renovation relative of its current museum use as well as for conversion to an alternative use that would likely consists of a complete demolition/gutting of the building interior. However, Floors 1 thru 3 with large floorplates and no windows represents functional obsolescence relative to alternative uses. The layout and use of the ground floor may be functional common areas (i.e. kitchen, cafeteria, stores) for certain alternative uses. Therefore, both renovation of the building for continued use as a museum or conversion to an alternative uses is physically possible with continued museum use requiring significant capital to cure deferred maintenance and address future needs, and an alternative use requiring interior demolition and capital expenditure to address identified items of functional obsolescence.

Discovery World Building - This ±44,440-square-foot building completed in 1997 is a vacant shell that would be functional for its originally intended museum use. The building is in fair-to-poor condition after been gutted and its effective age is estimated at ±30 years due to being vacant and minimally maintained for the past ±13 years. This building has no observed or reported deferred maintenance with respect to the structure, façade or mechanical systems; however, the systems have been minimally maintained with the gutted interior requiring all new buildout. The 1<sup>st</sup>, 2<sup>nd</sup> and 4<sup>th</sup> floors are functional open floorplates for redevelopment, while the 3<sup>rd</sup> floor with theater and stadium seating represents functional obsolescence for most alternative uses. Similar to the MPM building, functional obsolescence exists with respect to the DW building requiring saw-cutting and addition of windows on Floors 1-3, as well ad demo of the theater area. Overall, the building structure and layout would physically allow for buildout to its maximally productive use.

Dome Theater - This ±18,080-square-foot building completed in 1997 is a unique 'dome' theater that is functional for its intended use. The building is ±22 years old with a shorter effective age of ±20 years due to regular and periodic maintenance and inclusive of the planned \$873,554 replacement of the dome roof. Overall, the improvements are well-maintained and in good condition. Given the unique 'dome' features of this building, the physically appropriate use is as improved with a dome theater; however, the building would physically permit conversion to an alternate use but may not be financially feasible.

Overall, based on review of the physical aspects of the property as improved, the improvements comprising three connected but individual buildings are physically and functionally appropriate for their intended use, with significant deferred maintenance and capital needs for MPM's continued use. Furthermore, the buildings are structurally sound and can be redeveloped into alternative uses.

**Financially Feasible** – Testing financial feasibility of the property as improved involves determining if the improvements or alternative uses generate a higher value than the land as if vacant. That is, a use must create a value in excess of the value of the underlying land less estimated demolition. If no uses are found to be feasible, then the most probable buyer will be a user or investor that would acquire the property and demolish the existing improvements creating a vacant parcel for redevelopment.

Milwaukee Public Museum - Below is a summary of the feasibility of the existing (museum) and permissible alternative uses:

Museum Use (Continued Use) – As developed herein, the value of MPM under continued use and inclusive of a deduction for curable and incurable physical obsolescence, exceeds the value of the underlying land and indicating demolition of the improvements is not financially feasible. However, while the building under continued use adds value over the underlying land value, spending \$87.45 million over 20 years for continued use as a museum raises question as to its feasibility.

Office Use (Alternative Use) - Conversion to office has been considered and as an investment property for lease-up is not concluded to be feasible as locational factors, specifically the subject's immediate area not an existing or emerging office market in downtown Milwaukee with the Downtown West submarket having higher vacancy relative to the other downtown market and no new or planned office construction.

As a result, higher vacancy for the MPM is likely to occur if the building were converted into 100% office use coupled with the extensive renovation costs inclusive of costs to address identified functional obsolescence (i.e. no windows on Floors 1-3), supports the conclusion that conversion to multi-tenant office for investment purposes is not a feasible alternative use. However, depending on the price of the building shell it may be feasible to convert all or a significant portion of the MPM building, and especially the upper floors with existing window, into office use as part of a mixed-use redevelopment of the property.

Multi-Family (Alternative Use) – The City’s Comprehensive Plan for this district indicates a desire for additional affordable housing, and over the past several years, development of apartments and/or off-campus student housing has been strong in the Downtown West submarket with 436 units delivered in the past 12 months, 614 units under construction, and six proposed properties. Based on vacancy of 423 units and units under construction (614 units), absorption of 436 units over the past year indicates an estimated  $\pm 2$ -3 year supply in the submarket. Within the immediate subject area, there is: 1) Library Hill Apartments, a successful 139-unit four-story apartment redevelopment in 2001; 735 West Apartments, a 144-unit, eleven-story apartment conversion from office completed in 2018; and 3) 700 Lofts at W. Michigan and N. James Lovell Street, a 49-unit, five-story conversion of office completed in 2015. Therefore, potential for phased construction of multi-family as part of a mixed-use redevelopment appears to be a financially feasible alternative use.

Hotel (Alternative Use) – Research indicates that following the addition of several hotels in downtown Milwaukee in recent years, the hotel market is showing signs of oversaturation even as more hotels are under construction or planned. The subject’s Downtown West submarket has the highest concentration of hotels, and virtually all located in the southeast quadrant of the submarket bounded by Wells, 6<sup>th</sup> Street, I-794, and the Milwaukee River. These hotels serve current demand from downtown office and Wisconsin Center visitors. However, the Milwaukee Convention Center has plans for expansion that could potentially generate demand for additional hotel rooms in the immediate area; however, there is no financing and the timeline for expansion is uncertain. Overall, lodging demand is not growing at this time and with no near-term demand generators, conversion of MPM to hotel use is not a feasible alternative use of the property.

Entertainment/Recreational (Alternative Use) – Current market demand for entertainment/recreation use is concentrated around the Wisconsin Entertainment & Sports Center Development area anchored by Fiserv Forum. Conversion of MPM into an entertainment/recreational use is not considered feasible.

Educational (Alternative Use) – Feasibility of an MPM conversion to an educational facility would require significant market demand from an institution outside the metro area as both Marquette University and MATC have no apparent expansion plans or needs within the vicinity of the subject property. Major colleges and universities in the area have formed an alliance to fill growing job needs in the metro area; however, there are no known or identified educational institutions looking to relocate to downtown Milwaukee. Accordingly, conversion of MPM into an educational use is not considered feasible.

MPM Summary - Based on investigation, under continued use as a museum, the value of the improvements including deduction for depreciation and significant capital requirements still exceeds the underlying land value. Furthermore, identified alternative use of MPM is concluded to be for complete (or major) interior demolition with conversion to a government office or civic building, or alternatively a mixed-use development that may include office and/or multi-family apartments, with restaurant and business service uses on the ground floor. Overall, under both continued use and alternative use, the value of the building, as concluded herein, exceeds the underlying land value even without consideration to significant demolition costs. Therefore, demolition of the MPM building for land value is not economically feasible.

Discovery World Building - Considering the legally permissible and physical possible uses of this ±44,440-square-foot vacant building, conversion of the building shell back into a museum is financially feasible. Furthermore, based on market analysis of the feasibility of alternative uses in the market discussed above with further consideration to DW's smaller size and superior newer condition with areas of functional obsolescence, conversion of the existing building shell into owner-user office, apartment and/or student housing use is concluded to be a financially feasible alternative use as the market value of the building shell for conversion, as concluded herein, exceeds the underlying land value; therefore, demolition of the building for land value is not economically feasible.

Dome Theater – The value of the existing building, as concluded herein, exceeds the underlying land value; therefore, demolition of the building for land value is not economically feasible. It is understood that the appraised dome theater and planetarium is a popular attraction as part of the existing museum operations; however, no occupancy and cash flows were available to confirm the extent of this success/feasibility. Our market investigation indicates there are currently a total of 461 IMAX-type theaters in the United States of which just thirty-seven (37) are 'domed' theaters similar to the subject property. The subject is one of three IMAX (or similar) type theaters in the State of Wisconsin with the other theaters located in Fitchburg (Madison area) and Wauwatosa (suburban Milwaukee).

As further proof of financial feasibility of the improvements, Milwaukee Public Museum, Inc. reportedly invested upwards of \$2 million in recent years to upgrade theater equipment from the former IMAX equipment to a new Digistar (full dome theater) system developed by Evans & Sutherland. Milwaukee County also plans to spend \$873,554 in Spring 2019 to replace the dome roof area. Therefore, the existing improvement for use as a dome theater is concluded to be a feasible use and no alternative use or conversion would economically justify demolition of the building or its interior.

Maximally Productive &  
Highest and Best Use

The most productive use of the property is to maximize its development potential given its legal, physical, locational and economic attributes.

Based on investigation, the maximally productive and highest and best use is independent sale of the three buildings under assumed subdivision (condominium or otherwise) of the property along with all necessary easements (extraordinary assumption), as the value of the DW Building and Dome Theater have a higher market value if sold individually than if included as an ±479,969-square-foot property in combination with MPM. The following page provides our conclusions with respect to the maximally productive and highest and best use of the three individual buildings as if sold independently.

Milwaukee Public Museum - The MPM building has significant deferred maintenance and capital needs such that the building for continued use as a museum is concluded to be at the end of its economic life. Furthermore, based on the value of the underlying land, it is not economically feasible to demolish the improvements for a new development as land value (less demolition costs) does not exceed the value based on sale of the building shell for redevelopment. Therefore, based on investigation the concluded maximally productive and highest and best use of the MPM building is conversion to an alternative mixed-use redevelopment that may include multi-family, government/civic/law office, and/or ground-level commercial uses. However, without substantial governmental subsidies, any redevelopment could be several years into the future given the size of the property and redevelopment trends in the immediate subject neighborhood.

Discovery World Building – Based on investigation, the concluded maximally productive and highest and best use is the existing building shell for owner-user office or apartment/student housing use.

Dome Theater – Based on investigation, the concluded maximally productive and highest and best use is as improved with a dome theater.

These conclusions will govern the valuation of the property.



---

**Overview of Valuation Procedures**

**Cost Approach** In the Cost Approach, an estimate is made of the current cost of replacement 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 recently sold or are currently offered for sale in the local market 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 and current offerings provide 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.

**Appraisal Methodology** The following approaches were used:

Cost Approach – The Cost Approach was utilized for all three building components for the use value of the MPM based on continued use as a museum, and for the use value and equivalent market value of the DW building and Dome Theater.

Sales Comparison Approach – Utilized for the MPM and DW Building as a shell buildings for redevelopment/conversion to an alternative use. There are no directly comparable sales of Dome Theaters; however, a brief summary and review of regional theater sales is developed to provide support for the indication of value by the Cost Approach.

**Cost Approach**

## Introduction

In the Cost Approach, an estimate is made of the current cost of replacement 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 via the Cost Approach.

## Land Value

Land is valued as if vacant and available for development to its highest and best use. Similar land that has recently sold or is offered for sale is investigated and a comparative analysis is made of factors influencing value. Factors considered included, but were not limited to, date of sale, location, size, and zoning/use.

## Comparable Sales

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

Location – Periphery areas of Milwaukee's central business district

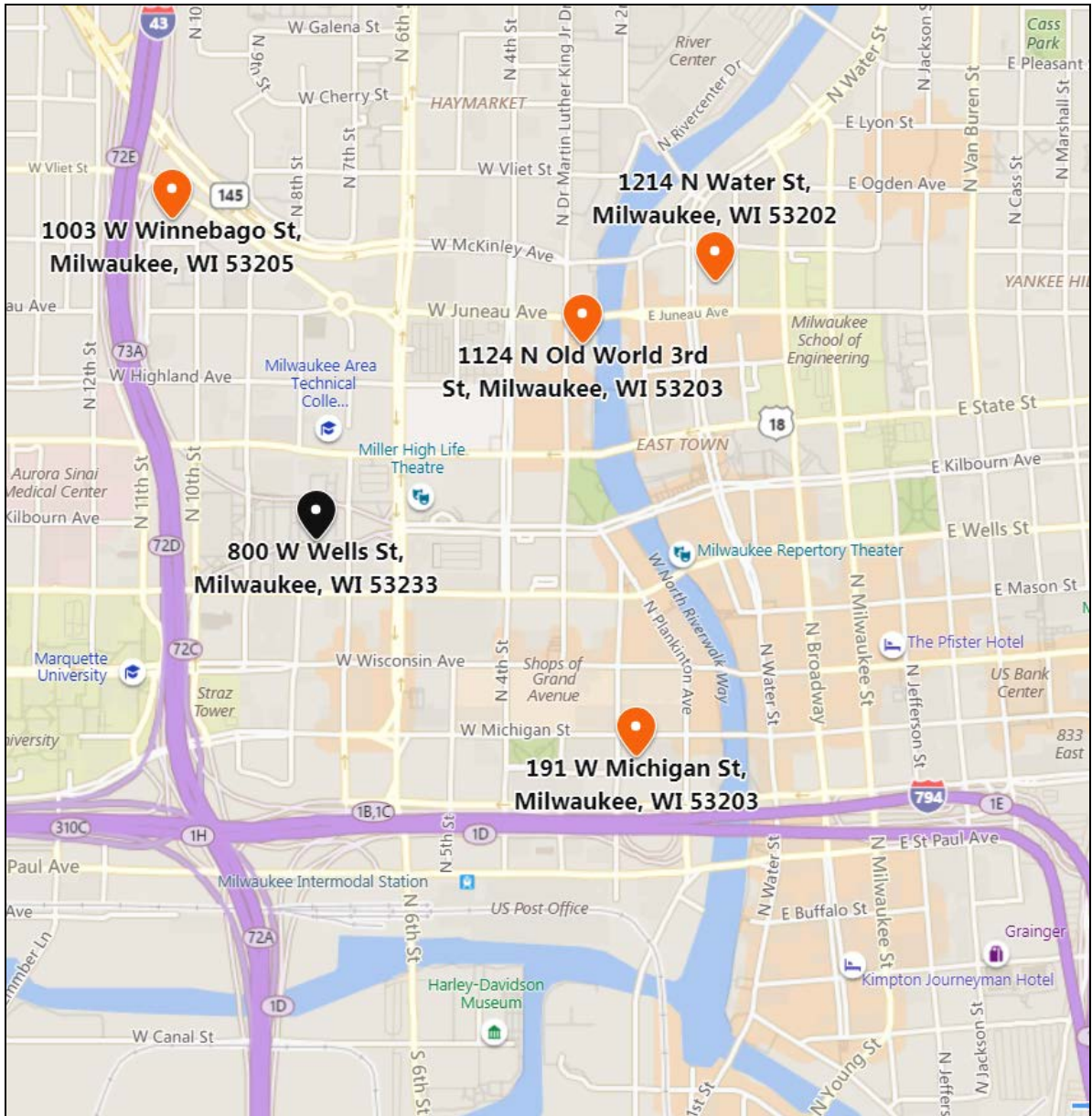
Highest & Best Use – Parcels with commercial, multi-family and mixed-use development potential.

Size – ±25,000 to ±250,000 square feet

Date of Sale – 2015 to present

The search resulted in the land sales summarized on the following page; a map showing their locations is presented following the sale summary and more detailed information is presented in Exhibit B. These comparables are considered reasonably similar properties, the analysis of which results in a credible opinion of value for the subject property after appropriate comparative analysis considerations.

Land Sales Summary			
Comp #	Property Name Address	Sale Date Sq. Ft.	Sale Price \$/Sq. Ft.
Subject	800 W. Wells Street Milwaukee	4-Jan-19 161,911 sq. ft.	
1	1124 N. Old World Third Street Milwaukee  Seller: Milwaukee River Hotel LLC Buyer: MVP Milwaukee Arena Lot LLC	1-Feb-16 48,344 sq. ft.	\$3,900,000 \$80.67 /sq. ft.
2	191 W. Michigan Street & 522 N. 2nd Street Milwaukee  Seller: PSE Plankinton, LLC Buyer: Columbia Parking, LP	16-Oct-15 80,511 sq. ft.	\$4,850,000 \$60.24 /sq. ft.
3	1003 W. Winnebago Street & 926 W. Juneau Ave Milwaukee  Seller: Brewery Project LLC Buyer: Block 4 and 5, LLC	23-May-17 140,476 sq. ft.	\$3,000,000 \$21.36 /sq. ft.
4	1214 N. Water Street Milwaukee  Seller: BMO Harris Bank NA Buyer: MSOE Corp	24-Jun-15 77,400 sq. ft.	\$3,500,000 \$45.22 /sq. ft.



---

Unit of Comparison	The sale prices were analyzed on a price per-square-foot basis.
Adjustment Considerations	<p><u>Capital Expenditures Upon Sale</u> – Demolition, environmental and other capital expenditures incurred after the sale by the buyer are added to a parcel’s acquisition price in order to reflect the cost of creating a vacant land parcel ready for development. Costs incurred by the seller either before or after the sale are not adjusted for. No adjustments were required to the comparables.</p> <p><u>Property Rights Conveyed</u> – The comparable sales represented transfers of a fee simple estate; therefore, no sale price adjustments for ownership rights were required.</p> <p><u>Financing Terms</u> - No adjustments were made for atypical financing.</p> <p><u>Conditions of Sale</u> – 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.</p> <p><u>Market Conditions (Time)</u> – Area real estate market conditions have continued to appreciate over the past several years as local and national unemployment rates have decreased, vacancy rates have decreased, rental rates have increased, and there has been an increased level of new construction and building additions. Property and land values have clearly increased led along with increases in consumer confidence and spending. The comparables were adjusted upward at an annual factor of +5.0% from their sale dates to reflect appreciating market conditions.</p> <p><u>Locational &amp; Physical Characteristics</u> – The locational and physical attributes considered most pertinent for comparison of the comparable sales to the subject parcels were: overall location; site specific locational attributes (i.e. corner/non-corner, site access, exposure and water frontage); size; shape/topography; zoning/highest and best use; and utilities. The comparables were compared and contrasted with respect to each other and the subject.</p>

Comparable 1 – This sale is close to the Milwaukee River and new Fiserv Forum entertainment development with stronger locational demand than the subject location such that a -20% adjustment is warranted for location. Site specific location is generally similar to the subject with corner exposure and reasonable site access; however, this site has superior Milwaukee River frontage that warrants a -15% adjustment. This land parcel is a superior smaller parcel ( $\pm 48,344$ -square feet) relative to the subject and was adjusted -15% for size. The other attributes of comparison including shape/topography, zoning, and utilities are similar to the subject and no further adjustment is warranted.

Comparable 2 – This sale is near the heart of the CBD at just two blocks southwest of W. Wisconsin Avenue and the Milwaukee River; this area of downtown has greater demand for redevelopment than the subject location and warrants a -20% downward adjustment for location. Site specific location is generally similar to the subject and no adjustment for other locational attributes is warranted. This parcel is a smaller  $\pm 80,511$ -square-foot parcel relative to the subject and was adjusted downward -10% for size. The other attributes of comparison including shape/topography, zoning, and utilities are similar to the subject and no further adjustment is warranted.

Comparable 3 – This land area is on the extreme northwest end of The Brewery development in the Downtown West submarket; overall location is inferior to the subject and received a +10% upward adjustment. Site specific location is also inferior due to its limited exposure and the sale warranted a -20% adjustment for site-specific locational attributes. This parcel is similar in size and other attributes of comparison including shape/topography, zoning, and utilities relative to the subject and no further adjustment is warranted.

Comparable 4 – This sale is located east of the Milwaukee River in a redevelopment area north of the central business district and is concluded to have an overall superior location relative to the subject and received a -10% downward adjustment. Site specific location is similar to the subject with corner exposure and reasonable site access and no water frontage. This parcel is a superior smaller  $\pm 77,400$ -square-foot parcel relative to the subject and was adjusted downward -10% for size. Other attributes of comparison, including shape/topography, zoning, and utilities, are similar to the subject and no further adjustment is warranted.

Summary - An adjustment grid format with the above adjustments is presented on the following two pages.

Land Sales Adjustment Grid			
Comparable	Subject	1	2
Property Name Address	800 W. Wells Street	1124 N. Old World Third Street	191 W. Michigan Street & 522 N. 2nd Street
Location	NWC W. Wells St & N. James Lovell St	SEC W. Juneau Avenue & N. Old World 3rd Street	SEC N. 2nd Street & W. Michigan / NEC N. 2nd Street & W. Clybourn Street
Municipality	Milwaukee	Milwaukee	Milwaukee
Sale Date (Appraisal Date)	1/4/2019	2/1/2016	10/16/2015
Parcel Size			
Acres	3.717 acres	1.11 acres	1.85 acres
Sq. Ft.	161,911 sq. ft.	48,344 sq. ft.	80,511 sq. ft.
Sale Price		\$3,900,000	\$4,850,000
Add: Demolition &/or Capital Expenditures		\$0	\$0
Add: Environmental		\$0	\$0
Total Price		\$3,900,000	\$4,850,000
		\$80.67/sq. ft.	\$60.24/sq. ft.
Property Rights Conveyed		Similar	Similar
Financing Terms		Similar	Similar
Conditions of Sale		Similar	Similar
	Adjusted Price	\$3,900,000	\$4,850,000
Market Conditions			
Appraisal Date		Jan-19	Jan-19
Comparable Sale Date		- Feb-16	- Oct-15
# Years Since Sale		2.92 years	3.22 years
Annual Adjustment Factor	@ 5.0%/ year	x 1.153	x 1.170
Total Adjusted Sales Price		\$4,496,700	\$5,674,500
Unit of Comparison (Acres)		÷ 48,344 sq. ft.	÷ 80,511 sq. ft.
Adjusted Price/Acre		\$93.01/sq. ft.	\$70.48/sq. ft.
<b>Locational &amp; Physical Attributes</b>			
Overall Location	-	<b>Superior</b> -20%	<b>Superior</b> -20%
Location	NWC W. Wells St & N. James Lovell St	SEC W. Juneau Avenue & N. Old World 3rd Street	SEC N. 2nd Street & W. Michigan / NEC N. 2nd Street & W. Clybourn Street
Site Specific Location	-	<b>Superior</b>	<b>Similar</b>
Corner/Non-Corner	Corner	Corner	Corner
Site Access	Reasonable	Reasonable	Reasonable
Exposure	W.Wells Street & N.James Lovell Street	N. 3rd St & E. Juneau Ave	W. Michigan St, N. 2nd Street & W. Clybourn St
Water Frontage/Lake View	None	Milwaukee River -15%	None
Land Size	161,911 sq. ft.	<b>Superior</b> -15%	<b>Superior</b> -10%
		48,344 sq. ft.	80,511 sq. ft.
Shape/Topography	-	<b>Similar</b>	<b>Similar</b>
Shape	Generally Rectangular	Generally Rectangular	Generally Rectangular
Topography	Generally Level	Generally Level	Generally Level
Zoning/Highest & Best Use	-	<b>Similar</b>	<b>Similar</b>
Zoning	C9D(A), Centrall Business	RED, Redevelopment District	C9F(A), Central Business
Highest & Best Use	Commercial/Mixed Use	Commercial/Mixed Use	Commercial/Mixed Use
Utilities	-	<b>Similar</b>	<b>Similar</b>
	Sewer & Water	Sewer & Water	Sewer & Water
Overall Comparability		<b>Superior</b>	<b>Superior</b>
Adjusted Price/Sq. Ft.		\$46.51/sq. ft. -50%	\$49.34/sq. ft. -30%

Land Sales Adjustment Grid			
Comparable	Subject	3	4
Property Name			
Address	800 W. Wells Street	1003 W. Winnebago Street & 926 W. Juneau Ave	1214 N. Water Street
Location	NWC W. Wells St & N. James Lovell St	SWC W Winnebago & 10th St. / NEC W. Juneau Avenue & N. 10th Street	NEC E. Juneau Avenue & N. Water Street
Municipality	Milwaukee	Milwaukee	Milwaukee
Sale Date	1/4/2019 (Appraisal Date)	5/23/2017	6/24/2015
Parcel Size			
Acres	3.717 acres	3.22 acres	1.78 acres
Sq. Ft.	161,911 sq. ft.	140,476 sq. ft.	77,400 sq. ft.
Sale Price		\$3,000,000	\$3,500,000
Add: Demolition &/or Capital Expenditures		\$0	\$0
Add: Environmental		\$0	\$0
Total Price		\$3,000,000 \$21.36/sq. ft.	\$3,500,000 \$45.22/sq. ft.
Property Rights Conveyed		<i>Similar</i>	<i>Similar</i>
Financing Terms		<i>Similar</i>	<i>Similar</i>
Conditions of Sale		<i>Similar</i>	<i>Similar</i>
	Adjusted Price	\$3,000,000	\$3,500,000
Market Conditions			
Appraisal Date		Jan-19	Jan-19
Comparable Sale Date		- May-17	- Jun-15
# Years Since Sale		1.62 years	3.53 years
Annual Adjustment Factor	@ 5.0%/ year	x 1.082	x 1.188
Total Adjusted Sales Price		\$3,246,000	\$4,158,000
Unit of Comparison (Acres)		÷ 140,476 sq. ft.	÷ 77,400 sq. ft.
Adjusted Price/Acre		\$23.11/sq. ft.	\$53.72/sq. ft.
<b>Locational &amp; Physical Attributes</b>			
Overall Location	-	<b>Inferior</b> 10%	<b>Superior</b> -10%
Location	NWC W. Wells St & N. James Lovell St	SWC W Winnebago & 10th St. / NEC W. Juneau Avenue & N. 10th Street	NEC E. Juneau Avenue & N. Water Street
Site Specific Location	-	<b>Inferior</b>	<b>Similar</b>
Corner/Non-Corner	Corner	Corner	Corner
Site Access	Reasonable	Reasonable	Reasonable
Exposure	W.Wells Street & N.James Lovell Street	W. Winnebago & 10th St, & Juneau Ave 20%	E. Knapp St, N. Water St & E. Juneau Ave
Water Frontage/Lake View	None	None	None
Land Size	161,911 sq. ft.	<b>Similar</b>	<b>Superior</b> -10%
		140,476 sq. ft.	77,400 sq. ft.
Shape/Topography	-	<b>Similar</b>	<b>Similar</b>
Shape	Generally Rectangular	Generally Rectangular	Generally Rectangular
Topography	Generally Level	Generally Level	Generally Level
Zoning/Highest & Best Use	-	<b>Similar</b>	<b>Similar</b>
Zoning	C9D(A), Centrall Business	C9G, Central Business	RED, Redevelopment District
Highest & Best Use	Commercial/Mixed Use	Commercial/Apartments	Commercial/Mixed Use
Utilities	-	<b>Similar</b>	<b>Similar</b>
	Sewer & Water	Sewer & Water	Sewer & Water
Overall Comparability		<b>Inferior</b>	<b>Superior</b>
Adjusted Price/Sq. Ft.		\$30.04/sq. ft. 30%	\$42.98/sq. ft. -20%



Indicated Land Value

Because of the nature of the adjustments, the adjusted unit price for each sale is not to be interpreted as the value of the subject, but part of a range within which the subject's value is expected to fall. The adjusted per-square-foot sale prices of the comparable sales range from \$30.04 to \$49.34; the average and median adjusted sale prices of the comparables are \$42.22 and \$44.75 per square foot, respectively. The land sales with adjusted prices at the low-end of the range (i.e. Comparables 3 and 4) required the least net adjustment for overall variances in factors of comparison. Accordingly, the per-square-foot conclusion of land value for the appraised site is concluded to be below the \$42.22 average indicated by the sales. For further reference, the City of Milwaukee assessed land value of the subject is \$6,447,000 or \$39.78 per square foot, which is consistent with the above analysis and indications based on market sales.

It is our opinion that the subject's land value is reasonably and appropriately concluded at \$40 per-square-foot. Allocation of the land value based on the allocation of land areas as presented in the Summary of Property Appraised section on Page 28 is as follows.

Land Value Calculation		
Land Value PSF		\$40.00/sq. ft.
x Land Area	x	161,911 sq. ft.
<b>Market Value of Land</b>		\$6,476,440
	Rounded	<b>\$6,500,000</b>
Allocation of Land Value		
	Sq.Ft.	M.Value
MPM Site	140,821	\$5,660,000
DW Site	14,991	\$600,000
Dome Theater Site	6,099	\$240,000

Cost of Replacement New

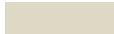


Cost of Replacement New is the estimated amount required to replace the entire property at one time with a modern new unit using the most current technology and construction materials that will duplicate the production capacity and utility of an existing unit at current market prices for materials, labor, and manufactured equipment; contractors' overhead and profit; and fees, but without provision for overtime, bonuses for labor, or premiums for materials or equipment.

The highest and best use of the appraised property is for subdivision and this valuation is based on continued use of these buildings.

Building Improvements

The cost of replacement new of the subject improvements was estimated using the Marshall Valuation Service (MVS) cost guide, an industry standard construction cost estimating guide, adjusted for the local area. Below is a summary of the base costs per-square-foot by building with a blend of above-grade and basement space for MPM. The DWM building is a former museum that was gutted 13 years ago and is effectively a building shell with limited buildout; therefore, the costs for DWM are based on shell office building costs from MVS.

For convenience herein, this Cost Approach analysis of the three individual buildings is identified separately by color code as follows:

-  Milwaukee Public Museum
-  Discovery World Building
-  Dome Theater

Bldg ID	Gross Bldg SF	MVS Cost/SF	MVS Sec/Page	Class/Type
<u>Section I - Milwaukee Public Museum</u>				
Basement	66,280	\$37.25	Sec 16/Pg 8	Class CDS, Basement
Above Grade	351,169	\$192.00	Sec 16/Pg 19	Class C, Good
Subtotal	417,449	\$167.43		
<u>Section II - Discovery World Bldg</u>				
Shell Office Building	44,440	\$61.00	Sec 15/Pg 35	Class C, Average
<u>Section III - Dome Theater</u>				
Theater	18,080	\$147.00	Sec 16/Pg 13	Class C, Good

The above base MVS costs include, but are not limited to: average architects' and engineers' fees; normal construction loan interest and service fees; all material and labor costs including sales taxes; normal site preparation costs; utilities from lot line to structure based on typical setback; and contractor' overhead and profit including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, and temporary facilities.

Base costs do not include: land assembly costs; hillside foundations (if applicable); land planning; yard/site improvements including landscaping; off-site costs; furnishing and fixtures; marketing costs; and entrepreneur's profit, which is an allocation to the developer/sponsor as compensation for the risk and management incurred in development of real estate.

Entrepreneurial Profit - Under stable conditions, entrepreneurial incentive or profit can range between 5% and 25% with the strength of the industry and local/regional economic conditions dictating where a property falls within this profit spectrum. Market conditions for a museum, vacant building shell, and dome theater do not support an entrepreneurial profit factor.

Other Miscellaneous Costs – A 2.5% factor has been added for other miscellaneous soft costs not included in MVS base costs exclusive of entrepreneurial profit.

The replacement costs new for the three subject buildings are estimated on the following page.

COST OF REPLACEMENT NEW Using Marshall Valuation Service (MVS)				
1 Client Name	Milwaukee County			
2 Name of Building	Milwaukee Public Museum			
3 Located At	800 W Wells Street Milwaukee, Wisconsin			
	Section I	Section II	Section III	
	MPM	DW	Dome Theater	
4 Occupancy	Museum	Shell Office Bldg	Theater	
5 Building Class and Type	Class C, Good	Class C, Average	Class C, Good	
6 Exterior Wall	Concrete/Brick	Concrete/Brick	Concrete Panel	
7 No. of Stories & Height Per Story	7-Story; avg 16'	4-Story; avg 16'	2-Story; Avg 24'/Flr	
8 Total Floor Area	417,449	44,440	18,080	
9 Average Perimeter	n/av	422	375	
10 Age (Yrs) and Condition	57 yrs / Fair	22 yrs / Fair	22 yrs / Good	
11 Region:	Western: _____ Central: <input checked="" type="checkbox"/> Eastern: _____			
12 Climate:	Mild: _____ Moderate: _____ Extreme: <input checked="" type="checkbox"/>			
13 Base Square Foot Cost	Section I	Section II	Section III	Totals
	\$167.43	\$61.00	\$147.00	
SQUARE FOOT REFINEMENTS				
14 Adjust from Moderate to Extreme	\$11.90	\$11.10	\$8.00	
15 Premium for All Stadium Auditorium - 7.5% based on 5-10%	\$0.00	\$0.00	\$11.03	
16 Other Refinements - N/A	\$0.00	\$0.00	\$0.00	
17 Other Refinements - N/A	\$0.00	\$0.00	\$0.00	
18 Total Refinements (Lines 13-17)	\$179.33	\$72.10	\$166.03	
HEIGHT AND SIZE REFINEMENTS				
19 Number of Stories -- Multiplier	1.000	1.000	1.000	
20 Height Per Story - Multiplier	1.000	1.000	1.210	
21 Floor Area/Perimeter Multiplier	0.925	0.945	1.014	
22 Combined Height & Size Multiplier (19 x 20 x 21)	0.925	0.945	1.227	
FINAL CALCULATIONS				
23 Refined Square Foot Costs (Line 18 x 22)	\$165.88	\$68.10	\$203.73	\$158.25
24 Current Cost Multiplier	1.02	1.02	1.02	-
25 Local Multiplier (Section 99, Page 10)	1.10	1.10	1.10	-
26 Final Sq.Ft. Cost (Line 23 x 24 x 25)	\$186.12	\$76.41	\$228.58	\$177.56
27 Area (Gross Sq.Ft.) - Avg/Flr x # Flrs	417,449	44,440	18,080	479,969
28 Line 26 x Line 27	\$77,694,503	\$3,395,692	\$4,132,753	\$85,222,948
LUMP SUM ADJUSTMENTS				
29 Fire Sprinkler - 145,167 sq.ft.	\$390,000	\$0	\$0	\$390,000
30 Other Miscellaneous (If Any)	\$0	\$0	\$0	\$0
31 Other Miscellaneous (If Any)	\$0	\$0	\$0	\$0
32 Total Lump Sum Adjustments (Lines 29-31)	\$390,000	\$0	\$0	\$390,000
33 REPLACEMENT COSTS NEW (Line 28 + Line 32)	\$78,084,503	\$3,395,692	\$4,132,753	\$85,612,948
34 ADD: ENTREPRENEURIAL INCENTIVE @ 0.0%	\$0	\$0	\$0	\$0
OTHER MISCELLANEOUS COSTS @ 2.5%	\$1,952,113	\$84,892	\$103,318.83	\$2,140,324
35 TOTAL REPLACEMENT COST - NEW (BLDG IMPS)	\$80,036,615	\$3,480,584	\$4,236,072	\$87,753,271
ROUNDED	\$80,037,000	\$3,481,000	\$4,236,000	\$87,753,000

Site Improvements

The cost of replacement new for the site improvements was estimated using the Marshall Valuation Service. Total cost of replacement new for the site improvements is developed below and was allocated to the three building:

Replacement Cost New Estimate - Site Improvements			
<u>Parking Lot Improvements <sup>(1)</sup></u>			
Indicated Cost per Stall			\$1,649
Estimated No. of Stalls		x	56
Subtotal	(estim.)		92,344
	Sq.Ft.	Cost/SF	
Add: Concrete	9,630	\$6.38	61,439
	estim		153,783
		Rounded	\$154,000
Add: Other Miscellaneous		20% x	30,800
Total Estimated Replacement Cost New (RCN)			\$184,800
Entrepreneurial Incentive @		0.0%	0
Indicated Value			<b>\$184,800</b>
<b>Allocated by Building <sup>(2)</sup></b>			
MPM	417,449	87%	<b>\$160,800</b>
DW	44,440	9%	<b>\$16,600</b>
Dome Theater	18,080	4%	<b>\$7,400</b>
<small>(1) Includes paving/stripping, lighting, landscaping &amp; drainage - average quality</small>			
<small>(2) Allocation is based on ratio of building GBA to Total GBA</small>			

Total Cost of Replacement New

Based on analysis, the replacement costs of the building and site improvements (excluding land value) is as follows:

	MPM	DW	Dome Theater	Total
Building Improvements	\$80,037,000	\$3,481,000	\$4,236,000	\$87,753,000
Site Improvements	\$160,800	\$16,600	\$7,400	\$184,800
<b>Total Cost of Replacement</b>	<b>\$80,197,800</b>	<b>\$3,497,600</b>	<b>\$4,243,400</b>	<b>\$87,937,800</b>

Accrued Depreciation

Deductions must be made from replacement cost new to reflect the various forms of depreciation, physical curable and incurable; functional curable and incurable obsolescence; and external (economic) obsolescence. Depreciation or obsolescence adjustments are summarized below:

Curable Physical - Curable physical deterioration is also known as deferred maintenance and applies to items in need of immediate repair, that is, the item must be replaced or repaired in order for the building to function as it should.

MPM Building - There are significant items of deferred maintenance and capital needs under continued use and operation as a museum of which a majority (±96%) are identified as necessary for renewal of museum accreditation. Based on the Funding Needs Report, the following table develops the total present value (discounted at ±2.0% per annum) of curable physical depreciation for identified deferred maintenance and capital needs is as follows:

Funding Needs Report Summary Milwaukee Public Museum					
Year	Renewal	Non-Renewal	Total	PV Factor at 2.0%	PV of Total Costs
2018 <sup>(1)</sup>	4,383,514	418,171	4,801,685	0.98039	4,707,524
2019	64,241	0	64,241	0.96117	61,747
2020	14,680,319	1,714,988	16,395,307	0.94232	15,449,626
2021	75,880	0	75,880	0.92385	70,102
2022	785,408	0	785,408	0.90573	711,368
2023	0	0	0	0.88797	0
2024	0	0	0	0.87056	0
2025	28,113,520	1,013,066	29,126,586	0.85349	24,859,250
2026	978,721	0	978,721	0.83676	818,955
2027	509,513	0	509,513	0.82035	417,979
2028	132,699	0	132,699	0.80426	106,724
2029	74,555	0	74,555	0.78849	58,786
2030	27,453,213	0	27,453,213	0.77303	21,222,157
2031	88,062	0	88,062	0.75788	66,740
2032	891,593	0	891,593	0.74301	662,463
2033	135,492	0	135,492	0.72845	98,699
2034	0	0	0	0.71416	0
2035	4,137,640	0	4,137,640	0.70016	2,897,010
2036	120,594	0	120,594	0.68643	82,779
2037	674,240	0	674,240	0.67297	453,743
<b>Total</b>	<b>83,299,204</b>	<b>3,146,225</b>	<b>86,445,429 rounded</b>		<b>72,750,000</b>

<sup>(1)</sup> Excludes \$873,554 for Dome roof replacement not part of MPM

DW Building – The building and mechanical systems have been minimally maintained for the past ±13 years and the mechanical and HVAC systems will need retrofits for any future use as well as buildout to the intended use. However, physical inspection and conversations with the director of facilities for MPM did not identify any significant items of deferred maintenance that are in need of replacement as of the appraisal date.

Dome Theater – As identified in the Summary of Property Appraised section, curable physical depreciation exists with respect to replacement of the dome roof at a bid cost of \$873,554.

Curable Functional – Functional obsolescence is “the impairment of functional capacity of a property according to market tastes and standards” (The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition). It is a flaw in the structure, materials or design that diminishes the function, utility and value of the improvements.

MPM – The cost of replacement excludes the greenhouse; thus, no curable functional obsolescence adjustment is warranted.

DW Building – Limited exterior windows and theater area under redevelopment is functional obsolescence. A downward adjustment of \$225,000 is estimated for obsolescence to the exterior and is consistent with adjustment made in the Sales Comparison Approach.

Dome Theater – No curable functional obsolescence is concluded.

Incurable Physical - Incurable physical deterioration reflects the loss in value due to the physical wear and tear that occurs over time and that is economically incurable. This form of depreciation considers wear and tear on both short-lived items (e.g. roof covering, HVAC systems, interior floor finish) and long-lived items (e.g. exterior walls, framing, foundation walls). Incurable physical deterioration has been analyzed based on a composite of the short- and long-lived building components, and is estimated based on the observed condition of the improvements assuming completion of the curable physical deterioration earlier. The actual and effective ages within an age/life analysis is utilized as a guideline.

Depreciation is an age/life relationship meaning that as an asset ages, its remaining useful life becomes shorter and the amount of depreciation increases. Age reflects the asset’s actual physical age that must consider additions and renovations made as well as asset replacements as part of repairs and maintenance over time. This modified actual age is referred to as the asset’s effective age.

Effective age is the estimated age indicated by the condition of the improvements. The maintenance standards of owners or occupants can influence the rate of depreciation; that is, an older asset that has been well maintained or recently renovated will have an effective age less than its actual age. Conversely, an asset that is minimally maintained may have an effective age above its actual age.

Economic Life is “the period over which improvements to real property contributes to property value” (The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition). The MVS Manual identifies a buildings’ ‘Typical Life’.

The effective age is based on inspection and observed condition; however, the effective age of MPM and Dome Theater must reflect the effective age after curable physical depreciation. Below is a summary of effective ages with the economic or useful life based on MVS for the particular property type:

Physical Incurable Age-Life Analysis			
	Age/Condition	Effective Age <sup>(1)</sup>	Useful Life
MPM	57 yrs / Fair	35	55
DW	22 yrs / Fair	25	50
Dome Theater	22 yrs / Good	20	45
Site Imps	Good	15	25

<sup>(1)</sup> The effective age assumes completion of curable depreciation

MVS published depreciation tables indicate that depreciation is curvilinear with building depreciation at a lower annual rate during the initial (10 to 20) years than during the later years of its life. Based on MVS's Extended Life-Theory depreciation table for commercial property, the annual average rate of depreciation based on typical (useful) life and effective ages, annual depreciation is indicated as summarized in the tables below. Based on MVS depreciation tables, depreciation based on effective ages of 20, 25-, and 35 years ranges from 1.0% to 1.2% per annum.

<b>Depreciation Table</b>						
Source: MVS Depreciation - Commercial Properties Section 97, Page 24						
Applicable: MVS Section 13 Properties						
Effective Age years	Depreciation		Depreciation		Depreciation	
	45-yr Life	Annual	50-yr Life	Annual	55-yr Life	Annual
	%	%	%	%	%	%
1	1%	1.0%	0%	0.0%	0%	0.0%
2	1%	0.5%	1%	0.5%	1%	0.5%
3	2%	0.7%	1%	0.3%	1%	0.3%
4	3%	0.8%	2%	0.5%	1%	0.3%
5	4%	0.8%	3%	0.6%	2%	0.4%
10	8%	0.8%	6%	0.6%	4%	0.4%
15	14%	0.9%	11%	0.7%	8%	0.5%
20	23%	1.2%	17%	0.9%	13%	0.7%
25	33%	1.3%	25%	1.0%	19%	0.8%
30	45%	1.5%	34%	1.1%	26%	0.9%
35	55%	1.6%	43%	1.2%	34%	1.0%
40	72%	1.8%	59%	1.5%	46%	1.2%
50	80%	1.6%	79%	1.6%	68%	1.4%
55	80%	1.5%	80%	1.5%	75%	1.4%
60	80%	1.3%	80%	1.3%	78%	1.3%
65	80%	1.2%	80%	1.2%	80%	1.2%
70	80%	1.1%	80%	1.1%	80%	1.1%



Another method is straight-line depreciation adjusted for the market observation that as long as a building is usable and economically viable, it will have a minimum contributory value equal to  $\pm 20\%$  of costs new or maximum depreciation of  $\pm 80\%$ . This is consistent with professional experience and is supported by MVS depreciation tables that also reflect a maximum depreciation of 80% for well-maintained older buildings whose economic life is extended through periodic renovations and replacements.

Based on 80% maximum depreciation over the appraised building sections with 45-, 50- and 55-year typical (economic) lives, the resulting annual depreciation rate ranges from 1.5% per annum (i.e.  $80\% \div 55$  years) to 1.8% per annum (i.e.  $80\% \div 45$  years).

In summary, based on indicated annual depreciation rates under the MVS's Extended Life-Theory that range from 1.0% to 1.2% per annum and under Straight-Line depreciation from 1.5% to 1.8%, the rate of depreciation is concluded herein at 1.5% per annum. This annual depreciation rate is applied to the estimated effective ages. Site improvement depreciation over a useful life of 25 years is based on a maximum 80% straight-line depreciation rate, or  $\pm 3.2\%$  per annum calculated as 80% divided by 25 years.

Physical Incurable Age-Life Analysis				
	Age/Condition	Effective Age <sup>(1)</sup>	Useful Life	Deprec % <sup>(2)</sup>
MPM	57 yrs / Fair	35	55	52.5%
DW	22 yrs / Fair	25	50	37.5%
Dome Theater	22 yrs / Good	20	45	30.0%
Site Imps	Good	15	25	48.0%

<sup>(1)</sup> The effective age assumes completion of curable depreciation

<sup>(2)</sup> Depreciation is based on 1.5% per year for bldgs, and 3.2% per year for site improvements

Functional Incurable &  
External Obsolescence

Functional obsolescence is “the impairment of functional capacity of a property according to market tastes and standards” (The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition). It is a flaw in the structure, materials or design that diminishes the function, utility and value of the improvements. The value by Cost Approach assumes continued use for all three buildings which are functional for their intended use as concluded in the Highest & Best Use section. Therefore, no functional obsolescence is concluded to impact the property.

External obsolescence is “an element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant” (The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition). Economic obsolescence is a loss in value due to factors outside the property. This would include changes in population and economic trends, encroachment of inharmonious uses, and inadequate government services. These factors are almost always beyond the owner’s power to correct. This is also called locational obsolescence because the loss in value is a result of the property location.” No external obsolescence exists.

Total Depreciation

The analysis below develops total accrued depreciation.

BUILDING DEPRECIATION					
Physical Curable Depreciation - MPM					\$72,750,000
Physical Curable Depreciation - DW					\$0
Physical Curable Depreciation - Dome Theater					\$873,554
Functional Curable - MPM					\$0
Functional Curable - DW					\$225,000
Functional Curable - Dome Theater					\$0
<u>Physical Incurable Depreciation</u>					
	<u>Rep. Cost</u>	<u>Less: Curable</u>	<u>Adjusted</u>	<u>Depr %</u>	
MPM	\$80,037,000	\$72,750,000	\$7,287,000	52.5%	\$3,825,675
DW	\$3,481,000	\$225,000	\$3,256,000	37.5%	\$1,221,000
Dome Theater	\$4,236,000	\$873,554	\$3,362,446	30.0%	\$1,008,734
Totals	\$87,754,000	\$73,848,554	\$13,905,446		
Functional Incurable - MPM					\$0
Functional Incurable - DW					\$0
Functional Incurable - Dome Theater					\$0
Economic Obsolescence					\$0
Total Building Depreciation					\$79,903,963
			Concluded		\$79,904,000

LAND IMPROVEMENTS DEPRECIATION					
Physical Curable Depreciation					\$0
Functional Curable Obsolescence					\$0
<u>Physical Incurable Depreciation</u>					
	<u>Rep. Cost</u>	<u>Less: Curable</u>	<u>Adjusted</u>	<u>Depr %</u>	
MPM	\$160,800	\$0	\$160,800	48.00%	\$77,184
DW	\$16,600	\$0	\$16,600	48.00%	\$7,968
Dome Theater	\$7,400	\$0	\$7,400	48.00%	\$3,552
Totals	\$184,800	\$0	\$184,800	48.00%	\$88,704
Total Land Improvements Depreciation					\$88,704

Indicated Value by  
the Cost Approach

Based on the above conclusions and including the market value of the land developed earlier in this section, the indicated market value of appraised property by building section and in aggregate by the Cost Approach is as follows::

<b>Cost Approach Conclusion</b>				
<b>Individual Building &amp; Aggregate Value</b>				
	<u>MPM</u>	<u>DW</u>	<u>Dome Theater</u>	<u>Aggregate Value</u>
Cost of Replacement New, Buildings	\$80,037,000	\$3,481,000	\$4,236,000	\$87,754,000
Building Square Footage	417,449	44,440	18,080	479,969
Per Sq.Ft.	\$191.73	\$78.33	\$234.29	\$182.83
Less Depreciation:				
Physical Curable	\$72,750,000	\$0	\$873,554	\$73,623,554
Physical Incurable	\$3,825,675	\$1,221,000	\$1,008,734	\$6,055,409
Subtotal - Physical	\$76,575,675	\$1,221,000	\$1,882,288	\$79,678,963
Functional & External Obsolescence	\$0	\$225,000	\$0	\$225,000
Total Accrued Depreciation	\$76,575,675	\$1,446,000	\$1,882,288	\$79,903,963
Depreciated Value, Buildings	\$3,461,325	\$2,035,000	\$2,353,712	\$7,850,037
Plus: Land Improvements - CRN	\$160,800	\$16,600	\$7,400	\$184,800
Less: Depreciation	\$77,184	\$7,968	\$3,552	\$88,704
Land Improvements - Depreciated	\$83,616	\$8,632	\$3,848	\$96,096
Total Value, Land Improvements & Buildings	\$3,544,941	\$2,043,632	\$2,357,560	\$7,946,133
Plus: Total Land Value	\$5,660,000	\$600,000	\$240,000	\$6,500,000
Indicated Value by Cost Approach	\$9,204,941	\$2,643,632	\$2,597,560	\$14,440,000
Rounded	\$9,200,000	\$2,640,000	\$2,600,000	\$14,440,000
Per Sq.Ft.	\$22.04	\$59.41	\$143.81	

---

**Sales Comparison Approach – MPM Building (Market Value)**

## Introduction

In the Sales Comparison Approach to valuation, similar properties that have recently sold or are currently offered for sale 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; date of sale; location; and, physical characteristics of the property.

Based on the current condition and concluded highest and best use of MPM for redevelopment to an alternate use, this valuation is based on sales of large buildings in the Milwaukee area that sold for redevelopment or conversion to an alternate use.

## Comparable Sales

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

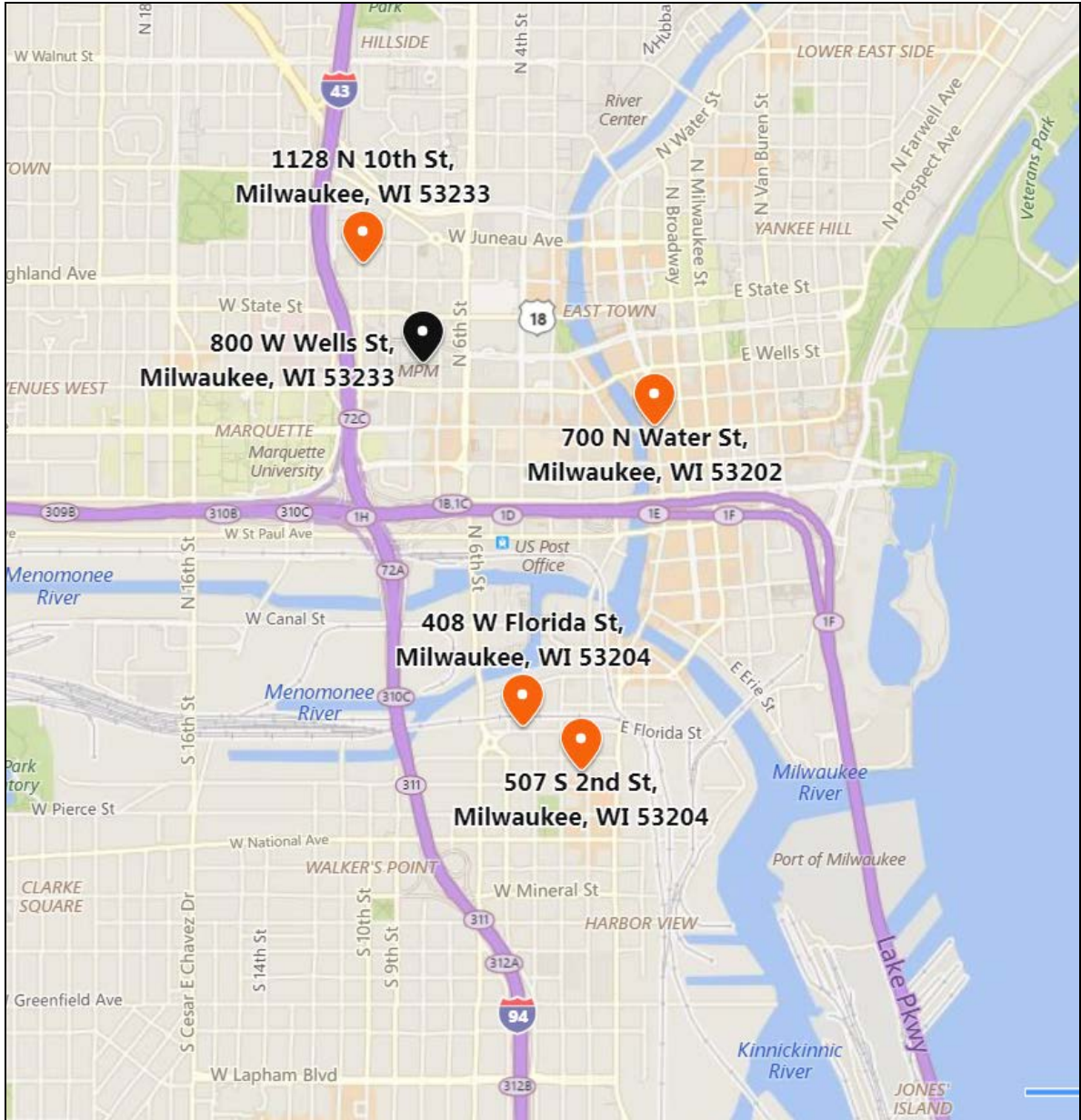
1. Property Type – Museums sold for redevelopment; secondarily large commercial and/or historic loft buildings sold for conversion to an alternative use
2. Location – Downtown & Periphery Milwaukee and Madison
3. Building Size – ±100,000 square feet and larger
4. Sale Date – January 1, 2013 to present

Please note that a regional investigation of sales of vacate museums for redevelopment was conducted and no comparable sales were found. Therefore, the investigation was expanded to include large commercial and/or historic building.

Based on the above parameters, a total of four sales are considered. These comparables are summarized on the following page with a map on the subsequent page. Further detail on these comparables is contained in Exhibit C.

COMPARABLE SALES SUMMARY											
Comp #	Property Name Address City, WI	Sale Price Sale Date	GBA	Price/SF	Yr Built # Stories	# Bldgs Construct.	Land (Ac.) LTB Ratio				
Subject	Milwaukee Public Museum 800 W Wells Street Milwaukee, WI		351,169		1962 Seven	One Concrete	3.233 0.40				
<table border="1" style="width: 100%;"> <tr> <td>Owner:</td> <td>Milwaukee County</td> </tr> </table>								Owner:	Milwaukee County		
Owner:	Milwaukee County										
1	Fmr Pabst Bottling House 1128 N 10th Street Milwaukee, WI	\$2,250,000 Mar-15	250,000	\$9.00	1889-1911 Three	One Conc/Brick	2.40 0.42				
<table border="1" style="width: 100%;"> <tr> <td>Seller:</td> <td>Brewery Project LLC</td> </tr> <tr> <td>Buyer:</td> <td>Blue Ribbon Suites, LLC</td> </tr> </table>								Seller:	Brewery Project LLC	Buyer:	Blue Ribbon Suites, LLC
Seller:	Brewery Project LLC										
Buyer:	Blue Ribbon Suites, LLC										
2	Florida Lofts Building 408 W Florida Street Milwaukee, WI	\$3,200,000 Apr-13	161,868	\$19.77	1907 Seven	One Conc/Brick	0.96 0.26				
<table border="1" style="width: 100%;"> <tr> <td>Seller:</td> <td>Heritage Relo</td> </tr> <tr> <td>Buyer:</td> <td>Florida Lofts, LLC</td> </tr> </table>								Seller:	Heritage Relo	Buyer:	Florida Lofts, LLC
Seller:	Heritage Relo										
Buyer:	Florida Lofts, LLC										
3	Eagleknit Building 507 S 2nd Street Milwaukee, WI	\$3,510,000 Aug-17	105,000	\$33.43	1928 Five	One Conc/Brick	0.64 0.30				
<table border="1" style="width: 100%;"> <tr> <td>Seller:</td> <td>Roadster LLC</td> </tr> <tr> <td>Buyer:</td> <td>507 South 2nd Street Development LLC</td> </tr> </table>								Seller:	Roadster LLC	Buyer:	507 South 2nd Street Development LLC
Seller:	Roadster LLC										
Buyer:	507 South 2nd Street Development LLC										
4	First Financial Center 700 N Water Street Milwaukee, WI	\$4,600,000 Aug-16	153,201	\$30.03	1928 Fourteen	One Steel/Brick	0.36 0.10				
<table border="1" style="width: 100%;"> <tr> <td>Seller:</td> <td>700 North Water Tower LLC</td> </tr> <tr> <td>Buyer:</td> <td>Milwaukee Exchange LLC</td> </tr> </table>								Seller:	700 North Water Tower LLC	Buyer:	Milwaukee Exchange LLC
Seller:	700 North Water Tower LLC										
Buyer:	Milwaukee Exchange LLC										

IMPROVED SALES MAP



Comparable 1 – This is the March 2015 sale of the former Pabst Bottling House located at 1128 N. 10th Street in Downtown Milwaukee. The sale price was \$2,250,000 and the property totals ±251,600 square feet of gross building area ("GBA") comprising ±250,000 square feet of above grade space on 2-3 floors and ±1,600 square feet of lower level space. The sale price is \$9.00 per square foot based on above grade GBA. The building was built between 1889 and 1911 and was known as Building 29, the bottling plant for the Pabst Brewery. At time of sale, the building had been vacant since December 1996 with all heating/cooling, plumbing, and electrical systems removed. The building was purchased by Blue Ribbon Suites, LLC for conversion to a student apartment development comprising 151 apartment units and up to ±7,500 square feet of commercial/retail space on the first floor.

Comparable 2 – This is the April 2013 sale of a seven-story plus basement loft warehouse building totaling a gross building area ("GBA") of ±184,992 square feet comprised of above ground GBA of ±161,868 square feet and a full basement with ±23,124 square feet. The building is situated on a ±0.96 acre parcel located at 408 W. Florida Street just west of the successful Iron Horse Hotel. The sale price in this transaction was \$3,200,000 plus \$200,000 for moving costs that the buyer will pay the seller. The buyer is Florida Lofts LLC and the seller is Heritage Relocation Services. The loft warehouse building was built in 1907 and is of poured concrete construction with brick exterior walls. The seller used the building for his furniture storage and records retention business. The developer is converting the building to a multi-family apartment building with some retail on the first floor. The basement and part of the first floor will be used for vehicle parking; the buyer also plans on constructing a two floor parking structure on western parking lot area to accommodate parking needs for his adjacent Iron Horse Hotel as well as for future tenants after building conversion is complete. This property contained asbestos in pipe insulation, boiler insulation, flooring, duct insulation and windows which the buyer indicated will cost \$137,055 for removing prior to renovation. The building is in fair-to-good condition; the roof leaks but will be replaced as part of the planned renovation.

Comparable 3 – This is the August 2017 sale of a five-story warehouse loft building with a GBA of  $\pm 105,000$  square feet located at the southwest corner of S. 2<sup>nd</sup> Street and W. Virginia Street in the Walker's Point neighborhood. The sale price was \$3,510,000 or \$33.43 per square foot. The building was built in 1928 and was formerly occupied by C. Coakley Relocation Systems, a moving and storage company. The property is planned for redevelopment into an upper-floor office space and street-level office and retail space. The building was on the market for nearly six years prior to sale and was an owner-user building that was over 75% vacant at time of sale. The property is located in Walker's Point in a historically industrial area that is being redeveloped in a commercial and entertainment district. The buyer is Wangard Partners, an active and prominent developer in the Milwaukee area.

Comparable 4 - This is the August 2016 sale of the 14-story,  $\pm 153,301$ -square-foot First Financial Centre located at the northwest corner of N. Water Street and Wisconsin Avenue that sold for \$4,600,000 or \$30.03 per square foot. The building was built in 1928 with periodic renovations and in fair-to-good condition. The building was a distressed property for years and was just  $\pm 30\%$  occupied at time of sale after several tenants vacated over the past 5-10 years. The buyer is Drury Southwest, Inc. and is planning a redevelopment to convert the office building into a 200-room Drury Hotel. The property was previously acquired by the seller 9700 North Water Tower, LLC) through auction sale in October 2014 for \$3.28 million from J.P. Morgan Chase that had acquired the property through transfer of a deed in lieu of foreclosure in 2012.

Unit of Comparison

Sale price per-square-foot of 'above-grade' gross building area (GBA) excluding basement as basements have a lower contributory value relative to above grade space, especially for conversion purposes; however, with basements utilized for storage, mechanicals, and miscellaneous support areas, the percent of unfinished basement is adjusted for as a physical attribute of comparison.



---

## Adjustments

Capital Expenditures	The comparables were late 19 <sup>th</sup> or early 20 <sup>th</sup> century buildings with varying degrees of deferred maintenance; however, they were all acquired primarily as a shell building for conversion. Therefore, based on conversion to an alternate use there is no adjustment warranted for capital expenditures. Comparable 2, however, reportedly required asbestos abatement subsequent to sale with the buyer assuming a reported cost of \$137,055; therefore, this cost is added to the sale price.
Property Rights	Comparables 1, 2, and 3 were fee simple estate sales; no adjustments were required for property rights conveyed. Comparable 4 was ±30% leased and generates a short-term income stream prior to planned conversion to a hotel; this property is adjusted downward a -5% or -\$230,000 for property rights conveyed.
Financing Terms	No adjustments were required for financing.
Conditions of Sale	The buyer of Comparable 2 paid for the seller's moving costs that amounted to \$200,000; this amount was added to its sale price. No adjustments were required to the other sales for conditions of sale.
Market Conditions (Time)	The comparables sold from 2013 to 2017. Commercial real estate market conditions have improved 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. The Downtown Milwaukee market has been active with expansion and development. Property values have been increasing and to reflect this the comparables were adjusted upward at an annual rate of 2.5% to reflect improving market conditions from their respective sale dates through the appraisal date.
Preliminary Adjusted Price	Based on the above adjustments, the preliminary adjusted value range is a wide \$9.88 to \$34.60 per square foot before locational and physical adjustments are considered as summarized on Page 93.

---

**Qualitative Analysis**

Comparable 1 at an adjusted price of \$9.88 per square foot (through market conditions) is overall inferior due to age/condition, no mechanicals, and nominal basement area; however, these attributes are partially offset by its smaller size relative to the subject. The upper end of the range is indicated by Comparables 2, 3 and 4 with an adjusted range (through market conditions) from \$25 to \$35 per square foot; these buildings have superior locations in the Walker's Point and Downtown East submarkets and superior smaller size that warrant downward adjustment. Furthermore, Comparables 2, 3 and 4 have superior functional utility relative to the subject.

Based on qualitative analysis, the market value of the subject's building shell for conversion to an alternative use is concluded to be between \$10 and \$25 per square foot. A quantitative analysis to better identify the value within this range is developed below.

**Locational & Physical Adjustments**

The attributes considered for locational and physical characteristics and include: overall location; access/visibility; age/condition; property size; basement area; construction; and land-to-building ratio. Adjustments for these factors are discussed below.

*Overall Location* – Relative to the subject's location near MacArthur Square in the Downtown West submarket, Comparable 1 has a generally similar location and received no adjustment. Comparables 2, 3 and 4 are all superior locations in Walker's Point and the Downtown East submarkets where there is currently strong demand for redevelopment with higher land values. Comparables 2 and 3 were adjusted downward -15%, while Comparable 4 is significantly superior with a location in the heart of downtown and is adjusted downward -25%.

*Age/Condition* – This adjustment consideration addresses the age/condition of the 'building shell' and not the interior condition and systems as buyers of buildings for conversion/redevelopment put little weight on the condition of interior buildout and mechanical systems that generally are entirely replaced in a conversion/redevelopment. Comparables 1, 2, and 3 are industrial (loft) buildings that have overall inferior age/condition relative to the subject and received upward adjustments of +15%, +15%, and +10%, respectively. Comparable 4 is also an older building built in 1928 but is well maintained with overall good condition such that only a +5% upward adjustment is warranted.

*Property Size* – There is an inverse relationship of size versus sale price per-square-foot, that is, larger properties typically sell for less per-square-foot than larger properties and vice versa. All four comparables are smaller than the subject property (excluding basement space adjusted for later in this section) and warrant downward adjustment. Comparable 1 is smaller than the subject but is a very large building and warranted a -5% adjustment for size. Comparables 2, 3 and 4 are less than half the size of the subject and were adjusted downward -15%, -20%, and -15%, respectively.

*Basement* – The subject has a partial (±66,280-square-foot) storage and mechanical basement that is partitioned but generally unfinished. Basements in redevelopment buildings have contributory value and are functional for storage and other building support areas. The concluded contributory value of basement space is ±25% of above-grade space; therefore, the subject’s ratio of above-grade to basement area indicates the basement contributes ±4.7% to the value of the above-grade area as calculated below. The comparables were adjusted for basement areas based on the calculation below.

Basement Adjustment				
	Sq. Ft.	% GBA Above	Contributory Value	Contributory Value Factor
<u>Subject Property</u>				
Above Grade	351,169	100.0%	x 100%	= 100.0%
Basement	66,280	18.9%	x 25%	= 4.7%
				<u>104.7%</u>
<u>Comparable 1</u>				
Above Grade	250,000	100.0%	100%	100.0%
Basement	1,600	0.6%	25%	0.2%
				<u>100.2%</u>
Comparison vs. Subject				4.5%
Indicated Adjustment			Conclude	4.0%
<u>Comparable 2</u>				
Above Grade	161,868	100.0%	100%	100.0%
Basement	23,124	14.3%	25%	3.6%
				<u>103.6%</u>
Comparison vs. Subject				1.1%
Indicated Adjustment			Conclude	1.0%
<u>Comparable 3</u>				
Above Grade	105,000	100.0%	100%	100.0%
Basement	2,500	2.4%	25%	0.6%
				<u>100.6%</u>
Comparison vs. Subject				4.1%
Indicated Adjustment			Conclude	4.0%
<u>Comparable 4</u>				
Above Grade	153,201	100.0%	100%	100.0%
Basement	0	0.0%	25%	0.0%
				<u>100.0%</u>
Comparison vs. Subject				4.7%
Indicated Adjustment			Conclude	5.0%

*Functional Utility* – Functional utility considers building layout, construction, and mechanical systems, among other factors. As summarized in the highest and best use, MPM is impacted by functional obsolescence related to its large 1<sup>st</sup> through 3<sup>rd</sup> floor plates that have no perimeter windows and would require considerable capital expenditure to be added for conversion to most alternative uses. The subject does, however, have new electrical switchgear and a backup generator that have contributory value to an alternative use. Comparable 1 had no HVAC, electrical or plumbing systems; however, it generally had functional open floorplates and ample perimeter windows/openings. Overall, Comparable 1 warranted only a -5% downward adjustment for utility. On the other hand, Comparables 2, 3 and 4 have superior functional utility relative to the subject with no known utility issues for redevelopment such that -15% downward adjustments are considered appropriate.

*Land to Building Ratio* – The subject property has a land-to-building ratio of 0.40 with land for on-site parking and circulation of delivery vehicles. With the exception of Comparable 4 that has a very low land-to-building ratio, the other three comparables (Comparables 1, 2, and 3) are similar to the subject and no adjustment is warranted. A slight upward of +5% is applied to Comparable 4 with an inferior 0.10 land-to-building ratio.

#### Summary of Adjustments

The adjustments made to the sale prices of the comparables are summarized in an adjustment grid presented on the following page.

SALES ADJUSTMENT GRID					
Subject Property: Milwaukee Public Museum Address: 800 W Wells Street City, State: Milwaukee, WI Property Size: 351,169 Sq. Ft. (excluding bsmt)					
COMPARABLE ID#		1	2	3	4
Property Name		Fmr Pabst Bottling House	Florida Lofts Building	Eagleknit Building	First Financial Center
Address		1128 N 10th Street	408 W Florida Street	507 S 2nd Street	700 N Water Street
City		Milwaukee	Milwaukee	Milwaukee	Milwaukee
SALE PRICE		\$2,250,000	\$3,200,000	\$3,510,000	\$4,600,000
Capital Expenditures		\$0	\$137,055	\$0	\$0
ADJUSTED SALE PRICE		2,250,000	3,337,055	3,510,000	4,600,000
PROPERTY RIGHTS CONVEYED					
Adjustment		\$0	\$0	\$0	(\$230,000)
Adjusted Sale Price		2,250,000	3,337,055	3,510,000	4,370,000
FINANCING TERMS					
Adjustment		\$0	\$0	\$0	\$0
Adjusted Sale Price		2,250,000	3,337,055	3,510,000	4,370,000
CONDITIONS OF SALE					
Adjustment		\$0	\$200,000	\$0	\$0
Adjusted Sale Price		2,250,000	3,537,055	3,510,000	4,370,000
MARKET CONDITIONS					
Appraisal Date		Jan-19	Jan-19	Jan-19	Jan-19
Comparable Sale Date		Mar-15	Apr-13	Aug-17	Aug-16
Years Since Sale		3.80	5.76	1.40	2.40
Adjustment Factor (%/Yr) @	2.5%	1.098	1.153	1.035	1.061
Adjusted Sales Price		2,470,500	4,078,224	3,632,850	4,636,570
UNIT OF COMPARISON (SQ.FT.)		250,000	161,868	105,000	153,201
ADJUSTED PRICE PER UNIT		\$9.88	\$25.19	\$34.60	\$30.26
<u>LOCATIONAL &amp; PHYSICAL CHARACTERISTICS</u>					
OVERALL LOCATION	MacArthur Sq Dwn West	The Brewery Downtown West	Florida St / Walker's Point	W. Virginia St Walker's Point	Wisconsin Ave Downtown East
Comparison/Adjustment		Similar 0.0%	Superior -15%	Superior -15%	Superior -25%
AGE/CONDITION	1962/Fair (Bldg Shell)	1889 / Poor	1907 / Poor	1928 / Fair	1928 / Good
Comparison/Adjustment		Inferior 15.0%	Inferior 15.0%	Inferior 10.0%	Inferior 5.0%
PROPERTY SIZE	351,169	250,000	161,868	105,000	153,201
Comparison/Adjustment		Superior -5.0%	Superior -15%	Superior -20.0%	Superior -15.0%
BASEMENT AREA	Partial Bsmt	Nominal Bsmt	Partial Bsmt	Pkg Garage	Partial Bsmt
Comparison/Adjustment		Inferior 4.0%	Inferior 1.0%	Inferior 4.0%	Inferior 5.0%
FUNCTIONAL UTILITY	Functional Issues	No Mechanicals	No Issues	No Issues	No Issues
Comparison/Adjustment		Superior -5.0%	Superior -15.0%	Superior -15.0%	Superior -15.0%
LAND TO BUILDING RATIO	0.40	0.42	0.26	0.30	0.10
Comparison/Adjustment		Similar 0.0%	Similar 0.0%	Similar 0.0%	Inferior 5.0%
ADJUSTED PRICE/SQ.FT.		\$10.77	\$17.88	\$22.14	\$18.16
RANGE OF ADJUSTED PRICE/SQ. FT.		\$10.77	to \$22.14	\$17.24 Average	\$18.02 Median

Indicated Value of MPM  
by Sales Comparison

Because of the nature of the adjustments, the adjusted unit price for each sale is not to be interpreted as the value of the subject, but part of a range within which the subject's value is expected to fall. The comparables indicate a broad adjusted value range from \$10.77 to \$22.14 per square foot; the average adjusted sale price per square foot is \$17.24 and the median adjusted sale price is \$18.02.

Based on the adjusted range indicated by available sales, the market value of the appraised building is \$18.00 per square foot. Based on investigation, the concluded market value of the appraised MPM by Sales Comparison Approach is as follows:

Indicated Value by Sales Comparison - MPM		
Concluded Value PSF		\$18.00
x Gross Building Area (above grade)		<u>351,169</u>
Indicated Value by SCA		\$6,321,042
	Rounded	<b>\$6,300,000</b>

**Sales Comparison Approach – DW Building (Market Value & Use Value)**

## Introduction

In the Sales Comparison Approach to valuation, similar properties that have recently sold or are currently offered for sale 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; date of sale; location; and, physical characteristics of the property.

Based on the current condition and concluded highest and best use of DW Building for redevelopment, this valuation is based on sales of mid-size commercial buildings in the Milwaukee area that sold for redevelopment or conversion to an alternate use.

## Comparable Sales

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

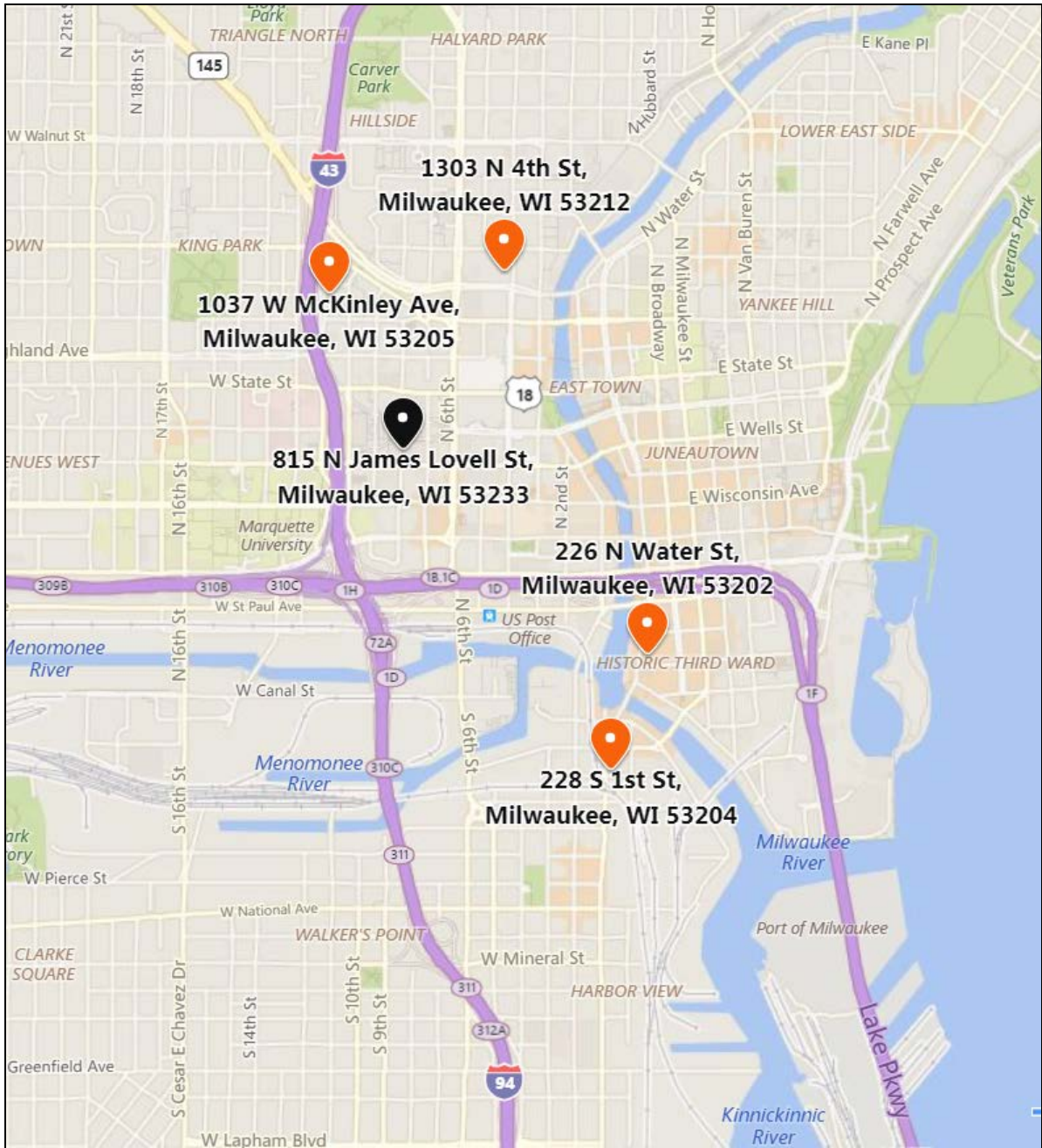
1. Property Type – Commercial and/or historic loft buildings sold for conversion to an alternative use
2. Location – Downtown & Periphery Milwaukee
3. Building Size –±15,000 to ±100,000 square feet
4. Sale Date – January 1, 2015 to present

Based on the above parameters, a total of three sales and one listing are considered. These comparables are summarized on the following page with a map on the subsequent page. Further detail on these comparables is contained in Exhibit C.

COMPARABLE SALES SUMMARY							
Comp #	Property Name Address City, WI	Sale Price Sale Date	GBA	Price/SF	Yr Built # Stories	# Bldgs Construct.	Land (Ac.) LTB Ratio
Subject	Discovery World Building 815 N James Lovell St Milwaukee, WI	44,440 4-Jan-19			1997 Four	One Steel/Concrete	0.342 0.34
Owner: Milwaukee Public Museum, Inc.							
5	Fmr Cardinal Stritch Bldg 1037 W McKinley Avenue Milwaukee, WI	\$2,600,000 Jan-17	44,384	\$58.58	1894/1913 Three	One Wd&St/Brick	0.34 0.33
Seller: Cardinal Stritch University, Inc. Buyer: 1037 West McKinley Avenue, LLC							
6	Fmr Jerry Mitchell Leather Bldg 226 N Water Street Milwaukee, WI	\$1,800,000 Jan-16	39,450	\$45.63	1914 Four	One Conc/Brick	0.23 0.26
Seller: Ec Acquisitions LLC Buyer: Mitchel on Water LLC							
7	National Ace Hardware Bldg 1303 N 4th Street Milwaukee, WI	\$2,500,000 Jul-15	65,400	\$38.23	1892 Three & One	One Timber Fr/Brk	1.27 0.80
Seller: Rotter Investment Realty Co. Buyer: Hardware HQ LLC							
8	Redevelopment Bldg 228 S 1st Street Milwaukee, WI	\$2,200,000 Jan-19	37,076	\$59.34	1892 Four	One WdFrm/Brick	0.32 0.40
Seller: Founders 3 (listing agent) Buyer: Owner-User							



IMPROVED SALES MAP



Comparable 5 – This is the January 31, 2017 sale of a ±44,384-square-foot (GBA) four-story loft building in The Brewery redevelopment area. The sale price was \$2,600,000 or \$58.58 per square foot with the seller (i.e. Cardinal Stritch) leasing back ±22,584 square feet for a short term of ±2.5 years with the right to terminate with a 30-day notice. The masonry building has a mix of wood and steel columns with cream city brick façade and comprises two sections with the south section built in 1894 and north section in 1913 and a weighted average year built of 1907. The south building section comprises unfinished loft space and the north building section included office buildout occupied by Cardinal Stritch. The building was acquired for redevelopment and subsequent to this arm's length sale with short-term leaseback, the property later sold in August 2017 for \$3.2 million for redevelopment into the Milwaukee Film Hub. The higher sale price for this August 2017 transfer was due to the buyer having secured prospective tenants for ±60% of the rentable area.

Comparable 6 – This is the January 2016 sale of the former Jerry Mitchell Leather building located at 226 N. Water Street in the City of Milwaukee's Third Ward. The sale price in this transaction was \$1,800,000 and the property totals ±39,450 square feet of gross building area which equates to \$45.63 per square foot. The building was constructed in 1914 and the property will be redeveloped into a mixed use subsequent to the sale.

Comparable 7 – This is the July 2015 sale of a ±65,400 square foot building located at the northwest corner of W. McKinley Avenue and N. 4th Street in Milwaukee's Haymarket neighborhood. The sale price in this transaction was \$2,500,000 or \$38.23 per square foot. The three and part one-story, timber frame building was originally constructed in 1892. There is a ±5,300 square foot partial basement. The buyer in this transaction is a developer that plans to fully renovate the property that will convert the upper floors into office space with restaurants/bars and event space on the first floor. This property benefits from its location near the planned new Buck's arena and entertainment district. Construction is slated to begin in June 2016 with an anticipated completion date by the end of 2016.

Comparable 8 - This is current listing of a four-story ±37,076-square-foot (GBA) office building for redevelopment in the Walker's Point area for \$2,200,000 or \$59.34 per square foot. The wood-frame building with brick walls was built in 1892 and is vacant and available for redevelopment.

---

Unit of Comparison	Sale price per-square-foot of 'above-grade' GBA excluding basement as basements have a lower contributory value relative to above grade space, especially for conversion purposes; however, with basements utilized for storage, mechanicals, and miscellaneous support areas, the percent of unfinished basement is adjusted for as a physical attribute of comparison.
Adjustments	
Capital Expenditures	The comparables were late 19 <sup>th</sup> or early 20 <sup>th</sup> century buildings with varying degrees of deferred maintenance; however, they were all acquired primarily as a shell building for conversion. Therefore, based on conversion to an alternate use there is no adjustment warranted for capital expenditures.
Property Rights	The comparables were fee simple sales; however, Comparable 5 involved a temporary sale-leaseback with Cardinal Stritch with near-term cash flow during the planning stages of redevelopment. A -5% or -\$130,000 adjustment is applied to Comparable 5 for superior property rights.
Financing Terms	No adjustments were required for financing.
Conditions of Sale	Comparable 8 is a listing and was adjusted -10% for listing-to-sale price discount. No adjustments were required to the other sales for conditions of sale.
Market Conditions (Time)	The comparables sold from 2015 to 2017. Commercial real estate market conditions have improved 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. The Downtown Milwaukee market has been active with expansion and development. Property values have been increasing and to reflect this the comparables were adjusted upward at an annual rate of 2.5% to reflect improving market conditions from their respective sale dates through the appraisal date.
Preliminary Adjusted Price	Based on the above adjustments, the preliminary adjusted sales range is \$41.67 to \$58.38 per square foot before locational and physical adjustments are considered as summarized on Page 103

**Qualitative Analysis**

All four sales are older buildings that warrant upward adjustment, which is partially offset by two of the sales having superior locations in the Third Ward/Walker's Point area. However, the subject's absence of windows on Floors 1-3 represents functional obsolescence not prevalent with the comparables. Based on qualitative analysis, the subject's superior age/condition relative to the comparables offsets certain inferior attributes such that a value within the upper-middle of the comparable range of \$41.67 to \$58.38 per square foot is supported. A quantitative analysis to better identify the value within this range is developed below.

**Locational & Physical Adjustments**

The attributes considered for locational and physical characteristics and include: overall location; access/visibility; age/condition; property size; basement area; construction; and land-to-building ratio. Adjustments for these factors are discussed below.

*Overall Location* – Relative to the subject's location near MacArthur Square in the Downtown West submarket, Comparable 5 in The Brewery has a generally similar overall location to the subject and received no adjustment. Comparables 6 and 8 are located in the superior Third Ward and Walker's Point neighborhood with significantly more redevelopment activity and higher land values that support a -15% downward adjustment. Lastly, Comparable 7 is located in the Haymarket neighborhood with less exposure and lower land values and warrants a +10% adjustment for inferior location.

*Age/Condition* – This adjustment consideration addresses the age/condition of the 'building shell' and not the interior condition and systems as buyers of buildings for conversion/redevelopment put little weight on the condition of interior buildout and mechanical systems that generally are entirely replaced in a conversion/redevelopment. There have been no sales of buildings of similar age to the subject in the past several years. The comparables are vacant office and industrial (loft) buildings that are overall inferior in age/condition relative to the subject and all receive +25% adjustments. This adjustment incorporates consideration of the potential that the subject's mechanical systems may be functional to an alternate use, where the systems of the older comparables likely have little contributory value.

*Property Size* – There is an inverse relationship of size versus sale price per-square-foot, that is, larger properties typically sell for less per-square-foot than larger properties and vice versa. All four comparables are smaller than the subject property (excluding basement space adjusted for later in this section) and warrant downward adjustment. Comparables 5, 6 and 8 are similar in size to the subject and warrant no adjustment. Comparable 7 is larger than the subject and receive a +10% upward adjustment.

*Basement* – The subject and Comparables 5, 6 and 8 are similar with no basement and no adjustment is warranted. Comparable 7 has a ±5,300-square-foot partial basement. Basements in redevelopment buildings have contributory value and are functional for storage and other building support areas. The concluded contributory value of basement space is ±25% of above-grade space; therefore, Comparable 3’s ratio of above-grade to basement area indicates the basement contributes 2.0% to the value of the above-grade area as calculated below and warrants a -2.0% downward adjustment.

<b>Basement Adjustment</b>				
	<u>Sq. Ft.</u>	<u>% GBA Above</u>	<u>Contributory Value</u>	<u>Contributory Value Factor</u>
<u>Comparable 7</u>				
Above Grade	65,400	100.0%	100%	100.0%
Basement	5,300	8.1%	25%	2.0%
				<u>102.0%</u>
Comparison vs. Subject				-2.0%
Indicated Adjustment			Conclude	-2.0%

*Functional Utility* – Functional utility considers the building layout, construction, and utility of mechanical systems, among other factors. The DW building has functional obsolescence related to no perimeter windows on all floors except for the east perimeter wall of the 4<sup>th</sup> Floor and southeast corner of the 1<sup>st</sup> Floor; therefore, this building will require considerable investment to add windows for an alternative use. Furthermore, this building has a theater area that is obsolete and requires demolition. Comparatively, all four comparables have existing wall openings that require no additional cost. Based on consideration to an estimate of costs to cut window openings in the subject building a downward adjustment of -10% is applied to all the comparables for their superior functional utility relative to the subject.

*Land to Building Ratio* – The DW building has an allocated land-to-building ratio of 0.34 with assumed perpetual easement for on-site circulation of delivery vehicles. With the exception of Comparable 7 that has a relatively higher land-to-building ratio of 0.80, the other three comparables (Comparables 5, 6 and 8) are generally similar to the subject and no adjustment is warranted. A downward -5% adjustment is applied to Comparable 7 for its superior land-to-building ratio.

#### Summary of Adjustments

The adjustments made to the sale prices of the comparables are summarized in an adjustment grid presented on the following page.

SALES ADJUSTMENT GRID

Subject Property:	Discovery World Building
Address:	815 N James Lovell St
City, State:	Milwaukee, WI
Property Size:	44,440 Sq. Ft. NRA

COMPARABLE ID#	5	6	7	8
Address	1037 W McKinley Avenue	226 N Water Street	1303 N 4th Street	228 S 1st Street
City	Milwaukee	Milwaukee	Milwaukee	Milwaukee
SALE PRICE	\$2,600,000	\$1,800,000	\$2,500,000	\$2,200,000
Capital Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ADJUSTED SALE PRICE	2,600,000	1,800,000	2,500,000	2,200,000
PROPERTY RIGHTS CONVEYED				
Adjustment	<u>(\$130,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Adjusted Sale Price	2,470,000	1,800,000	2,500,000	2,200,000
FINANCING TERMS				
Adjustment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Adjusted Sale Price	2,470,000	1,800,000	2,500,000	2,200,000
CONDITIONS OF SALE				
Adjustment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$220,000)</u>
Adjusted Sale Price	2,470,000	1,800,000	2,500,000	1,980,000
MARKET CONDITIONS				
Appraisal Date	Jan-19	Jan-19	Jan-19	Jan-19
Comparable Sale Date	<u>Jan-17</u>	<u>Jan-16</u>	<u>Jul-15</u>	<u>Jan-19</u>
Years Since Sale	1.92	2.93	3.49	0.00
Adjustment Factor (%/Yr) @ 2.5%	<u>1.049</u>	<u>1.075</u>	<u>1.090</u>	<u>1.000</u>
Adjusted Sales Price	2,591,030	1,935,000	2,725,000	1,980,000
UNIT OF COMPARISON (SQ.FT.)	<u>44,384</u>	<u>39,450</u>	<u>65,400</u>	<u>37,076</u>
ADJUSTED PRICE PER UNIT	\$58.38	\$49.05	\$41.67	\$53.40

LOCATIONAL & PHYSICAL CHARACTERISTICS

OVERALL LOCATION	MacArthur Sq Dwn West	The Brewery Dwn West	N Water Street Third Ward	Haymarket Neigh Dwn West	S. 1st Street Walker's Point
Comparison/Adjustment		<i>Similar</i> 0.0%	<i>Superior</i> -15%	<i>Inferior</i> 10.0%	<i>Superior</i> -15%
AGE/CONDITION	1997	1894/1913	1914	1892	1892
Comparison/Adjustment		<i>Inferior</i> 25.0%	<i>Inferior</i> 25.0%	<i>Inferior</i> 25.0%	<i>Inferior</i> 25.0%
PROPERTY SIZE	44,440	44,384	39,450	65,400	37,076
Comparison/Adjustment		<i>Similar</i> 0.0%	<i>Similar</i> 0%	<i>Inferior</i> 10.0%	<i>Similar</i> 0.0%
BASEMENT AREA	None	None	None	Partial	None
Comparison/Adjustment		<i>Similar</i> 0.0%	<i>Similar</i> 0.0%	<i>Superior</i> -2.0%	<i>Similar</i> 0.0%
FUNCTIONAL UTILITY	No Windows	Functional	Functional	Functional	Functional
Comparison/Adjustment	Flr 1-3	<i>Superior</i> -10.0%	<i>Superior</i> -10.0%	<i>Superior</i> -10.0%	<i>Superior</i> -10.0%
LAND TO BUILDING RATIO	0.34	0.33	0.26	0.80	0.40
Comparison/Adjustment		<i>Similar</i> 0.0%	<i>Similar</i> 0.0%	<i>Superior</i> -5.0%	<i>Similar</i> 0.0%
ADJUSTED PRICE/SQ.FT.		\$67.13	\$49.05	\$53.34	\$53.40
RANGE OF ADJUSTED PRICE/SQ. FT.		\$49.05	to	\$67.13	\$55.73 Average \$53.37 Median

Indicated Value of DW  
by Sales Comparison

Because of the nature of the adjustments, the adjusted unit price for each sale is not to be interpreted as the value of the subject, but part of a range within which the subject's value is expected to fall. The comparables indicate an adjusted value range from \$49.05 to \$67.13 per-square-foot; the average adjusted sale price per square foot is \$55.73 and the median adjusted sale price is \$53.37.

Based on the adjusted range indicated by available sales, the market value of the appraised building is \$55 per square foot. Based on investigation, the concluded market value of the appraised DW Building by Sales Comparison Approach is as follows:

Indicated Value by Sales Comparison		
Concluded Value PSF		\$55.00
x <u>Gross Building Area (above grade)</u>		<u>44,440</u>
Indicated Value by SCA		\$2,444,200
	Rounded	<b>\$2,440,000</b>



**Sales Comparison Approach – Dome Theater (Market Value & Use Value)**

## Introduction

In the Sales Comparison Approach to valuation, similar properties that have recently sold or are currently offered for sale 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; date of sale; location; and, physical characteristics of the property.

Based on the current condition and concluded highest and best use as improved with a Dome Theater, this valuation considers sales of other similar IMAX or Dome theaters both statewide and regionally.

## Comparable Sales

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

1. Property Type – IMAX or Dome Theaters
2. Location – Wisconsin and secondarily the Upper Midwest based on a 100-mile radius of the subject
3. Building Size – ±10,000 square feet and larger
4. Sale Date – January 1, 2015 to present

A search of Wisconsin and the Upper Midwest for IMAX or Dome Theaters produced no comparable type property sales in the past four years to provide an indication of value.

However, in order to test the reasonableness of the value of the Dome Theater developed in the Cost Approach, we have expanded our search to all cinema sales (owner-user or leased fee) of comparable quality and condition to the subject property. The table and overview on the following page includes sales throughout the Upper Midwest that were NOT inspected in the course of this investigation of sales considered only to compare with the indication of value by the Cost Approach.

Summary of Cinema/Theater Sales Wisconsin & Upper Midwest									
#	Name	Address	City	State	Sale Date	Sale Price	Bldg Sq.Ft.	Price Sq.Ft.	Year Built
1	Cinemark	1600 State Route 50	Bourbonnais	IL	Mar-18	\$3,680,100	26,371	\$139.55	2016
2	Cinemark	700 Porter Vale Blvd	Valpariso	IN	Jul-17	\$4,874,685	41,882	\$116.39	2008
3	Cinemark w/IMAX	6500 Route 53	Woodridge	IL	Jun-17	\$15,271,000	70,183	\$217.59	2002
4	Cinemark	7101 70th Ct	Kenosha	WI	Jun-17	\$8,350,666	50,464	\$165.48	1998
5	Cinemark	7101 70th Ct	Kenosha	WI	Jun-17	\$8,350,666	50,464	\$165.48	1998
6	Cinemark	7101 70th Ct	Kenosha	WI	Jun-17	\$8,350,666	50,464	\$165.48	1998
7	AMC Starplex	201 McKnight St	Normal	IL	Oct-16	\$10,900,000	44,679	\$243.96	2007
8	AMC Classic	2555 S 44th St	Manitowoc	WI	Sep-16	\$6,482,024	35,386	\$183.18	2014
9	AMC	4201 167th St	Ctry Club Hills	IL	Apr-16	\$6,300,000	85,000	\$74.12	-
10	Shiloh Crossing	10400 E US 36	Avon	IN	Mar-16	\$6,300,000	72,489	\$86.91	1995
11	AMC Classic	450 W Chippewa Av	South Bend	IN	Jan-16	\$16,060,000	63,735	\$251.98	1997
12	Goodrich Quality	3525 McCarty Ln	Lafayette	IN	May-15	\$2,458,000	18,000	\$136.56	1998
13	iPic Theaters	100 W Higgins Rd	S Barrington	IL	Apr-15	\$11,998,172	65,831	\$182.26	2008
14	UA Galaxy	8105 E 96th St	Indianapolis	IN	Oct-14	\$9,000,000	54,082	\$166.41	1996
			Minimum		Oct-14	\$2,458,000	18,000	\$74.12	1995
			Maximum		Mar-18	\$16,060,000	85,000	\$251.98	2016
			Average		Aug-16	\$8,455,427	52,074	\$163.95	2003
			Median		Sep-16	\$8,350,666	50,464	\$165.48	1998
Source: CoStar Database									
<i>Theaters Acquired for alternate use</i>									
15	Value Cinema	6912 S 27th St	Oak Creek	WI	May-17	\$2,200,000	31,600	\$69.62	1994
16	Theater	7440 N 76th St	Milwaukee	WI	Aug-15	\$1,300,000	40,160	\$32.37	1976
17	Norridge Theater	4520 N Harlem Av	Norridge	IL	Jul-16	\$3,072,914	57,200	\$53.72	1962
18	Showboat of Lyons	2565 Hwy 120	Lyons	WI	Dec-17	\$1,300,000	28,859	\$45.05	1999
19	Vacant Bldg	3330 W Roosevelt Rd	Chicago	IL	Mar-16	\$1,950,000	49,922	\$39.06	1997
Source: CoStar Database									

Summary of Sales

The above summary of regional theater sales indicates a range of \$74.12 to \$251.98 per square foot, and an average/median of around \$165 per square foot. The comparables average around ±50,000 square feet in size with an average year built of 2003. Comparable 3 at the upper end of the range (i.e. \$217.59/sq.ft.) was the only comparable identified as including an IMAX theater.

The value of the Dome Theater by the Cost Approach, as developed earlier, is \$2,600,000 or \$144 per square foot. Based on the summary of sales, the indication of value by the Cost Approach reasonably falls within the market range and is supported. However, no precise indication of value by Sales Comparison can be supported due to the lack of comparable properties in the competitive market.

(Note that Sales 15-19 involve theaters sold for an alternative use and demonstrate a significant drop in value under assumed conversion to an alternate use with prices between \$30 and \$70 per square foot.)

**Reconciliation & Conclusions** Based on the data and analyses set forth in this appraisal report, the indications of value developed in the appraisal report is as follows:

<b>Aggregate Market Value</b> VALUE INDICATIONS			
<u>Value Indications</u>	<u>MPM</u>	<u>DW Building</u>	<u>Dome Theater</u>
Cost Approach	Not Applied	\$2,640,000	\$2,600,000
Sales Comparison Approach	\$6,300,000	\$2,440,000	Not Applied

Furthermore, indications for the Aggregate Use Value are as follows:

<b>Aggregate Use Value</b> VALUE INDICATIONS			
<u>Value Indications</u>	<u>MPM</u>	<u>DW Building</u>	<u>Dome Theater</u>
Cost Approach	\$9,200,000	\$2,640,000	\$2,600,000
Sales Comparison Approach	Not Applied	\$2,440,000	Not Applied

The Cost Approach is considered a reliable valuation technique for newer properties in strong markets and is often heavily relied upon for the value in-use. In this analysis, the Cost Approach included reasonable estimates of land value and replacement costs, along with reasonable adjustment for all factors of physical and functional obsolescence. The indicated values by the Cost Approach are reasonable for the Value In-Use and considered less reliable than the Sales Comparison Approach for the market value.

The Sales Comparison Approach is the most direct approach to value and is typically the most easily understood. Because the comparable sales represent theoretical acquisition alternatives, an analysis of recent sales provides a reliable indication of value. In this valuation analysis, the amount of recent, reliable sales data from which to conclude a value was adequate and reasonable adjustments were made to reflect variances in location and physical attributes. This approach is considered the most reliable indication of market value for the appraisal of a fee simple estate.

The Cost Approach is relied upon for the Use Value of MPM due to the absence of comparable improved museum sales. The Sales Comparison Approach is relied upon for the Market Value of the MPM and DW Buildings. And finally, the Cost Approach is relied upon for the Market & Use Value of the Dome Theater.

**Aggregate Market Value**

Based on the investigation and premise outlined, we conclude it is our opinion of the aggregate Market Value of the Fee Simple Estate in the property based on separate valuation of the three building sections in their actual physical condition and subject to the zoning in effect as of the appraisal date (January 4, 2019) is:

<b>Aggregate Market Value</b> Value Conclusion by Building				
	<u>MPM</u>	<u>DW Building</u>	<u>Dome Theater</u>	<u>Aggregate Value</u>
Concluded Market Value	\$6,300,000	\$2,500,000	\$2,600,000	<b>\$11,400,000</b>

**Aggregate Use Value**

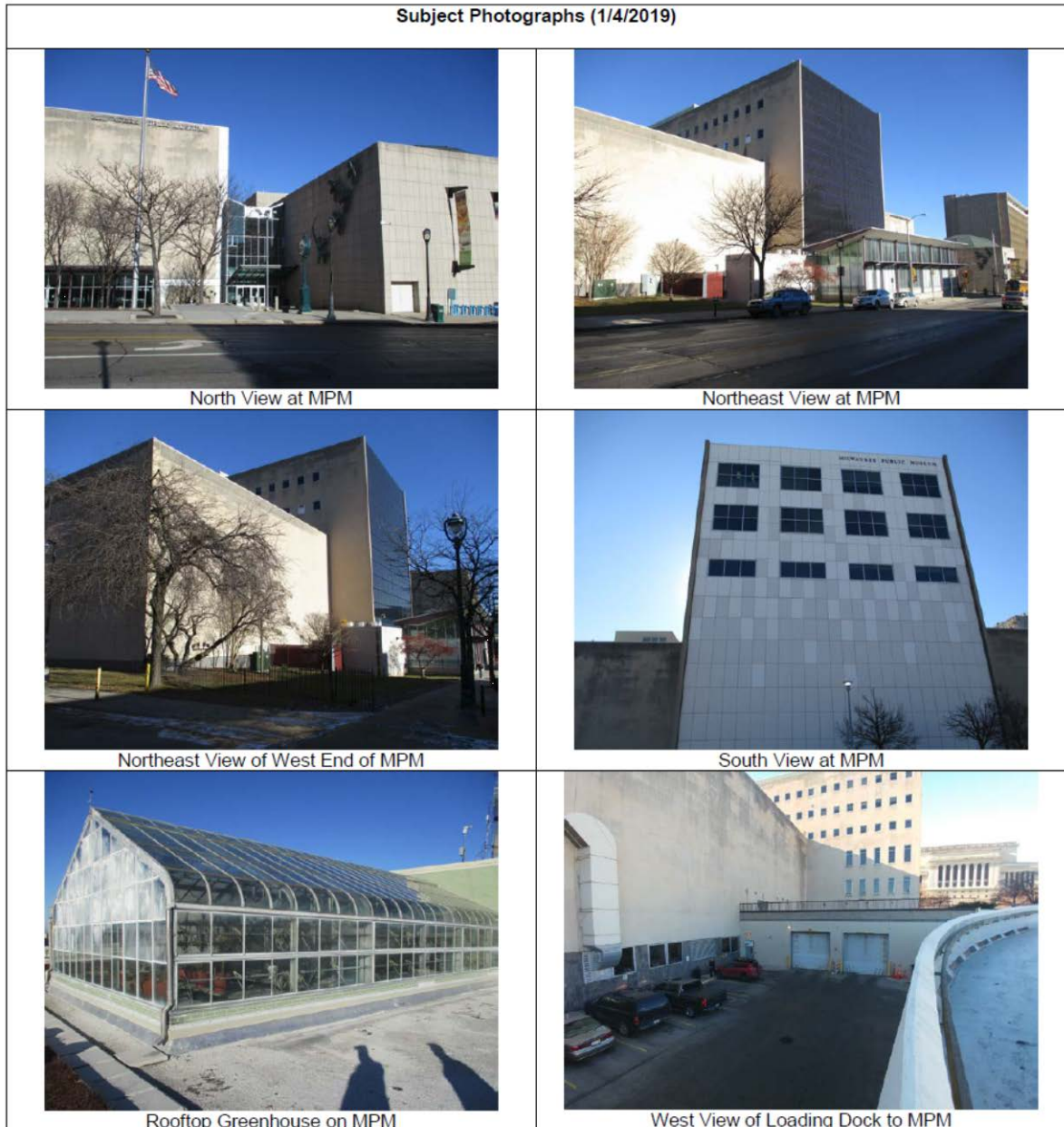
Based on the investigation and premise outlined, we further conclude it is our opinion of the aggregate Use Value of the Fee Simple Estate assuming continued use of the MPM building as a museum, in their actual physical condition and subject to the zoning in effect as of the appraisal date (January 4, 2019), is:

<b>Aggregate Use Value</b> Value Conclusion by Building				
	<u>MPM</u>	<u>DW Building</u>	<u>Dome Theater</u>	<u>Aggregate Value</u>
Concluded Use Value	\$9,200,000	\$2,500,000	\$2,600,000	<b>\$14,300,000</b>

The Market Value and Use Value of the DW Building and Dome Theater are the same as their existing (continued use) is also the concluded highest and best use of these two buildings.

The appraisal and value conclusions are conditioned upon the extraordinary assumptions as contained herein.

Exhibit A  
Subject Property Photographs



Subject Photographs (1/4/2019)



Southwest View of DW Building



Southwest at DW Building



Southeast at Dock Area of DW Building



Northwest at Dome Theater



Northwest at Frontage along N James Lovell St



Access to Dock Facilities from N. James Lovell St.

Subject Photographs (1/4/2019)



Lobby/Atrium Entrance to MPM



MPM Ground Floor



MPM Museum Space



MPM 1<sup>st</sup> Floor



MPM Exhibit Area



Elevator Lobby – Upper Office/Lab/Storage

Subject Photographs (1/4/2019)



Upper Level – Office/Lab/Storage



Artifact Storage on Upper Floors



Greenhouse on Rooftop of MPM



Mechanical/Maintenance in Basement of MPM



Artifact Storage in MPM Basement



New Electrical Switchgear



Subject Photographs (1/4/2019)



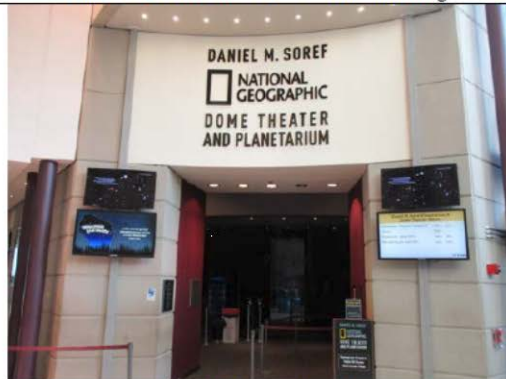
DW Building – Shell Condition



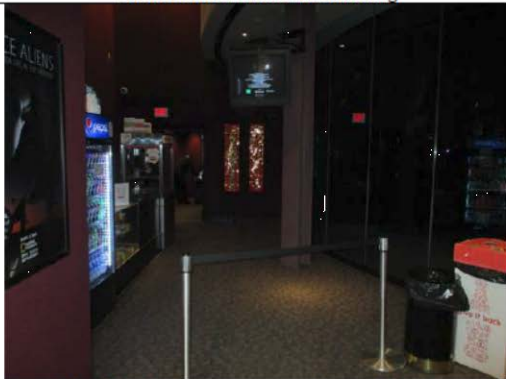
Third Floor Theater Areas – DW Building



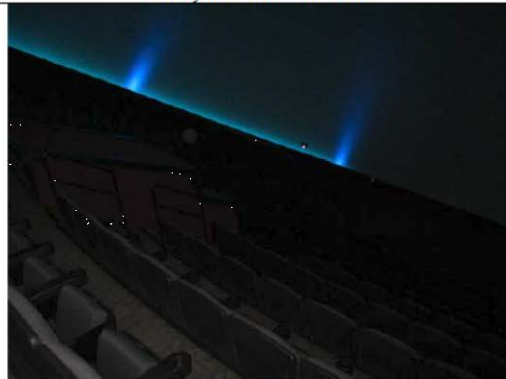
Shell Condition of DW Building



Entry to Dome Theater



Main Lobby/Concessions to Dome Theater



Dome Theater Area

**Exhibit B**  
**Comparable Land Sales Information**

**Land Sale No. 1**

**Property Identification**

<b>Record ID</b>	1478
<b>Property Type</b>	Commercial, Commercial
<b>Property Name</b>	W. Juneau Avenue Land
<b>Address</b>	1124 N. Old World Third Street, Milwaukee, Milwaukee County, Wisconsin
<b>Location</b>	SEC W. Juneau Avenue & N. Old World 3rd Street
<b>Tax ID</b>	361-1802-100

**Sale Data**

<b>Grantor</b>	Milwaukee River Hotel LLC
<b>Grantee</b>	MVP Milwaukee Arena Lot LLC
<b>Sale Date</b>	February 01, 2016
<b>Deed Book/Page</b>	Doc #10536685
<b>Property Rights</b>	Fee Simple

<b>Sale Price</b>	\$3,900,000
-------------------	-------------

**Land Data**

<b>Zoning</b>	RED, Redevelopment
<b>Topography</b>	Generally Level
<b>Utilities</b>	All to Site
<b>Shape</b>	Generally Rectangular

**Land Size Information**

<b>Gross Land Size</b>	1.110 Acres or 48,344 SF
------------------------	--------------------------

**Indicators**

<b>Sale Price/Gross Acre</b>	\$3,514,066
<b>Sale Price/Gross SF</b>	\$80.67

**Remarks**

This is the February 2016 sale of ±48,344 square feet of land currently utilized as surface parking located along N. Old World Third Street just south of W. Juneau Avenue. The sale price was \$3,900,000 or \$80.67 per square foot and the buyer is a Las Vegas-based parking lot and parking structure operator. There were no reported development plans for this site at time of sale and no unusual sale conditions that affected the sale price.

Land Sale No. 1 (Cont.)



**Land Sale No. 2****Property Identification**

<b>Record ID</b>	1491
<b>Property Type</b>	Commercial, Commercial
<b>Address</b>	191 W. Michigan Street & 522 N. 2nd Street, Milwaukee, Milwaukee County
<b>Location</b>	SEC N. 2nd Street & W. Michigan / NEC N. 2nd Street & W. Clybourn Street
<b>Tax ID</b>	361-0784-100 & 361-0786-110

**Sale Data**

<b>Grantor</b>	PSE Plankinton, LLC
<b>Grantee</b>	Columbia Parking, LP
<b>Sale Date</b>	October 16, 2015
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arms Length

<b>Sale Price</b>	\$4,850,000
-------------------	-------------

**Land Data**

<b>Zoning</b>	C9F(A), Central Business
<b>Topography</b>	Generally Level
<b>Utilities</b>	All to Site
<b>Shape</b>	Generally Rectangular

**Land Size Information**

<b>Gross Land Size</b>	1.848 Acres or 80,511 SF
------------------------	--------------------------

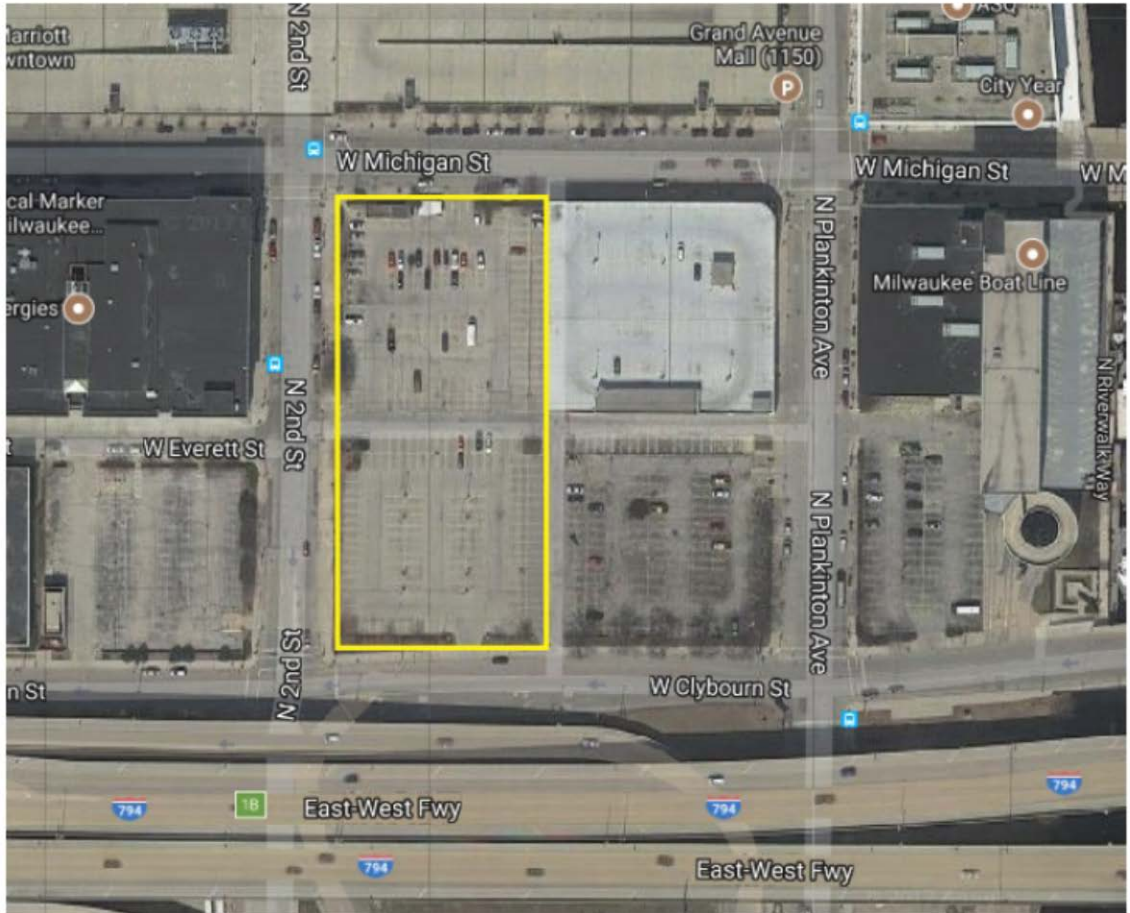
**Indicators**

<b>Sale Price/Gross Acre</b>	\$2,624,064
<b>Sale Price/Gross SF</b>	\$60.24

**Remarks**

This is the October 2015 sale of a 80,511 square foot land parcel located at the southeast corner of N. 2nd Street & W. Michigan and the northeast corner of N. 2nd Street & W. Clybourn Street in the downtown area of the City of Milwaukee. Columbia Parking, LP purchased the property from PSE Plankinton, LLC for \$4,850,000 which equates to \$60.24 per square foot of land area. The property has a two-corner location, generally rectangular shape and a generally level topography. No unusual sale conditions affected this transaction.

Land Sale No. 2 (Cont.)



**Land Sale No. 3****Property Identification**

**Record ID** 1583  
**Property Type** Commercial, Commercial  
**Address** 1003 W Winnebago Street & 926 W Juneau Avenue,  
 Milwaukee, Milwaukee County, Wisconsin  
**Location** SWC W. Winnebago St & 10th Street, and NEC W. Juneau Ave  
 & N. 10th Street  
**Tax ID** 362-0531-700 & 362-0552-100

**Sale Data**

**Grantor** Brewery Project LLC  
**Grantee** Blocks 4 and 5, LLC  
**Sale Date** May 16, 2017  
**Deed Book/Page** Doc #10675993 & 10675994  
**Property Rights** Fee Simple  
**Conditions of Sale** Arms Length  
**Verification** Kevin Morin, MSOE; Andrew Tilmont, BMO

**Sale Price** \$3,000,000

**Land Data**

**Zoning** C9G, Mixed Activity  
**Topography** Generally Level  
**Utilities** All to Site  
**Shape** Two Generally Rectangular

**Land Size Information**

**Gross Land Size** 3.225 Acres or 140,476 SF

**Indicators**

**Sale Price/Gross Acre** \$930,266  
**Sale Price/Gross SF** \$21.36

**Remarks**

This is May 2017 sale of two vacant parcels of commercial (C9G-zoned) land totaling ±3.22 acres within the former Pabst brewery complex with a combined purchase price of \$3,000,000 or \$21.36 per square foot. This sale is by and between Brewery Project, LLC (seller) and Blocks 4 and 4, LLC (buyer) and comprised two separately recorded transactions as follows: \$2,000,000 for a ±2.4615-acre parcel located 1003 W. Winnebago Street (tax key no. 362-0531-700); and \$1,000,000 for a ±0.76-acre parcel located at 926 W Juneau Avenue (tax key no. 362-0552-100). The buyer is an Indiana-based developer with plans to construct 274 apartments in two five-story buildings with ground floor retail space in the Juneau Avenue building. Both of these sites have access to a central parking structure within The Brewery development with proximity to the new Bucks arena.

Land Sale No. 3 (Cont.)



**Land Sale No. 4****Property Identification**

<b>Record ID</b>	1415
<b>Property Type</b>	Commercial, Commercial
<b>Address</b>	1214 N. Water Street, Milwaukee, Milwaukee County, Wisconsin
<b>Location</b>	NEC E. Juneau Avenue & N. Water Street
<b>Tax ID</b>	3922127100

**Sale Data**

<b>Grantor</b>	BMO Harris Bank NA
<b>Grantee</b>	MSOE Corp
<b>Sale Date</b>	June 24, 2015
<b>Deed Book/Page</b>	Doc #10473895
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arms Length
<b>Verification</b>	Kevin Morin, MSOE; Andrew Tilmont, BMO
<b>Sale Price</b>	\$3,500,000

**Land Data**

<b>Zoning</b>	RED, Redevelopment
<b>Topography</b>	Generally Level
<b>Utilities</b>	All to Site
<b>Shape</b>	Rectangular

**Land Size Information**

<b>Gross Land Size</b>	1.777 Acres or 77,400 SF
------------------------	--------------------------

**Indicators**

<b>Sale Price/Gross Acre</b>	\$1,969,767
<b>Sale Price/Gross SF</b>	\$45.22

**Remarks**

This is the June 2015 sale of a ±77,400 square foot parcel (±1.78 acres) of commercial land located at the northeast corner of E. Juneau Avenue and N. Water Street. The parcel has a generally level topography and a rectangular shape. BMO Harris Bank NA sold the property to Milwaukee School of Engineering ("MSOE") for \$3,500,000 which equates to \$45.22 per square foot of land area.



Land Sale No. 4 (Cont.)



**Exhibit C**  
**Comparable Improved Sales Information**

**Improved Sale No. 1**

**Property Identification**

<b>Record ID</b>	2089
<b>Property Type</b>	Industrial, Redevelopment
<b>Property Name</b>	Former Pabst Bottling House
<b>Address</b>	1128 N. 10th Street, Milwaukee, Milwaukee County, Wisconsin
<b>Location</b>	NWC N. 9th Street & W. Highland Avenue
<b>Tax ID</b>	391-0842-000

**Sale Data**

<b>Grantor</b>	Brewery Project LLC
<b>Grantee</b>	Blue Ribbon Suites, LLC
<b>Sale Date</b>	March 17, 2015
<b>Deed Book/Page</b>	10442602
<b>Property Rights</b>	Fee simple
<b>Conditions of Sale</b>	Arm's length

**Sale Price** \$2,250,000

**Land Data**

<b>Land Size</b>	2.620 Acres or 114,127 SF
<b>Zoning</b>	C9G, Commercial
<b>Topography</b>	Sloping
<b>Utilities</b>	All to Site
<b>Shape</b>	Generally Rectangular

**Indicators**

<b>Sale Price/GBA SF</b>	\$8.94
<b>Floor Area Ratio</b>	2.20
<b>Land to Building Ratio</b>	.45:1

**Remarks**

This is the March 2015 sale of the former Pabst Bottling House located at 1128 N. 10th Street in Downtown Milwaukee. The sale price was \$2,250,000 and the property totals  $\pm$ 251,600 square feet of gross building area ("GBA") comprising  $\pm$ 250,000 square feet of above grade space on 2-3 floors and  $\pm$ 1,600 square feet of lower level space. The sale price is \$9.00 per square foot based on above grade GBA. The building was built between 1889 and 1911 and was known as Building 29, the bottling plant for the Pabst Brewery. At time of sale, the building had been vacant since December 1996 with all heating/cooling, plumbing, and electrical systems removed. The building was purchased by Blue Ribbon Suites, LLC for conversion to a student apartment development comprising 151 apartment units and up to  $\pm$ 7,500 square feet of commercial/retail space on the first floor.

**Improved Sale No. 1 (Cont.)**



**Improved Sale No. 2****Property Identification**

<b>Record ID</b>	1725
<b>Property Type</b>	Industrial
<b>Property Name</b>	Florida Lofts Building
<b>Address</b>	408 W. Florida Street, Milwaukee, Milwaukee County, Wisconsin
<b>Tax ID</b>	428-0303-000
<b>MSA</b>	Milwaukee

**Sale Data**

<b>Grantor</b>	Heritage Relo
<b>Grantee</b>	Florida Lofts, LLC
<b>Sale Date</b>	April 01, 2013
<b>Property Rights</b>	Fee simple
<b>Conditions of Sale</b>	Warranty Deed
<b>Financing</b>	Cash to seller
<b>Sale Price</b>	\$3,200,000
<b>Upward Adjustment</b>	\$200,000
<b>Adjusted Price</b>	\$3,400,000

**Land Data**

<b>Land Size</b>	0.959 Acres or 41,774 SF
<b>Zoning</b>	IM
<b>Topography</b>	Generally level
<b>Utilities</b>	All available
<b>Shape</b>	Rectangular

**General Physical Data**

<b>Building Name</b>	Florida Lofts
<b>Building Type</b>	Single Tenant
<b>GBA SF</b>	161,868
<b>Basement SF</b>	23,124
<b>Area Breakdown</b>	Above Grade 161,868 Basement 23,124
<b>Construction Type</b>	Concrete Frame, Brick Walls
<b>Sprinklers</b>	100
<b>Stories</b>	7
<b>Year Built</b>	1907
<b>Condition</b>	Fair-Good

**Indicators**

<b>Sale Price/GBA SF</b>	\$19.77
--------------------------	---------

**Improved Sale No. 2 (Cont.)****Remarks**

This is the April 2013 sale of a seven-story plus basement loft warehouse building totaling a gross building area ("GBA") of  $\pm 184,992$  square feet comprised of above ground GBA of  $\pm 161,868$  square feet and a full basement with  $\pm 23,124$  square feet. The building is situated on a 0.96 acre parcel located at 408 W. Florida Street just west of the successful Iron Horse Hotel. The sale price in this transaction was \$3,200,000 plus \$200,000 for moving costs that the buyer will pay the seller. The buyer is Florida Lofts LLC and the seller is Heritage Relocation Services. The loft warehouse building was built in 1907 and is of poured concrete construction with brick exterior walls. The seller used the building for his furniture storage and records retention business. The developer is converting the building to a multi-family apartment building with some retail on the first floor. The basement and part of the first floor will be used for vehicle parking; the buyer also plans on constructing a two floor parking structure on western parking lot area to accommodate parking needs for his adjacent Iron Horse Hotel as well as for future tenants after building conversion is complete. This property contained asbestos in pipe insulation, boiler insulation, flooring, duct insulation and windows which the buyer indicated will cost \$137,055 for removing prior to renovation. The building is in fair-to-good condition; the roof leaks but will be replaced as part of the planned renovation.



**Improved Sale No. 3****Property Identification**

<b>Record ID</b>	3046
<b>Property Type</b>	Industrial
<b>Property Name</b>	Eagleknit Building
<b>Address</b>	507 S 2nd Street, Milwaukee, Milwaukee County, Wisconsin
<b>Tax ID</b>	4428-0407-000-6
<b>MSA</b>	Milwaukee

**Sale Data**

<b>Grantor</b>	Roadster LLC
<b>Grantee</b>	507 South 2nd Street Development, LLC
<b>Sale Date</b>	August 10, 2017
<b>Deed Book/Page</b>	Doc# 10701383
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Warranty Deed
<b>Financing</b>	Cash to seller

<b>Sale Price</b>	\$3,510,000
-------------------	-------------

**Land Data**

<b>Land Size</b>	0.643 Acres or 28,000 SF
<b>Zoning</b>	IM
<b>Topography</b>	Level
<b>Utilities</b>	All available
<b>Shape</b>	Rectangular

**General Physical Data**

<b>Building Type</b>	Single Tenant
<b>GBA SF</b>	105,000
<b>Construction Type</b>	Concrete/Brick
<b>Stories</b>	5
<b>Year Built</b>	1928
<b>Condition</b>	Fair

**Indicators**

<b>Sale Price/GBA SF</b>	\$33.43
<b>Floor Area Ratio</b>	3.75
<b>Land to Building Ratio</b>	.27:1
<b>Occupancy at Sale</b>	Owner-User

**Improved Sale No. 3 (Cont.)****Remarks**

This is the August 2017 sale of a five-story warehouse loft building with a GBA of  $\pm 105,000$  square feet located at the southwest corner of S. 2nd Street and W. Virginia Street in the Walker's Point neighborhood. The sale price was \$3,510,000 or \$33.43 per square foot. The building was built in 1928 and was formerly occupied by C. Coakley Relocation Systems, a moving and storage company. The property is planned for redevelopment into a upper-floor office space and street-level office and retail space. The building was on the market for nearly six years prior to sale and was an owner-user building that was over 75% vacant at time of sale. The property is located in Walker's Point in a historically industrial area that is being redeveloped in a commercial and entertainment district. The buyer is Wangard Partners, an active and prominent developer in the Milwaukee area.



**Improved Sale No. 4****Property Identification**

<b>Record ID</b>	3047
<b>Property Type</b>	Office, Redevelopment
<b>Property Name</b>	First Financial Centre (Redevelopment)
<b>Address</b>	700 N Water Street, Milwaukee, Milwaukee County, Wisconsin
<b>Tax ID</b>	392-0690-113-X
<b>MSA</b>	Milwaukee

**Sale Data**

<b>Grantor</b>	700 North Water Tower LLC
<b>Grantee</b>	Milwaukee Exchange LLC
<b>Sale Date</b>	August 10, 2016
<b>Deed Book/Page</b>	Doc# 10592527
<b>Property Rights</b>	Leased Fee
<b>Conditions of Sale</b>	Warranty Deed
<b>Financing</b>	Cash to seller

<b>Sale Price</b>	\$4,600,000
-------------------	-------------

**Land Data**

<b>Land Size</b>	0.363 Acres or 15,800 SF
<b>Zoning</b>	C9F(B)
<b>Topography</b>	Level
<b>Utilities</b>	All available
<b>Shape</b>	Rectangular

**General Physical Data**

<b>Building Type</b>	Multi Tenant
<b>GBA SF</b>	146,368 (excluding lower level)

<b>Construction Type</b>	Steel/Brick
<b>Stories</b>	14
<b>Year Built</b>	1928
<b>Condition</b>	Good

**Indicators**

<b>Sale Price/GBA SF</b>	\$31.43
<b>Floor Area Ratio</b>	9.26
<b>Land to Building Ratio</b>	.11:1
<b>Occupancy at Sale</b>	30%



**Improved Sale No. 4 (Cont.)****Remarks**

This is the August 2016 sale of the 14-story,  $\pm$ 153,301-square-foot First Financial Centre located at the northwest corner of N. Water Street and Wisconsin Avenue that sold for \$4,600,000 or \$30.03 per square foot. The building was built in 1928 with periodic renovations and in fair-to-good condition. The building was a distressed property for years and was just  $\pm$ 30% occupied at time of sale after several tenants vacated over the past 5-10 years. The buyer is Drury Southwest, Inc. and is planning a redevelopment to convert the office building into a 200-room Drury Hotel. The property was previously acquired by the seller 9700 North Water Tower, LLC) through auction sale in October 2014 for \$3.28 million from J.P. Morgan Chase that had acquired the property through transfer of a deed in lieu of foreclosure in 2012.



**Improved Sale No. 5****Property Identification**

<b>Record ID</b>	3051
<b>Property Type</b>	Office, Redevelopment
<b>Property Name</b>	Former Cardinal Stritch Building
<b>Address</b>	1037 W McKinley Avenue, Milwaukee, Milwaukee County, Wisconsin
<b>Tax ID</b>	362-0541-001
<b>MSA</b>	Milwaukee

**Sale Data**

<b>Grantor</b>	Cardinal Stritch University, Inc.
<b>Grantee</b>	1037 West McKinley Avenue, LLC
<b>Sale Date</b>	January 31, 2017
<b>Deed Book/Page</b>	Doc# 10645857
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Warranty Deed
<b>Financing</b>	Cash to seller
<b>Sale Price</b>	\$2,600,000

**Land Data**

<b>Land Size</b>	0.339 Acres or 14,748 SF
<b>Zoning</b>	C9G
<b>Topography</b>	Level
<b>Utilities</b>	All available
<b>Shape</b>	Rectangular

**General Physical Data**

<b>Building Type</b>	Single Tenant
<b>GBA SF</b>	44,384
<b>Construction Type</b>	Wood/Steel with Brick facade
<b>Sprinklers</b>	100% Wet Pipe
<b>Stories</b>	4
<b>Year Built</b>	1907 1894 & 1913
<b>Condition</b>	Shell-to-Fair

**Indicators**

<b>Sale Price/GBA SF</b>	\$58.58
<b>Floor Area Ratio</b>	3.01
<b>Land to Building Ratio</b>	.33:1

**Improved Sale No. 5 (Cont.)****Remarks**

This is the January 31, 2017 sale of a  $\pm 44,384$ -square-foot (GBA) four-story loft building in The Brewery redevelopment area. The sale price was \$2,600,000 or \$58.58 per square foot with the seller (i.e. Cardinal Stritch) leasing back  $\pm 22,584$  square feet for a short term of  $\pm 2.5$  years with the right to terminate with a 30-day notice. The masonry building has a mix of wood and steel columns with cream city brick façade and comprises two sections with the south section built in 1894 and north section in 1913 and a weighted average year built of 1907. The south building section comprises unfinished loft space and the north building section included office buildout occupied by Cardinal Stritch. The building was acquired for redevelopment and subsequent to this arm's length sale with short-term leaseback, the property later sold in August 2017 for \$3.2 million for redevelopment into the Milwaukee Film Hub. The higher sale price for this August 2017 transfer was due to the buyer having secured prospective tenants for  $\pm 60\%$  of the rentable area.



**Improved Sale No. 6****Property Identification**

<b>Record ID</b>	2419
<b>Property Type</b>	Industrial, Redevelopment
<b>Property Name</b>	Former Jerry Mitchell Leather Building
<b>Address</b>	226 N. Water Street, Milwaukee, Milwaukee County, Wisconsin
<b>Location</b>	NEC E. Chicago Street & N. Water Street
<b>Tax ID</b>	3920988000

**Sale Data**

<b>Grantor</b>	Ec Acquisitions LLC
<b>Grantee</b>	Mitchell on Water LLC
<b>Sale Date</b>	January 29, 2016
<b>Deed Book/Page</b>	Doc #10536456
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length

<b>Sale Price</b>	\$1,800,000
-------------------	-------------

**Land Data**

<b>Land Size</b>	0.234 Acres or 10,193 SF
<b>Zoning</b>	C9G, Commercial
<b>Topography</b>	Generally Level
<b>Utilities</b>	All to Site
<b>Shape</b>	Generally Rectangular

**Indicators**

<b>Sale Price/GBA SF</b>	\$45.63
<b>Floor Area Ratio</b>	3.87
<b>Land to Building Ratio</b>	.26:1
<b>Occupancy at Sale</b>	0%

**Remarks**

This is the January 2016 sale of the former Jerry Mitchell Leather building located at 226 N. Water Street in the City of Milwaukee's Third Ward. The sale price in this transaction was \$1,800,000 and the property totals ±39,450 square feet of gross building area which equates to \$45.63 per square foot. The building was constructed in 1914 and the property will be redeveloped into a mixed use subsequent to the sale.

Improved Sale No. 6 (Cont.)



**Improved Sale No. 7****Property Identification**

<b>Record ID</b>	2286
<b>Property Type</b>	Industrial, Loft Conversion
<b>Property Name</b>	National Ace Hardware Building
<b>Address</b>	1303 N. 4th Street, Milwaukee, Milwaukee County, Wisconsin
<b>Location</b>	NWC N. 4th Street & W. McKinley Avenue
<b>Tax ID</b>	361-0344-100

**Sale Data**

<b>Grantor</b>	Rotter Investment Rlty Co
<b>Grantee</b>	Hardware HQ LLC
<b>Sale Date</b>	July 08, 2015
<b>Deed Book/Page</b>	Doc #10478770
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arms Length

<b>Sale Price</b>	\$2,500,000
-------------------	-------------

**Land Data**

<b>Land Size</b>	1.274 Acres or 55,495 SF
<b>Zoning</b>	IL2, Industrial
<b>Topography</b>	Generally Level
<b>Utilities</b>	All to Site
<b>Shape</b>	Generally Rectangular

**General Physical Data**

<b>Building Type</b>	Single Tenant
<b>GBA SF</b>	65,400
<b>Construction Type</b>	Timber Frame & Brick
<b>Stories</b>	3 & 1
<b>Year Built</b>	1892

**Indicators**

<b>Sale Price/GBA SF</b>	\$38.23
<b>Floor Area Ratio</b>	1.18
<b>Land to Building Ratio</b>	.85:1

**Remarks**

This is the July 2015 sale of a ±65,400 square foot building located at the northwest corner of W. McKinley Avenue and N. 4th Street in Milwaukee's Haymarket neighborhood. The sale price in this transaction was \$2,500,000 or \$38.23 per square foot. The three and part one-story, timber frame building was originally constructed in 1892. There is a ±5,300 square foot partial basement. The buyer in this transaction is a developer that plans to fully renovate the property that will convert the upper floors into office space with restaurants/bars and event space on the first floor. This property benefits from its location near the planned new Buck's arena and entertainment district. Construction is slated to begin in June 2016 with an anticipated completion date by the end of 2016.

Improved Sale No. 7 (Cont.)



**Improved Listing No. 8****Property Identification**

<b>Record ID</b>	3052
<b>Property Type</b>	Industrial, Redevelopment
<b>Address</b>	228 S 1st Street, Milwaukee, Milwaukee County, Wisconsin
<b>Tax ID</b>	428-0264-100-6
<b>MSA</b>	Milwaukee

**Sale Data**

<b>Grantor</b>	Founders 3 (Listing Agent)
<b>Grantee</b>	1037 West McKinley Avenue, LLC
<b>Survey Date</b>	January 04, 2019
<b>Deed Book/Page</b>	Doc# 10645857
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Warranty Deed
<b>Financing</b>	Cash to seller
<b>Listing Price</b>	\$2,200,000
<b>Cash Equivalent</b>	\$2,200,000

**Land Data**

<b>Land Size</b>	0.321 Acres or 13,983 SF
<b>Zoning</b>	IL2
<b>Topography</b>	Level
<b>Utilities</b>	All available
<b>Shape</b>	Rectangular

**General Physical Data**

<b>Building Type</b>	Single Tenant
<b>GBA SF</b>	37,076
<b>Construction Type</b>	Masonry
<b>Stories</b>	Four
<b>Year Built</b>	1892
<b>Condition</b>	Poor

**Indicators**

<b>Sale Price/GBA SF</b>	\$59.34
<b>Floor Area Ratio</b>	2.65
<b>Land to Building Ratio</b>	.38:1
<b>Occupancy at Sale</b>	Owner/User

**Remarks**

This is current listing of a four-story ±37,076-square-foot (GBA) office building for redevelopment in the Walker's Point area for \$2,200,000 or \$59.34 per square foot. The wood-frame building with brick walls was built in 1892 and is vacant and available for redevelopment..



Improved Listing No. 8 (Cont.)



## Exhibit D

### 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.

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.

**Assumptions and Limiting Conditions, Continued**

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 E****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 performed no 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 not made a personal inspection of the property that is the subject of this report.
- Michael J. Tompkins has provided significant professional assistance to the person signing this certification by providing market research, valuation analyses and report writing.
- 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.
- As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.



Lawrence R. Nicholson, MAI  
Wisconsin Certified General Appraiser (#116)

## 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.
- Lawrence R. Nicholson, MAI provided professional assistance to the person signing this certification by providing analysis and report review.



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

---

**EXHIBIT F****Professional Qualifications*****Lawrence R. Nicholson, MAI****The Nicholson Group LLC***Experience**

Owner of The Nicholson Group LLC, a Milwaukee-based real estate valuation and consulting firm dedicated to providing reliable and well documented valuations, feasibility and market studies, litigation support and other consulting services in a personal and timely manner. Mr. Nicholson has over 30-years of real estate valuation and consulting experience. Mr. Nicholson has been an MAI since 1989 and a Certified General Appraiser in the State of Wisconsin since 1991. He also was a Counselor of Real Estate ("CRE") from 2000 through 2008.

Mr. Nicholson has extensive experience with a variety of property types including office buildings, shopping centers, apartment complexes, golf courses, waterparks, marinas, hotels, business/industrial parks, developmental land, self-storage facilities, and light and heavy industrial facilities. Mr. Nicholson is an expert in condemnation-related appraisals as well as in partial interest valuation. Mr. Nicholson has been appointed by the Governor to the Real Estate Appraisers Board for the State of Wisconsin within the Department of Safety and Professional Services. Mr. Nicholson has taught the Valuation of Real Estate course (Real Estate 415) at the University of Wisconsin-Madison School of Business. Mr. Nicholson is also an approved instructor of real estate appraisal principles and procedures in the State of Wisconsin. He also frequently participates as a speaker in numerous conferences, seminars and symposiums. Mr. Nicholson has a Bachelor of Business Administration degree (real estate and finance) and a Master of Science degree in Real Estate Appraisal and Investment Analysis from the University of Wisconsin – Madison.

Prior to forming The Nicholson Group in 1993, Mr. Nicholson was National Managing Director of the Real Estate Advisory Group (REAG) of American Appraisal Associates. As an operating unit of the world's largest independent valuation consulting firm, REAG specialized in providing appraisal, consulting, and market research services nationwide.

**Academics**

University of Wisconsin - Madison

Master of Science - Real Estate Appraisal & Investment Analysis (1981)

Bachelor of Business Administration - Finance & Urban Land Economics (1979)

Appraisal Institute

Numerous real estate appraisal courses

American Society of Appraisers

Business Valuation 201

Business Valuation 202

Business Valuation 203

**Lawrence R. Nicholson, MAI**  
**Professional Qualifications, continued**

**Court Experience** Mr. Nicholson has provided expert testimony concerning the market value of real estate and partial interests.

**Professional Affiliations**

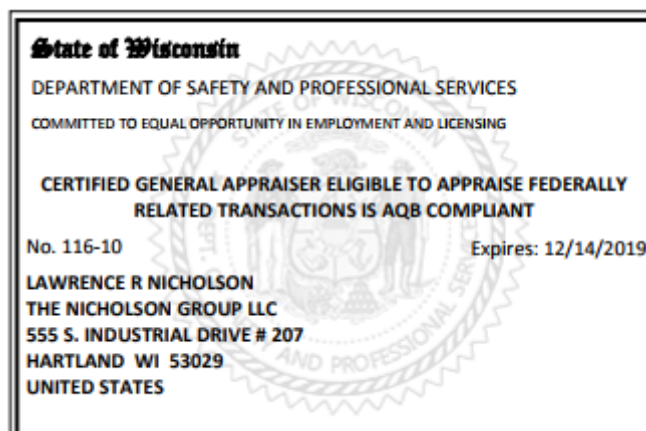
Appraisal Institute, MAI Designation #8077 (1989)  
 Board of Directors, Wisconsin Chapter (2006 - 2009)  
 Ethics Administration Division - Assistant Regional Member  
 Admissions Committee (former)  
 Board of Directors, Badger Chapter (former)  
 Chairperson - Public Relations Committee (former)  
 Nonresidential Appraisal Reports Grader (former)

State of Wisconsin Department of Safety and Professional Services  
 Real Estate Appraisers Board, State of Wisconsin (2010 - 2018)  
 • Chairman (2014 - 2018)  
 • Member (2010 - 2014)  
 Real Estate Appraisers Application Advisory Committee  
 • Chairman (2013 - 2014)  
 • Member (2006 - 2010)

State Certification  
 Wisconsin Certified General Appraiser #116 (1991)

Commercial Association of Realtors Wisconsin  
 Board of Directors (2001-2004)

University of Wisconsin-Madison  
 Lecturer, Real Estate 415, Valuation of Real Estate (2008 - 2009)





**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 preeminent 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**. These are not just words to us but represent the cornerstones of our firm. We are proud of the real estate valuation services we provide and the manner in which we provide them.

While the appraisal industry is dominated by single-person shops and large national firms from outside the area, we thrive on the synergy created in a small firm environment that offers continual learning through challenging assignments, knowledge sharing and local market expertise. 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, retail, 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.

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.

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.

**Integrity matters** at The Nicholson Group.

**The Nicholson Group  
Client Listing**

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

## 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.

My 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.