



**Valbridge**  
PROPERTY ADVISORS

## Appraisal Report

Villa Terrace Decorative Arts Museum  
2220 N. Terrace Avenue  
Milwaukee, Milwaukee County, Wisconsin 53202

Report Date: March 22, 2024



FOR:

Ms. Erica Goblet, Project Manager  
Economic Development Division  
Dept. of Administrative Services  
Milwaukee County  
633 W. Wisconsin Avenue, Suite 932  
Milwaukee, Wisconsin 53203

### Valbridge Property Advisors | Milwaukee

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Valbridge File Number:  
WI01-24-0027-000



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Ms. Erica Goblet, Project Manager  
Economic Development Division  
Dept. of Administrative Services  
Milwaukee County  
633 W. Wisconsin Avenue, Suite 932  
Milwaukee, Wisconsin 53203

RE: Appraisal Report  
Villa Terrace Decorative Arts Museum  
2220 N. Terrace Avenue  
Milwaukee, Milwaukee County, Wisconsin 53202

Dear Ms. Goblet:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above and known as the Villa Terrace Decorative Arts Museum, is located at 2220 N. Terrace Avenue in the Northpoint neighborhood of the City of Milwaukee, Milwaukee County, Wisconsin. The property is further identified as tax parcel 3560104000. The subject site measures 2.402 acres or 104,652 square feet. The site sits on a bluff overlooking Lake Michigan and extends from N. Terrace Avenue to N. Lincoln Memorial Drive.

The site is improved with a residential mansion in the style of a 16th century Italian villa originally constructed in 1923. Based on the Milwaukee County-provided asset record, the subject building contains approximately 19,394 square feet, including approximately 6,000 square feet of partially-finished basement space.

Designed by notable Milwaukee architect David Adler for Lloyd and Agnes Smith with the original name *Sopra Mare*, "above the sea" in Italian. Upon the death of Agnes in 1967, the property was bequeathed to the Milwaukee Art Museum for use as a decorative arts museum. For seven years, the Art Museum utilized the residence as their decorative arts wing. After that, the Friends of Villa Terrace formed to continue operating the museum on behalf of Milwaukee County. During the 1990s and early 2000s, the Friends of Villa Terrace embarked on a capital campaign to raise \$1.5 million to renovate the Villa's Renaissance Garden. The garden continues to be maintained through the efforts of the Friends of Villa Terrace. It is presently operated by a non-profit organization, Charles Allis and Villa Terrace Museums, Inc. as the Villa Terrace Decorative Arts Museum and contains antique

furniture, glassware, ceramics, and silver. Portions of the property are available for private rental, and it was reported the property hosts 70+ wedding and other events annually. Villa Terrace was named to the National Register of Historic Places in 1974, designated a historic property by the City of Milwaukee's Historic Preservation Commission in 1982, and recognized by Milwaukee County as a landmark in 2004.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client. No personal property is included in this real estate appraisal.

The purpose of the appraisal is to develop a current opinion of the market value of the fee simple interest in the real property. The client in this assignment is Milwaukee County and the intended users of this report are Milwaukee County Economic Development Division and their designated representatives. The intended use is to assist in internal planning purposes. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

#### Extraordinary Assumptions:

- Milwaukee County supplied an itemized list by year for a 20-year period of costs for "Renewal" (replacement) and "Non-Renewal" (repair) items. We have made the extraordinary assumption that the scope and costs of the repair and renewal work are accurate. We reserve the right to amend the appraisal if the repair scope and cost differ significantly than reported.
- Milwaukee County supplied a budgetary cost report focused on masonry repair and restoration provided by Statz Restoration & Engineering Co., Inc., and dated June 5, 2023. Given the unknown extent of needed repair scope, the report does not provide cost estimate for all required items. We have assumed that \$600,000 in costs allocated to the items addressed in this report is reasonable. We reserve the right to amend the appraisal if the repair scope and cost differ significantly than reported.
- We have made the extraordinary assumption that conveyance of the property by its owner, Milwaukee County, a political subdivision, would require that a conservation easement per State Statute 700.40 be placed on the property as required by State Statute 66.111 3(b) to protect the historic character and qualities of the property.

#### Hypothetical Conditions:

- None

The value conclusion is based on the analysis in the following report and presented in the following table:

**Value Conclusion**

Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	February 16, 2024
<b>Value Conclusion</b>	<b>\$2,000,000</b>

Respectfully submitted,  
Valbridge Property Advisors | Milwaukee



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# Table of Contents

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Cover Page	
Letter of Transmittal	
Table of Contents .....	5
Summary of Salient Facts .....	6
Aerial and Front Views.....	8
Location Map .....	11
Introduction.....	12
Scope of Work .....	15
Regional and Market Area Analysis.....	17
City and Neighborhood Analysis .....	21
Site Description .....	32
Improvements Description .....	43
Subject Photographs.....	56
Assessment and Tax Data .....	59
Market Analysis .....	60
Highest and Best Use Analysis .....	72
Sales Comparison Approach.....	75
Reconciliation.....	99
General Assumptions and Limiting Conditions .....	101
Certification .....	106
Addenda .....	108
Additional Subject Photographs.....	109
Additional Property Information .....	113
Glossary .....	142
Qualifications .....	149
Information on Valbridge Property Advisors/ Office Locations .....	154

# Summary of Salient Facts

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## Summary of Salient Facts

### Property Identification

Property Name	Villa Terrace Decorative Arts Museum
Property Address	2220 N. Terrace Avenue Milwaukee, Milwaukee County, Wisconsin 53202
Latitude & Longitude	43.057378, -87.880462
Census Tract	6931.02
Tax Parcel Number	3560104000
Property Owner	Milwaukee County Register of Deeds

### Site

Zoning	Parks District; Lakefront Overlay Zone
FEMA Flood Map No.	55079C0092E
Flood Zone	Zone X
Gross Land Area	2.402 acres
Usable Land Area	2.402 acres

### Existing Improvements

Property Use	Museum, Gallery
Occupancy	Publicly-owned; operated as an art museum / event space
Gross Building Area (GBA)	19,394 square feet (inc. lower level) 13,400 square feet above-ground (estimate)
Number of Buildings	1
Number of Stories	2, partially-exposed lower level
Year Built	1923
Condition	Fair to good
Construction Class	C - Masonry
Construction Quality	Excellent
Total Parking	Driveway parking, lower-level garage

### Valuation Opinions

Highest & Best Use - As Vacant	Cultural institution, community center or assembly hall
Highest & Best Use - As Improved	Continued use as a cultural institution and event venue
Reasonable Exposure Time	12-18 months
Reasonable Marketing Time	12-18 months

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**Value Indications**

Approach to Value	As Is
Cost	Not Developed
Sales Comparison	\$2,000,000
Income Capitalization	Not Developed

**Value Conclusion**

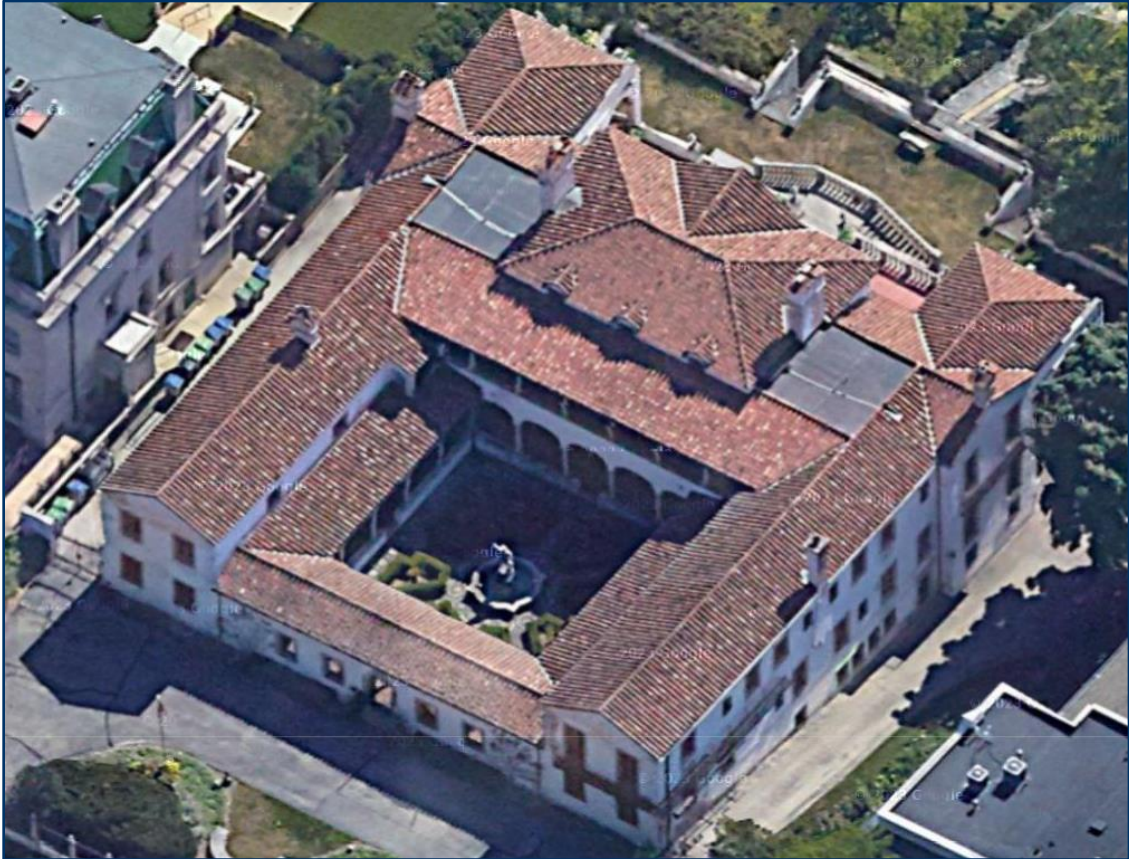
Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	February 16, 2024
<b>Value Conclusion</b>	<b>\$2,000,000</b>

## Aerial and Front Views

### AERIAL VIEWS





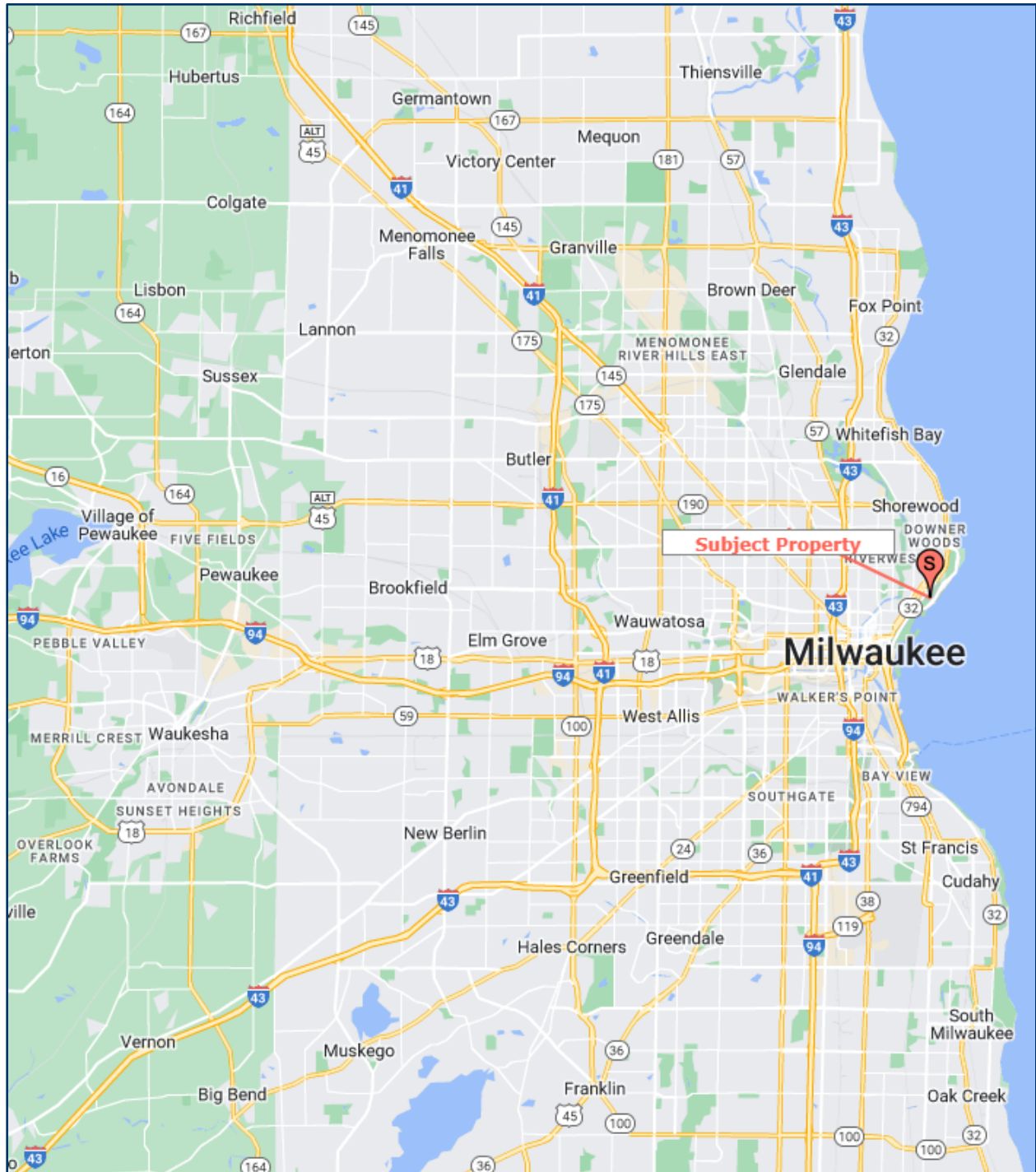




**FRONT VIEWS**



## Location Map





# Introduction

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## Client and Intended Users of the Appraisal

The client in this assignment is Milwaukee County, and the intended users of this report are Milwaukee County Economic Development Division and their designated representatives.

## Intended Use of the Appraisal

The intended use of this report is to assist in internal planning purposes.

## Real Estate Identification

The subject property is located at 2220 N. Terrace Avenue, Milwaukee, Milwaukee County, Wisconsin 53202. The subject property is further identified by the tax parcel 3560104000.

## Legal Description (as reported and abbreviated in public assessment records)

GLIDDEN & LOCKWOOD'S ADDITION IN NW 1/4 SEC 22-7-22 BLOCK 3 LOT 6-NE 50' LOT 5-SW 50' LOT 7 & LAND ADJ S E'LY TO N LINCOLN MEMORIAL DR.

## Use of Real Estate as of the Effective Date of Value

As of the current date of value, the subject was an art museum with event space.

## Use of Real Estate as Reflected in this Appraisal

The current opinion of value for the subject property reflects use as a cultural institution / event space.

## Ownership of the Property

According to public records, title to the subject property is vested in Milwaukee County Register of Deeds.

## History of the Property

Ownership of the subject property has not changed within the past three years.

The site is improved with a residential mansion in the style of a 16th century Italian villa originally constructed in 1923. Designed by notable Milwaukee architect David Adler for Lloyd and Agnes Smith with the original name *Sopra Mare*, "above the sea" in Italian.

Upon the death of Agnes in 1967, the property was bequeathed to the Milwaukee Art Museum for use as a decorative arts museum. For seven years, the Art Museum utilized the as their decorative arts wing. After that, the Friends of Villa Terrace formed to continue operating the museum on behalf of Milwaukee County. During the 1990s and early 2000s, the Friends of Villa Terrace embarked on a capital campaign to raise \$1.5 million to renovate the Villa's Renaissance Garden. The garden continues to be maintained through the efforts of the Friends of Villa Terrace. It is presently operated by a non-profit organization, Charles Allis and Villa Terrace Museums, Inc. as the Villa Terrace Decorative Arts Museum and contains antique furniture, glassware, ceramics, and silver. Portions of the property are available for private rental, and it was reported the property hosts 70+ wedding and other events annually. Villa Terrace was named to the National Register of Historic Places in 1974,

designated a historic property by the City of Milwaukee's Historic Preservation Commission in 1982, and recognized by Milwaukee County as a landmark in 2004.

## Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale with the buyer and seller each acting prudently, 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 own best interest;*
- *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<sup>1</sup>*

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

## Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinions of value for the subject property were developed under the following valuation scenarios:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	February 16, 2024

## Date of Report

The date of this report is March 22, 2024.

## Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

### Extraordinary Assumptions

- Milwaukee County supplied an itemized list by year for a 20-year period of costs for "Renewal" (replacement) and "Non-Renewal" (repair) items. We have made the extraordinary assumption that the scope and costs of the repair and renewal work are accurate. We reserve

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<sup>1</sup> *FIRREA Code of Federal Regulations, Title 12, Part 34 Subpart C - 34.42, 1990; also Interagency Appraisal and Evaluation Guidelines, Federal Register / Vol.75, No. 237, 2010*

the right to amend the appraisal if the repair scope and cost differ significantly than reported.

- Milwaukee County supplied a budgetary cost report focused on masonry repair and restoration provided by Statz Restoration & Engineering Co., Inc., and dated June 5, 2023. Given the unknown extent of needed repair scope, the report does not provide cost estimate for all required items. We have assumed that \$600,000 in costs allocated to the items addressed in this report is reasonable. We reserve the right to amend the appraisal if the repair scope and cost differ significantly than reported.
- We have made the extraordinary assumption that conveyance of the property by its owner, Milwaukee County, a political subdivision, would require that a conservation easement per State Statute 700.40 be placed on the property as required by State Statute 66.111 3(b) to protect the historic character and qualities of the property.

#### Hypothetical Conditions

- None



## Scope of Work

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The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

### Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via public assessment records.
- Economic Characteristics - Economic characteristics of the subject property were identified via comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via an interior and exterior inspection.

### Extent to Which the Property Was Inspected

Steven Vitale, MAI, SGA, James Coyle and Jorge A. Barreiro, SRA, AI-RRS completed an appraisal inspection of the subject on February 16, 2024. The inspection was guided by Jaymee Harvey Willms, Executive Director of the Charles Allis and Villa Terrace Museums. The improvements were not measured during the course of the inspection.

### Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

### Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject property. The subject property was then valued based on the highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the Cost Approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.
- Sales Comparison Approach - In the Sales Comparison Approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.

- Income Capitalization Approach - In the Income Capitalization Approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

All these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the Sales Comparison Approach was developed. The Income Capitalization Approach was considered, but not developed. The most probable use is continued use as a museum or similar cultural institution which are typically owner-occupied rather than leased. The Cost Approach was considered, but not applied due to the age of the improvements and lack of reliance by buyers. The specific methods and analysis of each approach are further discussed in the respective valuation sections.

### Appraisal Conformity and Report Type

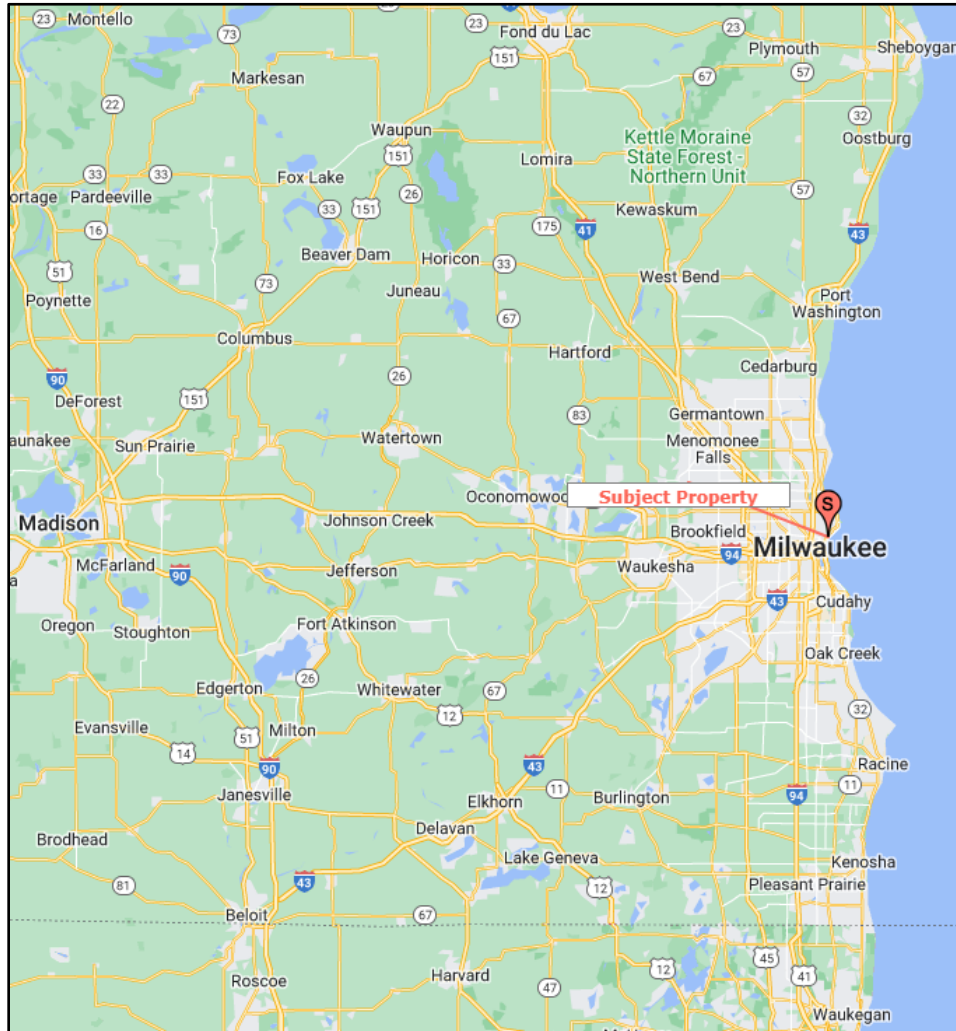
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

### Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

# Regional and Market Area Analysis

## REGIONAL MAP



## Overview

The subject is located in the City of Milwaukee, in Milwaukee County. It is part of the Milwaukee-Waukesha metropolitan statistical area (MSA). We present the following data as the attributes of the MSA are pertinent to the market value of the subject property. Generally, the strength of the larger metropolitan area is pertinent to expectations for the future and therefore value. Furthermore, looking to a smaller area as compared to the larger MSA can provide an understanding as to the regional performance of said area.

## Population

Population characteristics relative to the subject property are presented in the following table. The reader should note that population growth is quite slow relative to historical figures and is anticipated to slow even further with the exception of the nation. Annual growth is anticipated to fall below that of the nation for the state, MSA, County and the City of Milwaukee over the next five years.

### Population

Area	Census Population (2020)	Current Population (2023)	Compound Annual Δ 2020 - 2023	Projected Population (2028)	Compound Annual Δ 2023 - 2028
United States	331,449,520	335,707,897	0.43%	343,238,675	0.44%
Wisconsin	5,893,718	5,954,433	0.34%	5,988,737	0.11%
Milwaukee-Waukesha, WI (MSA)	1,574,731	1,581,013	0.13%	1,589,964	0.11%
Milwaukee County	939,489	934,860	-0.16%	935,709	0.02%
Milwaukee city	577,222	573,262	-0.23%	572,167	-0.04%

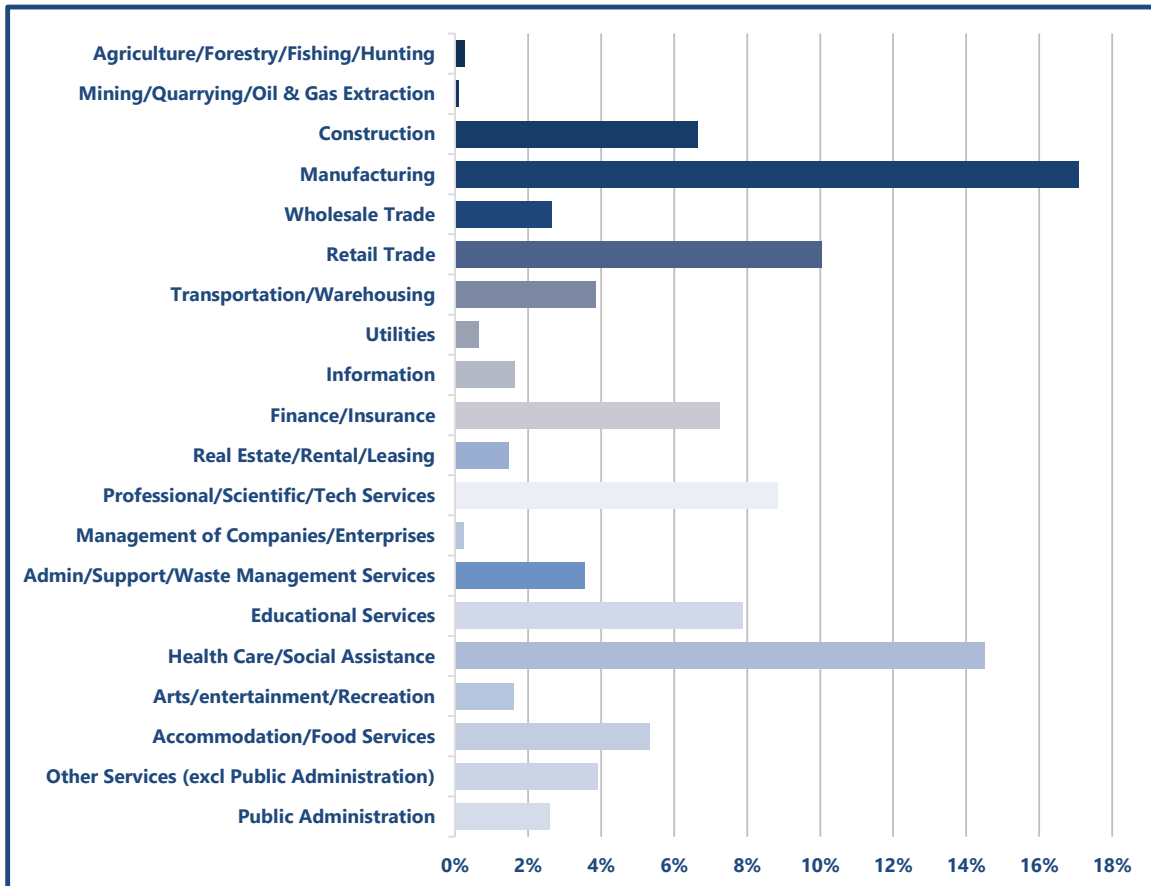
Source: ESRI (ArcGIS)

### Transportation

Unsurprisingly, the City of Milwaukee is a transportation hub for the region. Stemming from the city are Interstates 41, 43 and 94, which provide convenient linkages within the region and linkages to the other metropolitan areas throughout the Midwest and by extension, the nation. The Milwaukee MSA has unparalleled transportation linkages within the State of Wisconsin.

### Employment

Employment within the MSA is strongly rooted in manufacturing and health care. Employment by industry for the MSA is presented in the following chart:



Employment by Industry for Waukesha County - Source: ESRI (ArcGIS)

The following table presents a list of the largest Milwaukee-area private sector employers, ranked by the number of local employees.

Company Name	Type of Business	No. of Local Employees
1. Advocate Aurora Health	Integrated Health Care System	31,155
2. Froedtert Health	Academic Medical Center & Health Care	14,796
3. Ascension Wisconsin	Faith Based Non-Profit Health Care System	9,200
4. Roundy's Supermarkets Inc.	Grocery Stores	7,800
5. Northwestern Mutual	Insurance, Investments & Financial Planning	7,300
6. Medical College of Wisconsin	Medical School & Health Care Provider	6,960
7. Children's Hospital and Health System	Health Care Provider	5,773
8. Kohl's	Department Stores	5,500
9. Quad	Marketing Solutions Provider/Printer	5,200
10. GE Healthcare	Medical Technologies/Services	5,100
11. ProHealth Care	Comprehensive Health Care System	4,656
12. Kwik Trip Inc.	Convenience Stores with Fuel Pumps	4,072
13. Milwaukee Tool	Manufacture/Delivery of Construction Tools	3,700
14. Uline Inc.	Shipping, Industrial, & Packaging Materials	3,700
15. U.S. Bank	Banking and Financial Services	3,500
16. Rockwell Automation	Industrial Automation & Information Services	3,295
17. Amazon	Multinational Tech Company – E-Commerce	3,000
18. WEC Energy Group Inc	Energy Company – Electric & Natural Gas	3,000
19. Generac Holdings Inc	Energy Technology Solutions	2,800
20. Goodwill Industries	Nonprofit Providing Training & Employment	2,715

Source: Milwaukee Business Journal, Book of Lists August 2023

## Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Rates experienced sharp increases in 2020, which is attributed to the Covid-19 pandemic, and leveled off to rates commensurate or slightly below that of 2019 by 2022. As of the effective date, figures were slightly lower than 2022 and the pre-pandemic levels.

### Unemployment Rates

Area	YE 2018	YE 2019	YE 2020	YE 2021	YE 2022	2023 <sup>1</sup>
United States	3.9%	3.7%	8.1%	5.3%	3.6%	3.6%
Wisconsin	3.0%	3.2%	6.4%	3.8%	2.9%	2.7%
Milwaukee-Waukesha-West Allis, WI (MSA)	3.2%	3.4%	7.2%	4.4%	3.2%	3.1%
Milwaukee County, WI	3.6%	3.8%	8.4%	5.4%	3.7%	3.6%
Milwaukee city, WI	4.0%	4.3%	9.3%	6.4%	4.2%	4.1%

Source: [www.bls.gov](http://www.bls.gov)

data not seasonally adjusted; <sup>1</sup>Annual - most recent for US, others lag by 1-2 mos.)

## Income

Income data for the region is presented in the following table. Overall, the subject's MSA falls in line with the state and the nation, however the subject's county and the City of Milwaukee compare unfavorably to the MSA, state and the nation in terms of median household income, average household income and per capital income.



## Income

Area	2023 Median HH Income	2023 Average HH Income	2023 Per Capita Income
United States	\$72,233	\$104,831	\$41,000
Wisconsin	\$69,284	\$96,324	\$40,068
Milwaukee-Waukesha, WI (MSA)	\$70,850	\$102,829	\$42,856
Milwaukee County	\$57,718	\$86,777	\$36,686
Milwaukee city	\$48,344	\$70,489	\$28,996

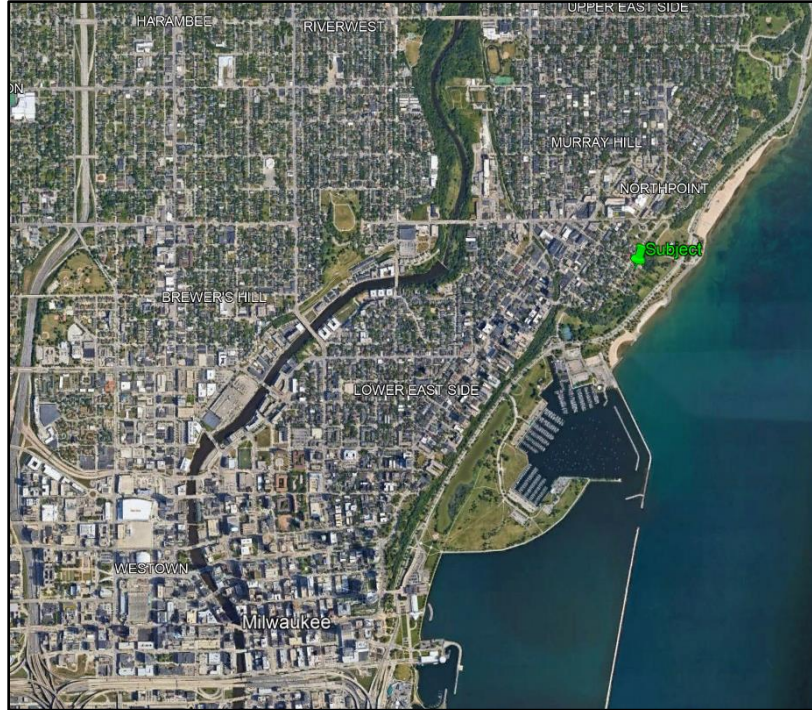
Source: ESRI (ArcGIS)

## Conclusions

Milwaukee's economic and demographic base has been characteristically stable over the past decade. Over the same period, the Milwaukee metropolitan area has realized greater effective buying income and lower unemployment than the national average. The population of the Milwaukee MSA continues to grow modestly. The majority of metropolitan area growth has occurred in the surrounding counties like Ozaukee and Waukesha Counties. However, there has also been significant in-fill development in areas within Milwaukee County like the areas along the interstate highway system

# City and Neighborhood Analysis

## NEIGHBORHOOD MAPS



## Overview

This section will present a discussion of the subject's immediate neighborhood. According to the Appraisal of Real Estate published by the Appraisal Institute, 15<sup>th</sup> Edition, a neighborhood is defined as a "group of complementary land uses." The subject property is located at 2220 N. Terrace Avenue, Milwaukee, Wisconsin.

The subject is located in the Northpoint of Milwaukee, north of downtown and between Brady Street and North Avenue, and occupying the upper lake bluff above N. Lincoln Memorial Drive. The historic North Point Water Tower is located just north of the subject. The east end of Wisconsin Avenue is located approximately 1.7 miles to the south. The Fiserv Forum district is located approximately 2.3 miles to the southwest. Access to the lakefront is available via E. Water Tower Road within 0.3 miles to the north.

The immediate neighborhood is comprised mostly higher-end single-family residential, with some former single-family homes now compromised of multiple units. The density of multi-family properties increases moving toward the west within the greater E. North Avenue / N. Prospect Avenue corridors, with the single-family homes generally becoming more moderate in scale. The greater E. North Avenue area is a destination commercial corridor featuring a concentration of street-level bar, restaurant and retail businesses, with some residential and office on upper floors. Prominent properties in the corridor include Whole Foods, the Oriental Theater and Ascension's St. Mary's medical complex. The N. Farwell corridor is one-way southbound and features mixed commercial and residential uses between E. North Avenue and E. Ogden Avenue.

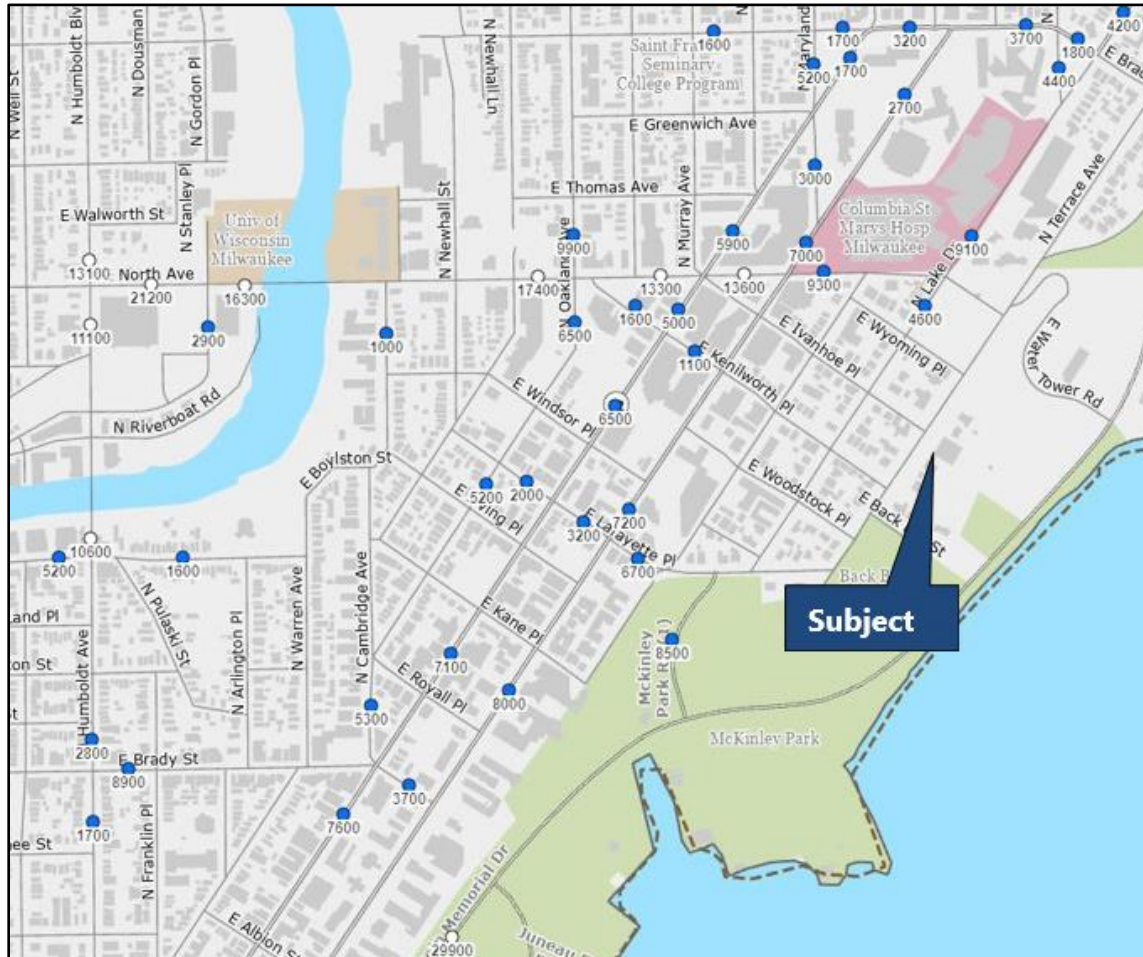
## Access and Traffic

Proximate E. North Avenue connects the area to the North Side of Milwaukee and Brookfield in Waukesha County to the west. N. Farwell Avenue to the west is a major southbound arterial connecting the area to the North Avenue commercial corridor to the north and the north side of downtown to the south. Brady Street connects the greater area to N. Water Street to the west. The lakefront can be accessed via E. Water Tower Road to the northeast.

Traffic counts along E. North Avenue were measured between 9,300 and 17,400 vehicles per day in the proximate area. Counts along N. Farwell Avenue were measured between 7,200 and 8,000 vehicles per day in the proximate area. Counts along N. Lincoln Memorial Drive were measured at 29,900 vehicles per day in the proximate area. A traffic count map is provided below.



### AVERAGE DAILY TRAFFIC COUNT MAP



### Demographics

The table presented on the following page, summarizes population, household and income statistics surrounding the subject in one, three and five mile rings. The following points highlight some of the more relevant figures from the tables.

- The population is projected to change at rates between -.01% to +0.5% annually within the study area over the next five years.
- The percentage of owner-occupied housing units ranges from 20.6% to 30.4% within the study area.
- The median household income ranges from \$45,350 to \$54,169 within the study area.

### Neighborhood Demographics

Radius (Miles)	1 Mile	3 Mile	5 Mile
Trade Area (Sq. Mi.)	3.14	28.27	78.54
Trade Density (Pop/Sq. Mi.)	7,665	4,184	3,958
<b>Population</b>			
Census Population (2010)	22,777	117,374	324,433
Census Population (2020)	24,300	119,225	311,767
Current Population (2023)	24,061	118,284	310,846
Projected Population (2028)	23,984	121,212	313,796
<u>Compound Annual Growth</u>			
2010 - 2020	0.6%	0.2%	-0.4%
2020 - 2023	-0.3%	-0.3%	-0.1%
2023 - 2028	-0.1%	0.5%	0.2%
<b>Households</b>			
Census Households (2010)	12,986	52,030	124,602
Census Households (2020)	14,199	58,121	130,912
Current Households (2023)	14,073	58,270	131,252
Projected Households (2028)	14,099	60,698	134,218
<u>Compound Annual Growth</u>			
2010 - 2020	0.9%	1.1%	0.5%
2020 - 2023	-0.3%	0.1%	0.1%
2023 - 2028	0.0%	0.8%	0.4%
Average Household Size (2023)	1.59	1.86	2.27

Source: ESRI (ArcGIS)

(Lat: 43.057378, Lon: -87.880462)

### Neighborhood Demographics (cont.)

Radius (Miles)	1 Mile	3 Mile	5 Mile
Trade Area (Sq. Mi.)	3.14	28.27	78.54
Trade Density (Pop/Sq. Mi.)	7,665	4,184	3,958
<b>2023 Housing Units</b>			
Median Home Value	\$325,082	\$304,612	\$221,649
Median Year Built	1957	1944	1940
Total Housing Units	15,222	65,119	146,721
Owner-Occupied Housing %	20.6%	25.3%	30.4%
Renter-Occupied Housing %	71.9%	64.2%	59.0%
Vacant Housing %	7.5%	10.5%	10.5%
<b>2023 Employment</b>			
Total Establishments	830	6,665	11,149
Total Employees	11,288	124,698	189,214
Average Commute Time	n/a	n/a	n/a
% College Graduates	66.6%	53.9%	35.8%
<b>2023 Income Summary</b>			
Median Household Income	\$54,169	\$53,134	\$45,350
Average Household Income	\$85,574	\$89,533	\$76,887
Avg Spending/Household	\$22,292	\$23,554	\$20,509
Per Capita Income	\$49,988	\$44,338	\$32,597

Source: ESRI (ArcGIS)

(Lat: 43.057378, Lon: -87.880462)



## Milwaukee Development Projects

The following are recent articles from the *Milwaukee Business Journal* and the *Milwaukee Journal Sentinel* describing important current real estate development stories in Milwaukee.

### **Top 10 Milwaukee Developments Range from Towers to Stadiums**

February 14, 2024, Sean Ryan, *Milwaukee Business Journal*

The big projects in the city of Milwaukee all point to a city that will have more people visiting, living and working within its borders in the coming years.

These 10 projects alone represent about 2,285 apartments, of which about 850 are classified as affordable. Many of those are happening outside of the core downtown area and could also attract or retain more residents for those neighborhoods.

There's entertainment, such as the new public museum and a pro soccer stadium. There's more spaces for office jobs, thanks to Northwestern Mutual's latest downtown project. Milwaukee's downtown population grew by about 7,000 from 2010 through 2020, according to CoStar Group analyst Gard Pecor. These projects could help add to that number going forward.

#### 100 East

A planned transformation of the 35-story 100 East building into about 350 Class A apartments is the biggest of Milwaukee's office conversions in an era when they are a national trend.

The mostly vacant office building sold in August to a buyer group that includes developer John Vassallo, Joseph Klein and Milwaukee-based Klein Development. Its remaining large tenants are moving out, with Marcus Corp. heading to the Associated Bank River Center and Gruber Law Offices on the hunt for space.

The 100 East conversion would simultaneously take about 411,000 square feet of empty space out of the office market – one fewer competitor for remaining landlords – while adding more high-end housing to the downtown market. Depending on the pace of progress, the coming year would see its owners advancing the architecture and engineering work to convert the building, while also pursuing financing from investors and lenders.

#### 333 Water

Expected to welcome its first residents in May, the building with a coincidental count of 333 apartments at 333 N. Water St. has an impact beyond its housing.

Its ground floor could further activate one of Milwaukee's more vibrant downtown intersections at Water Street and St. Paul Avenue. Kitty-corner from the Milwaukee Public Market, 333 Water has about 10,000 square feet of retail space. That includes a storefront on Water Street, a corner café space and a restaurant with seating next to the river walk.

Those retail spaces were being marketed by CBRE as being available starting this month.

Developed by Houston-based Hines, the 31-story building will further expand the upper tier of Milwaukee's downtown rental market. Its first 67 apartments are to open in May, with the remainder opening in June and July, Hines said in early January.

### Couture

Arguably the most talked-about development in the downtown area at least in terms of tenure, the Couture will finally open to the public this year.

The 44-story tower recently reached its 537-foot apex, becoming the tallest residential building in the state. Marketing began in earnest last month for its 322 apartments, and already eight of its 10 uppermost units, including its two penthouses, have been leased. That brings its total leasing to about 30 units, according to the listing website on Wednesday.

Apartments up to the 30th floor open in April, with the remaining coming online in the following months. April is also a big month because that's when the Couture's ground-floor transit station will open to streetcar passengers.

The Couture is to be fully complete this summer. That ribbon cutting will follow more than a decade of effort by Barrett Lo Visionary Development that started with its selection by Milwaukee County to buy the lakeside Downtown Transit Center property.

Announcements are still pending for the 50,000 square feet of ground floor retail space in the Couture, which will include at least one restaurant.

### Filer and Stowell Redevelopment

This is an era in which the typical five-story downtown apartment development has been replaced by towers with bigger budgets and more units. Scale has become one strategy to make projects succeed.

The Filer and Stowell redevelopment definitely has scale: 576 affordable apartments and a budget of around \$205 million. Those would be for renters with incomes ranging from 40% to 80% of the area's median, representing a big response to the ongoing demand for such affordable housing.

Bear Real Estate Group has closed on the project's financing and is demolishing the former Filer and Stowell manufacturing buildings on its 10-acre property at East Becher and South First streets. The project's multiple apartment buildings are to come online between spring 2025 and fall 2026.

### Iron District

Developers of the \$220 million mixed-use project near the Marquette Interchange are still targeting 2026 for the first professional soccer games in an 8,000-seat soccer stadium.

A mid-2024 start is expected for the stadium and a connected 180-room hotel, according to S.R. Mills, CEO of co-developer Bear Real Estate Group.

The stadium and hotel are the centerpiece of a redevelopment that will eventually cover 11 acres at 803 W. Michigan St. The Iron District would add to the momentum from nearby projects such as Milwaukee Tool's downtown office, Fiserv Inc.'s headquarters and the expansion of the Baird Center.

Bear Real Estate and Kacmarcik Enterprises are leading the project. Bear Real Estate is well underway on an affordable apartment building on the east end of the Iron District. An existing office building next door is to be partially demolished. The space that is preserved would be used for events by the hotel, and a vertical addition to the structure would add more apartments.

#### Milwaukee Public Museum

A groundbreaking is expected this spring for the Milwaukee Public Museum's future home north of Fiserv Forum.

Contractor Mortenson and architect Kahler Slater this week applied for building permits, saying the construction alone will cost more than \$135 million, and heating and cooling systems will cost almost \$18 million more. A spring start would mean an early 2027 opening for one of the biggest civic and cultural projects of this generation in Milwaukee.

The museum's move, besides creating another reason for people to visit the city, also sets the stage for future redevelopment on the west side of downtown. Milwaukee's long-range plan envisions substantial future investment and new projects replacing the public museum's current home and a neighboring state office building, along with changes to activate neighboring MacArthur Square.

#### MLK Library Apartments

This \$38.8 million redevelopment helps push the revitalization of North Dr. Martin Luther King Jr. Drive even deeper into the Harambee neighborhood north of downtown.

The new structures north of Locust Street on King Drive are growing taller as crews continue framing for two buildings, according to an email last week from co-developer Michael Emem, president of Emem Group LLC. The project, when completed, will bring 93 affordable apartments, a new city library branch and a community space in the restored lobby of the 1927 Garfield Theater building.

The first new apartments are to open in August, Emem said. His firm, which is investing in other buildings along King Drive, is leading the MLK Library Apartments with General Capital Group of Fox Point.

#### Northwestern Mutual North Office Building

The biggest current corporate office investment in downtown Milwaukee is also one of the more unusual construction efforts.

Northwestern Mutual's contractors started a 10-month demolition process in November. The demolition will essentially strip the current North Office Building down to its structural steel and concrete floor decks. The interior work started in November, and crews in January began

using a 385-foot tower crane to remove exterior pieces of the building. They will work from the top down, removing those exterior wall panels into fall of this year.

The stripped building structure will be expanded and reborn with a modern interior and glass exterior that echoes Northwestern Mutual's existing downtown tower. Set to reopen in 2027, the modernized office building helps the insurance company move about 2,000 workers from its Franklin campus to join the thousands who are already working downtown. It's a \$500 million project.

#### ThriveOn King

After nearly two years of restoration and renovation work, the former Gimbels-Schuster's department store building on King Drive is ready to reopen in 2024 with a number of organizations eager to deepen connections with the surrounding neighborhood.

It's big in terms of scale at \$110 million, but also in impact. The restoration of the building will create homes, community spaces, offices and a venue for nonprofit services.

Furniture is being moved into some of the upper-floor office spaces for the new Greater Milwaukee Foundation offices and Medical College of Wisconsin community health programs, according to a late January presentation to a city commission by Terrell Walter, executive vice president of ThriveOn developer Royal Capital Group, Milwaukee.

Work is finishing up on the ground floor, where tenants include Malaika Early Learning Center, Versiti Blood Center of Wisconsin and nonprofit employment program JobsWork MKE. The ground floor also has 20,000 square feet of community space.

Royal Capital started construction in November on 90 mixed-income apartments that are in other parts of the ThriveOn building. The apartments are on course for completion late this year, Walter said.

Royal Capital separately is developing a new Dr. Howard Fuller Collegiate Academy building next to ThriveOn, which is at 2153 N. Dr. Martin Luther King Jr. Drive.

#### Renaissance Place apartments

Approved last year with 24 floors and 346 apartments, the development next to The Renaissance Place building on the city's east side is part of the next round of higher-end downtown apartments.

Developer New Land Enterprises plans the new apartments to replace a parking lot at North Farwell Avenue and East Curtis Place. The Milwaukee developer also is seeking a new use for the neighboring Renaissance Place building that will be preserved.

New Land last year finessed the design of the new building in response to the changing demand in the downtown rental market, increasing its overall apartment count by taking out some two-bedroom apartments and using the floor space for smaller units, for example.

The revisions will continue this year to the design city officials approved in October. The firm intends to apply for new city approvals in spring to tweak some details to the design, including its mix of large and smaller apartment units.

### **2024 Developments to Watch Include Apartment Towers--and Maybe Northridge Mall Demolition**

December 21, 2023, Tom Daykin, *Milwaukee Journal Sentinel*

A \$500 million development on Northwestern Mutual's campus, the completion of two downtown-area apartment towers with more high-rises planned, and – maybe – the former Northridge Mall's demolition. These are among the top Milwaukee development stories coming in 2024 (look for separate Milwaukee Journal Sentinel stories about suburban projects). Some of the projects to watch were part of our 2023 development forecast. Others didn't surface until this year, such as a Brady Street hotel. All bring a big impact. Here's the list:

#### Northwestern Mutual's transformational office project

Northwestern Mutual Life Insurance Co. in February announced plans to redevelop one of its downtown buildings, 818 E. Mason St. That \$500 million project, which includes \$30 million in city cash through a tax incremental financing district, will transform the 18-story office building by stripping it down to the frame, foundation and core. That work started in November. That building, which opened in 1990, will be remade to look like the company's 32-story office tower that opened in 2017 at 800 E. Wisconsin Ave. Work on the Mason Street building will be finished in 2027. The company will move its Franklin operations, with around 2,000 employees, to the Milwaukee campus. Meanwhile, Fiserv Inc. prepares to soon relocate its headquarters from Brookfield to renovated office space at HUB640, 640 N. Phillips Ave.

#### Two high-rises to open, others in the works

A pair of luxury apartment high-rises, the 44-story, 322-unit Couture, at 909 E. Michigan St., and the 31-story, 305-unit 333 N. Water, in the Historic Third Ward, are to begin opening units in April and late spring, respectively. The Couture is being developed by Barrett Lo Visionary Development LLC, and includes 42,600 square feet of commercial space and a street-level transit concourse featuring The Hop's new lakefront loop. 333 N. Water, developed by Houston-based Hines, includes 15,000 square feet of retail space. Meanwhile, Madison-based The Neutral Project LLC plans to start construction in the third quarter on the 32-story, 381-unit The Edison, 1005 N. Edison St. The building would take around 30 months to complete. Also, New Land Enterprises LLC hopes to break ground in 2024 on a 24-story, 346-unit tower at North Farwell Avenue and East Curtis Place. Madison-based Willow Partners LLC's plans for a 25-story, 192-unit apartment tower at nearby 1550 N. Prospect Ave. are on hold.

#### A first-ever east side hotel

Along with apartment towers, the east side is to get its first full-service hotel. Klein Development Inc. plans to begin construction late in the third quarter on the 11-story, 130-room upscale hotel at 1709-1723 N. Farwell Ave., just north of East Brady Street. The hotel's brand name hasn't yet been announced. Klein and development partner Jeno Cataldo plan to build a parking structure on what are now vacant lots along North Farwell Avenue, between East Royall Place and Zaffiro's Pizza and Bar. That's just across the street from the future hotel,

which would take about two years to build. Meanwhile, efforts to make Brady Street safer for pedestrians, cyclists and drivers could include a possible closing of a four-block stretch to cars. Any such changes would need approval from the Common Council and Mayor Cavalier Johnson.

#### Baird Center expansion to host RNC

Baird Center's \$456 million expansion will be completed in April, with a May 16 grand opening scheduled by the Wisconsin Center District, the state-created agency which operates the convention center. Baird Center, 400 W. Wisconsin Ave., will play a key role in hosting the Republican National Convention on July 15-18. The expansion, which started in summer 2021, will double the facility's space so it can host two major events at the same time. Meanwhile, just across Wisconsin Avenue, the city is converting a parking lot into Vel R. Phillips Plaza. It will open in summer.

#### A dog park – and a dog-friendly taproom

Plans for a downtown dog park are proceeding with an opening likely in summer. It's being developed by the Milwaukee Downtown Business Improvement District and the Historic Third Ward Business Improvement District south of West Clybourn Street between North Plankinton Avenue and the Milwaukee River. Much of that lies beneath Interstate 794 and is just north of Foxtown Landing – Foxtown Brewing's planned taproom, distillery and restaurant. Foxtown Landing developer Tom Nieman hasn't yet said when construction is to start. Foxtown Brewing is an affiliate of pet food maker Fromm Nieman Brands, led by Nieman. Fromm Family Pet Food is the dog park's title sponsor.

#### Speaking of Interstate 794...

Wisconsin Department of Transportation is to make a decision by the end of 2024 on whether it will recommend rebuilding parts of Interstate 794 – or removing the freeway between the Hoan Bridge and a few blocks west of the Milwaukee River. The latter would free up 15 to 18 acres for commercial development, and tear down a barrier between downtown, the Third Ward and the lakefront. Freeway removal supporters say surface streets, including a widened Clybourn Street, could handle the change. They say it would drive new construction, and make downtown more attractive and easier for pedestrians and cyclists to safely navigate. Downtown business interests, as well as officials from St. Francis, Cudahy and South Milwaukee, fear removing part of I-794 would clog nearby surface streets and greatly lengthen commutes. The freeway work would happen from 2027 through 2030 if federal and state funding is secured.

#### FPC Live plans smaller Deer District concert venue

Madison-based FPC Live plans to break ground in March on a 4,500-person live music venue at 1051 N. Phillips Ave., just south of Fiserv Forum. It's to open in fall 2025. FPC Live, in response to rising costs, reduced its initial plans for a facility with two venues: an 800-person-capacity room and a 4,000-person-capacity room. Meanwhile, a group led by Kenosha-based Bear Development LLC dropped plans for a concert venue within the Iron District mixed-use development west of North Sixth Street and south of West Michigan Street. Bear and Grafton business operator James Kacmarcik are still planning to develop an Iron District soccer



stadium. The team is to begin play in the United Soccer League in 2026, a year later than initially planned.

#### Public Museum sets spring groundbreaking

Milwaukee Public Museum officials plan to break ground in late spring on a five-story, 200,000-square-foot new museum at West McKinley Avenue and North Sixth Street – if it meets a fundraising goal. It will be much more cost-effective to operate than the current 480,000-square-foot museum, according to museum officials. That building, which opened in 1963 at 800 W. Wells St., is too large, inefficient and has seen years of deferred maintenance. The new museum is to open in early 2027.

#### ThriveOn King brings new life to Bronzeville

ThriveOn King is transforming the historic former Schuster's department store, 2153 N. King Drive, into the new homes for Medical College of Wisconsin's community engagement programs and Greater Milwaukee Foundation's headquarters. Those offices start opening in January. The development also will include a cafe, a Versiti Blood Center of Wisconsin donation center, a second location for Malaika Early Education Center and the new home of JobsWork MKE, a nonprofit worker training group. Those operations are to open by spring. Royal Capital Group LLC plans to develop 89 apartments by the end of 2024. And, just north of ThriveOn King, Howard Fuller Collegiate Academy is under construction at 2212-2228 N. Phillips Ave. and is to open for the 2024-'25 school year.

#### Harbor District lands big affordable apartment complex

Work has started on Filer & Stowell Lofts, which will create 576 apartments within eight five-story buildings at 123 and 147 E. Becher St., in the Harbor District. It's being developed by Bear Development and will be one of Milwaukee's largest affordable apartment communities. That site was once home to machinery manufacturer Filer & Stowell Co., and its industrial buildings are being deconstructed. The apartments are to open from July 2025 through October 2026.

#### Northridge Mall. It's still there.

In the 2023 development forecast we reported Northridge's demolition was looming. That's still the case, with a legal challenge to the city's raze order pending before the Wisconsin Court of Appeals. Gov. Tony Evers recently announced the city is getting a \$15 million grant, via federal funds, to pay for the former mall's demolition and environmental cleanup. The city already owns the mall's former Boston Store building and will raze it in 2024. The remaining demolition work could proceed next year if the city wins the legal battle and takes control of Northridge's other buildings.

## Conclusions

The subject is located in the Northpoint neighborhood of Milwaukee, north of downtown and on the lake bluff above N. Lincoln Memorial Drive. The greater neighborhood supports a mix of residential and commercial activity. Access and transportation linkages are good. Several new developments and redevelopments are underway in the greater neighborhood including a hotel and apartment projects. Demographic trends are projected to be generally over the next five years. Overall, the outlook for the neighborhood is positive.

## Site Description

The subject site is located at 2220 N. Terrace Avenue in the Northpoint neighborhood of Milwaukee. The characteristics of the site are summarized as follows:

### Site Characteristics

Gross Land Area:	2.402 Acres or 104,652 SF
Usable Land Area:	2.402 Acres or 104,652 SF
Usable Land %:	100.0%
Shape:	Rectangular
Average Depth:	The parcel extends approximately 625 feet in the east-west direction.
Topography:	Terraced; the front (west) portion of the structure is slightly above street grade; grades slope downward to the east along the structure to partially expose the basement level; there is a bluff top at the rear of the structure that is approximately 60 feet above the lower yard level (approx. 40% slope); the lower yard area is generally level and at grade with fronting N. Lincoln Memorial Drive
Drainage:	Generally adequate; it was reported the excessive rain can bypass the deteriorated surface drainage inlet along the north side of the structure and seep into the basement
Utilities:	S,W,G,E,T
Off-Site Improvements:	Typical urban residential roadway infrastructure
Interior or Corner:	Mid-Block
Signalized Intersection:	No
Excess/Surplus Land:	None

### Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	N. Terrace Avenue	N. Lincoln Memorial Drive
Street Type:	Local road	Collector roadway
Frontage (Linear Ft.):	160	160
Number of Curb Cuts:	2	0
Traffic Count (Cars/Day):	n/a	29,900

### Additional Access

Alley Access:	No
Water or Port Access:	No
Rail Access:	No

## Flood Zone Data

Flood Map Panel/Number:	55079C0092E
Flood Map Date:	September 26, 2008
Flood Zone:	Zone X, not located within 100-year floodplain
Portion in Flood Hazard Area:	0.00%

## Other Site Conditions

Soil Type:	Assumed adequate
Environmental Issues:	We were not provided with an environmental report. A review of the WDNR BRRS database does not indicate activity on the subject site or immediately proximate properties. We have assumed that the property contains no detrimental environmental issues that would impact the property's marketability. Our physical inspection of the site and area did not reveal any noticeably adverse soil conditions or related damage to be present. This appraisal assumes that the site has been reviewed by an environmental expert and that no nuisances or hazards exist

Easements/Encroachments:	We were not provided with a current title policy for the subject property. It is assumed that the site is subject to typical municipal and utility easements, and that there are no extraordinary easements affecting the site as a whole. We recommend that a current title insurance policy statement be reviewed by legal counsel.
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It is our understanding that conveyance of the property by its owner, Milwaukee County, a political subdivision, would require that a conservation easement per State Statute 700.40 be placed on the property as required by State Statute 66.111 3(b) to protect the historic character and qualities of the property.

## Adjacent Land Uses

North:	Multi-unit residence and Milwaukee County parkland
South:	Single-family residence and Milwaukee County parkland
East:	N. Lincoln Memorial Drive
West:	N. Terrace Avenue, followed by single-family residences

## Site Ratings

Access:	Average
Visibility:	Excellent; bluff setting exposes the property to high traffic (approx. 30,000 VPD) along N. Lincoln Memorial Drive

## Zoning Designation

Zoning Jurisdiction:	City of Milwaukee
Zoning Classification:	Parks District; Lakefront Overlay Zone; designated as historic property, subject to Milwaukee Code Section 320-21: Historic Preservation Commission
General Plan Designation:	<p><u>Parks District</u>: the parks district is established to accommodate a wide variety of public and quasi-public open spaces and facilities providing recreational and cultural opportunities and supporting services for surrounding neighborhoods.</p> <p><u>Lakefront Overlay Zone</u>: the Lakefront Overlay Zone is established to accommodate a wide variety of public and quasi-public facilities providing recreational and cultural opportunities and supporting services that require lakefront sites.</p>
Permitted Uses:	City code Table 295-1015-3-a indicates the use classifications for various land uses in the Lakefront Overlay Zone. These use classifications replace the classifications of the underlying zoning district (Parks). Any use not listed in the table is a prohibited use in the lakefront overlay zone. This use table is included at the end of this report section.
Zoning Comments:	<p>The subject's current use as a cultural institution is a permitted use. The following potential uses are highlighted per the use table:</p> <ul style="list-style-type: none"><li>• Library / Cultural Institution: permitted</li><li>• General Office: special use permit required</li><li>• Bed and Breakfast: special use permit required</li><li>• Tavern: special use permit required</li><li>• Restaurant: limited; max. 1,000 square feet; ancillary to park and recreational uses; required to be located in structure owned by a government agency or entity</li><li>• Community Center / Assembly Hall: limited; required to be owned and operated by a government agency or entity</li><li>• Residential: not permitted (not listed in use table)</li></ul>

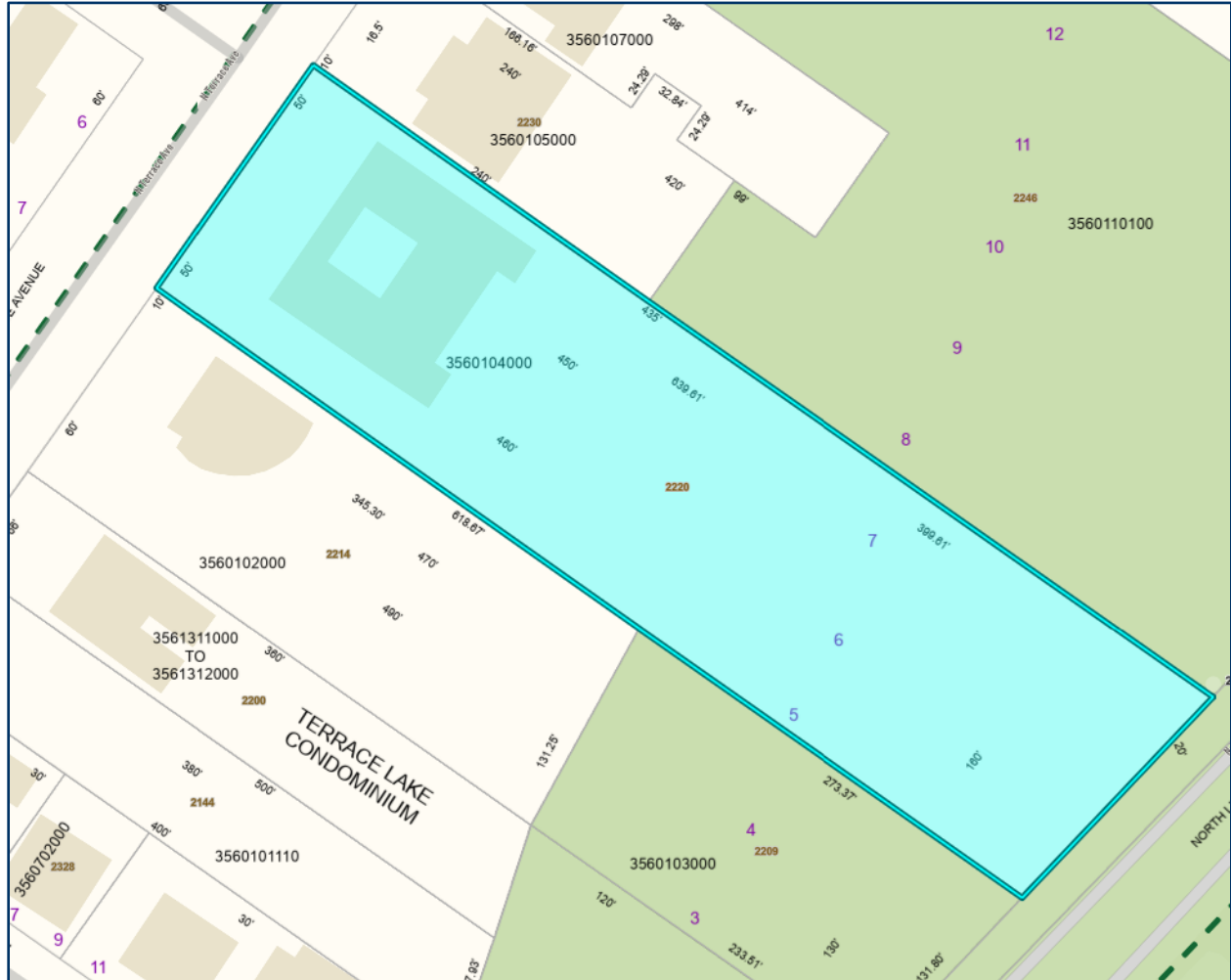
## Analysis/Comments on Site

The subject is highly notable for its lake bluff setting offering exception Lake Michigan views and its large lower yard area that extends to N. Lincoln Memorial Drive and the bordering lakefront. The rectangular subject site is comprised of 2.402 acres or 104,652 square feet and is located north of downtown Milwaukee in the Northpoint neighborhood. The site has primary frontage along a local residential roadway and secondary frontage, without access, along N. Lincoln Memorial Drive along the lakefront, and is well-connected to the area roadway network. Overall, the subject site is considered to be adequate for its current use.

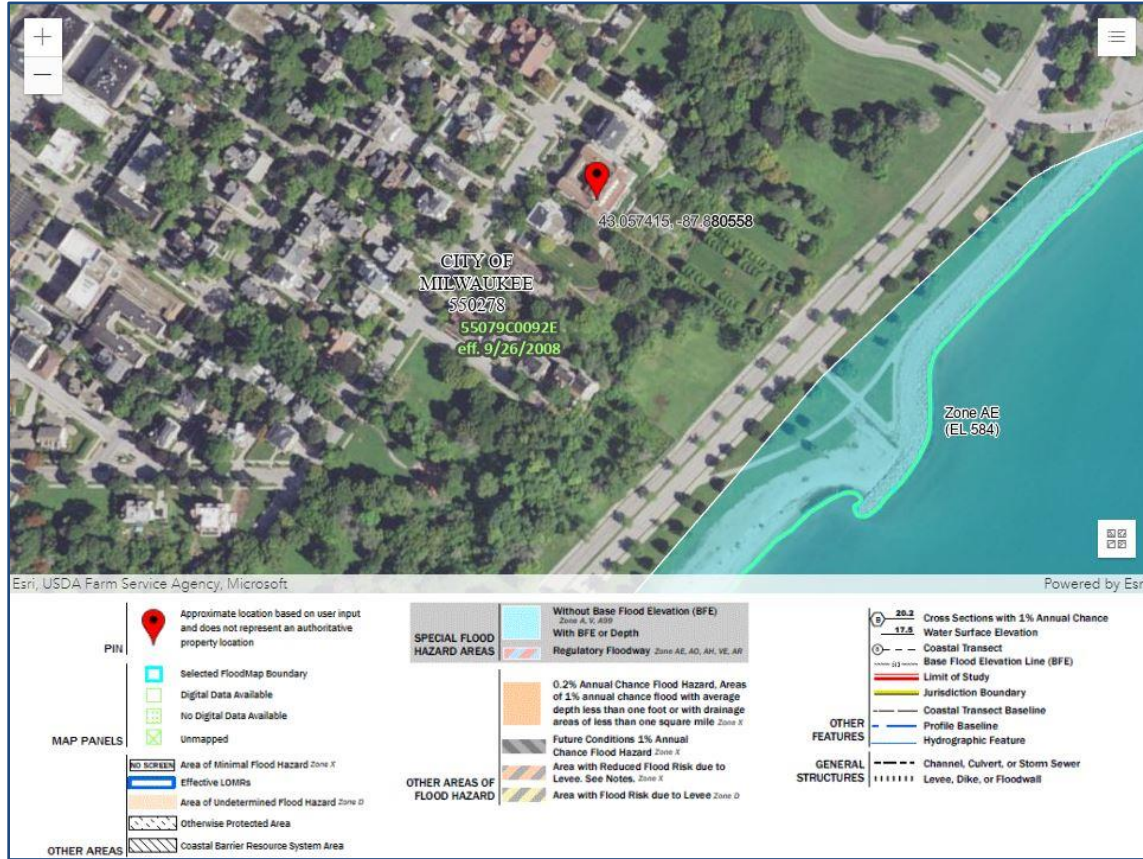


The underlying Parks zoning combined with Lakefront Overlay zoning with strict limitations effectively restricts potential uses to primarily publicly-oriented uses. Residential use is not permitted, which would ordinarily be a probable use for the site in its neighborhood. Given the public ownership of the property, effectively being owned by the citizens of Milwaukee County, and the underlying Parks and Lakefront Overlay zoning, re-zoning of the subject property to allow for residential or most commercial uses is considered highly speculative. Conveyance of the property by its owner, Milwaukee County, a political subdivision, would require that a conservation easement be placed on the property to protect the historic character and qualities of the property.

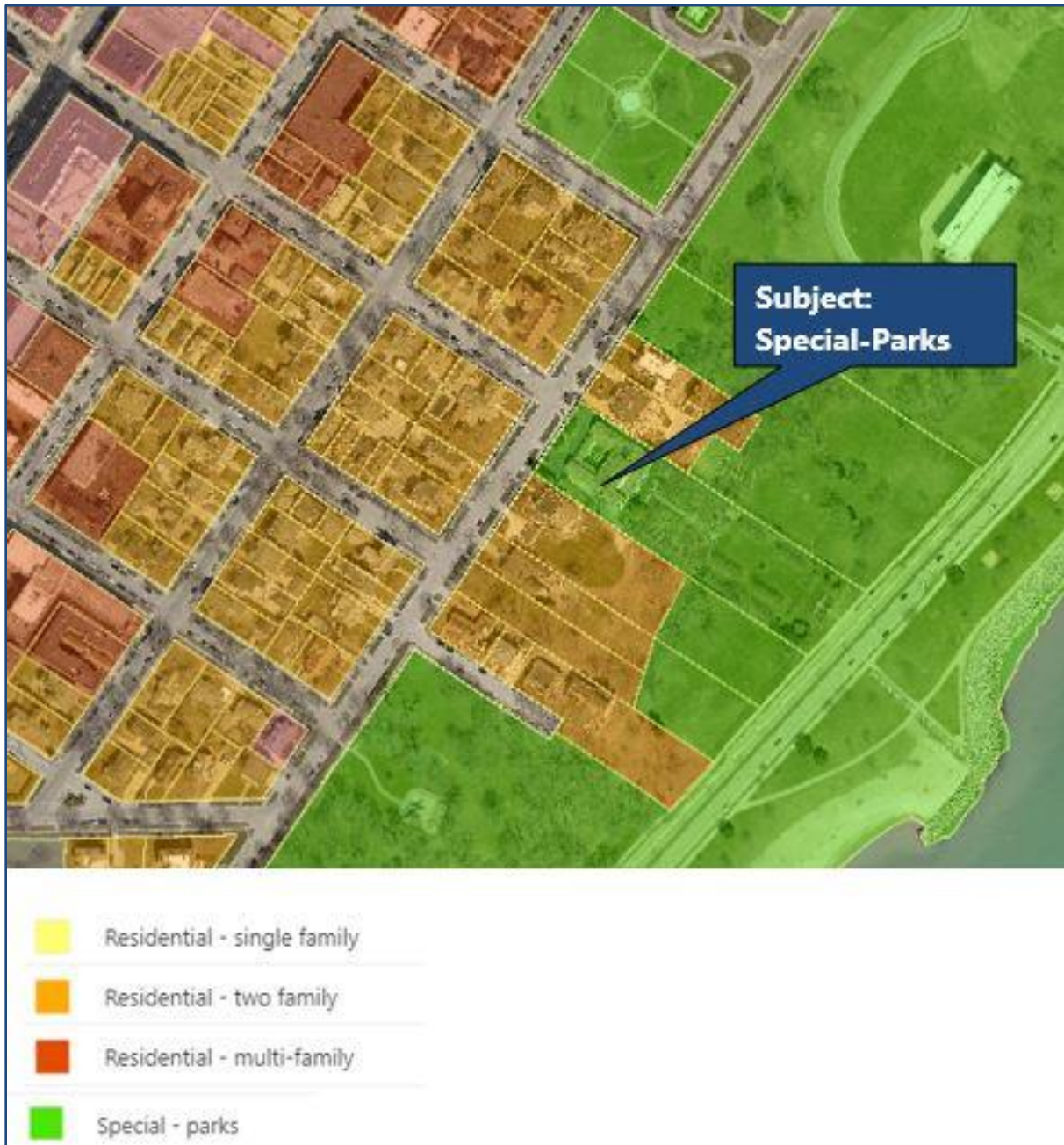
**TAX PLAT**



## FLOOD MAP



## ZONING MAPS









**CITY OF MILWAUKEE – LAKEFRONT OVERLAY ZONE USE TABLE**

Table 295-1015-3-a LAKEFRONT OVERLAY ZONE USE TABLE			
Y=Permitted Use	L=Limited Use	S=Special Use	Zoning District
Uses			LF
<b>EDUCATIONAL USES</b>			
Day care center			L
<b>COMMUNITY-SERVING USES</b>			
Library			Y
Cultural institution			Y
Community center			L
<b>COMMERCIAL AND OFFICE USES</b>			
General Office			S
Government office			Y
Retail establishment, general			L
<b>MOTOR VEHICLE USES</b>			
Parking lot, principal use			S
Parking lot, accessory use			Y
Parking structure, principal use			S
Parking structure, accessory use			S
<b>ACCOMMODATION AND FOOD SERVICE USES</b>			
Bed and breakfast			S
Tavern			S
Assembly hall			L
Restaurant without drive-through facility			L
Restaurant with drive-through facility			L
<b>ENTERTAINMENT AND RECREATION USES</b>			
Park or playground			Y
Festival grounds			Y
Recreation facility, indoor			S
Recreation facility, outdoor			S
Theater			S
Marina			L
<b>TRANSPORTATION USES</b>			
Passenger terminal			Y
Helicopter landing facility			S
Ship terminal or docking facility			S
<b>UTILITY AND PUBLIC SERVICE USES</b>			
Transmission tower			L
Water treatment plant			Y
Small wind energy system			Y
Solar farm			S
Substation/distribution equipment, indoor			S
Substation/distribution equipment, outdoor			L
<b>TEMPORARY USES</b>			
Seasonal market			L
Live entertainment special event			L







# Improvements Description

The following overview description is based on our property inspection, assessor records, and information provided by the client and owner. Additional reports detailing the subject history and notable architectural features are included in the Addenda.

## Improvement Characteristics

Property Type:	Special Purpose
Property Subtype:	Museum, Gallery
Occupancy Type:	Owner-occupied; the Villa Terrace Decorative Arts Museum is managed by the nonprofit Charles Allis and Villa Terrace Museums, Inc.
Tenancy:	Single-tenant
Number of Buildings:	1
Number of Stories	2
Construction Class:	C - Masonry per Marshall Valuation Service
Construction Quality:	Excellent
Gross Building Area (GBA):	Approx. 19,394 square feet total GBA (reported by County Asset Record). The following table is an estimate of component areas based on GIS mapping.

Level	Gross SF
Lower	5,994
1	6,700
2	6,700
<b>Total</b>	<b>19,394</b>

## Ratios & Parking

Land-to-Building Ratio:	7.81 to 1 (based on above-ground area)
Floor Area Ratio (FAR):	0.13 (based on above-ground area)
Parking Spaces:	Parking available for several vehicles in driveway
Parking Comments:	Per City code, for an assembly hall, one is required for every 1,000 square feet of gross floor area or fraction thereof

## Age / Life

Year Built:	1923
Yr. Blt./Renovated	While there has been some minor modifications and updates, there have not been any significant renovations since original construction and the original residential nature of the property is largely intact.
Comments:	
Condition:	Fair to good; the public collection, gallery and event spaces are in generally good condition; non-public areas and the basement are

in fair to average condition; there are several major items of deferred maintenance (see comment below)

Actual Age: 101 years  
Effective Age: 40 years  
Typical Building Life: 70 years  
Remaining Economic Life: 30 years

### Structural Characteristics

Foundation: Concrete  
Building Frame: Masonry  
Exterior Walls: Painted brick  
Roof Material: Barrel clay tile

### Interior Characteristics

Floors: Wood and tile  
Walls: Wood-paneled and plastered walls  
Ceilings: Plaster, wood-coffered, painted wood  
Lighting: Mix of historical and modern wall and ceiling-mounted fixtures  
Restrooms: There are several public and staff restrooms; some of the historical residential restrooms are non-functioning

### Mechanical Systems

Electrical: 400A 120/240V, single-phase  
Plumbing: Adequate for use  
HVAC: Hot water boilers, radiators, air-handling unit with DX cooling  
Fire Protection/Sprinklers: None  
Elevators: 3-story hydraulic passenger elevator

### Site Improvements

Primary Site Improvements: Asphalt and concrete driveway, stone patio, garden walls, wood and stone stairways, stair-step fountain, fencing and gates, inclined bluff lift (non-functioning), 1,008 SF comfort station in lower yard with men's / women's restrooms constructed in 2000  
  
Landscaping: Landscaped, pebble-paved courtyard at front (west) portion of house; areas of foundation plantings, bushes and trees; extensive formal gardens occupy the bluff and lower yard area, maintained by Friends of Villa Terrace

### Legal, Conforming Status

Legally Permitted Use: Yes  
Conforms to Parking: Unknown; museum use parking requirements are not listed in City

code; assembly hall use would require approximately 14 on-site spaces

Conformity Conclusion: The subject use as a cultural institution conforms to the zoning code

### Deferred Maintenance

Milwaukee County supplied an itemized lists by year for a 20-year period of costs for “Renewal” (replacement) and “Non-Renewal” (repair) items. Separate lists were prepared for the residence, site and lower yard comfort station. The cost schedule includes 3.0% annual inflation. This report is included within the Addenda of this appraisal report.

The total of the combined (residence, site comfort station) scheduled costs through Year 2042 is \$8,010,680. It is noted that not all of these costs are considered by the appraisers to be routine maintenance or are required to stabilize the structure and mitigate further deterioration, and some are specific to operations of the museum and restoration of its unique and architecturally-significant elements. Some examples of these larger expenses include planting beds renewal (2025 - \$120,547), wrought iron fence renewal (2030 - \$363,615), inclined bluff lift renewal (2040 - \$400,422), interior wood door renewal (2030 - \$336,518) and interior light fixture renewal (2030 - \$181,294), among others. The costs that are considered past-due and current for Year 2024 total \$577,989, with \$206,319 classified as Renewal and \$371,670 classified as Non-Renewal. A summary of these costs is included at the end of this report section.

In addition to the County planning report costs described above, it is our understanding that the County is in the process of receiving cost estimates for additional work items. It was reported that additional cost reports are expected to be received by the County in April 2024. The appraisers were provided one budgetary cost report focused on masonry repair and restoration provided by Statz Restoration & Engineering Co., Inc., (Statz) and dated June 5, 2023. A copy of this report is located in the Addenda. The Statz report notes two items of immediate priority: the Terrazzo della Luna (east deck) and the north courtyard stair. Given the unknown extent of needed repair scope of these items, Statz provides only a rough budget estimate range for the deck as \$175,000 to \$225,000, without design fees included, and the cost associated with the courtyard stair only includes investigation. Assuming \$225,000 for the deck and 10 metal window grates in need of repair (\$6,500 each), the Statz costs total \$452,050. Again, this excludes design fees for the deck and restoration costs associated with the stairway. It is our opinion that these additional cost items could reasonably add up to \$150,000 or more, for a total budgetary estimate of about \$600,000 for items addressed in the Statz report.

We have added the \$600,000 Statz cost estimate to the \$577,989 in costs associated with the County cost report described above. As soft costs and contingency are not included in the itemized costs, we have assumed 15.0% and applied to the subtotal, arriving at a total cost of \$1,354,687, rounded to \$1,350,000. The following table summarizes this cost calculation.

### Short-Term Cost Estimate

Subtotal of Short-Term Costs (County Report)	\$577,989
Additional Restoration Costs (Estimated from Statz Budget)	\$600,000
Subtotal	\$1,177,989
x Estimated Soft Cost Percentage	15.0%
Total of Short-Term Costs	\$1,354,687
<b>Rounded</b>	<b>\$1,350,000</b>

Costs for Year 2025 and beyond are not considered past-due or current, and include a mix of general maintenance items associated with an older property as well as items that are specific to operations of the museum and restoration of its unique and architecturally-significant elements. These costs are not explicitly included in our valuation analysis; rather they are considered in analysis of the property condition and in the highest and best use analysis.

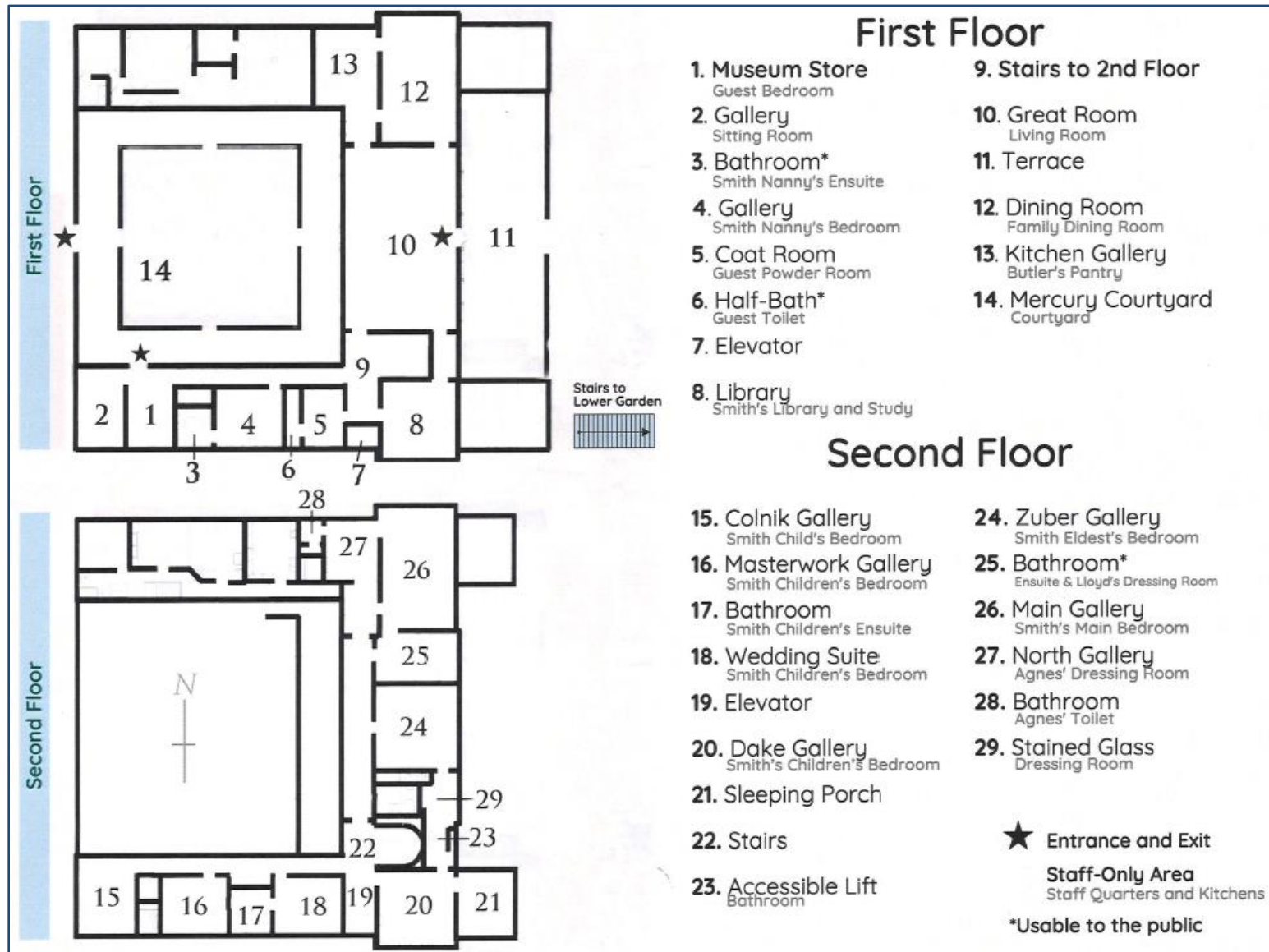
As a registered historic property, there are Federal and State historic preservation programs that are available to potentially assist with restoration work. Both programs offer up to 20% of qualified rehabilitation expenditures as tax credits. The credits are limited to properties that will be used for a business or other income-producing purposes, effectively eliminating the use of these programs for non-profits such as museums and similar. Given the public ownership of the property, effectively being owned by the citizens of Milwaukee County, and the underlying Parks and Lakefront Overlay zoning, re-zoning of the subject property to allow for residential or most commercial uses is considered highly speculative. As such, the potential for a presumed buyer to offset some of the required maintenance costs is limited in the case of the subject property.

### Analysis/Comments on Improvements

The subject building contains 19,394 square feet, including approximately 5,994 square feet of basement space. Constructed in 1923, there have not been any significant renovations since original construction. The first floor contains the administrative offices, restrooms, gallery spaces, a great hall, kitchen, butlers' pantry, a library, storage rooms and other support spaces. The second level contains a caretaker's office, a curator's office, several galleries, restrooms and several storage areas. The basement level contains a garage area, the majority of the mechanical and electrical equipment and piping distribution. The courtyard on the west side of the residence features covered promenades, and there is a second-floor covered promenade overlooking the courtyard. The east side of the residence features a terrace which is covered at its north and south ends by second-level sleeping porches with balconies. The improvements are adequate for their current use as a cultural institution. While the building interior is in overall fair to good condition, there are significant items of deferred maintenance that a buyer of the subject property would reasonably plan on addressing to stabilize the structure and prevent further deterioration.

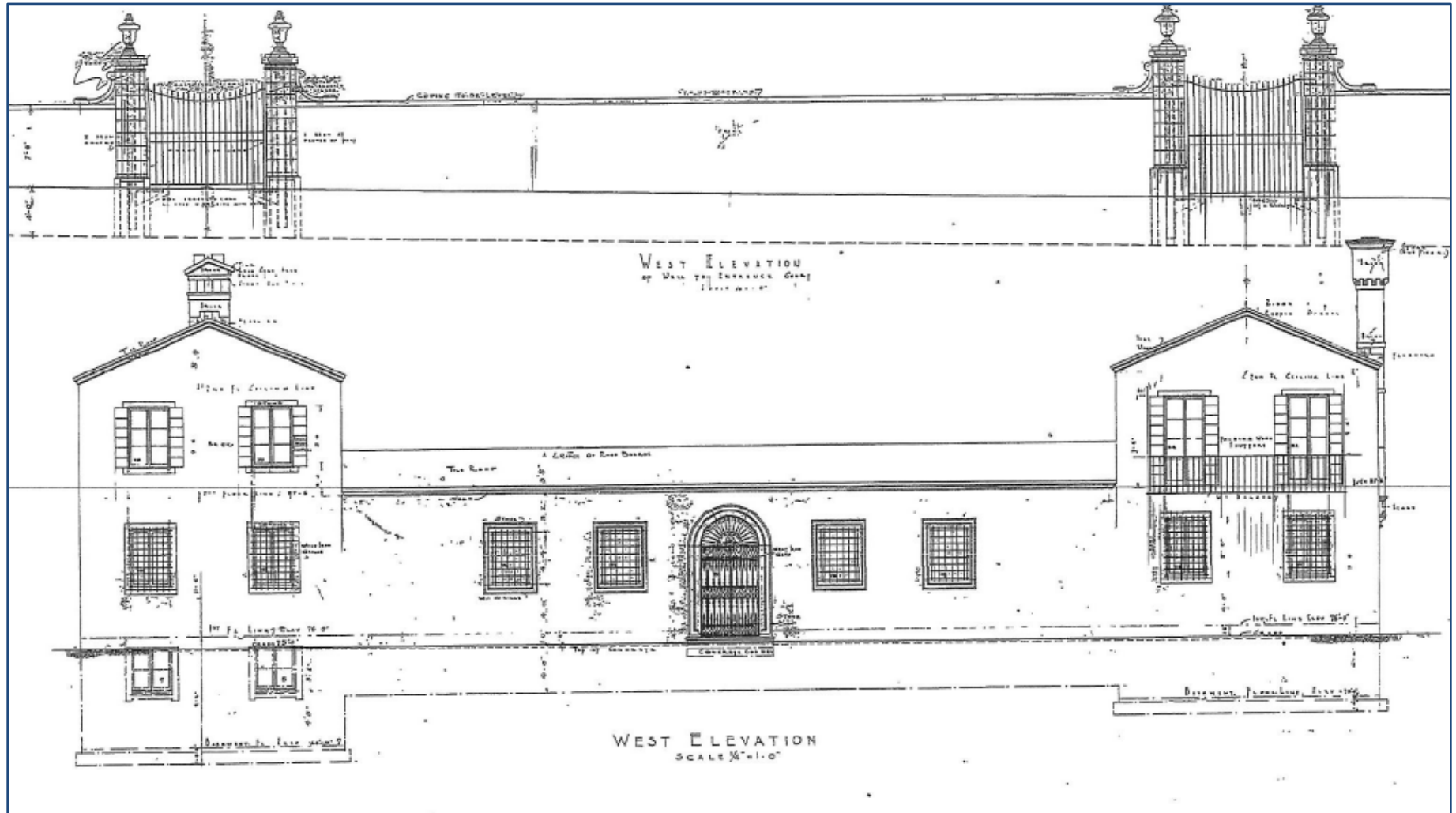
While the site and improvements support minimal on-site parking, there is proximate street and private parking available. Though not ideal, the neighborhood is densely-developed, and properties with minimal on-site parking are not uncommon.

## BUILDING SKETCH



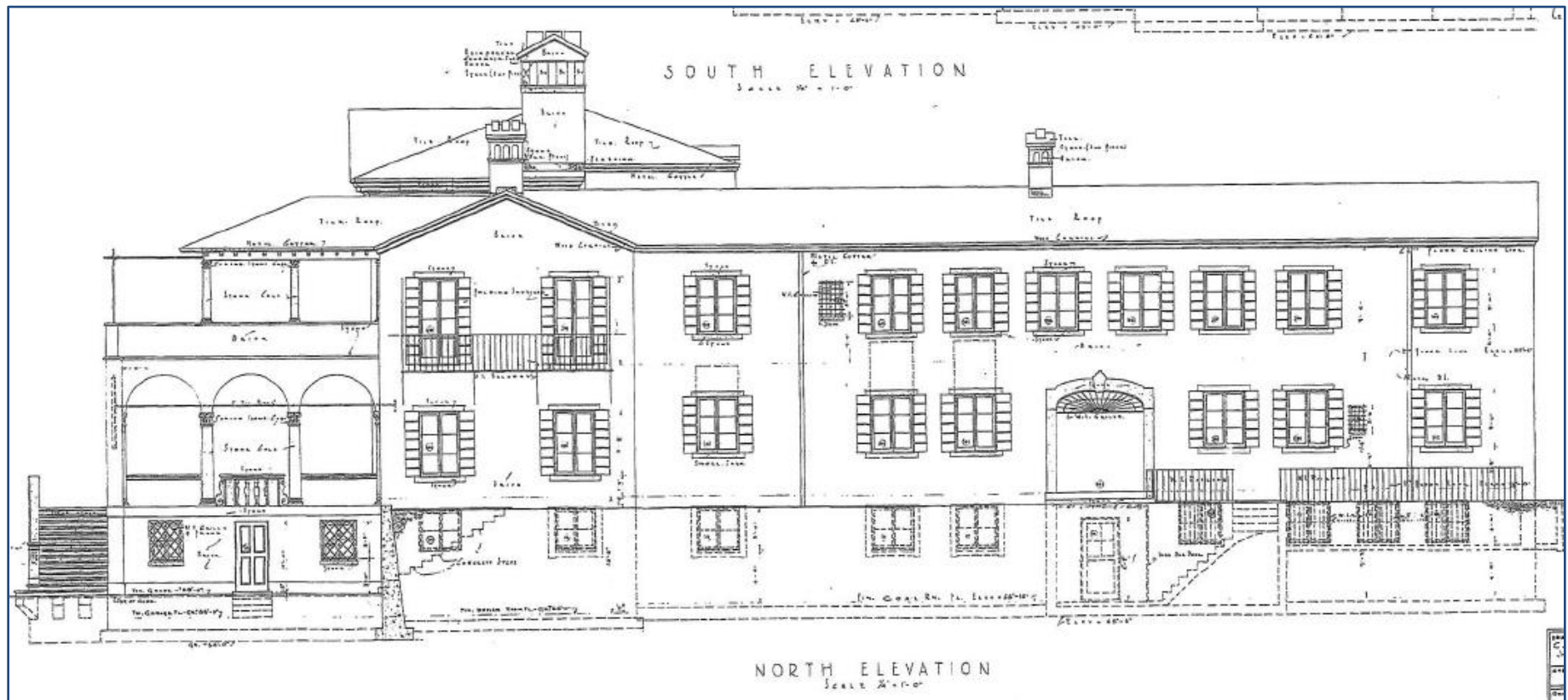


## ELEVATIONS



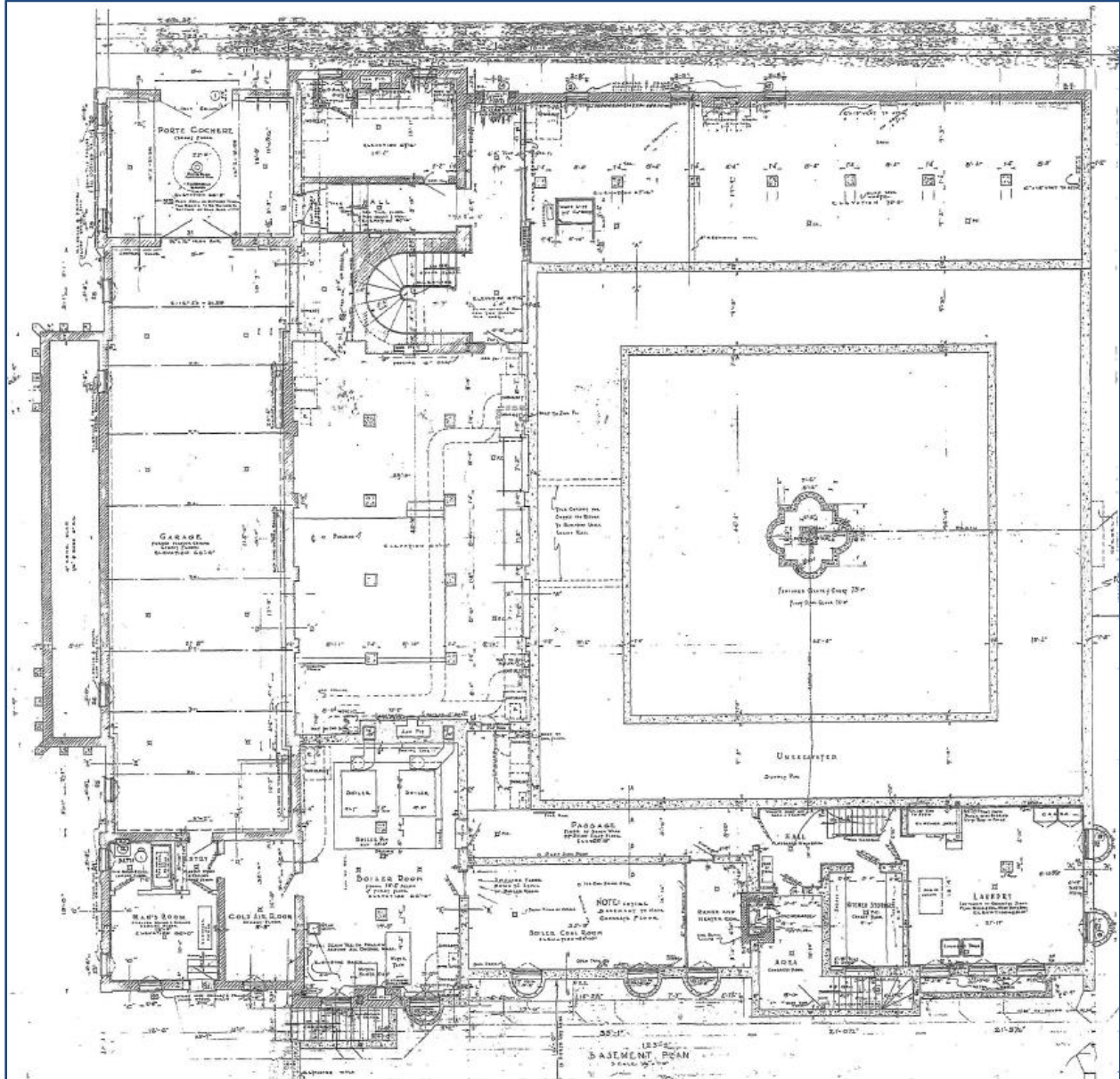




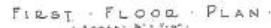


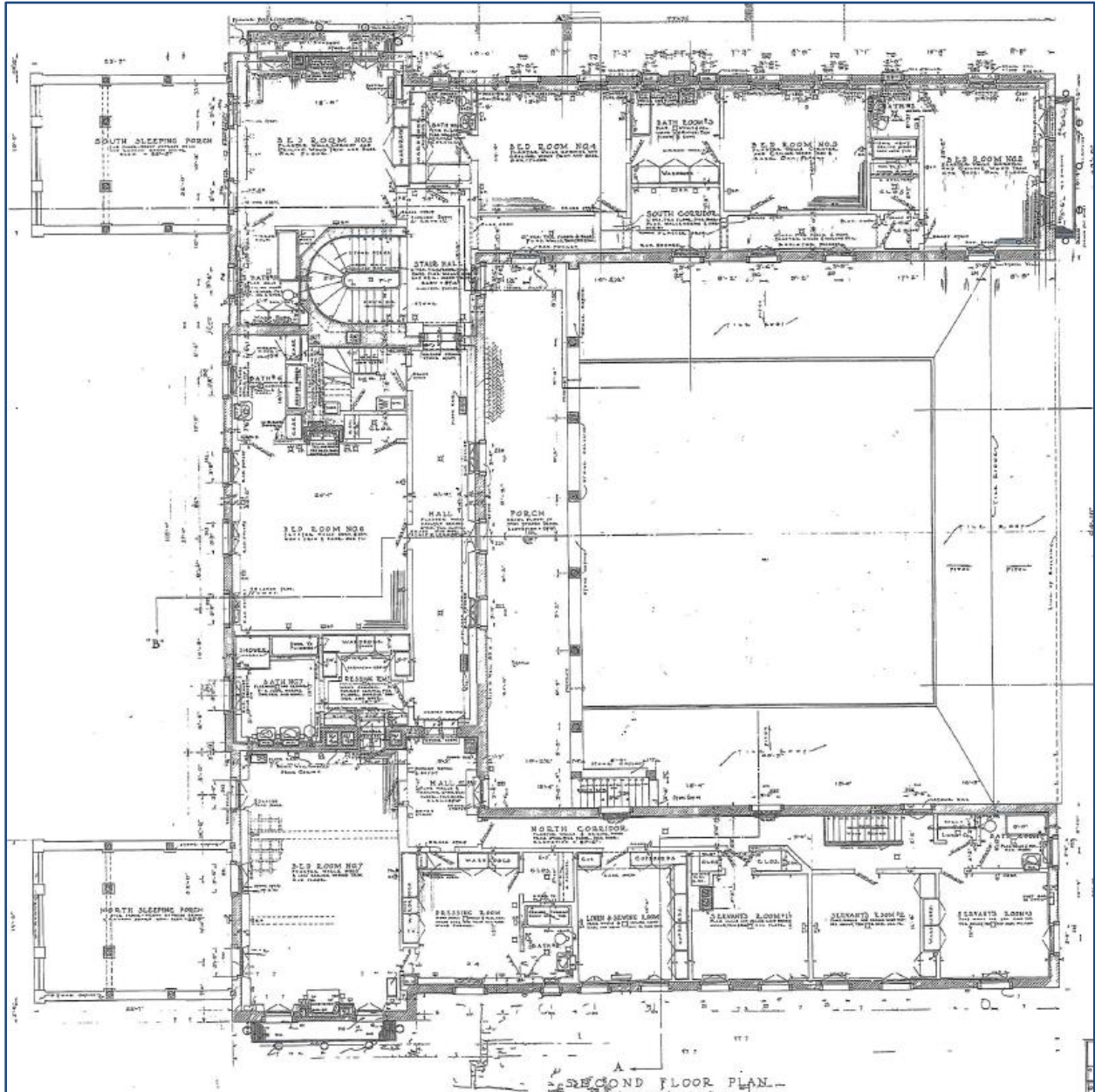


## ARCHITECTURAL PLANS









**COUNTY-PROVIDED MAINTENANCE COSTS (PAST DUE AND YEAR 2024)**  
**NOTE: HIGHLIGHTED COSTS TOTAL \$577,989**  
**AND COMPRISE THE SHORT-TERM COST ESTIMATE DESCRIBED ABOVE**

**RESIDENCE**

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2024	A1030 - Slab on Grade	Replace Damaged Concrete Slab	0	8,165	8,165
	B2010 - Exterior Walls	Paint Wood Walls on Second Floor Porch	0	3,567	3,567
	B2010 - Exterior Walls	Remove Paint From Exterior Walls	0	196,470	196,470
	B2010 - Exterior Walls	Repair Damaged Terrace Brick Wall	0	8,939	8,939
	B2010 - Exterior Walls	Repair Interior Wall Plaster	0	828	828
	B2010 - Exterior Walls	Repair the Garden Brick Walls	0	27,132	27,132
	B2010 - Exterior Walls	Tuckpoint Brick Wall	0	46,698	46,698
	B2015 - Balcony Walls and Handrails	Paint Rusted Steel Grilles and Railings	0	15,390	15,390
	B2030 - Exterior Doors	Paint Exterior Wood	0	28,668	28,668
	B2030 - Exterior Doors	Repair Door To Close Properly.	0	302	302
	B2030 - Exterior Doors	Replace Door Lock and Latch	0	423	423
	C2011 - Regular Stairs	Repair Stair Stone Platform	0	513	513
	C3020 - Floor Finishes	Epoxy Flooring Renewal	15,806	0	15,806
	C3020 - Floor Finishes	Refinish Wood Floors	0	22,594	22,594
	C3020 - Floor Finishes	Repair Quarry Tile Flooring	0	1,630	1,630
	C3020 - Floor Finishes	Repair River Rock Paving	0	1,815	1,815
	C3020 - Floor Finishes	Repair Step in Attic	0	1,811	1,811
	D2010 - Plumbing Fixtures	Custodial/Utility Sink Renewal	9,050	0	9,050
	D2020 - Domestic Water Distribution	Domestic Water Distribution System Renewal	92,227	0	92,227
	D3040 - Distribution Systems	Steam Piping and Condensate Return Renewal	89,236	0	89,236
	D3060 - Controls and Instrumentation	Perform Pneumatic Control System Maintenance	0	2,153	2,153
	D5021 - Branch Wiring Devices	Install GFCI Receptacles	0	2,460	2,460
	E2010 - Fixed Furnishings	Refinish Counter and Paint Cabinets	0	1,207	1,207
Subtotal for 2024			206,319	370,765	577,084

**COMFORT STATION**

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2024	C1010 - Partitions	Repair Masonry Wall	0	905	905
Subtotal for 2024			0	905	905
2025	D2020 - Domestic Water Distribution	Water Heater - Electric - 8 Gallon Renewal	3,300	0	3,300
Subtotal for 2025			3,300	0	3,300
2030	B2010 - Exterior Walls	EIFS Wall Panels - Wood Stud Backup Renewal	1,361	0	1,361
	B2010 - Exterior Walls	Wood Cornice Renewal	5,955	0	5,955
	B2030 - Exterior Doors	Exterior Door - 3 x 7 Fiberglass Renewal	6,190	0	6,190
	B3016 - Gutters and Downspouts	Gutters and Downspouts - Copper Renewal	4,683	0	4,683



## Subject Photographs

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East elevation



East terrace, second-level sleeping porches / balconies





West courtyard, covered promenades



East elevation, bluff stair / fountain, viewed from lower-level yard



View looking eastward from attic;  
subject gate at N. Lincoln Memorial Drive and Lake Michigan in background

*Additional photos are included in the Addenda.*



## Assessment and Tax Data

### Assessed Values and Property Taxes

The subject's assessed values, applicable tax rates and total taxes, including special assessments, are shown in the following table. The Land and Improvements assessed value total of \$453,000 has been the same since 2017. Online tax records report the total assessed value as \$0 in Years 2014 through 2016. Details of assessment methodology for Years 2017 to 2023 were not available. The County-owned property is exempt from property taxes.

#### SUMMARY OF 2023 REAL ESTATE TAXES

Tax Year	2023
APN	3560104000
<b>Assessed Value</b>	
Land:	\$93,000
Improvements:	\$360,000
Total:	\$453,000
<b>Assessment Ratio</b>	
	83.24%
<b>Fair Market Value</b>	
Land:	\$111,725
Improvements:	\$432,484
Total:	\$544,209
<b>Tax Rate</b>	
	\$23.63
<b>Millage Rate</b>	
	per \$1,000
<b>Tax Expense</b>	
Total:	\$0
Special Assessments:	\$0
Total Taxes:	\$0

# Market Analysis

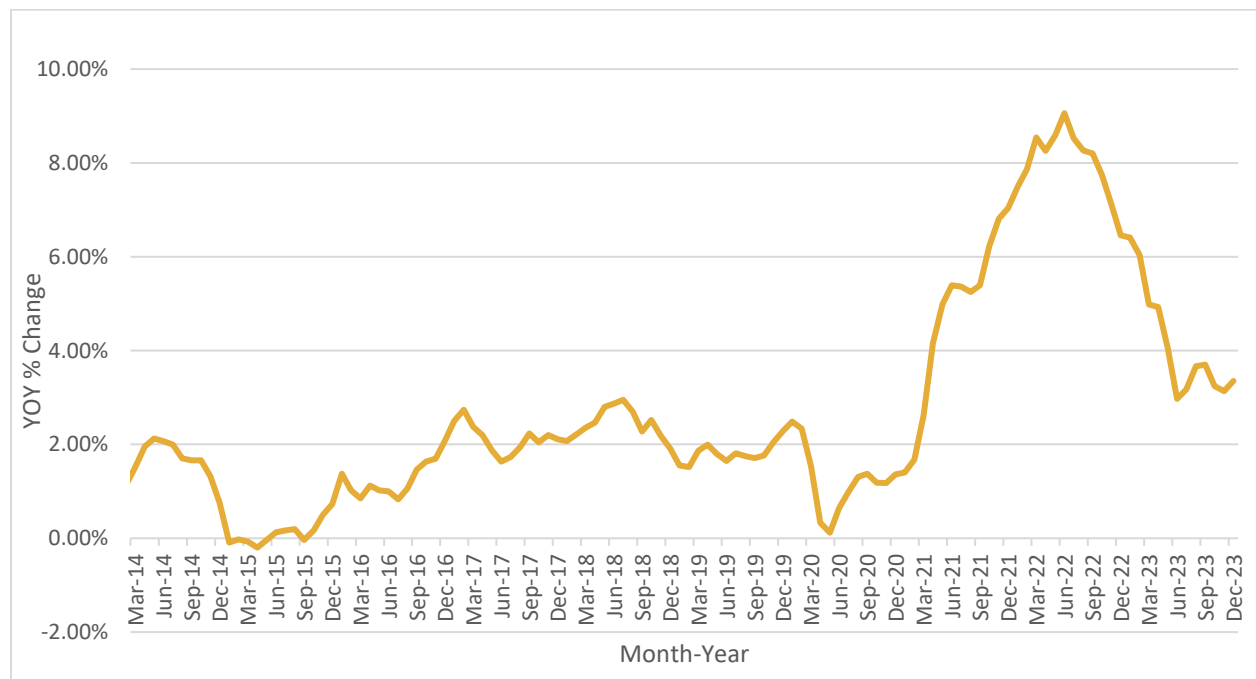
## Introduction

This section provides an overview on the economy and other factors impacting the market and marketability of the subject property. We begin with an analysis of the latest inflation data as released by the U.S. Bureau of Labor Statistics and relevant statements released by the Federal Reserve. We note that the following analysis relies upon the data available as of the effective date of value, February 16, 2024, and should be relied upon in the context of the purpose of this assignment.

## Inflation

Inflation is perhaps the biggest concern for CRE markets and investors. High inflation rates have been driven by both demand (stimulus, consumer spending, high savings rates, etc.) and supply factors (e.g. labor shortages and supply chain disruptions). Although, as noted, there are many culprits behind inflation, an unprecedented level of stimulus from 2020 to 2021 is considered to be among one of the larger underpinnings for the current inflationary environment. Furthermore, the index is heavily influenced by the cost of housing, which has experienced elevated price levels for some time due to a myriad of factors. While reaching the highest rate in 30 years in mid-2022, CPI data published by the U.S. Bureau of Labor Statistics reveals comparatively lower rates of inflation (year over year or "headline inflation") since then with the most recent figure in December at 3.35%. This marks the seventh consecutive month with year over year inflation under 4.0%, ranging from the low in May of 2023 at 2.97% to the slight uptick in September of 2023 at 3.70%. Because of this relative decrease from the highs of 2022 and what appears to be a pocket of stability over the last half of 2023, the Federal Reserve has signaled clearly for a pause in rate hikes and has introduced the prospect of future rate cuts over 2024. The following table presents historical inflations rates since January of 2014 on a year over year basis:

**ANNUAL CPI RATE OF CHANGE**

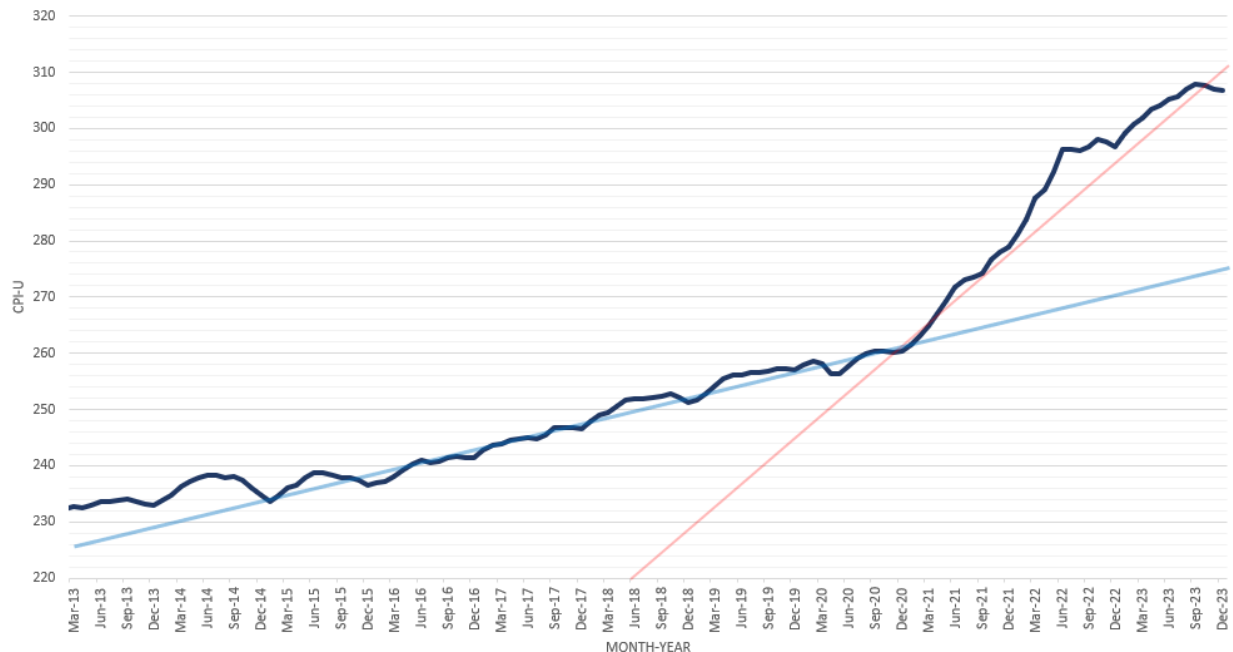


*Data Source: U.S. Bureau of Labor Statistics*



From early 2014 through early 2020, inflation stuck around 2.0%, with the exception being 2015, where the consumer price index experienced significant stagnation due to declining energy prices. Between February and April of 2020, decreased aggregate demand moved toward price decreases as the impact of the pandemic took hold of the economy. Over the next two years, the consumer price index increased at an alarming rate before reaching a peak in June of 2022 at 9.06% year over year. The annual inflation rate continued to decrease at a commensurate rate thereafter, with an annual rate reported for the month of May 2023 at 4.1% and June 2023 at 2.97% with upticks in July of 2023 at 3.18% and furthermore 3.67% and 3.70% in August and September of 2023, respectively. As noted, the October 2023 figure is down from the previous two months and fell near July levels at 3.24% year over year. Although year over year inflation rates have been comparatively lower over recent months, we caution the reader that this is a decrease in the rate at which the index has growth year over year. As is exhibited in the following chart, the consumer price index still continues to increase at a rate higher than that observed prior to 2020. The latest figures only show a decrease in the rate at which the index is increasing; which, as noted, is still at an accelerated rate compared to historical figures (red line vs. blue line).

### MONTHLY CPI-U FIGURES SINCE FEBRUARY 2013



*Data Source: U.S. Bureau of Labor Statistics*

### Interest Rates

A large actor in this story is the Federal Open Market Committee of the Federal Reserve (FOMC), which is responsible for open market operations. FOMC increased the Federal Funds Rate in March of 2022; this would be the first of 11 interest rate hikes to date.

To combat inflation, FOMC raised the federal funds rate by 25 basis points in March 2022, reflecting the first increase since 2018. The Federal Funds Rate as per the Federal Reserve is "the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight." In simple terms, this is the interest rate for loans placed with the Federal Reserve Banks.

As per the Federal Reserve, "Changes in the federal funds rate trigger a chain of events that affect other short-term interest rates, foreign exchange rates, long-term interest rates, the amount of money and credit, and, ultimately, a range of economic variables, including employment, output, and prices of goods and services."

However, this first increase had little to no immediate impact in year over year inflation and the Federal Reserve raised rates by an additional 50 basis points in May 2022, followed by 75 basis points in June, July, September, and November 2022. Interest rate increases were moderated in December at 50 basis points in response to CPI rolling over. Rates were hiked 25 basis points in February, March, May and July of 2023. Based upon the progression of year over year increases in the CPI as exhibited at the beginning of this section, it would appear that the strategy of FOMC is working to achieve the state goal. The June 2023 year over year statistic at 2.97% growth was seen as promising in terms of a pause on future rate hikes. However, the Federal Reserve still increased the rate by 25 basis points in late July of 2023. As noted, the July year over year figure increased over that of June with the August figure increasing once more and September remaining near August levels. In its September 20, 2023 press release, the FOMC stated that the target range for the federal funds rate would be maintained. The decision was reaffirmed in the next release on November 1, 2023. The latest press release on December 13, 2023 once more announced that the FOMC would maintain the federal funds rate.

Interest rate increases affect capital-intensive industries like real estate. As credit becomes more expensive, investor return requirements increase, which can lead to higher capitalization rates expectations. This has been generally observed across commercial real estate within the United States. As per the most recent December 13, 2023 Federal Reserve FOMC statement, the Fed's outlook and priorities were outlined as follows:

Recent indicators suggest that growth of economic activity has slowed from its strong pace in the third quarter. Job gains have moderated since earlier in the year but remain strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated

This is a shift in language from the prior November 1, 2023 release, which stated that economic activity expanded at a strong pace in the third quarter and was otherwise the same on job gains and unemployment. This statement is also unique from prior statements, stating that inflation has eased. The following statement has been maintained verbatim for some time within the FOMC releases.

The U.S. banking system is sound and resilient. Tighter credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation. The extent of these effects remains uncertain. The Committee remains highly attentive to inflation risks.

There have not been any rate hikes since the July decision to increase the target range for the federal funds rate by 25 basis points. The following excerpt is from the most recent release.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent.

As has been included for several releases now, the following excerpt states the priorities of the FOMC as per the most recent release.

The Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective.

Although we have seen a pause on rate hikes over the last five months, there is still strong commitment to reach the 2 percent objective and it is unclear what lays ahead in terms of the strategy of the FED and the challenges the economy faces going forward. The following commentary from the December 13th release further addresses the Fed's stance on future monetary policy decisions. This statement has been included verbatim in the past several releases.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

As is implicit within this language, there is a great deal of uncertainty in terms of inflationary pressures and a conservative stance would appear to be the best policy for market participants, although more recent CPI figures and less aggressive action of the FOMC may compile an optimistic outlook. The most recent release points out that inflation still remains elevated, albeit having eased over the past year, and recognizes slowed job growth as compared to the third quarter of 2023.

Even with less alarming year over year inflation data as compared to the recent past and an increasingly long pause on rate hikes, there has still not been a definitive answer as to the strategy of the FOMC or the Federal Reserve and such uncertainty is still reflected in the market. The previous November 1st meeting revealed continued worries by the FOMC that inflation will remain elevated and difficult to cut down. In terms of rate cuts, Chairman Jerome Powell stated the following in a post-meeting conference:

"The fact is, the Committee is not thinking about rate cuts right now at all."

Some speculate that the continued position of the FOMC to maintain the target rate (rather than continue hikes) despite elevated inflation indicators is a signal that the economy may begin to feel the collective impact of such a long period of elevated inflation without further intervention. Talks of rate cuts have become the centerpiece of discussion in recent months. In a post-meeting conference

on December 13<sup>th</sup>, Powell shifted his language from the prior conference after he was prompted about rate cuts in 2024 once more by reporters.

“That begins to come into view and that clearly is a topic of discussion.”

However, language around the extent and timing of future rate cuts remains restrictive from the Federal Reserve. As it stands, FOMC members have indicated three rate cuts throughout 2024 for a total of 75 basis points. Per futures market activity, there is an indication that cuts may begin in early to mid-2024 as well as a much higher cumulative 2024 rate cut of 1.50 basis points; however, this is speculative by nature. Based on committee member’s expectations, as revealed by the dot-plot that is published quarterly by the FOMC, there are expected to be another four cuts in 2025 or 1 basis point and three cuts in 2026 or 3 basis points.

As noted, this begs the question of whether this signaling for future rate cuts is an indication of an optimistic outlook by the federal reserve, indicating that they are well on track to meeting their 2.0% objective, or if they are preparing for an economic downturn that will require the stimulus of rate cuts. Either way, the underpinning of 2024 is uncertainty. With this in mind, the outlook for CRE in 2024 is much more optimistic than that held at the beginning of last year due primarily to the assurance of rate cuts. Still yet, investors should remain highly attuned to the emerging risks presented in 2024.

### PwC Real Estate Investor Survey (4<sup>th</sup> Quarter 2023)

As the new year approaches, many investors are adjusting investment strategies and spending time reworking portfolio allocations in order to better contend with the higher cost of capital, the wide-reaching belief that there will be no full office recovery, and the expected impact on property values, especially in the office sector. “The market choppiness will continue into 2024, so patience will be important,” says an office investor. “We will keep watching interest rates and trends in early 2024 to see where things are headed for us late in the year,” shares a suburban office investor, who believes it is best to hold office assets now in lieu of selling, buying, or building. Most surveyed office investors (59.0%) concur that now is the right time to hold assets; 33.0% feel it is the proper time to buy; 9.0% believe it is best to sell; and 1.0% think building is the top play. “Our goal for 2024 is to retain existing tenants and maintain cash flow,” states a mountain-region investor, who senses that buyers control the investment arena.

This quarter, our overall survey results show that most investors (73.0%) feel that market conditions in the commercial real estate industry favor buyers. That portion rises to 91.0% when analyzing the results for only our 19 city-specific office markets. A year ago, these figures were 47.0% and 64.0%, respectively. Two years ago, they were 30.0% and 43.0%, respectively. As the pendulum has swung more in favor of buyers over the past 24 months, the average year-one market rent change rates, average overall cap rates, and average forecast value change expectations are leaning more in favor of buyers now compared to even just a year ago. This quarter, the average year-one market rent change rate was 0.08% for the 19 city-specific office markets. A year ago, it was 1.23%. This quarter, the average overall cap rate stood at 7.98% for the 19 city-specific office markets. A year ago, it was 6.43%. This quarter, the average forecast value change expectation was -11.1% for the 19 city-specific office markets. A year ago, it was -4.1%. Moreover, in ten of our 19 city-specific office



markets, the average forecast value change estimate is lower than -11.1% this quarter, including in Atlanta, Dallas, Denver, Chicago, and Washington, DC.

The expectation that property values in the office sector will decline over the next 12 months is a main reason why some investors want to search for potential acquisitions and “rescue” opportunities in 2024. “We want to increase our acquisitions by taking advantage of distressed situations,” says an investor. Focusing on quality assets and using conservative underwriting, investors expect to find ways to diligently deploy capital in the year ahead. “We will cautiously look for opportunities, but don’t feel we need to aggressively invest,” remarks an investor. Other goals and strategies noted by office investors for the year ahead include maintaining occupancy, pushing up rental rates when able, preserving capital, buying based on in-place income, exiting nonstrategic holdings, buying in other property sectors, and perhaps most importantly, “staying alive until 2025.”

# PwC Real Estate Barometer

Real estate cycles vary across markets and geographic areas, as well as within markets and geographic locations based on property type – office, retail, industrial, and multifamily. This observation means that national cycles differ for the same property type across individual markets. It also means that within a specific location, the cycle for each property type can be in a different phase at any given time.

An in-depth analysis of historical and forecast stock data provided by CBRE Economic Advisors and Reis allows us to gauge each sector's likely shifts over the near term. The results of our research are shown in Charts REB-1 through REB-4. The charts represent the cumulative number of U.S. metros analyzed for each property type and the aggregate positions in our barometer analysis. Individual barometer readings for U.S. regions, as well as various metros, are shown for each sector in Forecast-1 through Forecast-4.

## Office

As working from home becomes an established practice, many office-space-using companies are renewing leases for less square footage, leaving behind large amounts of empty space in the U.S. office sector. By the end of 2023, our outlook places 68.0% of the 57 office metros analyzed in recession – growing to 77.0% by year-end 2024. A recovery is not expected to commence until 2026. A few office metros will be in expansion at some point over the next four years, including Oakland, Fort Worth, and New York.

## Retail

While consumer spending continues to show resiliency, helping to keep monthly retail sales positive, a few retail bankruptcies have made headlines recently and remind investors that challenges remain despite the U.S. retail sector's recovery. In fact, our analysis shows that a growing portion of the 80 metros examined (by a very slim margin in the near term) will be in recovery through 2026 (see Chart REB-2).

## Industrial

After years of unprecedented growth, the U.S. industrial sector is transitioning to a new normal where tenants are being more mindful of growth, and the construction pipeline is gradually delivering new supply. A decline in starts should rebalance this sector over the near term. Our analysis places the most industrial metros in the contraction phase of the cycle through 2026, including Cincinnati, Boston, Philadelphia, Nashville, and San Diego.

## Apartments

Even though the U.S. multifamily sector has many of the same headwinds as other commercial sectors – ballooning mortgage rates, rising expenses, a potential disruption in demand, as well as growing supply, many investors remain positive about its long-term outlook. Based on our analysis, most metros are forecasted to be in either expansion or contraction through 2026 (see Chart REB-4). Metros in expansion include Wichita, Knoxville, and Memphis.

## DEFINITIONS

**Contraction:** The phase following the market peak, characterized by softening market conditions and a shift in the supply/demand balance leading to increasing vacancy rates, slowing rental growth, and rising overall cap rates.

**Expansion:** The phase following recovery, characterized by strong demand and increasingly tight market conditions leading to low vacancy rates, robust rental growth, and decreasing overall cap rates.

**Recession:** The phase following contraction, characterized by very low demand and high levels of supply that were added during the previous two phases. Typically involves high vacancies, negative rental growth, and high overall cap rates.

**Recovery:** The phase following the market bottom, characterized by tightening market conditions and a shift in supply/demand balance leading to reduced vacancy rates, more balanced rental growth, and a stabilization of overall cap rates.

**Stock:** The total inventory of space, in square feet or units, in a given market.

## CoStar – Milwaukee East Office Submarket Overview

The Milwaukee East office submarket has a vacancy rate of 5.7%. This vacancy rate is 0.4% lower than it was this time last year. There was 46,000 SF of positive absorption and 34,000 SF of net deliveries.

Rents have increased by 1.2% in the past 12 months and are currently around \$19.80/SF. Nothing is under construction in the Milwaukee East office submarket. In the past year, there have been 2 sales, which traded for approximately \$720,000 in volume.

Vacancy is 9.6% in 4 & 5 Star buildings, and 38,000 SF has been absorbed in this asset class over the past year. In 3 Star buildings, 3.7% of space is vacant, and 6,100 SF has been absorbed over the past year. Currently, 7.1% of 1 & 2 Star space is vacant, and 2,900 SF has been absorbed in this space type over the past 12 months.

Current vacancy is higher than its trailing three-year average of 5.1%. However, this figure is lower than the 10.2% trailing three-year average of the Milwaukee market as a whole. The submarket is approximately 6,900 SF smaller than it was three years ago, however, that is the result of roughly 91,000 SF of construction being outweighed by roughly 98,000 SF of demolition. Rents have increased by 8.7% over the past three years, higher than the Milwaukee market average of 6.8%. There have been 20 sales over the past three years, amounting to \$28.9 million in volume and 390,000 SF of inventory.

The total Milwaukee East office submarket comprises 3.2 million SF of inventory.

KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	347,051	9.6%	\$24.35	10.3%	(9,268)	0	0
3 Star	1,602,275	3.7%	\$20.32	5.2%	(3,000)	0	0
1 & 2 Star	1,210,049	7.1%	\$17.90	8.4%	580	0	0
<b>Submarket</b>	<b>3,159,375</b>	<b>5.7%</b>	<b>\$19.83</b>	<b>7.0%</b>	<b>(11,688)</b>	<b>0</b>	<b>0</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.5%	7.7%	6.3%	13.1%	2014 Q1	3.1%	2021 Q1
Net Absorption SF	46.5K	(9,113)	(7,744)	213,995	2007 Q4	(221,564)	2011 Q3
Deliveries SF	58K	23,725	8,892	264,455	2007 Q1	0	2023 Q3
Market Asking Rent Growth	1.2%	1.1%	0.3%	7.0%	2012 Q1	-4.0%	2011 Q1
Sales Volume	\$720K	\$9.7M	N/A	\$48.9M	2013 Q3	\$0	2009 Q2

## CoStar – Downtown Milwaukee Multi-Family Submarket Overview

Vacancies in Downtown Milwaukee are on the rise as a wave of new supply begins to deliver in the submarket. After falling to a historic low of just 3.9% at the end of 22Q2, vacancies now stand at 5.8%. Still, this remains one of the lowest vacancy rates for a downtown area in the country.

The relative outperformance of Downtown Milwaukee during such unprecedented times is multifaceted. Of major influence has been a historically modest amount of new supply. Developers here tend to be locally based and have been cautious with new supply additions. Compared to other peer markets, Downtown Milwaukee has attracted relatively few major developments from out-of-state or merchant developers.

Right-sized amounts of new supply combined with a steady appetite for new units have resulted in consistently low vacancies that have helped bolster rents even during economic downturns. At a time when many downtown areas saw significant rent losses during the peak of the pandemic, landlords in Downtown Milwaukee enjoyed modest gains and continue to see strong rent growth trends.

Downtown Milwaukee's affordability is also a key contributor to its stability. Contrary to many peer markets, Milwaukee's downtown is not its priciest submarket. Average rents between the urban core and suburban submarkets vary little, resulting in limited options for rent savings by moving to the suburbs. Consequently, an exodus from the urban core has not been observed. In fact, Downtown Milwaukee has seen only three quarters of negative absorption since 2010.

On the investment side, elevated interest rates and uncertainty over the timing and extent of future rate changes has greatly influenced investor habits in Milwaukee. While the height of the pandemic saw record sales volumes, driven by an increase in out of state investor interest for newer institutional grade developments, current market conditions have seen a reversal of those trends. Across the market, and particularly in Downtown Milwaukee, investors tend to be local and are targeting legacy inventory in the 1 to 3 Star property segments. With strong, stable occupancies and practically no incoming supply side pressure in these lower-quality property segments, investors have recognized ample room for value-add creation in what is currently the strongest segment for rent growth.

KEY INDICATORS							
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	6,200	6.5%	\$2,196	\$2,182	49	0	1,139
3 Star	6,013	5.6%	\$1,323	\$1,314	16	0	0
1 & 2 Star	4,742	5.2%	\$927	\$920	(39)	0	0
<b>Submarket</b>	<b>16,955</b>	<b>5.8%</b>	<b>\$1,593</b>	<b>\$1,582</b>	<b>26</b>	<b>0</b>	<b>1,139</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	6.5%	6.5%	10.9%	2018 Q3	4.1%	2022 Q2
Absorption Units	270	281	440	1,132	2016 Q2	(160)	2003 Q3
Delivered Units	330	296	494	1,333	2019 Q1	0	2021 Q2
Demolished Units	0	2	2	44	2018 Q1	0	2023 Q4
Asking Rent Growth (YOY)	1.3%	1.6%	2.4%	5.5%	2001 Q3	-3.4%	2009 Q4
Effective Rent Growth (YOY)	1.0%	1.6%	2.3%	5.4%	2001 Q4	-3.4%	2009 Q4
Sales Volume	\$36.3M	\$35.5M	N/A	\$123M	2022 Q1	\$1.8M	2008 Q4



### Vacancy

Heightened demand for urban living has been most evident in Milwaukee's downtown area, which was the fastest growing location in southeastern Wisconsin between 2010-2020. According to data from the latest U.S. Census, the census tracts that comprise the Downtown Milwaukee Submarket grew 23% on average, resulting in a population increase of around 7,000 residents. Most notably, downtown's primary census tract encompassing northern Walker's Point, the Historic Third Ward, and the southern half of Milwaukee's financial district, Juneau Town, grew an impressive 70% during this time.

The strong population growth seen downtown has far exceeded the ability of developers to meet this demand. As a result, Downtown Milwaukee is currently experiencing one of its tightest vacancy periods on record. At a time when larger, pricier, and more developmentally active downtowns are experiencing heightened vacancies due to immense supply-side pressure and out-migration, in several cases approaching 20% vacancy rates at times, Downtown Milwaukee has continued to exhibit stability.

Current vacancies of just 5.8% are the lowest in the Midwest and one of the lowest vacancy rates in the country when comparing the downtown areas of other major markets. At the end of the fourth quarter, two of Milwaukee's closest Midwest peers, Cleveland and Saint Louis, had downtown vacancy rates of 11.4% and 18.7%, respectively.

Highlighting demand for newer and higher-quality apartments, vacancies in Downtown Milwaukee's 4 & 5 Star property segment are also trending at historic lows. At the end of the fourth quarter, 4 & 5 Star inventory had a stabilized vacancy rate of just 4.6%.

Looking ahead, substantial supply side pressure from projects delivering over the next four quarters will not only add much needed inventory here, but will also lead to significant increases in the 4 & 5 Star vacancy rate. With developments such as the 333-unit 333 North Water and the 322-unit Couture on track to deliver this year, current vacancies in this higher-end segment of 6.5% are forecast to surpass 10% by the end of 2024.

### Rent

So far in the first quarter, average market asking rents of \$1,590/month have grown 1.3% over the past 12 months, compared to the market average of 2.0%. Driving this growth has been the ability of landlords to push rents in the lower-end 1 & 2 Star and 3 Star property segments thanks to tight vacancies and limited new supply. Annual rent growth in these segments of 1.3% and 1.2%, respectively, have outpaced growth in the 4 & 5 Star segment in recent years due to heightened levels of supply-side pressure in that higher end segment.

Despite strong rent growth in the 3 Star property segment, the spread between 4 & 5 Star and 3 Star rents remains quite significant. Average 4 & 5 Star asking rents of nearly \$1,800/month for a one-bed unit come at a substantial premium to their 3 Star counterparts at around \$1,200/month.

Newer and more luxury developments can garner even greater premiums due to the relatively limited nature of this quality of inventory downtown. Built in 2018, 7Seventy7 is one of only two 5 Star apartment buildings in Downtown Milwaukee and has pushed the envelope for what defines a luxury apartment in the downtown area. The 34-story, 310-unit tower features a wealth of amenities

including a state-of-the-art fitness center and an expansive rooftop patio featuring a pool and dog run. Despite rents here averaging roughly \$2,300/month for one-bed units, nearly twice the submarket average, vacancies have remained tight throughout the pandemic.

### Construction

Construction activity is surging in the Downtown Milwaukee Submarket as developers look to satiate the demand of renters in the area who have proven a need for more luxury housing downtown. After bottoming out at less than 200 units under construction in 20Q2, 1,139 units are under construction so far in the first quarter. Notably, the 4 & 5 Star segment accounts for 1,139 of these new units, representing what will be a 18.4% increase in 4 & 5 Star inventory downtown.

In total, more than 4,800 units have been built in the Downtown Milwaukee Submarket since construction activity picked up in 2015, accounting for a sizable 40% expansion of Downtown Milwaukee's inventory. As construction and financing costs have risen, construction has gravitated toward larger, higher-end, and amenity rich developments where higher rents and economies of scale offset the heightened cost of development today.

Most notably, two major projects are underway that will more than double Downtown Milwaukee's 5 Star apartment inventory and redefine its skyline. At over 500 feet tall, the 44-story, 322-unit lakefront tower dubbed "The Couture" will be the tallest apartment building in Milwaukee and only the third 5 Star luxury offering downtown when completed early next year. Nearby, Houston-based Hines is building a 31-story, 333-unit tower in Milwaukee's trendy Historic Third Ward. Known as 333 North Water, that 342-foot luxury riverfront development is expected to deliver in 24Q2 and will be the first tower in the historic warehouse district.

Paving the way for these luxury towers was the development of 7Seventy7, a 34-story, 310-unit tower built in 18Q2 and the Ascent, a 25-story, 259-unit tower delivered in 22Q3 which currently holds the title of tallest mass timber building in the world. Even with rents in these two developments sitting at more than twice the market average, demand for this product type, with its luxury finishes and wealth of amenities, has proven robust. Within four quarters of delivering, 7Seventy7 surpassed 95% occupancy while Ascent approaches 90% heading toward its one-year mark.

Other notable developments that are set to significantly expand the downtown inventory are Nova, a nine story, 251-unit market rate development that delivered in 23Q3 and The Edison, a mass timber proposal that has ballooned in size in response to financing and construction costs as well as in recognition of untapped downtown demand. After first being proposed in early 2022 at 15 stories and 211 units, The Edison is now planned to reach 32 stories and 381 units. Notably, at over 360 feet all, The Edison would surpass the Ascent as the tallest mass timber tower in North America.

### Sales

Deal flow has held steady in Downtown Milwaukee despite significant headwinds. Over the past twelve months, 12 transactions have closed in Downtown Milwaukee, compared to the 10-year historical average of 12 transactions per year. But while deal flow has remained strong in the face of elevated interest rates and a growing disconnect between buyer and seller pricing expectations, the product quality that investors are targeting has certainly shifted.

Contrary to a record 2021 in which several notable 4 & 5 Star transactions occurred, those types of deals are few and far between today. Instead, investors are targeting Downtown Milwaukee's legacy inventory. In 23Q2, 828 N. Milwaukee St. sold for \$3.5 million (\$194,000/unit) to a local private buyer as part of a 1031 exchange. Built in 1889 and located near the Milwaukee School of Engineering, this property was fully leased at the time of sale and traded at a 7.78% cap rate.

Arguably the most iconic of Downtown Milwaukee's historic apartment buildings, Cudahy Tower, also traded in 2023 and was the largest single-property transaction of the year in Downtown Milwaukee. Built in 1928, the 16-story, 81-unit tower sold in 23Q1 for \$16.5 million to a local private buyer and was fully leased at the time of sale. At just under \$204,000/unit, Cudahy Tower's sale price comes in much higher than the 3 Star average market price of \$130,000/unit, reflecting its premium lakefront location.

In addition to targeting legacy inventory that has value add upside, portfolio acquisitions have become more frequent in recent quarters. Notably, Katz Properties, one of the largest multifamily landlords in Milwaukee, acquired a 14-property, 784-unit portfolio from another local investor in 23Q1 for \$83.95 million (\$107,000/unit). The portfolio consisted primarily of 2 and 3 Star properties built in the early and mid-1900s and was 97% occupied at the time of sale. Three of these properties were located in the Downtown Milwaukee submarket, including 2466 N Oakland Ave., which sold for \$13.75 million (\$139,000/unit).

Pricing remains a concern for investors in Downtown Milwaukee as prices continue to trend downward. After peaking at a record high market price of \$205,000/unit in 22Q1, market pricing has fallen to \$170,000/unit so far in the first quarter. Looking ahead, downward pressure on pricing is forecast to persist in the near term as interest rates remain elevated and lenders tighten their belts.

# Highest and Best Use Analysis

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The Highest and Best Use of a property is the reasonably probable and legal use of vacant land or an improved property that is: physically possible, appropriately supported, financially feasible, and that results in the highest value.

Improved properties may have a highest and best use that is different than the existing use. The existing use will generally continue, however, until land value exceeds the total value of the property in its existing use plus demolition costs.

## Analysis of Highest and Best Use as if Vacant

In determining the highest and best use of the property as though vacant, we focus on: 1) the existing use, 2) a projected development, 3) a subdivision, 4) an assemblage, or 5) holding the land as an investment.

### Physically Possible Uses:

The subject site is 2.402 acres or 104,652 square feet. Approximately 1.0 acre of the site area is the lower yard area; approximately 0.7 acre is the upper drive, residence and terraced rear yard; and the balance of the site area is the steeply-sloped bluff that has an approximate 60-foot elevation change. In general, the physical characteristics of the site and off-site improvements would allow development of the site for a variety of uses.

### Legally Permissible Uses:

The subject is zoned by the City as Parks District within Lakefront Overlay Zone. City code Table 295-1015-3-a indicates the use classifications for various land uses in the Lakefront Overlay Zone. These use classifications replace the classifications of the underlying zoning district (Parks). The subject's current use as a cultural institution is a permitted use. The following potential uses are highlighted per the use table:

- Library / Cultural Institution: permitted
  - General Office: special use permit required
  - Bed and Breakfast: special use permit required
  - Tavern: special use permit required
  - Restaurant: limited; max. 1,000 square feet; ancillary to park and recreational uses; required to be located in structure owned by a government agency or entity
  - Community Center / Assembly Hall: limited; required to be owned and operated by a government agency or entity
- Residential: not permitted (not listed in use table)

Given the public ownership of the property, effectively being owned by the citizens of Milwaukee County, and the underlying Parks and Lakefront Overlay zoning, re-zoning of the subject property to allow for residential or most commercial uses is considered highly speculative.



### Financially Feasible:

Given zoning that restricts most uses to public- or quasi-public use and/or ownership, financially feasible uses include use as a cultural institution, community center or assembly hall.

### Maximally Productive

Considering current economic conditions, it may likely be the most productive use of the subject is to hold for future development. However, it can be reasonably concluded that the highest land value, if vacant, would be generated by use of the site for a cultural institution, community center or assembly hall.

### Conclusion:

Based on the above considerations, we are of the opinion that the highest and best use of the site, as vacant and available for development, would be for a cultural institution, community center or assembly hall.

## Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: 1) continuation of the existing use, 2) modification of the existing use, or 3) demolition and redevelopment of the land.

### Continuation of Existing Use

Retaining the improvements as existing meets the tests for physical possibility, legal permissibility and financial feasibility. The improvements are in fair to good condition, and the property can continue to support the existing improvements well into the future. However, there are several major items of deferred maintenance, some of which require addressing in the short term in order to stabilize the building and mitigate further deterioration. We have estimated that short-term cost of approximately \$665,000 would be required regardless of whether the existing use continues or the property is converted to an alternate use.

The property is a registered historical property by the City of Milwaukee and National Park Service through the National Register of Historic Places. The City of Milwaukee historical designation subjects the property to Milwaukee Code Section 320-21: Historic Preservation Commission, which regulates the historical preservation of the exterior and ***effectively prohibits any demolition of the structure in its current state***. We have determined that demolition of the current building is speculative. Further, conveyance of the property by its owner, Milwaukee County, a political subdivision, would require that a conservation easement be placed on the property to protect the historic character and qualities of the property.

### Conversion/Modification

Conversion of the improvements meets the tests for physical possibility and legal permissibility. Uses that would not require extensive renovation work involving reconfiguring walls and updating systems such as plumbing and electrical would be considered feasible. Conveyance of the property by its owner, Milwaukee County, a political subdivision, would require that a conservation easement be placed on the property to protect the historic character and qualities of the property.

### Demolition

As noted above, the City of Milwaukee historical designation subjects the property to Milwaukee Code Section 320-21: Historic Preservation Commission, which regulates the historical preservation

of the exterior and effectively prohibits any demolition of the structure in its current state. We have determined that demolition of the current building is speculative, and, therefore, have not considered demolition as a realistic alternative highest and best use.

#### Most Productive Use

Following our analysis, we conclude the most productive use of the property is continued use as a cultural institution and event venue.

It is noted that although alternative uses may result in the highest net value for the property, continued operation of the Villa Terrace Decorative Arts Museum certainly remains possible and likely. Many private and publicly-operated cultural institutions confront the highest and best use issue outlined in this report where value related to institutional use is below that of an alternative use. However, a cultural institution retains intangible value, particularly for enhancing the region's cultural amenities, that makes it desirable to continue operations as opposed to its sale and re-development.

#### Conclusion

Based on the above considerations, we conclude that the highest and best use of the subject is continued use as a cultural institution and event venue.

# Sales Comparison Approach

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## Methodology

The Sales Comparison Approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

The process of developing the Sales Comparison Approach consists of the following: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject.

## Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for properties such as the subject property is price per square foot of finished area. In the case of the subject, that analyzed area is 13,400 square feet of above-ground space. As the basement is unfinished, the approximate 5,994-square foot basement area was excluded in the direct analysis.

## Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, and (7) physical characteristics.

Our analysis arrives at a preliminary value assuming there is no significant deferred maintenance or structural issues. From this preliminary value, we deduct an estimate of near-term maintenance costs to arrive at an As Is value conclusion.

## Comparable Sales Data

To obtain and verify comparable sales and listings of office properties, we conducted a search of public records, interviewed knowledgeable real estate professionals, and reviewed data from both third party and internal databases. We focused our sales search on regional historic properties that have been or could be used as museum, galleries, high-end office space and event spaces. The sales presented in our analysis were judged to be the most comparable to develop an indication of market value for the subject property. The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Detailed write-ups of each improved comparable follow the location map.

**Improved Sales Summary**

	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID	1735394	1735630	1706132	1735718	1482669
Property Name	Renaissance Place / MF Tower Site	Former Masonic Lodge - Kenosha	The Former Villa Filomena	Former Armory - Janesville	Bradley Foundation Mansion Complex
Location	1451-1453 N. Prospect Avenue Milwaukee, Wisconsin	807 61st Street Kenosha, Wisconsin	1119 N. Marshall Street Milwaukee, Wisconsin	10 S. High Street Janesville, Wisconsin	1241 N. Franklin Place Milwaukee, Wisconsin
Sale Status	Closed	Closed	Closed	Closed	Closed
Tax ID	3590013112, 3590013113	0512306103017; 0512306103015	3921602000	136100502	3590110000; 3590112000

**Sales Data**

Date of Sale	2/15/2023	8/17/2022	7/18/2022	1/25/2022	12/12/2019
Grantor	1451 Prospect LLC & 1443 Prospect LLC	Library Park Properties, LLC	Villa Filomena, LLC	KANDU Industries, Inc.	The Lynde and Harry Bradley Foundation, Inc.
Grantee	Renaissance MKE LLC	Sig Tau Kenosha, LLC	PTG Live Events, LLC	Triple2 Janesville, LLC	WSP Lion House, LLC
Document #	11318271	1934377	11268203	2210501	10935392-94
Property Rights Conveyed	Fee Simple, Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Conditions of Sale	Conventional Typical	Conventional Typical	Conventional Typical	Conventional Typical	Conventional Typical

**Unadjusted Units of Comparison**

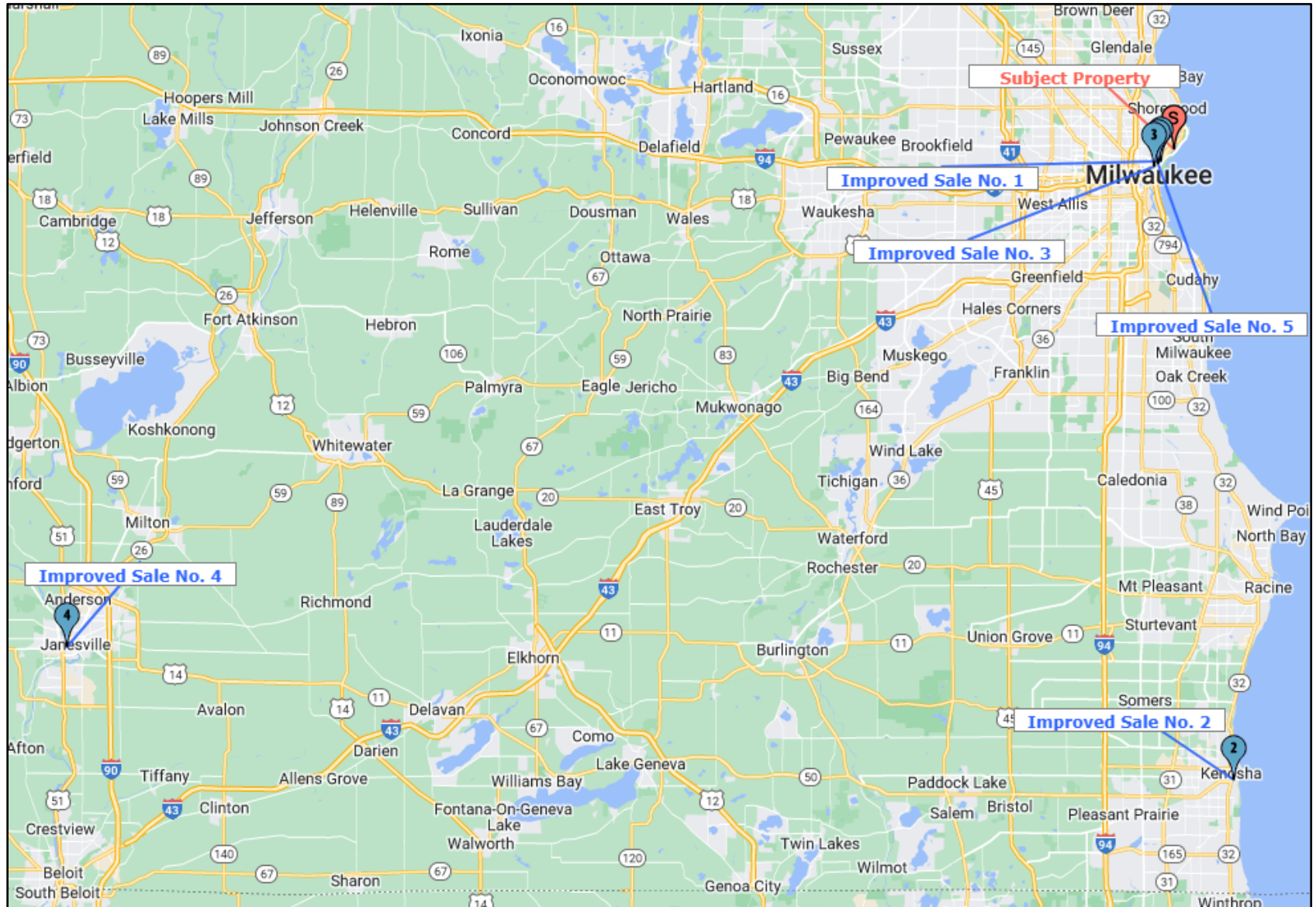
Sales Price	\$3,400,000	\$800,000	\$1,550,000	\$790,000	\$2,032,810
	\$115.78 psf	\$34.22 psf	\$176.84 psf	\$33.58 psf	\$105.76 psf

**Physical Characteristics**

Construction Class	Class C - Masonry	Class C - Masonry	Class C - Masonry	Class C - Masonry	Class C - Masonry
Year Built	1907, 1950	1924	1874	1930	1855, 1896
Gross Building Area	29,366 sf combined 2 bldgs.	23,380 sf	8,765 sf	23,527 sf	19,221 sf (exc. garden levels)
Number of Stories	2	3	2	3	3 / 4 (inc. garden)
Usable Land Area	1.100 acres	0.940 acres	0.280 acres	0.540 acres	0.380 acres
Land-to-Building Ratio	1.63-to-1	1.75-to-1	1.39-to-1	1.00-to-1	0.86-to-1
Proposed Use	Event space, office, 310-unit residential tower	Conversion to multifamily; re-marketed for adaptive reuse	Continued use as event venue	Continued use as event venue	For lease office



### COMPARABLE SALES MAP



## SALE COMPARABLE 1

### Property Identification

<b>Property Name</b>	Renaissance Place / Proposed Residential Tower Site
<b>Address</b>	1451-1453 N. Prospect Avenue
<b>City County State Zip</b>	Milwaukee, Milwaukee County, Wisconsin 53202
<b>MSA</b>	Milwaukee-Waukesha
<b>Tax ID</b>	3590013112, 3590013113
<b>VPA Property/Sale ID</b>	11421338/1735394

### Transaction Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	February 15, 2023
<b>Grantor/Seller</b>	1451 Prospect LLC & 1443 Prospect LLC
<b>Grantee/Buyer</b>	Renaissance MKE LLC
<b>Recording Number</b>	11318271
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Conventional
<b>Conditions of Sale</b>	Typical
<b>Sales Price</b>	\$3,400,000
<b>Adjusted Sales Price</b>	\$3,400,000

### Adjusted Units of Comparison

<b>Adj. Price PSF of GBA</b>	\$115.78
<b>Adj. Price per Unit</b>	\$10,968
<b>Adj. Price per SF Land</b>	\$70.96



### Property Description

<b>Property Type</b>	Reception Hall, Banquet Facility; multifamily development site
<b>Gross Building SF</b>	29,366 (combined 2 bldgs.)
<b>No. of Units</b>	310 (initial proposed unit count)
<b>No. of Lots</b>	2
<b>Year Built</b>	1907 (church); 1950 (school)
<b>Number of Stories</b>	2
<b>Pkg/1,000 SF NRA</b>	2.89
<b>Usable Land/LtB Ratio</b>	1.100 Acres / 1.63:1
<b>Flr. Area Ratio (FAR)</b>	0.61
<b>Density (Units/Acre)</b>	281.82
<b>Flood Hazard Zone</b>	Zone X
<b>Zoning Code</b>	Residential - Residential and Office

### Verification

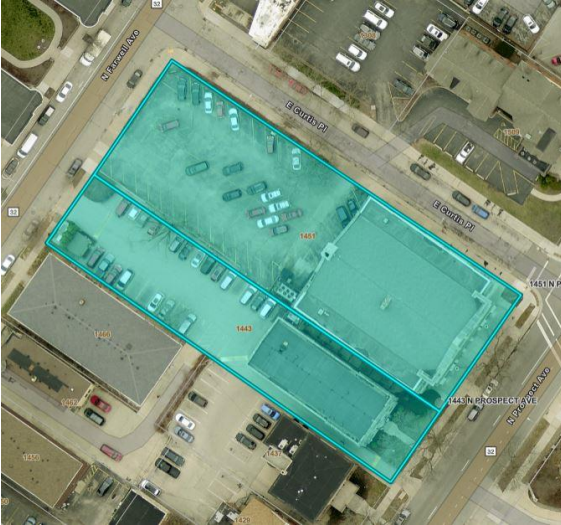
<b>Confirmed By</b>	Russell Cooper
<b>Confirmation Source</b>	WDOR, CoStar, News Articles

### Remarks

Sale of approximately a 1.10-acre site comprised of two tax parcels and improved with the Renaissance Place building and the Mexican Consulate building for the East Side Towers multi-family development. The development is brought by New Land Enterprises, the Milwaukee-area developer behind the world's tallest mass timber structure Ascent Milwaukee and more recently the Nova Apartments on E. Juneau Avenue. At the time of sale, the developer had proposed a 25-story apartment tower with 310 units. However, the property was purchased for \$3,400,000 without entitlements on February 15, 2023, after only a community meeting. The Renaissance Place event venue closed in 2022 and New Land Enterprises hoped to find an operator to reconfigure the event venue for a social club with co-working space, lounge space or another amenity for the proposed building. The proposed mix included 33 studios, 195 one-bedrooms, 49 two-bedrooms and 33 two-bedroom with den units. The \$3.4 million sale price computes to \$10,968 per unit for the initial 310 unit count. As of Fall 2023, the unit count has since been revised upward to 346. After consideration of the improved area, this leaves approximately 0.60 acres left for development of the tower.



The Renaissance Place building is a nationally-registered historic building, and was constructed in 1907 as the First Church of Christ Scientist. Per City assessment records, there is 21,186 square feet of building area. Historic registry records describe it as a noted example of Neo-Classical Revival style with load bearing masonry cavity walls clad in limestone with a braced gable roof. The adjacent former school building associated with the church was constructed to provide space for Sunday school, a nursery, library and church offices. It was constructed in 1950 and contains 8,180 square feet. The \$3.4 million sale price computes to approximately \$116 per square of building area.



## SALE COMPARABLE 2

### Property Identification

<b>Property Name</b>	Former Masonic Lodge - Kenosha
<b>Address</b>	807 61st Street
<b>City County State Zip</b>	Kenosha, Kenosha County, Wisconsin 53143
<b>MSA</b>	Kenosha
<b>Tax ID</b>	0512306103017; 0512306103015
<b>VPA Property/Sale ID</b>	11421710/1735630



Source: Newmark

### Transaction Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	August 17, 2022
<b>Grantor/Seller</b>	Library Park Properties, LLC
<b>Grantee/Buyer</b>	Sig Tau Kenosha, LLC
<b>Recording Number</b>	1934377
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Conventional
<b>Conditions of Sale</b>	Typical
<b>Sales Price</b>	\$800,000
<b>Adjusted Sales Price</b>	\$800,000

### Adjusted Units of Comparison

<b>Adj. Price PSF of GBA</b>	\$34.22
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### Property Description

<b>Property Type</b>	Armory, Club, Lodge Facility
<b>MVS Const. Class</b>	C - Masonry
<b>Gross Building SF</b>	23,380
<b>Year Built</b>	1924
<b>Number of Stories</b>	3
<b>Pkg/1,000 SF NRA</b>	2.14
<b>Usable Land/LtB Ratio</b>	0.940 Acres / 1.75:1
<b>Flr. Area Ratio (FAR)</b>	0.57
<b>Zoning Code</b>	Institutional Park District

### Verification

<b>Confirmed By</b>	James Coyle
<b>Confirmation Source</b>	Karen Johnson - Listing Broker, Newmark

### Remarks

Sale of the former Masonic Temple in Kenosha, Wisconsin. The 2-parcel property is located at the south end of Library Park in downtown, just north of the Froedtert medical center, and within 0.3 miles of Lake Michigan. The eastern parcel contains the building improvements, and the western parcel is a surface parking lot for approximately 50 vehicles. Constructed in 1924, the 3-story (2 full, partial upper) Neo-Classical Revival-style building is a component of the National Register of Historic Place designation of the Library Park Historic District. The front and east facades are made of smooth ashlar limestone, while the rear and west facades are of tan brick. The property was marketed as potential for office or residential use, and the 2022 buyer had planned to proceed with a residential conversion. However, as of February 2024, the property is marketed as a historical adaptive reuse development for sale / lease at undisclosed price / rates for residential, boutique hotel, or event space. The listing broker of the 2022 sale noted the property to be in generally average condition for its older age, with no major items of deferred maintenance.





## SALE COMPARABLE 3

### Property Identification

<b>Property Name</b>	The Former Villa Filomena
<b>Address</b>	1119 N. Marshall Street
<b>City County State Zip</b>	Milwaukee, Milwaukee County, Wisconsin 53202
<b>MSA</b>	Milwaukee-Waukesha
<b>Tax ID</b>	3921602000
<b>VPA Property/Sale ID</b>	11385699/1706132

### Transaction Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	July 18, 2022
<b>Grantor/Seller</b>	Villa Filomena, LLC
<b>Grantee/Buyer</b>	PTG Live Events, LLC
<b>Recording Number</b>	11268203
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Conventional
<b>Conditions of Sale</b>	Typical
<b>Sales Price</b>	\$1,550,000
<b>Adjusted Sales Price</b>	\$1,550,000

### Adjusted Units of Comparison

<b>Adj. Price PSF of GBA</b>	\$176.84
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### Property Description

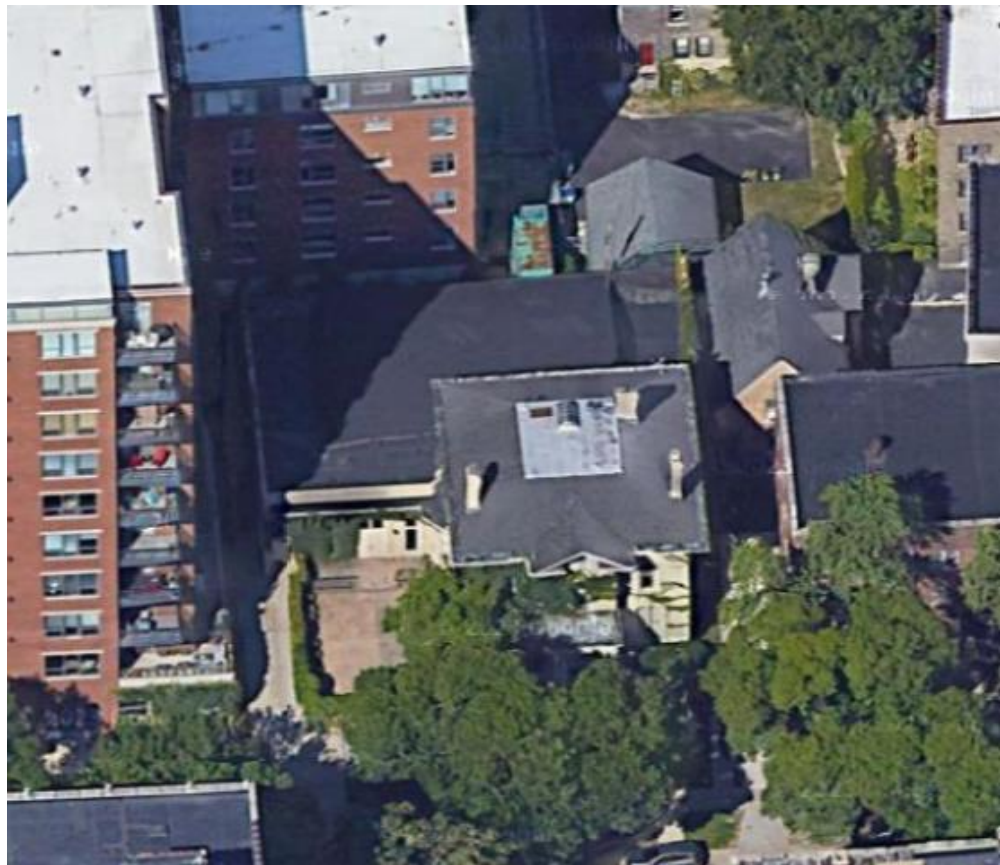
<b>Property Type</b>	Reception Hall, Banquet Facility
<b>MVS Const. Class</b>	C - Masonry
<b>Construction Quality</b>	Good
<b>Gross Building SF</b>	8,765
<b>Year Built</b>	1874
<b>Building Condition</b>	Good
<b>Number of Stories</b>	2
<b>Usable Land/LtB Ratio</b>	0.28 Acres / 1.39:1
<b>Flr. Area Ratio (FAR)</b>	0.72
<b>Flood Hazard Zone</b>	Zone X
<b>Zoning Code</b>	C9A(A)

### Verification

<b>Confirmed By</b>	Ryan Dobberstein
<b>Confirmation Source</b>	CoStar, WDOR, 3rd Party Sources

### Remarks

Sale of the former Villa Filomena, a historic mansion turned event venue located along the west side of N. Marshall Street, just south of E. Juneau Avenue, in the City of Milwaukee. This 1874-vintage 8,765-square foot Italianate-style building was originally constructed as a private residence. The building has been designated as a historic landmark since 1968. The building has been well kept through the years and primarily utilized as a wedding venue. The property was sold on July 18, 2022 for a sale price of \$1,550,000. The recorded seller was Villa Filomena, LLC and the recorded buyer was PTG Live Events, LLC (The Pabst Theatre Group). The Pabst Theatre Group purchased the property to continue using it as an event venue; rebranding the building as 'The Fitzgerald'.





## SALE COMPARABLE 4

### Property Identification

<b>Property Name</b>	Former Armory - Janesville
<b>Address</b>	10 S. High Street
<b>City County State Zip</b>	Janesville, Rock County, Wisconsin 53548
<b>MSA</b>	Janesville-Beloit
<b>Tax ID</b>	0136100502
<b>VPA Property/Sale ID</b>	11421855/1735718

### Transaction Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	January 25, 2022
<b>Grantor/Seller</b>	KANDU Industries, Inc.
<b>Grantee/Buyer</b>	Triple2 Janesvilles, LLC
<b>Recording Number</b>	2210501
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Conventional
<b>Conditions of Sale</b>	Typical
<b>Sales Price</b>	\$790,000
<b>Post-Sale Exp. Adj.</b>	\$300,000
<b>Adjusted Sales Price</b>	\$1,090,000

### Adjusted Units of Comparison

<b>Adj. Price PSF of GBA</b>	\$46.33
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Source: Coldwell Banker Commercial

### Property Description

<b>Property Type</b>	Armory, Club, Lodge Facility
<b>MVS Const. Class</b>	C - Masonry
<b>Gross Building SF</b>	23,527
<b>Year Built</b>	1930
<b>Number of Stories</b>	3
<b>Sprinklers</b>	Wet sprinkler system
<b>Usable Land/LtB Ratio</b>	0.540 Acres / 1.00:1
<b>Flr. Area Ratio (FAR)</b>	1.00
<b>Zoning Code</b>	B-6

### Verification

<b>Confirmed By</b>	James Coyle
<b>Confirmation Source</b>	Adam Shultz - Listing Broker, Coldwell Banker Commercial

### Remarks

Sale of a historic former armory building located in Janesville, Rock County, Wisconsin. The property is located on the west end of downtown, between W. Milwaukee Street and W. Court Street. The brick-and-block armory was built in the 1930s by the U.S. Army for its 32nd Tank Division of Wisconsin. The property has been on the National Register of Historic Place since 1978. Registry records note the front section is two stories high with partially-exposed full basement with terra cotta tile roof. The rear section consists of a garage in the basement and former drill hall with 18-foot ceilings with a barrel roof. The city property record notes the square footage as 10,960 square feet. However, the listing broker noted portions of the basement include dressing areas, kitchen space and other refinished areas that are likely not included in the city record. We have utilized 23,380 square feet as the gross building area matching the figure marketed as finished space. Marketing materials note the property having two kitchens and a passenger elevator. While onsite parking is limited, the property benefits from a public parking lot located across the street. Media report note the property was last used as an event and banquet hall by former owner KANDU Industries of Janesville, with the buyers planning to operate the property as a wedding venue named 10 South. The seller placed the property on the market in Fall 2022, along with the Pontiac Convention Center on the city's east side. Both venues saw limited use in 2020 and 2021 due to the pandemic. It was reported that most interested buyers intended continued use as an event space, with other potential uses including a church, brewery, winery and museum. The buyers operate multiple indoor-outdoor event and wedding venues in the region, and reported a planned facelift and modification of some lighting and structural elements to make it feel more like a wedding venue. Other planned improvements include dressing suites, new and improved lounge and expansion of the patio with an outdoor fireplace. Building permit records from February 2022 note a \$300,000 renovation. This planned cost was



added to the sale price to approximate the buyer's all-in purchase price. Opening of the new venue was planned for Summer 2022.



## SALE COMPARABLE 5

### Property Identification

<b>Property Name</b>	Bradley Foundation Mansion Complex
<b>Address</b>	1241 N. Franklin Place
<b>City County State Zip</b>	Milwaukee, Milwaukee County, Wisconsin 53208
<b>MSA</b>	Milwaukee-Waukesha
<b>Tax ID</b>	3590110000 & 3590112000
<b>VPA Property/Sale ID</b>	11063135/1482669

### Transaction Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	December 12, 2019
<b>Grantor/Seller</b>	The Lynde and Harry Bradley Foundation, Inc.
<b>Grantee/Buyer</b>	WSP Lion House, LLC
<b>Recording Number</b>	10935392-94
<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Conventional
<b>Conditions of Sale</b>	Typical
<b>Sales Price</b>	\$2,032,810
<b>Adjusted Sales Price</b>	\$2,032,810

### Adjusted Units of Comparison

<b>Adj. Price PSF of GBA</b>	\$76.08 (inc. garden levels)
<b>Adj. Price PSF of GBA (above ground)</b>	\$105.76 (exc. garden levels)



### Property Description

<b>Property Type</b>	Office
<b>Gross Building SF</b>	26,719 (combined; inc. garden levels) 19,221 (exc. garden levels)
<b>Year Built</b>	1855 (Lion House), 1896
<b>Number of Stories</b>	3 / 4 (inc. garden level)
<b>Percent Office Space</b>	100.0%
<b>Usable Land/LtB Ratio</b>	0.384 Acres / 0.86 :1 (based on 19,221 SF bldg.)
<b>Flr. Area Ratio (FAR)</b>	1.60
<b>Zoning Code</b>	C9A(A)

### Verification

<b>Confirmed By</b>	Jams Coyle
<b>Confirmation Source</b>	David Barry - Lisitng Broker, The Barry Co.

### Remarks

In December 2019, The Lynde and Harry Bradley Foundation sold its eastside mansion office complex it has owned and occupied for over two decades. The foundation had assembled a complex of three of the city's finest 19th-century mansions, and had reportedly invested millions in the repair and restoration of the adjacent properties (1241 & 1249 N. Franklin Place and 1139 E. Knapp St.). Per Barry Company leasing documents, the Lion House (address 1241) has 9,636 square feet of GBA, and the combined Hawley House (address 1249) and Bloodgood House (address 1139) have a combined 17,083 square feet of GBA. The total combined 3-house property contains 26,719 square feet of GBA (and NRA per Barry). Marketing materials suggest the majority of the space in the garden levels is usable. The total combined garden level area is 7,498 square feet, and includes some mechanical and common areas. Excluding the garden level areas, the combined above-ground area is 19,221 square feet. The buyer is an affiliate of Wisconsin Securities Partners LLC, an investor that intends to lease the properties. The properties are located in the First Ward Triangle Historic District and have state and national historic designation. The properties were reported to be in excellent condition when sold. Even so, the buyer spent approximately \$2 million on mechanical systems and updates to the Bloodgood House, which was not in as good condition as the others.





	Lion/Diedrichs House	Hawley/Bloodgood House
<b>Rentable SF:</b>	9,636 SF	17,083 SF
<b>Year Built:</b>	1855 (1860 rebuild)	1896
<b>Elevator:</b>	Yes	Yes
<b>Tax Key:</b>	359-0112	359-0111 (Hawley) 359-0110 (Bloodgood)
<b>Construction:</b>	Brick w/ stone trim	Brick w/ stone and terra cotta
<b>Lot Size:</b>	.22048 AC	.08166 AC (Hawley) .08166 AC (Bloodgood)
<b>Parking:</b>	All buildings share an off-street parking lot	

**Total Gross Building SF: 26,719± SF**



Source: The Barry Company

## Sales Comparison Analysis

All of the sales are analyzed, and adjustments are made for differences in the various elements of comparison including market conditions, location, size, and other relevant factors. If the comparable sale is considered superior to the subject, we applied a negative adjustment to the comparable sale. A positive adjustment to the comparable property is applied if it is considered inferior to the subject. A summary of the elements of comparison follow.

## Transaction Adjustments

Transaction adjustments include 1) real property rights conveyed, 2) financing terms, 3) conditions of sale, 4) expenditures made immediately after purchase, and 5) market conditions. These items are applied prior to the application of property adjustments, and are discussed as follows:

### Real Property Rights Conveyed

Before a comparable sale property can be used in the Sales Comparison Approach, we must first ensure that the sale price of the comparable property applies to property rights that are similar to those being appraised. In the case of the subject property, the fee interest is being appraised. The sales should reflect a similar interest or an adjustment would be required for this element of comparison.

Sale 1 was the sale of two properties, a former event space and a leased office building occupied by the Mexican Consulate. Lease details of the office building in were not available. The purchase was driven by plans for development of a residential tower in the rear (west) vacant portion of the sites. No adjustment was deemed warranted for the minority portion of the sale value attributable to the leased fee interest. The remaining four sales transferred the fee simple interest and no adjustments were required for real property rights conveyed.

### Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. All of the sales used should involve typical market terms by which the sellers received cash or its equivalent and the buyers tendered typical down payments and obtained conventional financing at market terms for the balance. If otherwise, an adjustment would be required for this element of comparison.

The sales were cash sales or involved terms equivalent to cash and were not adjusted.

### Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value. All of the comparable sales should involve typical conditions for closed transactions, or an adjustment would be required for this element of comparison.

No adjustments were necessary for conditions of sale.



### Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include: (1) costs to cure deferred maintenance, (2) costs to demolish and remove any portion of the improvements, (3) costs to petition for a zoning change, and/or (4) costs to remediate environmental contamination. The relevant figure is not the actual cost incurred but the cost that was anticipated by both the buyer and seller. Unless the sales involved expenditures made immediately after purchase; no adjustments to the comparable sales are required for this element of comparison.

No adjustments were indicated for expenditures immediately after purchase.

### Market Conditions

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions. With the exception of Sale 5, the remaining sales took place after the onset of the pandemic. While recent years have seen record inflation rate and increases in construction costs, offsetting factors include tight credit markets and an overall decline in office occupancy. Considering these factors, we adjusted each comparable based on a factor of 3.0% per year.

### Property Adjustments

Property adjustments are usually expressed quantitatively as percentages that reflect the increase or decrease in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are utilized. Property adjustments are applied after the application of transaction adjustments, and are discussed as follows:

### Locational Characteristics

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors. Sales 2 and 4 were adjusted upward for their inferior locations outside of the Milwaukee metro area.

Sale 1: Similar – no adjustment was applied

Sale 2: Inferior – an upward adjustment of 15.0% was applied

Sale 3: Similar – no adjustment was applied

Sale 4: Inferior – an upward adjustment of 25.0% was applied

Sale 5: Similar – no adjustment was applied

### Size

The size adjustment identifies variances in the physical size of the comparables and the subject improvements. Typically, the larger a building, the lower the sale price per unit. This inverse relationship is due, in part, to the principle of “economies of scale.” In the case of the subject, that analyzed area is 13,400 square feet of above-ground space.

Sale 1: 29,366 square feet – an upward adjustment of 12.5% was applied  
Sale 2: 23,380 square feet – an upward adjustment of 10.0% was applied  
Sale 3: 8,765 square feet – a downward adjustment of 5.0% was applied  
Sale 4: 23,527 square feet – an upward adjustment of 10.0% was applied  
Sale 5: 19,221 square feet – an upward adjustment of 7.5% was applied

#### Age / Condition

All else being equal, older properties typically command a lower price per square foot than newer properties. However, although a property may be physically older than another property, the effective age may be similar to a newer property and no adjustment may be indicated. This may be due to the older property being well maintained or recent renovation. We have based the adjustments of the comparables upon their effective age and not their physical age. This takes the overall condition of the property into consideration. Our analysis arrives at a preliminary value assuming there is no significant deferred maintenance or structural issues. From this preliminary value, we deduct an estimate of near-term maintenance costs to arrive at an As Is value conclusion.

All of the sales are registered historical properties that have been generally preserved, well-maintained and appropriately updated over the years. While the subject has some very high-end features such as the Marble Hall, leather wall coving, and extensive ornate woodwork and plaster work, the market does not typically recognize the perceived premium value of such high-end features. Further, the museum nature of the subject property has limited the need to make certain updates. Overall, the sales were largely considered similar to the subject in term of condition and quality, with Sales 3 and 5 being adjusted upward for their notably earlier construction dates.

Sale 1: Similar - no adjustment was applied  
Sale 2: Similar - no adjustment was applied  
Sale 3: Inferior - an upward adjustment of 10.0% was applied  
Sale 4: Similar - no adjustment was applied  
Sale 5: Inferior - an upward adjustment of 10.0% was applied

#### Design / Functional Utility

The subject has minimal on-site parking. Properties with on-site parking were considered superior. In the case of Sale 1, this parking area has been targeted as potential development area. Additional consideration was given to whether the sale square footage is spread among multiple structures, as is the case for Sales 1 and 5. This attribute is considered inferior.

Sale 1: Superior – a downward adjustment of 5.0% was applied  
Sale 2: Superior – a downward adjustment of 5.0% was applied  
Sale 3: Similar – no adjustment was applied  
Sale 4: Similar – no adjustment was applied  
Sale 5: Inferior – an upward adjustment of 10.0% was applied

#### Site Attributes

The subject site is notably larger than the sale comparables, and includes a Lake Michigan bluff setting and lower flat yard area. The subject site attributes are considered to be far superior to the comparables, who all have smaller sites in denser urban settings. We estimate the upward adjustment required for all the comparables at between 20% and 30%, and we have concluded at the midpoint of 25%.

Sale 1: Inferior - an upward adjustment of 25.0% was applied  
Sale 2: Inferior - an upward adjustment of 25.0% was applied  
Sale 3: Inferior - an upward adjustment of 25.0% was applied  
Sale 4: Inferior - an upward adjustment of 25.0% was applied  
Sale 5: Inferior - an upward adjustment of 25.0% was applied

### Summary of Adjustments

Based on the preceding comparative analysis, we have summarized adjustments to the comparable sales on the following table. We completed a quantitative analysis. These adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.

**Improved Sales Comparison Approach Adjustment Grid**

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1735394	1735630	1706132	1735718	1482669
Date of Value & Sale	2/16/2024	2/15/2023	8/17/2022	7/18/2022	1/25/2022	12/12/2019
Property Name	Villa Terrace Decorative Arts Museum	Renaissance Place / MF Tower Site	Former Masonic Lodge - Kenosha	The Former Villa Filomena	Former Armory - Janesville	Bradley Foundation Mansion Complex
Gross Building Area	13,400 sf (above ground)	29,366	23,380	8,765	23,527	19,221 (above ground)
Land Area (acres)	2.4025	1.1000	0.9400	0.2800	0.5401	0.3840
Unadjusted Sales Price		\$3,400,000	\$800,000	\$1,550,000	\$790,000	\$2,032,810
<b>Unadjusted Sales Price PSF of GBA</b>		<b>\$115.78</b>	<b>\$34.22</b>	<b>\$176.84</b>	<b>\$33.58</b>	<b>\$105.76</b>
<b>Transactional Adjustments</b>						
<b>Property Rights Conveyed</b>	<i>Fee Simple</i>	<i>Fee Simple, Leased Fee</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjusted Sales Price		\$115.78	\$34.22	\$176.84	\$33.58	\$105.76
<b>Financing Terms</b>	<i>Cash to Seller</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Conventional</i>	<i>Conventional</i>
Adjusted Sales Price		\$115.78	\$34.22	\$176.84	\$33.58	\$105.76
<b>Conditions of Sale</b>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjusted Sales Price		\$115.78	\$34.22	\$176.84	\$33.58	\$105.76
<b>Expenditures after Sale</b>					\$300,000	
Adjustment		-	-	-	38.0%	-
<b>Adjusted Sales Price</b>		<b>\$115.78</b>	<b>\$34.22</b>	<b>\$176.84</b>	<b>\$46.33</b>	<b>\$105.76</b>
<b>Market Conditions Adjustments</b>						
<b>Elapsed Time from Date of Value</b>		<i>1.00 years</i>	<i>1.50 years</i>	<i>1.58 years</i>	<i>2.06 years</i>	<i>4.18 years</i>
Market Trend Through	2/16/2024	3.0%	4.5%	4.8%	6.2%	12.6%
<b>Analyzed Sales Price</b>		<b>\$119.26</b>	<b>\$35.76</b>	<b>\$185.24</b>	<b>\$49.19</b>	<b>\$119.03</b>
<b>Property Adjustments</b>						
<b>Location</b>	<i>2220 N. Terrace Avenue Milwaukee, Wisconsin</i>	<i>1451-1453 N. Prospect Avenue Milwaukee, Wisconsin</i>	<i>807 61st Street Kenosha, Wisconsin</i>	<i>1119 N. Marshall Street Milwaukee, Wisconsin</i>	<i>10 S. High Street Janesville, Wisconsin</i>	<i>1241 N. Franklin Place Milwaukee, Wisconsin</i>
Adjustment		-	15.0%	-	25.0%	-
<b>Size</b>	13,400 sf	29,366 sf	23,380 sf	8,765 sf	23,527 sf	19,221 sf
Adjustment		12.5%	10.0%	-5.0%	10.0%	7.5%
<b>Age/Condition</b>	Year Built	1923	1907, 1950	1924	1874	1930
Adjustment		-	-	10.0%	-	10.0%
<b>Design/Functional Utility</b>	<i>Minimal on-site parking</i>	<i>2 buildings, on- site parking</i>	<i>On-site parking</i>	<i>Minimal on-site parking</i>	<i>Minimal on-site parking</i>	<i>3 buildings, minimal on-site parking</i>
Adjustment		-5.0%	-5.0%	-	-	10.0%
<b>Site Attributes</b>	<i>Lake bluff, large lower yard</i>	<i>Urban site setting</i>	<i>Urban site setting</i>	<i>Urban site setting</i>	<i>Urban site setting</i>	<i>Urban site setting</i>
Adjustment		25.0%	25.0%	25.0%	25.0%	25.0%
Net Physical Adjustment		32.5%	45.0%	30.0%	60.0%	52.5%
<b>Adjusted Sales Price PSF of GBA</b>		<b>\$158.02</b>	<b>\$51.85</b>	<b>\$240.81</b>	<b>\$78.71</b>	<b>\$181.53</b>



## Sales Comparison Approach Value Indication

From the market data available, five properties in the region were selected as most comparable to the subject. The following table summarizes the unadjusted and adjusted sale prices:

### Improved Sales Statistics

Metric	Unadjusted	Adjusted
Minimum Sale Price per Sq. Ft.	\$33.58	\$51.85
Maximum Sale Price per Sq. Ft.	\$176.84	\$240.81
Median Sale Price per Sq. Ft.	\$105.76	\$158.02
Mean Sale Price per Sq. Ft.	\$93.24	\$142.18

The unadjusted sale prices for the comparable sales ranged from \$33.58 to \$176.84 per square foot, with an average of \$93.24 per square foot and a median of \$105.76 per square foot. We have adjusted the comparable sales based on pertinent elements of comparison as discussed earlier and summarized the adjustments in the preceding grid. The adjusted sale prices for the comparable sales ranged from \$51.85 to \$240.81 per square foot square foot, with an average of \$142.18 per square foot and a median of \$158.02 per square foot.

### Additional Market Information

We considered the listing of the office property located at 1749 N. Prospect Avenue on Milwaukee's Lower Side. Originally constructed as a single residence in 1875, the property has three above-ground levels, including a third-floor outdoor deck, and an undeveloped garden level. The rear on-site parking lot can accommodate up to 17 vehicles in tandem spaces. The current asking price of \$1,395,000 computes to \$182 per square foot of approximately 7,649 square feet of above-ground space, or \$121 per square for the full gross building area of 11,549 square feet.

It was reported that the property has been on the market for several years with price reductions, but none within last year or so, and that the property does not have significant items of deferred maintenance. The property had most recently been home since 2005 to marketing and public relations firm Mueller Communication, who has relocated within the city. It was reported that with the property not selling as an office property, conversion to multiple residential units with the potential assistance of historic tax credits was being explored by the owner. A marketing summary of this listing is provided on the following page.

# AVAILABLE FOR SALE

## 1749 NORTH PROSPECT AVENUE

### MILWAUKEE, WI 53202



#### CONTACT

**MICHAEL SERAMUR**  
mikes@ogdenre.com  
414-270-4159 office  
414-254-1266 cell



#### DISTINGUISHED PROSPECT AVENUE OFFICE MANSION

1749 NORTH PROSPECT AVENUE  
MILWAUKEE, WI 53202

**\$1,395,000**

**PRICE: ~~\$1,495,000~~**

**LEASE RATE:** Negotiable

**ZONING:** RM7 (Variance for office usage)

**LOT SIZE:** 10,725SF (.246A)

**SQUARE FOOTAGE:** 11,549SF inclusive of full basement

**YEAR BUILT:** 1874-1875

**CONSTRUCTION:** Frame & Stone **POWER:** 200 Amp with breaker panels **HVAC:** Gas boiler/central air

**UTILITIES:** Municipal

**SIGNAGE:** On building

**PARKING:** Up to 17 tandem parking spots in rear lot

**REAL ESTATE TAXES:** \$30,138.35 (2021)

**TAX KEY:** 3550001000

**COMMENTS:** Elegant Landmark 3 story mansion extensively refurbished for classic office usage located on Milwaukee's Gold Coast on Prospect Avenue across from St. John's. The building has been tastefully adapted to provide quality corporate office space. Parking on site in rear lot with an undeveloped garden level. The property also has a 3rd floor exterior deck looking east. Property is only available due to business relocation.

**VIDEO TOUR:** <https://www.joycepaisley.com/Portfolio-Galleries/Realtors/I-fdt9Kgk/A>  
**CONTACT LISTING BROKER TO TOUR OR FOR ANY ADDITIONAL INFORMATION**

**Ogden**

The information furnished regarding this property is from sources deemed reliable, but no warranty or representation is made to the accuracy thereof and is subject to errors, omissions, changes of price or other conditions or withdrawal without notice.

1665 N. Water Street | Milwaukee, WI | 53202  
Telephone: 414-276-5285 | Fax: 800-787-4205  
[www.ogdenre.com](http://www.ogdenre.com)



Additionally, given the unique nature of the subject property, we expanded our search for comparable museum and similar cultural institution properties to additional states. While recent sales of highly comparable properties were scarce, we did identify one property that was deemed relevant as secondary support of our value conclusion.

Designed for the Historical Society of Western Pennsylvania, the Italian Renaissance-style building in the Oakland neighborhood of Pittsburgh, Pennsylvania has 14,556 square feet and dates to 1912. The property had reportedly been carefully renovated to preserve its historical status and unique architectural features including American woodwork of the eighteenth and early nineteenth centuries, majestic pillars and elegant marble floors. The property served as an event center prior to sale, and was purchased for use as the Latin American Cultural Center with plans to offer gallery space for rotating and permanent exhibits, an auditorium and community event space.

The construction date, building size, parking availability and site setting are similar to the subject. The 2019 sale date requires upward adjustment. While Pittsburgh and Milwaukee share a similar rust belt character, the Oakland neighborhood in Pittsburgh is denser and richer in cultural and civic properties, being home to two major universities, the Carnegie museums and performance centers and the major UPMC medical campus. A downward adjustment is warranted for location. The property transacted for \$2,350,000 (\$161.45 per square foot). It was reported that the property had been under sale agreement at \$3,000,000 (\$206.10 per square foot), but lack of an occupancy permit resulted in the lower actual sale price. A write-up of this sale is included on the following page.

## SECONDARY SALE COMPARABLE 1

### Property Identification

<b>Property Name</b>	Former Museum
<b>Address</b>	4338 Bigelow Blvd.
<b>City County State Zip</b>	Pittsburgh, Allegheny County, Pennsylvania 15213
<b>MSA</b>	Pittsburgh
<b>Tax ID</b>	27-L-246
<b>VPA Property/Sale ID</b>	11006301/1439937

### Transaction Data

<b>Sale Status</b>	Recorded
<b>Sale Date</b>	September 5, 2019
<b>Grantor/Seller</b>	Medcano Corporation
<b>Grantee/Buyer</b>	Latin American Studies Associates, Inc.
<b>Deed Book/Page</b>	17764/185
<b>Recording Number</b>	027992
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Motivated Seller
<b>Sales Price</b>	\$2,350,000
<b>Sale Conditions Adj.</b>	\$650,000
<b>Adjusted Sales Price</b>	\$3,000,000

### Adjusted Units of Comparison

<b>Adj. Price PSF of GBA</b>	\$206.10
<b>Unadjusted Price PSF of GBA</b>	\$161.45

### Remarks

Italian Renaissance Building located in the Oakland neighborhood of Pittsburgh. The property is essentially a part of the University of Pittsburgh campus. Recipient of Historic Preservation Award" by the City of Pittsburgh Historic Review Commission. This property was marketed for an extended period of time and was vacant at the time of transfer. The facility did not have an occupancy permit. The property was originally under sale agreement for \$3 million, but the price was reduced to \$2.35 million due to the occupancy permit issue. The facility was developed and used as a museum for an extended period of time. It was reported the buyer intended to use the facility as an educational/meeting place.



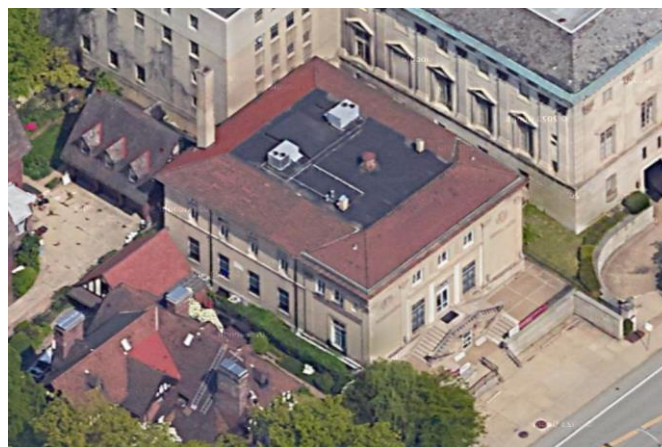
Source: Oakland Planning and Development Corp.

### Property Description

<b>Property Type</b>	Museum, Gallery
<b>Construction Quality</b>	Good
<b>Gross Building SF</b>	14,556
<b>No. of Lots</b>	1
<b>Year Built</b>	1912
<b>Number of Stories</b>	3
<b>Usable Land/LtB Ratio</b>	0.201 Acres / 0.60:1
<b>Flr. Area Ratio (FAR)</b>	1.66
<b>Flood Hazard Zone</b>	Zone X

### Verification

<b>Confirmed By</b>	Gregory Rea
<b>Confirmation Source</b>	County Records, Broker





### Value Conclusion

We have considered all of the comparable sales in our final conclusion. The three Milwaukee sales, all located on the Lower East Side, were given the most weight in our analysis. The average of the adjusted sale unit prices of these sales is \$193.45. Lesser weight was given to Sales 2 and 4, which are armory / lodge properties located outside of the Milwaukee market. Given the quality of the subject and its notable lake bluff site setting, we believe a reasonable range of unit values is near the upper end of the adjusted sale prices of the Milwaukee sales. We estimate a unit value between \$220.00 and \$240.00 per square foot, concluding to an initial unit value at the midpoint of this range at \$230.00 per square foot. Our preliminary market value indication through the Sales Comparison Approach is summarized as follows:

<b>Preliminary Improved Sales Comparison Approach Value Indication</b>				
Reasonable Adjusted Comparable Range				
13,400 sf	x	\$220.00	=	\$2,948,000
13,400 sf	x	\$240.00	=	\$3,216,000
<b>Preliminary As Is Fee Simple Market Value Indication</b>				
13,400 sf	x	<b>\$230.00</b>	=	<b>\$3,082,000</b>
<b>Rounded</b>				<b>\$3,080,000</b>

From our initial value indication, we will deduct an estimate of the deferred maintenance costs that a buyer of the subject property would reasonably plan on spending to stabilize the property and prevent further deterioration. A detailed description of these costs was presented within the Improvements Description section of this report, with the total required short-term costs estimated as \$1,350,000, or \$100.75 per square feet of analyzed building area. Given the large magnitude of the short-term cost estimate, not all buyers would be able or willing to spend this full amount in the short term. More pressing maintenance items such as roof work could be fully-addressed, while other items could be delayed, done in stages or partially-addressed at lower cost. Cost estimates at the 60% and 80% level of the full \$1,350,000 cost are presented in the following table. We have concluded that the 80% level of the full estimated costs is a reasonable assumption of what a buyer would allocate to addressing deferred maintenance in making their purchase price decision. This cost estimate is \$1,080,000, or \$80.60 per square per square feet of analyzed building area.

### **Reconciled Short-Term Cost Estimate**

Full Short-Term Cost Estimate	\$1,350,000
Per 13,400 SF of Building Area	\$100.75
60% of Full Short-Term Cost Estimate	\$810,000
80% of Full Short-Term Cost Estimate	\$1,080,000
100% of Full Short-Term Cost Estimate	\$1,350,000
<b>Reconciled Short-Term Cost Estimate</b>	<b>\$1,080,000</b>
<b>Per 13,400 SF of Building Area</b>	<b>\$80.60</b>

We then deduct these costs to arrive at the As Is market value of the property. Based on this analysis, the As Is simple market value indication through the Sales Comparison Approach is summarized as follows:

Improved Sales Comparison Approach Value Indication				
Reasonable Adjusted Comparable Range				
13,400 sf	x	\$220.00	=	\$2,948,000
13,400 sf	x	\$240.00	=	\$3,216,000
<b>Preliminary As Is Fee Simple Market Value Indication</b>				
13,400 sf	x	<b>\$230.00</b>	=	<b>\$3,082,000</b>
<b>Rounded</b>				<b>\$3,080,000</b>
Less Deferred Maintenance:				<b>(\$1,080,000)</b>
<b>As Is Fee Simple Market Value Indication</b>				<b>\$2,000,000</b>
<b>Rounded</b>				<b>\$2,000,000</b>

# Reconciliation

## Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

### Value Indications

Approach to Value	As Is
Cost	Not Developed
Sales Comparison	\$2,000,000
Income Capitalization	Not Developed

### Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	February 16, 2024
<b>Value Conclusion</b>	<b>\$2,000,000</b>

The Sales Comparison was given sole consideration in the valuation of the As Is improved property. The Income Capitalization Approach was considered, but not developed. The most probable use is continued use as a museum or similar cultural institution which are typically owner-occupied rather than leased. The Cost Approach was considered, but not applied due to the age of the improvements and lack of reliance by buyers.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

### Extraordinary Assumptions:

- Milwaukee County supplied an itemized list by year for a 20-year period of costs for "Renewal" (replacement) and "Non-Renewal" (repair) items. We have made the extraordinary assumption that the scope and costs of the repair and renewal work are accurate. We reserve the right to amend the appraisal if the repair scope and cost differ significantly than reported.
- Milwaukee County supplied a budgetary cost report focused on masonry repair and restoration provided by Statz Restoration & Engineering Co., Inc., and dated June 5, 2023. Given the unknown extent of needed repair scope, the report does not provide cost estimate for all required items. We have assumed that \$600,000 in costs allocated to the items addressed in this report is reasonable. We reserve the right to amend the appraisal if the repair scope and cost differ significantly than reported.

- We have made the extraordinary assumption that conveyance of the property by its owner, Milwaukee County, a political subdivision, would require that a conservation easement per State Statute 700.40 be placed on the property as required by State Statute 66.111 3(b) to protect the historic character and qualities of the property.

### Hypothetical Conditions:

- None

### Exposure Time and Marketing Period

Given the attributes of the subject and relatively limited pool of potential users, marketing and exposure time would likely be lengthy. Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 12-18 months and 12-18 months, respectively, are considered reasonable and appropriate for the subject property.



# General Assumptions and Limiting Conditions

---

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Milwaukee will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Milwaukee is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Milwaukee and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Milwaukee.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an 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 could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.



35. You and Valbridge Property Advisors | Milwaukee both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Milwaukee and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Milwaukee or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Milwaukee for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Milwaukee shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Milwaukee. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Milwaukee and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Milwaukee harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Milwaukee in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Vitale Realty Advisors, LLC. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

# Certification

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We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed services as an appraiser regarding the property that is the subject of the appraisal within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. S. Steven Vitale, MAI, SGA has made a personal inspection of the property that is the subject of this report. James Coyle has made a personal inspection of the property that is the subject of this report.
10. Jorge A. Barreiro, SRA, AI-RRS provided significant professional assistance with this assignment by assisting with inspection. No other persons provided significant real property appraisal assistance to the persons signing this certification.
11. 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.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, I, S. Steven Vitale, MAI, SGA have completed the continuing education program for Designated Members of the Appraisal Institute.



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S. Steven Vitale, MAI, SGA  
Senior Managing Director  
WI Certified General Appraiser License #506-10  
License Expires 12-14-2025  
svitale@valbridge.com



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James P. Coyle  
Appraiser  
WI Certified General Appraiser License #2433-10  
License Expires 12-14-2025  
jcoyle@valbridge.com

# Addenda

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Additional Subject Photographs

Additional Property Information

Glossary

Qualifications

Information on Valbridge Property Advisors / Office Locations



## Additional Subject Photographs



Lower yard area looking east toward N. Lincoln Memorial Drive and Lake Michigan



Bluff wooden staircase and inclined lift tracks



West elevation, courtyard



West elevation, driveway looking north



West elevation, driveway looking south



South elevation, drive sloping downward toward garage





Northeast terrace



North elevation, service entrance



South elevation, drive sloping downward toward garage



Basement level garage space



Main level



Main level

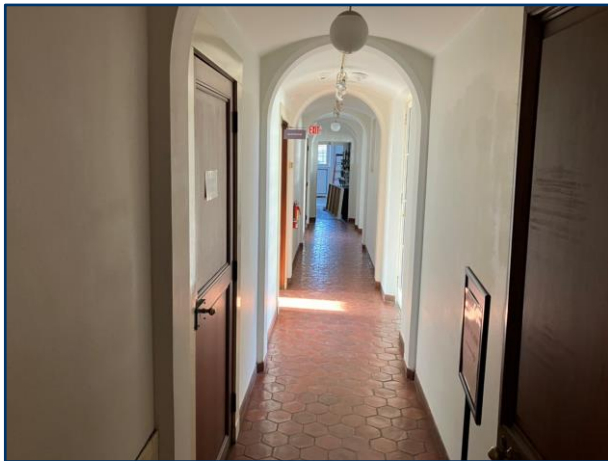




Main level



Main level



Main level



Second level, southeast



Second level sleeping porch / balcony



Bridal party suite



Second level



Courtyard viewed form second level promenade



Second level promenade



Second level



## Additional Property Information

### 2023 Real Estate Tax Bill

2023 CITY OF MILWAUKEE COMBINED PROPERTY TAX BILL				<b>Spencer Coggs</b> <b>CITY TREASURER</b> CITY HALL, ROOM 103 200 EAST WELLS STREET MILWAUKEE, WISCONSIN 53202 TELEPHONE: (414) 286-2240 TDD: (414) 286-2025 FAX: (414) 286-3186 <a href="http://www.milwaukee.gov/treasurer">www.milwaukee.gov/treasurer</a>																																																																																				
ACCOUNT TYPE: REAL ESTATE		BILL # 00090653		666																																																																																				
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LOCATION OF PROPERTY: 2220 N TERRACE AV																																																																																								
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GLIDDEN & LOCKWOOD'S ADDITION IN NW 1/4 SEC 22-7-2																																																																																								
2 BLOCK 3 LOT 6-NE 50' LOT 5-SW 50' LOT 7 & LAND A																																																																																								
MILWAUKEE COUNTY REGISTER OF DEEDS 2220 N TERRACE AVE MILWAUKEE, WI 53202																																																																																								
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## Property Record Card

<a href="#">HOME</a>   <a href="#">SEARCH</a>   <a href="#">SUMMARY</a>   <a href="#">INTERIOR</a>   <a href="#">EXTERIOR</a>   <a href="#">ABOUT</a>		
<a href="#">Printable Record Card</a>   <a href="#">Previous Assessments</a>   <a href="#">Sale Owner History</a>   <a href="#">Permits</a>		
Card 1 of 1		
Location <b>2220 N TERRACE AV</b>	Property Account Number <b>3560104000</b>	Parcel ID <b>3560104000</b> Old Parcel ID
Owner <b>MILWAUKEE COUNTY REGISTER OF DEEDS Address 2220 N TERRACE AVE</b>	Current Property Mailing Address  City <b>MILWAUKEE</b> State <b>WI</b> Zip <b>53202</b> Zoning <b>PK</b>	
Sale Date <b>1/4/1991</b> Sale Price <b>0</b>	Current Property Sales Information  Legal Reference <b>006453546</b> Grantor(Seller) <b>N/A</b>	
Current Property Assessment  Year <b>2023</b>  Land Area <b>2.40248 - AC</b>		<b>Total Parcel Value</b> Building Value <b>360,000</b> Yard Items Value <b>0</b> Land Value <b>93,000</b> Total Value <b>453,000</b>
Narrative Description This property contains <b>2.40248 - AC</b> of land mainly classified as <b>Exempt</b> with a(n) <b>Commercial Exempt</b> style building, built about <b>N/A</b> , having <b>N/A</b> exterior and <b>N/A</b> roof cover, with 0 commercial unit(s) and 0 residential unit(s), 0 total room(s), 0 total bedroom(s), 0 total bath(s), 0 total half bath(s), 0 total 3/4 bath(s).		
Legal Description <b>GLIDDEN &amp; LOCKWOOD'S ADDITION IN NW 1/4 SEC 22-7-22 BLOCK 3 LOT 6-NE 50' LOT 5-SW 50' LOT 7 &amp; LAND ADJ S E'LY TO N LINCOLN MEMORIAL DR.</b>		

## Asset Detail Report



### Asset Detail Report By Asset Name

**Department/Division:** Museum & Art Centers **Asset:** Villa Terrace Decorative Arts Museum  
**Site:** Villa Terrace **Asset Number:** 70

**Assets are ordered by Asset Name**

**Currency:** USD

#### Statistics

<b>PCI Cost:</b>	552,704	<b>PCI:</b>	0.10
<b>RI Cost:</b>	4,645,667	<b>RI:</b>	0.84
<b>Total Requirements Cost:</b>	4,645,669	<b>Asset Condition Rating:</b>	Poor
<b>Current Replacement Value:</b>	5,507,736	<b>Date of most Recent Assessment:</b>	Jan 7, 2020

<b>Type</b>	Building	<b>Construction Type</b>	WAC 5B Exterior Masonry - Unprotected
<b>Area</b>	19,394 SF	<b>Historical Category</b>	On Register
<b>Use</b>	Museum / Art Center	<b>City</b>	Milwaukee
<b>Floors</b>	2	<b>State/Province/Region</b>	UNITED STATES OF AMERICA
<b>Address 1</b>	2220 N. Terrace Avenue	<b>Zip/Postal Code</b>	53202
<b>Address 2</b>	-	<b>Architect</b>	-
<b>Year Constructed</b>	1923	<b>Commission Date</b>	-
<b>Year Renovated</b>	-	<b>Decommission Date</b>	-
<b>Ownership</b>	MILW County - Owned		

<b>Inventory</b>	Yes	<b>Insurable Value of Building:</b>	4480400
<b>Insurable Value of Contents:</b>	335900	<b>Mission Category:</b>	Category 3

#### Photo



Villa Terrace Decorative Art Museum

#### Asset Description

**Asset Detail Report**  
***By Asset Name*****Building General Description:**

The Villa Terrace Decorative Arts Museum, Asset #70, is located in Milwaukee, Wisconsin at 2220 North Terrace Avenue.

The building is a 19,394 square foot; two story facility with an attic, basement levels, and partial crawl space. The building was constructed in 1923.

Building interior includes: The building first floor contains the administrative offices, restrooms, gallery spaces, a great hall, kitchen, butlers' pantry, a library, storage rooms, and other support spaces. The second level contains a caretaker's office, a curator's office, several galleries, restrooms, and several storage areas. The basement level contains the majority of the mechanical and electrical equipment and piping distribution.

Per the International Building Code, Section 303.1, the museum is classified as Assembly (A-3) Occupancy. The Wisconsin Administrative Code, Comm. Section 51.03, the facility is a construction class 5B or Exterior Masonry-Unprotected as determined from field observations. The NFPA Building Construction Type is II (000).

The building has the following general systems:

**ARCHITECTURAL/STRUCTURAL SYSTEMS**

- Foundation Walls and Footings - 8 Ft - Concrete
- Foundation Walls and Footings - 8 Ft - Brick
- Foundation Walls and Footings - 4 Ft
- Structural Concrete Slab - Terrace 1st Floor
- First Floor Structure - Concrete
- Second Floor Structure - Concrete - Main Floor
- Second Floor Structure - Wood - Main Floor
- Wood Framed Roof Structure
- Steel Security Grilles for Openings
- Stone Cornice
- Openings Stone Surrounds
- Solid Brick Walls
- Stone Columns
- Steel Picket Railings
- Stone Guardrails
- Wood Windows
- Wood Windows w/ Security Steel Grilles
- French Doors - 4 x 7 - Wood
- French Doors with Transom - 4 x 7 - Wood
- Overhead Sectional Door - Manual Operation
- Exterior Door 3 x 7 Wood with Side Panels
- Automatic Door Openers - Single
- Exterior Door - 3 x 7 - Wood
- Clay Tile Roofing
- Wall Stone Coping
- Gutters and Downspouts - Aluminum
- Gutters and Downspouts - Copper
- Steel Fire Escape



**Asset Detail Report**  
***By Asset Name***

- Exterior Stairs - Stone
- Exterior Stairs - Concrete
- Steel Porch
- Brick Paving
- River Rock Paving
- Vaulted Plaster Ceiling - Painted
- Statues
- Window Wells
- Gate - Pair 5' x 8' Wrought Iron
- Concrete Fountain
- Landscaping - Bushes
  
- Concrete Slab on Grade
- Restroom - Single
- Wood Paneled Walls
- Plaster Walls - Painted
- Drapery
- Interior Doors - Wood
- Wood Stairs - Interior
- Wall Covering - Vinyl
- Raised Wood Paneling
- Ceramic Wall Tile
- Quarry Tile Flooring
- Wood Flooring
- Ceramic Tile Flooring
- Vinyl Composition Sheet Flooring
- Epoxy Flooring
- Ceiling Crown Molding
- Painted Plaster Ceiling
- Decorative Plaster Ceiling - Painted
- Coffered Wood Ceiling - Stained
- Wood Ceiling - Painted
- Hydraulic Passenger Elevator - 3 Story
- Wheelchair Lift
- Wood Stairs - Interior
- Interior Concrete Stairs
- Fireplace
- Fixed Casework
- Kitchen Cabinets
- Display Cases - Wall Recessed

**HANDICAPPED ACCESSIBILITY**

The Villa Terrace Complex's compliance with handicapped accessibility was evaluated utilizing Wisconsin Administrative Code, Comm. Section 69 and ADAAG. The facility has partially accessible entrances. The facility lacks accessible payphones, lever door hardware, exits, Braille permanent room signs and male and female restrooms. According to information provided by Milwaukee County Officials, the building identified is on the City of Milwaukee's historic building register and is not exempt from planning for accessibility.

**Asset Detail Report**  
***By Asset Name*****HAZARDOUS MATERIALS**

A report providing information regarding the presence of asbestos containing material (ACM) in the building was supplied by the Milwaukee County Department of Public Works Architecture, Engineering & Environmental Services Division. The Asbestos Inspection Report, dated June 2002 and prepared by Harenda Enterprises, Inc. identifies numerous building materials as asbestos containing materials (ACM). Harenda also completed an asbestos inspection in August 2001 which discovered asbestos in the building.

**MECHANICAL SYSTEMS****HVAC:**

- Steam Boilers (2)
- Steam Supply w/Condensate Return Piping
- Steam Condensate Pumps
- HVAC Electric Controls
- General Exhaust Fans
- Mechanical Equipment Exhaust
- Kitchen Exhaust
- AHU w/DX Cooling
- Ductless Split System
- Electric Unit Heater
- Walk In Cooler

**PLUMBING:**

- Domestic Water Service
- Domestic Natural Gas Water Heaters (3)
- Domestic Electric Water Heaters (2)
- Natural Gas Distribution
- Sanitary Piping Hub-Type Cast Iron
- Storm Water Drainage
- Sump Pump
- Roof Drainage
- Pump - Domestic Hot Water Recirculation
- Utility Sink
- Grease Trap/Interceptor

**FIRE PROTECTION:**

- Kitchen Hood Suppression
- ABC Handheld Fire Extinguishers

**ELECTRICAL SYSTEMS**

**Asset Detail Report**  
***By Asset Name***

- Main Service 400A 120/240V 1PH Underground from WEnergies Street Vault
- Main Service Meter Cabinet
- Main Distribution Panel MDP 400A 120/240V 1PH
- (6) Distribution Panels
- (16) Low Voltage Lighting Transformers
- Branch Wiring, Equipment and Devices
- Lighting - Exterior Fixtures
- Lighting - Interior Fixtures
- Emergency Lighting & Exit Sign Units
- Emergency Lighting Battery Unit (ELBU)
- Telephone System
- Fire Alarm and Security System
- Video Security System - CCTV
- Local Area Network (LAN) System

**DISCLAIMER**

This report reflects equipment or system deficiencies, and construction cost estimates to correct those deficiencies. The construction cost estimates may not reflect the actual total project costs. The construction cost estimates do not include costs for project management, owner services, planning and design, plan review fees, construction management, construction general conditions, overhead and profit, testing services and design and construction contingencies. All projects need to be submitted to the AE & ES section of DAS-FM to verify actual cost estimates for any Capital Improvement Project (CIP) budget requests.

Property Description (source: [www.villaterrace.org](http://www.villaterrace.org))

## The Villa

### The Smith Home

Some years after returning from a family trip to Italy, the Smiths commissioned David Adler to design a home in the style of an Italian Renaissance villa. Its lakefront location inspired the name *Sopra Mare* ("above the sea" in Italian).

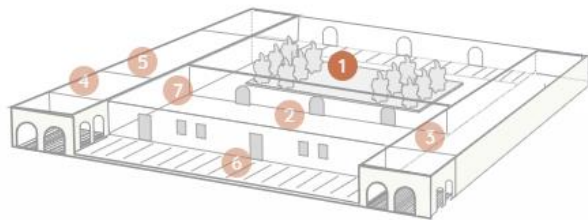
### Art & Gallery Spaces

Today, the many rooms that housed the Smith family are home to changing art exhibitions and decorative arts from the permanent collection.

### Renaissance Garden

The home's original garden — designed by Rose Standish Nichols — was reimagined by landscape architect Dennis Buettner. Through the efforts of the Friends of Villa Terrace, it reopened in 2002.

### Floor 1



Mercury Courtyard



Great Hall



Dining Room



Library



Smith Gallery



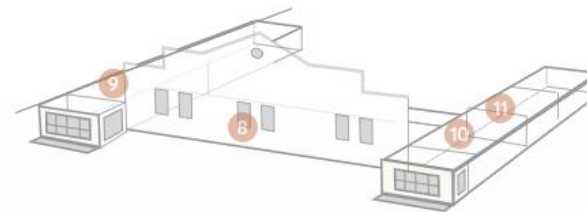
Terrazzo della Luna



Central Staircase



### Floor 2



Zuber Gallery



Duke Gallery



Master Bedroom



Dressing Room





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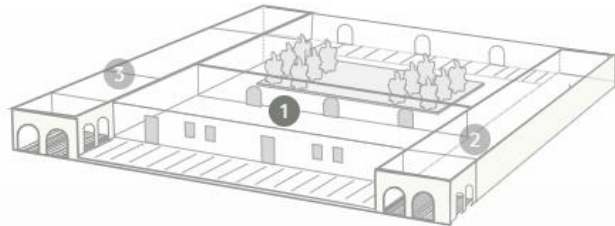
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#### Floor 1



More Great Hall



More Dining Room



More Library



More Zuber Gallery



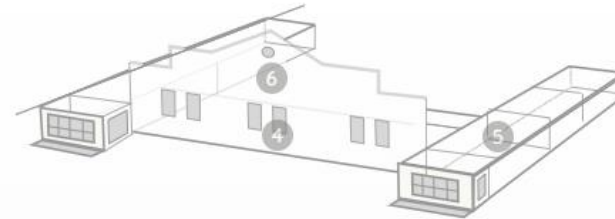
More Master Bedroom



Second-Floor Corridor



#### Floor 2



### The Smith Home

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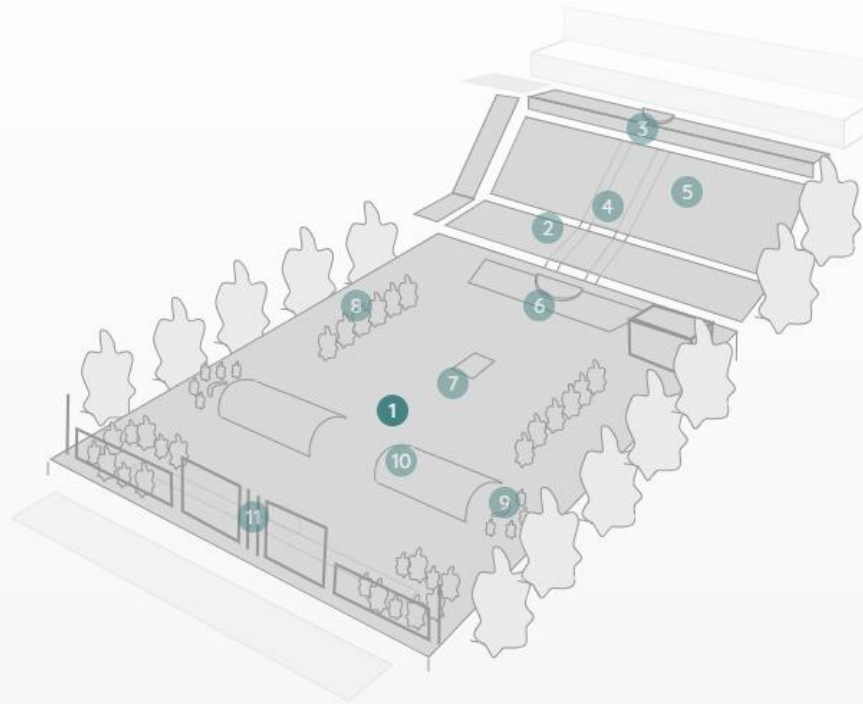
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## Garden Features



Renaissance Garden Overview



Smith Family Garden



Grotto Terrace



Scoletta d'Acqua



Brides' Orchard



Vasca



Prato



South Allée



Exedrum



Boschetto



Demmer Neptune Gate



## Property Description (source: Milwaukee County Historical Society)

## Villa Terrace Decorative Arts Museum

2220 North Terrace Avenue  
Milwaukee

Landmark Designation: 2004



The Villa was designed and built for Mr. and Mrs. Lloyd R. Smith by David Adler in 1923. David Adler, a native of Milwaukee, who studied architecture at the Ecole des Beaux Arts in Paris, is known for his home restoration projects. Balance and symmetry are seen throughout the home and garden. The cloistered court features slating and an intricate mosaic of black and white pebbles from nearby Lake Michigan.

Many aspects of the Villa are reminiscent of 16th century Italian villas, including the Italian barrel tiled roof and the whitewashed warm pink brick exterior walls, which were quarried and carved in Italy. A vaulted veranda is supported by simple Tuscan columns. Italian grilled windows and an intricately patterned brick pavement lead to the front entrance. The entrance hall has a circular stairway with no central support in the traditional 16th century Italian manner. Milwaukee's Cyril Colnik's elaborate wrought-iron stair railings and entrance gates show his superb skills as a craftsman. The great hall has a stenciled beam ceiling of Georgian cypress. The Renaissance Garden, an official project of "Save America's Treasures" has been open since 2002. The house was deeded by the family to Milwaukee County in 1966 for use as a decorative arts museum. The mansion also houses an art reference library.

## City of Milwaukee, Historic Preservation Commission Report

**HISTORIC DESIGNATION STUDY REPORT****LLOYD R. SMITH HOUSE**  
**"VILLA TERRACE MUSEUM OF THE DECORATIVE ARTS"**  
(Written Spring 1982)**I. NAME**

Historic: Lloyd R. Smith House

Common: Villa Terrace Museum of the Decorative Arts

**II. LOCATION**

2220 North Terrace Avenue

Legal Property Description: Glidden & Lockwood's Addition in NW ¼ Sec 22-7-22, Block 3,  
Lot 6-NE 50' Lot 5-SW 50' Lot 7 & Land Adj SW'ly**III. CLASSIFICATION**

Building and site

**IV. OWNER OF PROPERTY**Ed Kornblum  
Milwaukee County  
c/o Milwaukee County Courthouse  
901 North 9<sup>th</sup> Street, Room 102  
Milwaukee, WI 53233**V. DESCRIPTION**

The Lloyd R. Smith House is an adaptation of a 16<sup>th</sup> century villa of rural northern Italy. Located on the City's upper east side in North Point South, its setting on a bluff overlooking Lake Michigan affords two distinct approaches; one from the street and the other from the lake. From the street elevation, the front cortile is surrounded by living quarters on three sides. The center pavilion is a two-story gabled block measuring 128 feet long. From this rises a low-hipped attic story, pierced by three gabled dormers. This pavilion is flanked by gabled wings two stories in height measuring 108 feet long. The fourth side of the cortile is a one-story wall that connects the two wings. The lakeside elevation is Palladian in form with an extended center pavilion that is pedimented with a plain raking cornice. It is flanked by arcaded porches that are topped by sunrooms and balconies. The rear entry opens onto an expansive, raised terrace that extends the entire length of the house.

Erected in 1923, the Smith House was built on a concrete foundation and faced with red Illinois brick, laid in common bond and painted white. The stone trim, as found in the colonnades, window and door surrounds and exterior staircases, was quarried and carved Italian limestone. The roofing material is barrel tile in shades of reddish-brown. Rising from the



roof are chimneys capped with the same tile. The numerous window grilles, fences, railings, and gates are wrought iron.

The classical axiality of its design is evidenced by the on-line siting of the main entry gate through the middle of the center pavilion with the rear twin staircases and the gardens below the bluff. The main gate is a handsome quatrefoil design that opens onto the cortile. The cortile is a formal garden of precisely manicured shrubs combined with a mosaic of black and light gray pebbles gathered from Lake Michigan. At the center of the garden is a fountain and basin with a statue of the Greek god Hermes. It was reported that the torso was of the original 1<sup>st</sup> century A.D. sculpture, and the head, legs, and arms were restored in the 17<sup>th</sup> century by the sculptor, Giovanni Berini. Erected in 1967, it replaced a pedestal fountain. On all four sides of the cortile is a groin-vaulted loggia formed by a round-arched colonnade that springs from Tuscan order columns. The vaulting is finished with a smooth, gray exterior plaster, which extends as pendants on the walls. The walkways of the loggia are maroon brick laid in a herringbone pattern. There are numerous entries off the cortile into the house, but the main entry is at the southeast corner and is a single heavy paneled oak door. At the opposite corner is a concrete staircase with a stone carved newel post and railing, which ascends to the second floor balcony along the full length of the center pavilion.

The rear terrace is surfaced with reddish-orange quarry tile and is surrounded by a brick wall and stone carved balustrade. It is entered from the house by a single door that is surrounded by a stone segmental pediment and pilasters. The side porches are formed by a series of round arches that form vaulted bays and spring from composite order columns. The vaulting is finished with the same exterior plaster as the loggia. From the terrace descends a grand stone carved twin staircase that leads to the multi-level formal gardens below the bluff.

With the review of historic photographs and buildings permits, the exterior of the Lloyd R. Smith house has remained virtually unchanged. However, one minor known alteration was the removal of the wooden shutters.

## **VI. SIGNIFICANCE**

Date Built or Altered: 1923

Builder/Architect: David Adler, architect

The Lloyd R. Smith house was cited as significant for its association with Lloyd R. Smith, a prominent industrialist and civic leader; as an exceptional mansion that combined the talents of architect, David Adler; artist, Cyril Colnik; and landscape architect, Rose Standish Nichols; and as a public museum of the decorative arts that has significantly educated the Milwaukee community in art appreciation. It was listed in the National Register of Historic Places in 1974, recorded for Historic American Buildings Survey in 1971, and named a Milwaukee Landmark in 1968.

## **VII. HISTORY**

The structure, now known as Villa Terrace, was built as the city residence of Milwaukee industrialist Lloyd R. Smith and was originally named Sopra Mare.

Smith was president and chairman of the board of the A.O. Smith Corporation, a major international company that pioneered in the manufacture of pipe for oil and gas lines. Smith was the grandson of Charles Smith, who with his brother, C.J. Smith, founded the company in

1874. First known for perfecting the tubular bicycle frame, the Smith Company was the nation's largest producer of bicycle parts in 1985. In 1903, the company was named A.O. Smith Corporation after Arthur O. Smith, son of Charles, and the father of Lloyd. Today it is one of the 500 largest manufacturers in the United States and the world's largest producer of automobile and truck frames, of fiberglass reinforced plastic pipe, and a major producer of animal feed processing and storage systems.

Other than being a civic leader and industrialist, Smith was known for this philanthropic interest in medicine. He contributed generously to Columbia Hospital, for example, to establish the first convalescent serum center in the United States.

The Smith house was designed by David Adler, a noted country-house architect of the early 20<sup>th</sup> century. Born in Milwaukee, he was the son of Emanuel D. Adler, a wealthy clothing wholesaler. Adler graduated from Princeton University in 1904 and in 1906 entered the prestigious Ecole des Beaux-Arts in Paris for five years of additional architectural training. He returned to the United States in 1911, where he was first employed in the office of prominent Chicago residential architect Howard Van Doren Shaw. After establishing his own office in Chicago, Adler maintained a practice as a society architect designing large residences and luxury apartments houses. The majority of his work was in the Chicago North Shore suburbs, with major commissions in Long Island and southern California. As evidenced by the variety of his designs, Adler borrowed profusely from English, French, Italian, and American Colonial antecedents. His versatility as an architect, and his ability to satisfy the tastes and demands of his wealthy clients, made him one of the Midwest's most sought after residential architects of the period preceding the Great Depression. When the Smith house was constructed in 1923, Adler was at the peak of his career. The only Adler designed residence built in Wisconsin, the Smith house was an adaptation of a 16<sup>th</sup> century villa of the type found in rural northern Italy. It is similar in design to an earlier Adler villa for Charles B. Pike of Lake Forest, Illinois. The Smith house was the last of Adler's Italian villa essays.

Villa Terrace is significant for the fine materials and outstanding craftsmanship exhibited in its construction. Rare aged woods, Italian limestone, and handmade roofing tiles were used to enhance the antique appearance of the mansion. Of particular note is the abundance of fine ironwork by noted Milwaukeean Cyril Colnik. Colnik was one of the most skillful ironworkers of the late nineteenth and early twentieth centuries. His elaborate, original designs earned him a gold medal at Chicago's World's Columbian Exposition of 1893 and prestigious commissions for ironwork for many fine residences, churches, and public buildings. For the Smith house, he executed the gates, fences, railings, grilles, door hardware, and lighting fixtures. It constitutes one of the most complete collections of Colnik's later work and is a testament to his artistry and craftsmanship.

Another significant aspect of the Smith house is the landscape treatment. To provide a proper period setting for the mansion when viewed from Lincoln Memorial Drive, the Smiths employed well-known landscape architect and authority on Italian gardens, Rose Standish Nichols of Boston. Miss Nichols resolved the dilemma of how to relate the lofty white mansion perched at the edge of a precipitous bluff with its lake level formal gardens located far below by employing a scheme adapted from Italian Renaissance landscape gardening. Twin staircases descend in numerous short flights from the mansion's broad terrace to the formal garden, with its geometric plantings beds and symmetrically arranged walkways. The garden is virtually unaltered from its original state.

After Smith's death, his widow continued to maintain Villa Terrace as her residence. In 1967, she donated the house to Milwaukee County as a decorative arts museum. It is presently



operated as the Villa Terrace Museum of the Decorative Arts and contains antique furniture, glassware, ceramics, and silver.

#### **VIII. STAFF RECOMMENDATION**

Staff recommends to the Historic Preservation Commission the designation of the Lloyd R. Smith house as an historic site including both building and grounds as defined in Section 2-335 of the Milwaukee Code of Ordinances.

Our recommendation is based on the previous recognition received by this building and in the areas of significance as enumerated above.

#### **IX. PRESERVATION GUIDELINES**

The following preservation guidelines represent the principal concerns of the Historic Preservation Commission regarding this historic designation. However, the Commission reserves the right to make final decisions based upon particular design submissions. These guidelines shall be applicable only to the Lloyd R. Smith House. Nothing in these guidelines shall be construed to prevent ordinary maintenance or restoration and/or replacement of documented original elements.

##### **A. Roofs**

The existing building height, rooflines, pitch, dormers, and gables shall not be changed or modified. All roof elevations are significant to the structure's architectural integrity. The addition of dormers, skylights, or solar collector panels will not be permitted unless approved by the Commission.

##### **B. Openings**

The location, style, and material of window and door openings, and the number and configuration of panes, shall be retained on all elevations. Additional openings or changes in the size or configuration of existing openings shall not be permitted unless approved by the Historic Preservation Commission, except that restoration to the documented original condition shall be permitted. Approval for changes shall be based on the compatibility of the proposed changes with the style and period of the building.

##### **C. Additions**

All elevations in this case are significant to the structure's architectural integrity. No additions may be made to any elevation of the building unless approved by the Commission.

##### **D. Porches, Trim and Ornamentation**

There shall be no changes in the existing porches, balconies, trim or ornamentation including the chimneys, iron railing, grilles, gates and fences, brick walls and carved stonework; except as necessary to restore the building to its original condition. Replacement features shall match the original member in scale, design, color, and material.

##### **E. Materials**

Integral to the design of this structure are the materials and their colors. Painted surfaces such as the brick walls shall remain unchanged and the color of the walls shall remain white. Unpainted brick and stone shall not be painted or covered. Any repairs, including reporting of defective mortar, shall match the original in color, style, texture, and strength characteristics. Masonry shall be cleaned only when necessary to halt deterioration and with the gentlest method possible approved by the Commission. The tile roof, iron railings, grilles, gates, and fences shall be retained to their fullest extent possible. Replacement features shall match the original in color, design, and texture.

F. Site

The site shall be retained in its present condition. Unless approved by the Commission, the drives, gardens, and cortile shall not be altered, redesigned, or reconstructed.

G. Signs

The installation of any permanent exterior sign shall require the approval of the Commission. Approval will be based on the compatibility of the proposed sign with the historic and architectural character of the building based upon the Commission's review of scale drawings of the proposed design and samples of the proposed materials and colors.



## COUNTY-PROVIDED MAINTENANCE COST REPORT



### Requirement Forecast Report By Name

**Department/Division:** Museum & Art Centers

**Site:** Villa Terrace

**Asset:** All

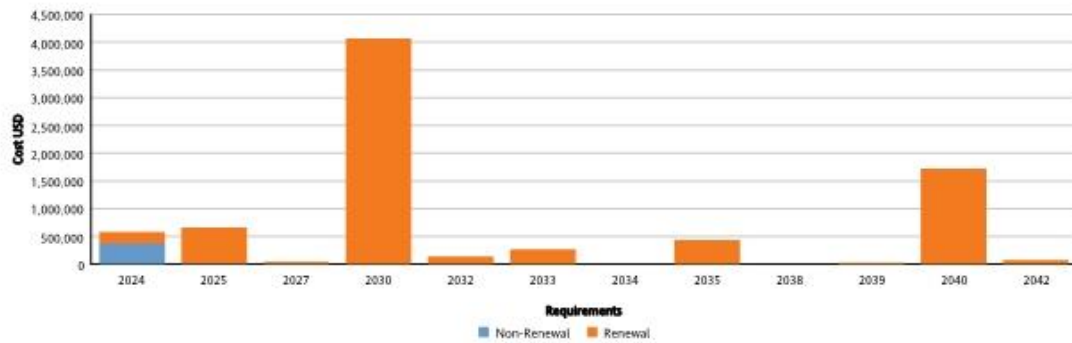
**Currency:** USD

**Period:** 20 years

**Inflation:** 3%

The current year is always the Period start date. If "Include past due Action Dates/Renewals" is selected, the cost of those past due Requirements is included in the current year cost.

#### Summary of Funding Needed by Requirement Type and Year



Year	Renewal Requirements	Non-Renewal Requirements	Total
2024	206,319	371,670	577,989
2025	647,966	10,524	658,489
2027	40,702	0	40,702
2030	4,065,110	0	4,065,110
2032	138,709	0	138,709
2033	264,457	0	264,457
2034	4,109	0	4,109
2035	435,064	0	435,064
2038	4,846	0	4,846
2039	27,939	0	27,939
2040	1,720,357	0	1,720,357
2042	72,909	0	72,909
<b>Total</b>	<b>7,628,486</b>	<b>382,194</b>	<b>8,010,680</b>



## Requirement Forecast Report By Name

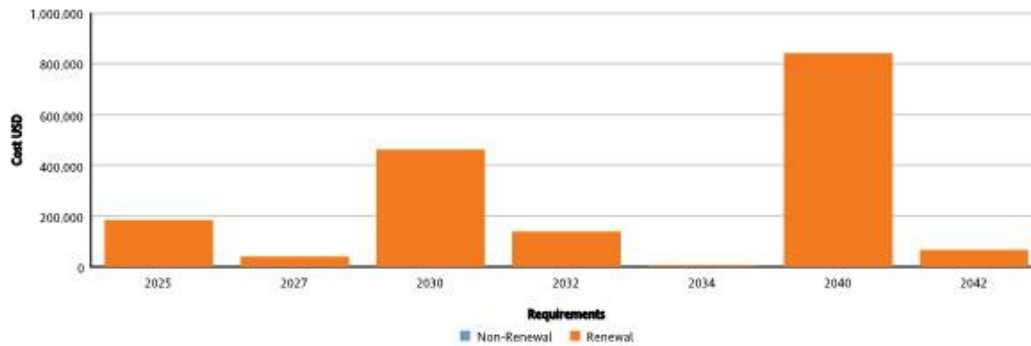
Department/Division: Museum & Art Centers Asset: 1 Site - Villa Terrace  
 Site: Villa Terrace Asset Number: 2805

Report is grouped by Year Currency: USD

Address 1	2220 N. Terrace Avenue	Address 2	-
City	Milwaukee	State/Province/Region	WI
Country	UNITED STATES OF AMERICA	ZIP	53202

Current Replacement Value 1,243,223 Size 2.33 Acres

### Summary of Funding Needed by Requirement Type and Year



Year	Renewal Requirements	Non-Renewal Requirements	Total
2025	183,853	0	183,853
2027	40,702	0	40,702
2030	462,090	0	462,090
2032	138,709	0	138,709
2034	4,109	0	4,109
2040	841,845	0	841,845
2042	66,042	0	66,042
<b>Total</b>	<b>1,737,350</b>	<b>0</b>	<b>1,737,350</b>

### Detail of Funding Needed by Year

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2025	G2041 - Fences and Gates	Fencing - Chain Link Renewal	35,284	0	35,284
	G2041 - Fences and Gates	Gates - Wrought Iron Renewal	28,023	0	28,023
	G2055 - Planting	Planting Beds - Cover & Shrubs Renewal	120,547	0	120,547
	<b>Subtotal for 2025</b>		<b>183,853</b>	<b>0</b>	<b>183,853</b>
2027	G2045 - Site Furnishings	Concrete Benches Renewal	40,702	0	40,702



## Requirement Forecast Report *By Name*

Year	System	Requirement Name	Renewal	Non-Renewal	Total
<b>Subtotal for 2027</b>			<b>40,702</b>	<b>0</b>	<b>40,702</b>
2030	G2022 - Paving and Surfacing	Parking Lot - Asphalt Pavement Renewal	31,670	0	31,670
	G2031 - Paving and Surfacing	Sidewalks - Stone Pavers Renewal	43,917	0	43,917
	G2033 - Exterior Steps	Exterior Stairs - Stone Renewal	8,911	0	8,911
	G2041 - Fences and Gates	Fence - Wrought Iron 6.5 Foot Renewal	321,524	0	321,524
	G2041 - Fences and Gates	Fencing - Wrought Iron 3.6 Foot Renewal	42,091	0	42,091
	G2041 - Fences and Gates	Gate - Chainlink Renewal	6,633	0	6,633
	G2046 - Fountains, Pools, and Watercourses	Concrete - Fishpond Renewal	7,344	0	7,344
<b>Subtotal for 2030</b>			<b>462,090</b>	<b>0</b>	<b>462,090</b>
2032	G2033 - Exterior Steps	Exterior Stairs - Prefabricated Wood Stairs Renewal	138,709	0	138,709
<b>Subtotal for 2032</b>			<b>138,709</b>	<b>0</b>	<b>138,709</b>
2034	G2050 - Landscaping	Exterior Pathway - Stone Mulch Renewal	4,109	0	4,109
<b>Subtotal for 2034</b>			<b>4,109</b>	<b>0</b>	<b>4,109</b>
2040	D1010 - Elevators and Lifts	Outdoor - Incline Elevator with Galvanized Steel Tracks Renewal	400,422	0	400,422
	G2041 - Fences and Gates	Gate - Chainlink Renewal	8,915	0	8,915
	G2042 - Retaining Walls	Retaining Wall - Brick Masonry Units Renewal	278,450	0	278,450
	G2043 - Terrace and Perimeter Walls	Masonry Walls & Piers - Brick Masonry Units Renewal	141,484	0	141,484
	G2048 - Flagpoles	Flagpole - Aluminum Renewal	12,575	0	12,575
<b>Subtotal for 2040</b>			<b>841,845</b>	<b>0</b>	<b>841,845</b>
2042	G2042 - Retaining Walls	Stone Retaining Wall Renewal	66,042	0	66,042
<b>Subtotal for 2042</b>			<b>66,042</b>	<b>0</b>	<b>66,042</b>
<b>Total</b>			<b>1,737,350</b>	<b>0</b>	<b>1,737,350</b>



## Requirement Forecast Report By Name

Department/Division: Museum &amp; Art Centers Asset: Comfort Station

Site: Villa Terrace

Asset Number: 71

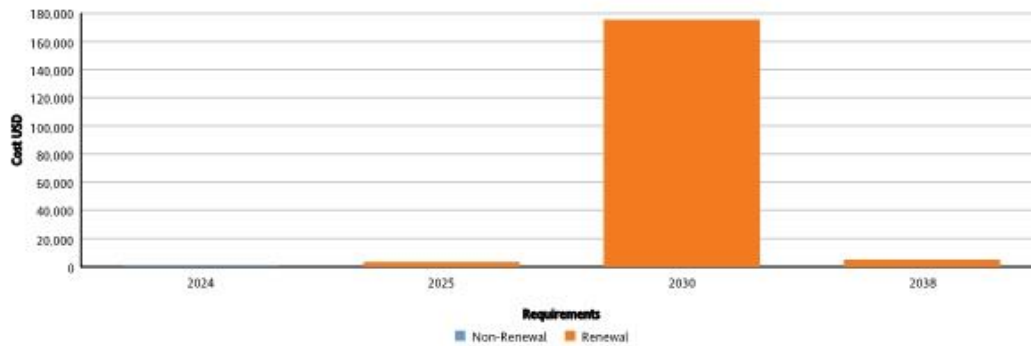
Report is grouped by Year

Currency: USD

Address 1	2220 N Terrace Ave	Address 2	-
City	Milwaukee	State/Province/Region	WI
Country	UNITED STATES OF AMERICA	ZIP	53202

Current Replacement Value	280,060	Size	1,008 SF
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### Summary of Funding Needed by Requirement Type and Year



Year	Renewal Requirements	Non-Renewal Requirements	Total
2024	0	905	905
2025	3,300	0	3,300
2030	175,270	0	175,270
2038	4,846	0	4,846
<b>Total</b>	<b>183,415</b>	<b>905</b>	<b>184,320</b>

### Detail of Funding Needed by Year

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2024	C1010 - Partitions	Repair Masonry Wall	0	905	905
Subtotal for 2024			0	905	905
2025	D2020 - Domestic Water Distribution	Water Heater - Electric - 8 Gallon Renewal	3,300	0	3,300
Subtotal for 2025			3,300	0	3,300
2030	B2010 - Exterior Walls	EIFS Wall Panels - Wood Stud Backup Renewal	1,361	0	1,361
	B2010 - Exterior Walls	Wood Cornice Renewal	5,955	0	5,955
	B2030 - Exterior Doors	Exterior Door - 3 x 7 Fiberglass Renewal	6,190	0	6,190
	B3016 - Gutters and Downspouts	Gutters and Downspouts - Copper Renewal	4,683	0	4,683





## Requirement Forecast Report

*By Name*

Year	System	Requirement Name	Renewal	Non-Renewal	Total	
2030	C10 - Interior Construction	Restroom - Men Double Renewal	20,342	0	20,342	
	C10 - Interior Construction	Restroom - Women Double Renewal	22,717	0	22,717	
	C1010 - Partitions	Concrete Block Walls Renewal	4,037	0	4,037	
	C3030 - Ceiling Finishes	Ceiling Crown Molding Renewal	3,380	0	3,380	
	C3030 - Ceiling Finishes	Gypsum Wallboard Ceiling Renewal	5,270	0	5,270	
	C3030 - Ceiling Finishes	Plaster Veneer on GWB Soffit Renewal	4,616	0	4,616	
	D2020 - Domestic Water Distribution	Domestic Water Distribution Renewal	5,867	0	5,867	
	D3040 - Distribution Systems	Exhaust Fans - Restrooms Renewal	1,632	0	1,632	
	D4031 - Fire Extinguishers	Fire Extinguisher - Dry Chemical Renewal	255	0	255	
	D5012 - Low Tension Service and Dist.	Main Distribution Panel P-1 - 400A 120/240V 1PH 42C Renewal	15,782	0	15,782	
	D5012 - Low Tension Service and Dist.	Main Electrical Service - 400A 120/240V 3W 1Ph Renewal	37,769	0	37,769	
	D5012 - Low Tension Service and Dist.	Panel C-1 - 100A 120/240V 1PH Contactor Renewal	3,085	0	3,085	
	D5012 - Low Tension Service and Dist.	Panel P-2 - 100A 120/240V 1PH 24C MLO Renewal	4,940	0	4,940	
	D5012 - Low Tension Service and Dist.	Panel P-3 - 100A 120/240V 1PH 24C MCB Renewal	7,201	0	7,201	
	D5021 - Branch Wiring Devices	Branch Wiring, Equipment & Devices Renewal	5,905	0	5,905	
	D5022 - Lighting Equipment	Lighting - Exterior Fixtures Renewal	4,832	0	4,832	
	D5022 - Lighting Equipment	Lighting - Interior Fixtures Renewal	9,452	0	9,452	
	Subtotal for 2030			175,270	0	175,270
2038	D2020 - Domestic Water Distribution	Water Heater - Electric - 8 Gallon Renewal	4,846	0	4,846	
	Subtotal for 2038			4,846	0	4,846
	Total			183,415	905	184,320



## Requirement Forecast Report By Name

Department/Division: Museum &amp; Art Centers Asset: Villa Terrace Decorative Arts Museum

Site: Villa Terrace

Asset Number: 70

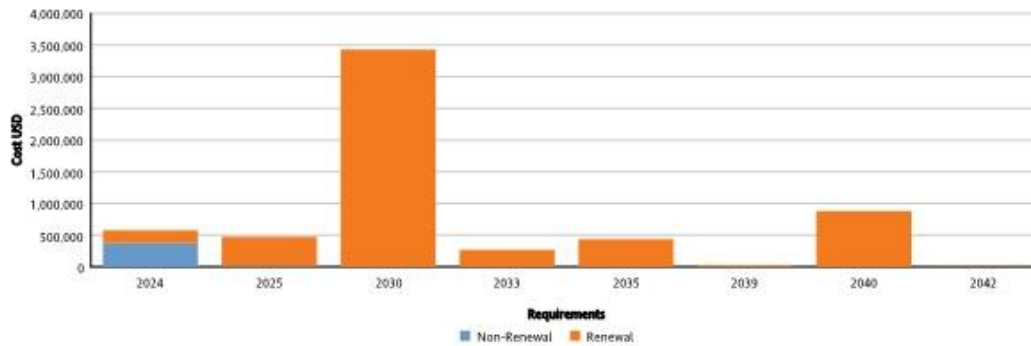
Report is grouped by Year

Currency: USD

Address 1	2220 N Terrace Ave	Address 2	-
City	Milwaukee	State/Province/Region	WI
Country	UNITED STATES OF AMERICA	ZIP	53202

Current Replacement Value	6,257,471	Size	19,394 SF
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### Summary of Funding Needed by Requirement Type and Year



Year	Renewal Requirements	Non-Renewal Requirements	Total
2024	206,319	370,765	577,084
2025	460,813	10,524	471,336
2030	3,427,749	0	3,427,749
2033	264,457	0	264,457
2035	435,064	0	435,064
2039	27,939	0	27,939
2040	878,512	0	878,512
2042	6,868	0	6,868
<b>Total</b>	<b>5,707,721</b>	<b>381,289</b>	<b>6,089,009</b>

### Detail of Funding Needed by Year

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2024	A1030 - Slab on Grade	Replace Damaged Concrete Slab	0	8,165	8,165
	B2010 - Exterior Walls	Paint Wood Walls on Second Floor Porch	0	3,567	3,567
	B2010 - Exterior Walls	Remove Paint From Exterior Walls	0	196,470	196,470
	B2010 - Exterior Walls	Repair Damaged Terrace Brick Wall	0	8,939	8,939



## Requirement Forecast Report

### By Name

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2024	B2010 - Exterior Walls	Repair Interior Wall Plaster	0	828	828
	B2010 - Exterior Walls	Repair the Garden Brick Walls	0	27,132	27,132
	B2010 - Exterior Walls	Tuckpoint Brick Wall	0	46,698	46,698
	B2015 - Balcony Walls and Handrails	Paint Rusted Steel Grilles and Railings	0	15,390	15,390
	B2030 - Exterior Doors	Paint Exterior Wood	0	28,668	28,668
	B2030 - Exterior Doors	Repair Door To Close Properly	0	302	302
	B2030 - Exterior Doors	Replace Door Lock and Latch	0	423	423
	C2011 - Regular Stairs	Repair Stair Stone Platform	0	513	513
	C3020 - Floor Finishes	Epoxy Flooring Renewal	15,806	0	15,806
	C3020 - Floor Finishes	Refinish Wood Floors	0	22,594	22,594
	C3020 - Floor Finishes	Repair Quarry Tile Flooring	0	1,630	1,630
	C3020 - Floor Finishes	Repair River Rock Paving	0	1,815	1,815
	C3020 - Floor Finishes	Repair Step in Attic	0	1,811	1,811
	D2010 - Plumbing Fixtures	Custodial/Utility Sink Renewal	9,050	0	9,050
	D2020 - Domestic Water Distribution	Domestic Water Distribution System Renewal	92,227	0	92,227
	D3040 - Distribution Systems	Steam Piping and Condensate Return Renewal	89,236	0	89,236
	D3060 - Controls and Instrumentation	Perform Pneumatic Control System Maintenance	0	2,153	2,153
	D5021 - Branch Wiring Devices	Install GFCI Receptacles	0	2,460	2,460
	E2010 - Fixed Furnishings	Refinish Counter and Paint Cabinets	0	1,207	1,207
	<b>Subtotal for 2024</b>		<b>206,319</b>	<b>370,765</b>	<b>577,084</b>
2025	B2010 - Exterior Walls	Wood Panelled Walls Renewal	2,062	0	2,062
	B2015 - Balcony Walls and Handrails	Steel Picket Railings Renewal	25,173	0	25,173
	B2030 - Exterior Doors	Exterior Door - 3 x 7 Wood with Side Panels Renewal	8,732	0	8,732
	B2030 - Exterior Doors	French Doors with Transom - 4 x 7 - Wood Renewal	35,089	0	35,089
	B2030 - Exterior Doors	Overhead Sectional Door - Manual Operation Renewal	2,759	0	2,759
	B3016 - Gutters and Downspouts	Gutters and Downspouts - Aluminum Renewal	11,097	0	11,097
	C10 - Interior Construction	Restroom - Unisex Single w/ Bathtub - Basement Renewal	4,721	0	4,721
	C10 - Interior Construction	Restrooms - Unisex Single - 1st Floor Renewal	36,460	0	36,460
	C10 - Interior Construction	Restrooms - Unisex Single w/ Shower - 2nd Floor Renewal	38,709	0	38,709
	C3020 - Floor Finishes	Vinyl Composition Sheet Flooring Renewal	14,319	0	14,319
	D2030 - Sanitary Waste	Sanitary Waste - Gravity Discharge Renewal	86,686	0	86,686
	D3040 - Distribution Systems	Rebuild 1st & 2nd Floor Steam Traps	0	10,524	10,524
	D3060 - Controls and Instrumentation	Pneumatic Controls Renewal	59,492	0	59,492
	D5022 - Lighting Equipment	Lighting - Exterior Fixtures Renewal	87,092	0	87,092
	D5092 - Emergency Light and Power Systems	Emergency Lighting and Exit Sign Units Renewal	4,442	0	4,442
	E2010 - Fixed Furnishings	Fixed Casework Renewal	38,459	0	38,459
	G2041 - Fences and Gates	Gate - Pair 5' x 8' Wrought Iron Renewal	5,520	0	5,520
	<b>Subtotal for 2025</b>		<b>460,813</b>	<b>10,524</b>	<b>471,336</b>
2030	B2010 - Exterior Walls	Steel Security Grilles for Openings Renewal	26,392	0	26,392
	B2015 - Balcony Walls and Handrails	Stone Guardrails Renewal	115,811	0	115,811
	B2030 - Exterior Doors	Automatic Door Opener - Single Renewal	11,291	0	11,291
	B2030 - Exterior Doors	French Doors - 4 x 7 - Wood Renewal	107,005	0	107,005
	B3010 - Roof Coverings	Clay Tile Roofing Renewal	300,297	0	300,297
	B3014 - Flashings and Trim	Wall Stone Coping Renewal	3,006	0	3,006
	C10 - Interior Construction	Restroom - Unisex Single w/ Shower - 2nd Floor Renewal	25,878	0	25,878
	C10 - Interior Construction	Restrooms - Unisex Single w/ Bathtub - 1st Floor Renewal	24,009	0	24,009



## Requirement Forecast Report

*By Name*

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2030	C10 - Interior Construction	Restrooms - Unisex Single w/ Bathtub - 2nd Floor Renewal	23,101	0	23,101
	C1010 - Partitions	Plaster Walls - Painted - 62% Renewal	101,415	0	101,415
	C1020 - Interior Doors	Interior Doors - 3 x 7 Wood Renewal	299,773	0	299,773
	C1020 - Interior Doors	Interior Doors - Pair - 6 x 7 Wood Renewal	36,745	0	36,745
	C2010 - Stair Construction	Wood Stairs - Interior Renewal	6,287	0	6,287
	C2011 - Regular Stairs	Exterior Stairs - Concrete Renewal	68,095	0	68,095
	C2011 - Regular Stairs	Interior Concrete Stairs Renewal	49,830	0	49,830
	C3010 - Wall Finishes	Ceramic Wall Tile Renewal	4,774	0	4,774
	C3010 - Wall Finishes	Raised Wood Paneling Renewal	68,269	0	68,269
	C3010 - Wall Finishes	Wall Covering - Vinyl Renewal	45,999	0	45,999
	C3020 - Floor Finishes	Brick Paving Renewal	107,318	0	107,318
	C3020 - Floor Finishes	Ceramic Tile Flooring Renewal	114,230	0	114,230
	C3020 - Floor Finishes	Quarry Tile Flooring Renewal	133,875	0	133,875
	C3020 - Floor Finishes	River Rock Paving Renewal	22,553	0	22,553
	C3020 - Floor Finishes	Wood Strip Flooring Renewal	234,077	0	234,077
	C3030 - Ceiling Finishes	Ceiling Crown Molding Renewal	15,416	0	15,416
	C3030 - Ceiling Finishes	Coffered Wood Ceiling - Stained Renewal	58,689	0	58,689
	C3030 - Ceiling Finishes	Decorative Plaster Ceiling - Painted Renewal	25,455	0	25,455
	C3030 - Ceiling Finishes	Plaster Ceiling - Painted Renewal	93,584	0	93,584
	C3030 - Ceiling Finishes	Vaulted Plaster Ceiling - Painted Renewal	119,263	0	119,263
	C3030 - Ceiling Finishes	Wood Ceiling - Painted Renewal	102,162	0	102,162
	D1013 - Lifts	Wheelchair Lift Renewal	24,987	0	24,987
	D2020 - Domestic Water Distribution	Water Heater, Gas - 80 Gallon Renewal	12,771	0	12,771
	D2040 - Rain Water Drainage	Sump Pump - Submersible - 1/2 HP Renewal	4,817	0	4,817
	D2040 - Rain Water Drainage	Terrace Drainage - Internal Renewal	10,781	0	10,781
	D3040 - Distribution Systems	Perimeter Heat System - 1st & 2nd Floor Radiators Renewal	55,963	0	55,963
	D3040 - Distribution Systems	Perimeter Heat System - Basement CI Radiators Renewal	11,955	0	11,955
	D3050 - Terminal and Package Units	Air Handling Units with AC Renewal	64,472	0	64,472
	D3060 - Controls and Instrumentation	HVAC Electric Controls Renewal	56,784	0	56,784
	D40 - Fire Protection	Wet Standpipe System - Light Hazard Renewal	182,509	0	182,509
	D5012 - Low Tension Service and Dist.	Low Voltage Lighting Transformers 300VA 120V x 12V 1PH Renewal	64,696	0	64,696
	D5012 - Low Tension Service and Dist.	Panel A - 150A 120/240V 1PH 42C MCB Renewal	8,427	0	8,427
	D5012 - Low Tension Service and Dist.	Panel B - 225A 120/240V 1PH 30C MLO Renewal	7,744	0	7,744
	D5012 - Low Tension Service and Dist.	Panel C - 225A 120/240V 1PH 42C MLO Renewal	10,273	0	10,273
	D5012 - Low Tension Service and Dist.	Panel D (L) Sec 2 - 225A 120/240V 1PH 42C MLO Renewal	9,824	0	9,824
	D5012 - Low Tension Service and Dist.	Panel D (R) Sec 1 - 225A 120/240V 1PH 42C MLO Renewal	18,066	0	18,066
	D5012 - Low Tension Service and Dist.	Panel E - 60A 120/240V 1PH 12C MLO Renewal	8,514	0	8,514
	D5021 - Branch Wiring Devices	Branch Wiring, Equipment & Devices Renewal	113,262	0	113,262
	D5022 - Lighting Equipment	Lighting - Interior Fixtures Renewal	181,294	0	181,294
	D5033 - Telephone Systems	Telephone System Renewal	13,997	0	13,997
	D5037 - Fire Alarm Systems	Fire Alarm and Security System Renewal	41,939	0	41,939
	D5039 - Local Area Networks	Local Area Network (LAN) System Renewal	18,451	0	18,451
	D5092 - Emergency Light and Power Systems	Emergency Lighting Battery Unit (EBU) Renewal	604	0	604
	E2010 - Fixed Furnishings	Kitchen Cabinets Renewal	54,969	0	54,969
	E2011 - Fixed Artwork	Statues Renewal	12,613	0	12,613
	E2012 - Fixed Casework	Display Cases- Wall Recessed Renewal	11,417	0	11,417





## Requirement Forecast Report

*By Name*

Year	System	Requirement Name	Renewal	Non-Renewal	Total
2030	G2040 - Site Development	Window Wells Renewal	9,842	0	9,842
	G2046 - Fountains, Pools, and Watercourses	Concrete Fountain Renewal	8,469	0	8,469
	G2055 - Planting	Landscaping - Bushes Renewal	63,706	0	63,706
		<b>Subtotal for 2030</b>	<b>3,427,749</b>	<b>0</b>	<b>3,427,749</b>
2033	B2020 - Exterior Windows	Wood Windows Renewal	253,061	0	253,061
	B2030 - Exterior Doors	Exterior Door - 3 x 7 - Wood Renewal	11,396	0	11,396
		<b>Subtotal for 2033</b>	<b>264,457</b>	<b>0</b>	<b>264,457</b>
2035	C2011 - Regular Stairs	Exterior Stairs - Stone Renewal	69,735	0	69,735
	D1010 - Elevators and Lifts	Hydraulic Passenger Elev - 3-Story Renewal	300,051	0	300,051
	D3040 - Distribution Systems	Kitchen Exhaust and Hood Renewal	15,432	0	15,432
	D5038 - Security and Detection Systems	Video Security System - CCTV Renewal	43,876	0	43,876
	D5092 - Emergency Light and Power Systems	Emergency Lighting and Exit Sign Units Renewal	5,970	0	5,970
		<b>Subtotal for 2035</b>	<b>435,064</b>	<b>0</b>	<b>435,064</b>
2039	D5012 - Low Tension Service and Dist.	Main Distribution Panel MDP - 400A 120/240V 1PH Renewal	27,939	0	27,939
		<b>Subtotal for 2039</b>	<b>27,939</b>	<b>0</b>	<b>27,939</b>
2040	B2010 - Exterior Walls	Stone Columns Renewal	130,596	0	130,596
	B2010 - Exterior Walls	Stone Cornice Renewal	220,128	0	220,128
	C2011 - Regular Stairs	Steel Balconies Renewal	26,192	0	26,192
	C2011 - Regular Stairs	Steel Fire Escape Renewal	27,048	0	27,048
	C3010 - Wall Finishes	Wall Covering - Vinyl Renewal	61,819	0	61,819
	D3012 - Gas Supply System	Natural Gas Service to Bldg, 2" Feed Renewal	12,894	0	12,894
	D4031 - Fire Extinguishers	Fire Extinguisher - Dry Chemical Renewal	6,172	0	6,172
	D5012 - Low Tension Service and Dist.	Main Electrical Service - 400A 120/240V 3W 1Ph Renewal	13,317	0	13,317
	D5033 - Telephone Systems	Telephone System Renewal	18,811	0	18,811
	D5092 - Emergency Light and Power Systems	Emergency Lighting Battery Unit (EBU) Renewal	811	0	811
	E2010 - Fixed Furnishings	Fireplaces Renewal	360,724	0	360,724
		<b>Subtotal for 2040</b>	<b>878,512</b>	<b>0</b>	<b>878,512</b>
2042	D2040 - Rain Water Drainage	Sump Pump - Submersible - 1/2 HP Renewal	6,868	0	6,868
		<b>Subtotal for 2042</b>	<b>6,868</b>	<b>0</b>	<b>6,868</b>
		<b>Total</b>	<b>5,707,721</b>	<b>381,289</b>	<b>6,089,009</b>

**COUNTY-PROVIDED STORTZ RESTORATION & ENGINEERING ESTIMATE**

June 5, 2023

Friends of Villa Terrace Decorative Arts Museum  
P.O. Box 170605  
Milwaukee, WI 53217

Attn: Mr. Jeff Koenig  
Re: BUDGET – Masonry Repairs  
Villa Terrace  
2220 N. Terrace Ave  
Milwaukee, WI 53202

Dear Mr. Koenig,

Per your request, we have developed the following proposal for your review.

**SCOPE OF WORK**

The building and grounds at Villa Terrace are in need of significant repairs to the masonry. There are a number of areas that have been previously repaired but because the repair was only treating the symptom, those repairs are now in need of being repaired again. The Friends of Villa Terrace is looking for BUDGETARY costs to complete the work that needs to be completed.

Accordingly, we have attempted to prioritize the repairs that need to be completed to this building for long term survival. We have also provided BUDGET pricing to complete this work. It should be noted that the budgetary pricing may not be 100% correct due to the amount of work that needs to be completed (façade repair only or does the repair go further into the wall structure), the root causes of degradation in some cases is unknown and the actual means and methods to be utilized in the completion of this work (most notably on the rear of the building).

In our opinion, the single largest issue that should be the first focus would be to properly repair the tile at Terrazzo della Luna (TdL). This deck is allowing water to penetrate down into the structural concrete slab below causing the rebar to rust and spall the concrete. Further, the flashing detail between this patio area and the stone balustrade on the east side is likely failed. This is shown by the bricks below the stone balustrade being severely cracked despite being previously rebuilt (assuming due to the texture of the brick).

Further, the steel lintels above the lower windows are significantly corroded which is causing rust jacking and is causing cracking in the masonry. These steel lintels are likely collecting water that runs down through the wall system from the patio area. This deterioration extends to the masonry below the sleeping porches on either end.

At this point it is believed that there are no significantly dire structural concerns with this area. However, should this be left without significant repairs, larger problems will start to manifest themselves. In brief, what should be completed with this plaza is that the existing tile and stone railing be removed, salvaged and set aside for later reuse. The structural concrete deck should have a waterproof membrane installed

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that is properly detailed, then the tile and stone railing can then be reinstalled. An architect with experience in situations like this should be consulted / retained to develop a plan for this deck.

The second area of concern is the north east stairwell in the courtyard. There appears to be some settling occurring due to the amount of cracking, loose bricks and previous repairs. It is believed that a steel beam likely supports this area and is anchored back to the area at the top of the stairs where a repair has been completed previously. It is our recommendation that before significant repairs are completed to this area that the previous repair to the wall at the top of the steps be removed and the inside of the wall is exposed to identify what repairs may be necessary. We have provided pricing to open this wall up to inspect the condition of the interior structure of this wall where a steel beam is believed to be – see item 'B' in the pricing section. Due to the unknown issues, a budget cost for repairs to this area cannot be provided at this time.

Prior to completing masonry repairs on this building, a mortar analysis should be completed to ensure the proper mortar is being used for the repairs. It is extremely likely that the original mortar was a natural hydraulic lime mortar and therefore this same type of mortar should be utilized for repairs. However, with buildings of historical importance, such as this one, a formal testing of the mortar should be completed. We have included the cost to have a piece of the mortar removed, shipped to a third party company that will complete a mortar analysis and to have a sample installed of the proposed mortar mix. This should be completed prior to any repairs being completed.

Once those two areas have been repaired and a mortar analysis has been completed, the following is a list of items that should be completed in order of priority:

- 1.) South Interior Gate: This gate appears to have been struck by a vehicle. We are proposing to remove the existing gate from the south side and set aside for re-use. The existing cap stone will then be reset in a full bed of mortar. Despite the original mortar likely being a natural hydraulic lime mortar, we will use a type S mortar to reset this cap stone. The reason for this is due to the strength needed to help support the gate and because there is a flashing system installed below this cap stone, thus preventing damage to the surrounding masonry. Once the mortar has sufficiently cured, approximately 1 week, the gate will then be re-anchored similar to how it was originally. It was assumed that all materials could be re-used without significant re-working.
- 2.) Free Standing Stone Walls Above Scaletta d'Acqua: These stone walls are in poor condition. They are not the most obvious walls needing repairs, but due to the type of repairs needed and current state, they have the highest priority due to the displaced stones and wide open skyward facing mortar joints. The loose stones will be removed from these walls and cleaned of residual mortar. The cavity will then be cleaned and the original stones reset in a full bed mortar. It was assumed that on the north wall that approximately 10 stones would need to be reset and the south wall will require approximately 25 stones.
- 3.) Mercury Courtyard Knee Wall Repairs: The knee wall in the Mercury Courtyard will have the head joints between the stone caps cut out to a depth of approximately  $\frac{3}{4}$ " and a new properly configured sealant joint installed. This will allow these stones to move slightly with temperature variation but remain water tight.

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Also, the brick masonry on the west side south end has a bulge. This masonry will be removed and salvaged. The bricks will then be rebuilt to match the original configuration. In total, we have included removing and replacing approximately 100 bricks at this bulge. Further, the rest of these walls will be inspected for failed mortar joints and tuckpointed accordingly.

- 4.) Walls and Lintels Below the TdL – South Elevation: Again, this work should only be completed after the repairs to the TdL or conjunction with that project. Failed bricks on the exterior wythe of the masonry will be removed from these walls. Matching bricks will then be reset in a full bed of mortar and the joints tooled to match the surrounding, as best possible. We have included replacing approximately 350 bricks.

Also, while working at this area, the lintels above the windows and doors are extremely corroded. We have included replacing 10 steel lintels. These lintels are assumed to be loose laid steel angles. The steel grates covering the windows will be removed and set aside or reuse. The brick masonry from above the lintel will be removed and salvaged, if possible. A new steel angle that is hot dipped galvanized will then be set in place, a flashing system installed and the brick masonry reinstalled. The steel grates will then be reinstalled similar to how they were originally.

- 5.) Repair of Brick Walls and Stairs Between the Lower Terrace and the Upper Terrace: These walls will be tuckpointed as necessary and have damaged bricks replaced. In total, we have included approximately 50 brick replacements. These walls will also be tuckpointed as necessary.

Further, there is a section of foundation under the south wing wall by the stairs that appears to have eroded. We are proposing to hand excavate approximately 1' down to expose the remaining portion of the foundation (assumed to be there). The foundation will then be patched back using a rapid setting concrete repair material. The area will then have the excavated spoils replaced. Landscaping repairs by others.

- 6.) Stabilize Stone Pier at West Entrance to the Mercury Courtyard: The south stone pier will simply be tuckpointed to stabilize this area.
- 7.) Brick Masonry Repairs to the South Wing – South Elevation at Grade: We have included replacing approximately 50 bricks and completing tuckpointing as necessary at this location.
- 8.) Brick Masonry Repairs to the North West Corner of the South Wing – 2<sup>nd</sup> floor: Here we have included replacing approximately 30 bricks and tuckpointing as necessary.
- 9.) Re-Set Finials at Both Main Gate Entrances: The stone finials will be lifted off pier. The bonding surfaces will be cleaned of residual mortar. These finials will then be set in a bed of historically correct mortar.
- 10.) Re-Anchoring of Window Grates: This is one potential repair for the window grates that have rusted and are causing distress to the masonry on this building. An assumed procedure for these window grates would be remove the existing window grates by cutting them off flush with existing masonry. The remaining portion of the grate that extends into the masonry will then be removed from the building so it doesn't continue to cause damage. A piece of ½" diameter

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stainless steel rod will then be anchored into the wall in the same place as the steel originally was mounted. The existing window grates should then have an experienced iron worker install receivers onto the ends of the grates that has a set screw to hold it in place. The window grates can then be reinstalled and the set screws tightened, locking the grate into place.

Permits, if necessary, by others.

#### PRICING

Statz Restoration and Engineering Co., Inc. will provide all labor, materials, equipment and insurance necessary to complete the work described above for the sums of:

A.) TdL Waterproofing – NO BID – VERY Rough Budget Cost:	\$ 175,000 - \$ 225,000
B.) Investigate the North East Stair at the Courtyard:	\$ 3,200.00
C.) Complete a Mortar Analysis:	\$ 3,500.00

#### BUDGET PRICING:

1.) <u>South Interior Gate:</u>	\$ 2,750.00
2.) <u>Free Standing Stone Walls Above Scaletta d'Acqua:</u>	\$ 13,250.00
3.) <u>Courtyard Knee Wall Repairs:</u>	\$ 15,650.00
4.) <u>Walls and Lintels Below the TdL:</u>	\$ 64,325.00
5.) <u>Repair of Brick Walls and Stairs Between the Lower Terrace and the Upper Terrace:</u>	\$ 45,775.00
6.) <u>Stabilize Stone Pier at West Entrance to the Mercury Courtyard:</u>	\$ 350.00
7.) <u>Brick Masonry Repairs to the South Wing – South Elevation at Grade:</u>	\$ 4,850.00
8.) <u>Brick Masonry Repairs to the North West Corner of the South Wing:</u>	\$ 4,250.00
9.) <u>Re-Set Finials at Both Main Gate Entrances:</u>	\$ 4,150.00
10.) <u>Re-Anchoring of Window Grates:</u>	\$ 6,500.00 / Grate

Note – Due to the condition of the masonry, a contingency fund of approximately 25% should be held due to unforeseen conditions.

Sincerely,



Peter A. Nichols, P.E.  
Project Manager

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## Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

### Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

### Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

### As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

### Base Rent

The minimum rent stipulated in a lease. (Dictionary)

### Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

### Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

### Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

### Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

### Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

### Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center’s common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4<sup>th</sup> Ed.)

### Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

### Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement

may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

### Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

### Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ( $DCR = NOI \div I_m$ ), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

### Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

### Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

### Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation;
3. Both the buyer and seller are acting prudently and knowledgeably;
4. The seller is under compulsion to sell;
5. The buyer is typically motivated;
6. Both parties are acting in what they consider to be their best interests;

7. An adequate marketing effort will be made during the exposure time;
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
9. 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.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

### Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

### Easement

The right to use another's land for a stated purpose. (Dictionary)

### EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

### Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

### Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

### Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

### EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

### Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

### Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

### Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

### Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

### Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

### Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)

### Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**Comment:** Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

### Fee Simple Estate

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. (Dictionary)

### Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

### Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

### Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

### Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

### Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

### Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading



docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

### Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as “grossed up.” (Dictionary)

### Gross Sellout Value (Sum of the Retail Values)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values*. (Dictionary)

### Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

### Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

### HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

### Highest and Best Use

1. 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.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset

when formulating the price that it would be willing to bid. (IVS)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

### Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

**Comment:** Hypothetical conditions are contrary to known facts 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)

### Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

### Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

### Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

### Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified

in the lease plus the reversionary right when the lease expires. (Dictionary)

### Leasehold Interest (Leasehold Estate)

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

### Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

### Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

### Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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. (Dictionary)

### Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

### Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or

telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

### Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

### Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: 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:

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

### Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

### Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

### Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

### Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

### Operating Expense Ratio

The ratio of total operating expenses to effective gross income ( $TOE/EGI$ ); the complement of the net income ratio, i.e.,  $OER = 1 - NIR$  (Dictionary)

### Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

### Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

### Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

### Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

### Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

### Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

### Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. (Dictionary)

### Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

### Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

### Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

### Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

### Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

### Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

### Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

### TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

### Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

### Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

### Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

### VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)



## Qualifications

Qualifications of S. Steven Vitale, MAI, SGA  
Senior Managing Director  
Valbridge Property Advisors | Milwaukee

*Independent Valuations for a Variable World*

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**State Certifications**

State Certified General Appraiser  
Wisconsin - License No. 506-10  
Illinois - License No. 553.002620  
Michigan - License No. 1205004914  
Minnesota - License No. 40767924

**Education**

University of Wisconsin – Madison: Masters of Science degree in Real Estate Appraisal and Investment Analysis. Graduated with distinction in May 1991.

University of Wisconsin – Milwaukee: Bachelor of Business Administration with majors in finance and real estate. Graduated in August 1988.

**Designations**

MAI - Appraisal Institute, Member (1995)  
SGA – Society of Golf Appraisers (2020)

**Organizations**

Appraisal Institute  
IRWA - International Right of Way Association  
Commercial Association of Realtors WI  
Univ. of WI Real Estate Alumni Assoc.  
National Golf Foundation  
International Right of Way Association

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**Overview**

Commercial real estate appraiser experienced in a wide variety of complex appraisal and consulting assignments in multiple property types and markets. Specialized in valuation of special purpose and investment property including hotels, golf courses, mixed-use land developments, conservation easements, office, retail, industrial, senior housing, and multi-family properties. Experienced in condemnation and property tax appraisals and have testified as an expert in multiple cases. Clients served include financial institutions, banks, insurance companies, corporations, government agencies, developers, law firms and individuals.

**Experience**

**2013 – Present**

Senior Managing Director  
Valbridge Property Advisors | Milwaukee  
Brookfield, Wisconsin

**1998 – Present**

Vitale Realty Advisors, LLC – President  
Brookfield, Wisconsin

**1994 – 1998**

Moegenburg Research, Inc. – Appraiser  
Elm Grove, Wisconsin

**1993 – 1994**

Gloodt Associates, Inc. – Associate  
Chicago, Illinois and Elm Grove, Wisconsin

**1991 – 1992**

Arthur Andersen & Co. – Staff Appraiser  
Chicago, Illinois

**1988 – 1989**

Ogden & Co., Inc. – Comm. Real Estate Broker  
Milwaukee, Wisconsin

NO. 506 - 10

EXPIRES: 12/14/2025

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

*Hereby certifies that*

**Salvatore Steven Vitale**

*was granted a license to practice as a*

**APPRAISER, CERTIFIED GENERAL**

*(551)*

*in the State of Wisconsin in accordance with Wisconsin Law  
on the 15th day of December in the year 1993.*

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

*In witness thereof, the State of Wisconsin*

*Real Estate Appraisers Board*

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



  
DSPS Secretary

*This certificate was printed on the 1st day of November in the year 2023*

## Qualifications of James Coyle

### Appraiser

Valbridge Property Advisors | Milwaukee

### *Independent Valuations for a Variable World*

---

#### State Certifications

Wisconsin Certified General Appraiser  
License No. 2433-10

#### Education

University of Wisconsin – Milwaukee  
Master's of Business Administration  
May 2013

Purdue University  
Master's of Science in Civil Engineering  
December 1997

University of Pittsburgh  
Bachelor's of Science in Civil Engineering  
April 1996

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#### Overview

Commercial real estate appraiser experienced in a wide variety of appraisal and consulting assignments. Background includes exposure to multiple property types and markets, and experience includes projects involving vacant land, office, retail, industrial, hospitality, and multi-family properties. Clients served include financial institutions, banks, corporations, government agencies, developers, attorneys and individuals.

#### Experience

##### **2018 – Present**

Appraiser  
Valbridge Property Advisors | Milwaukee

##### **2015 - 2018**

Real Estate Analyst  
Duff & Phelps

##### **1998 - 2015**

Civil Engineer / Program Manager



NO. 2433 - 10

EXPIRES: 12/14/2025

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

*Hereby certifies that*

**James P Coyle**

*was granted a license to practice as a*

**APPRAISER, CERTIFIED GENERAL**

*(551)*

*in the State of Wisconsin in accordance with Wisconsin Law  
on the 1st day of August in the year 2019.*

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

*In witness thereof, the State of Wisconsin  
Real Estate Appraisers Board*

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



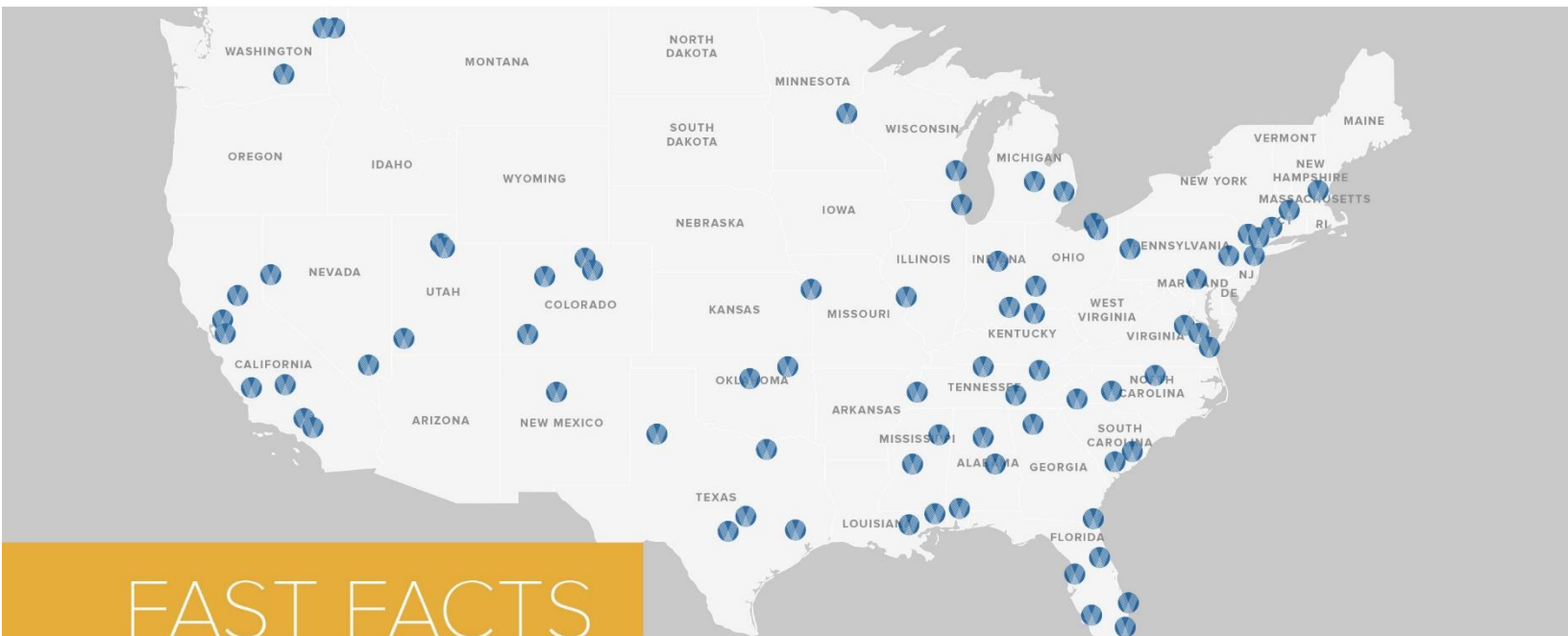
  
DSPS Secretary

*This certificate was printed on the 3rd day of November in the year 2023*



# Valbridge

PROPERTY ADVISORS



## FAST FACTS

### COMPANY INFORMATION

- Valbridge is the largest independent commercial property valuation and advisory service firm in North America.
  - Total number of MAI-designated appraisers (200+ on staff)
  - Total number of office locations (80+ across the U.S.)
  - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

### Valbridge Property Advisors, Inc.

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**Valbridge**  
PROPERTY ADVISORS

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