

April 4, 2018



Mr. David Tapia
City of Milwaukee
Department of Public Works
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**Land Sales Analysis For Nominal Payment Parcel Report
South 60th Street, City of Milwaukee
Parcel 1, 2415-00-01**

Dear Mr. Medhin:

As requested, I have researched recent land sales to establish an offering price to be used in a Nominal Payment Parcel Report for a permanent limited easement (PLE) to be acquired from Milwaukee County for the South 60th Street Storm Sewer Project 2415-00-01. In order to comply with the Uniform Standards of Professional Appraisal Practice (USPAP), I have prepared the following Restricted Appraisal Report. **Use of this appraisal is limited to the client, the City of Milwaukee, who is advised that the rationale for how I arrived at the conclusion set forth in this report may not be understood properly without additional information in my work file.**

The real estate interest to be acquired is a 0.317-acre permanent limited easement (PLE) for storm sewer repairs and maintenance. The easement to be acquired measures 120 feet by 115 feet and will encumber a larger parcel of 27.25 acres with an address of 2501 South 51st Street. The larger parcel is zoned PK, Parks, and is part of the Kinnickinnic River Parkway that runs along the Kinnickinnic River. The river runs through the larger parcel being valued, and much of the parcel is classified as floodplain.

The real property interest appraised is an easement. The type of value estimated is market value (Source: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994). The effective date of the appraisal and the date of this report is April 4, 2018.

The scope of this Restricted Appraisal Report included a search for recent comparable land sales to establish an offering price for the parcel. I did not physically inspect the subject property or the comparable sales and the comparable sales were verified only by public records and Multiple Listing Service.

The sales comparison approach was used to establish the concluded offering price. The cost and income capitalization approaches were omitted because they are not methods typically utilized by market participants to value vacant land. As requested by the client, only a brief analysis of the sales was made to establish an offering price. The report is not subject to any Extraordinary Assumptions or Hypothetical Conditions.

The property to be acquired is currently part of a site used as public open space and much of it is river and floodplain. Because public parks rarely sell, sales of residential land with significant floodplain and/or wetlands provide the best indication of value for the subject property. In order to find sales of larger tracts of vacant land it was necessary to expand the search to include the southern portions of Milwaukee County where a supply of vacant land still exists. The following land sales were considered in the analysis.

Sale #	Address	Date of Sale	Grantee	Sale Price	Size Acres	Price Per Acre
1	N of 9308 S 92nd St Franklin	3/23/2015	M. Talbot Recovery Svcs, Inc.	\$125,000	15.21	\$8,218
2	10443 S 76th St Franklin	3/11/2016	Pozak Rentals, LLC	\$275,900	28.33	\$9,739
3	7501 S 49th St Franklin	7/11/2016	Creative Homes, Inc.	\$400,000	32.24	\$12,407

Three comparable land sales were considered in the analysis. They range in size from 15.21 to 32.24 acres and indicate unit prices ranging from \$8,218 to \$12,407 per acre. Sales 2 and 3 require upward adjustment for demolition costs to remove old improvements, and all of the sales require upward adjustment for the subject's superior location in an area with a limited supply of available land. Additional upward adjustment is required for the date of the sales (market conditions). Based on these sales, the larger parcel is estimated to have a market value of \$12,000 per acre. This unit value will be used to value the PLE.

A PLE of 0.317 acre will be acquired for the project. The easement area is a rectangular parcel of land on the west end of the site, on the east side of South 60th Street. The PLE is a right for construction and maintenance purposes and will be used to install a storm sewer pipe extension and new endwall, as well as make improvements to a lined channel for storm sewer outfall. The channel will be graded and heavy riprap installed. Existing trees will be cleared from most of the easement area. A 48-inch water main and associated 20-foot easement crosses through the PLE area and will be not be impacted by the storm sewer work or the PLE.

In order to value the PLE, consideration is given to how the easement will impact use of the subject property. The PLE will permit improvements to and maintenance of a storm sewer outfall that already exists, so the property will not be substantially changed by the PLE. Most of the PLE area will be cleared of trees, but the area is at the end of the parkway parcel on South 60th Street, and the trees in this area are not critical to park use of the property. The storm sewer improvements will be mutually beneficial to grantor and grantee. It is estimated that the bundle of rights associated with the easement area will be shared equally by the grantor and grantee in the after condition.

Therefore, it is estimated that the value of the PLE is equal to 50 percent of the estimated land value of the area, or \$1,902 (0.317 acre PLE x \$12,000 per acre x .50), rounded to \$1,900.

Sincerely,

CORRE, INC.

A handwritten signature in cursive script that reads "Ann R. Davis".

Ann R. Davis, MAI
Wisconsin Certified General Appraiser #34-10
608.826.6155
adavis@correinc.com

CERTIFICATION

To the best of my knowledge and belief, the statements contained in this appraisal report are true and the information upon which the opinions expressed herein are based is correct, subject to the limiting conditions herein set forth:

The statements contained in this report are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Neither my compensation nor my employment are contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stimulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

No one provided significant real property appraisal assistance to me in making this report.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this appraisal, Ann R. Davis has completed the requirements of the continuing education program of the Appraisal Institute.

I have made a personal inspection of the property that is the subject of this report.



Ann R. Davis, MAI
Wisconsin Certified General Appraiser #34 – 10