

**Appraisal Report of
Parcel ED-769
123 N. Broadway Street,
De Pere, Brown County
WI, 54115**

April 3, 2018

Ms. Kimberly Flom
Development Services Director
City of De Pere
335 S. Broadway Street
De Pere, WI 54115

Dear Ms. Flom:

As requested, I have appraised Parcel ED-769 located at 123 N. Broadway Street, City of De Pere, Brown County, WI. The appraised property consists of a 0.241 acre parcel of land used as a Parking Lot. The Current As Is Market Value of the Fee Simple interest in the property, as of March 15, 2018, is as follows:

One Hundred Twenty Six Thousand Dollars

\$126,000

The attached appraisal report contains the market data and analysis upon which the value conclusion was based. The report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice. The appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the Limiting Conditions and Assumptions section of this report, and all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by the appraiser, constitutes acceptance of all such limiting conditions and terms.

Sincerely,

Weiler Appraisal Inc.



Detlef H. Weiler, MAI
Wisconsin Certified General Appraiser
WI-237-10

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Summary of Important Facts and Conclusions

Subject Property: Parcel ED-769
123 N. Broadway Street,
De Pere, Brown County, WI, 54115

Owner: City of De Pere

Effective As Is Date of Value: March 15, 2018

Intended Use: The intended use is to determine the market value for the
proposed marketing of the property for redevelopment.

Intended User(s): City of De Pere

Land Size 0.241 Acres

Zoning: B-1, Central Business District

Highest & Best Use, as Vacant: Retail or Restaurant development, with potential upper
floor residential uses.

Market Value Conclusions:

Sales Comparison Approach: \$126,000
Income Capitalization Approach: NA
Cost Approach: NA

Final Value Conclusions: **As Is**
Value Conclusion(s) \$126,000
Effective Date (s) March 15, 2018
Property Rights Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

1. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part. No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.
2. All files, work papers and documents developed in connection with this assignment are the property of Weiler Appraisal Inc.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.
3. The description of any improvements provided in the appraisal was based on physical observations of the improvements, as well as floor plans and/or building plans that may have been made available to the appraiser. However, the appraiser is not qualified to detect the presence of any mechanical or structural defects in the improvements. It is therefore assumed that the structure and all mechanical systems are in proper functional and working condition, unless specifically stated otherwise in this report.
4. All engineering studies are assumed to be correct. The plat maps and illustrative material in this report are included only to help the reader visualize the property. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them
5. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.
6. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

7. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
8. Any allocation of a total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal, and are invalid if so used.
9. Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
10. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considering the appraisal report.
11. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal.
12. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
13. It is assumed that the use of the land and improvements is confined within the boundary or property lines of the property described, and that there is no encroachment or trespass unless noted in the report.
14. The appraiser is not required to give testimony in Court in connection with this appraisal. If the appraiser is subpoenaed pursuant to a court order, the client agrees to pay the appraiser Weiler Appraisal Inc.'s regular per diem rate plus expenses.
15. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.
16. **Americans with Disabilities Act (ADA) of 1990**
A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Weiler Appraisal Inc. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

Scope of Work is defined by The Dictionary of Real Estate Appraisal, 6th Edition, as follows:

1. The type of data and the extent of research and analyses. (SVP)
2. The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 20162017)

The scope of this appraisal included the following:

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, the subject property, and the market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	The site and neighborhood were physically viewed.
Market Area and Analysis of Market Conditions:	An analysis of market conditions has been made. It includes vacancy and rental rate trends for the commercial real estate market and development trends.
Highest and Best Use Analysis:	A highest and best use analysis for the subject property has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Information Sources:	Sources and verification of my data include the assessor's office, county deed records, real estate brokers, property owners, other real estate appraisers, investor surveys, and providers of real estate data such as CoStar, LoopNet, and/or RediComps. Local officials were contacted regarding assessment and zoning information.
Type of Value:	Fee Simple

Valuation Analyses

Sales Comparison Approach: The sales comparison approach was applied, as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Capitalization Approach: The income capitalization approach was not applied, as the subject property consists of undeveloped land.

Cost Approach: The cost approach was not applied, as the subject property consists of undeveloped land.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no extraordinary assumptions for this appraisal.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the market value of Parcel ED-769, located at 123 N. Broadway Street, in the City of De Pere, Brown County, WI. It is a 0.241 acre parcel of land used as a Parking Lot.

Intended Use

The intended use of the appraisal is to determine the market value for the proposed marketing of the property for redevelopment. This report is not intended for any other use.

Client and Intended User

The client is the City of De Pere. The intended user is the City of De Pere. Use of this report by others is not intended by the appraiser.

Property Rights Appraised

The property rights appraised consist of the fee simple interest in the property. Fee simple estate is defined by The Dictionary of Real Estate Appraisal, 6th Edition, as follows:

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.

Date of Valuation

The effective date of the appraisal is March 15, 2018, which is the date the property was physically viewed. The date of the appraisal report is April 3, 2018.

Sales History

The subject property is under the ownership of City of De Pere. No sales of the subject property were noted over the prior three-year time frame. It is currently not listed for sale.

Extraordinary Assumptions

The Dictionary of Real Estate Appraisal, 6th Edition, defines extraordinary assumptions as “an assumption directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”

- There are no extraordinary assumptions for this appraisal.

Hypothetical Conditions

The Dictionary of Real Estate Appraisal, 6th Edition, defines hypothetical condition as “1. A condition that is presumed to be true when it is known to be false. 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.” The appraisal of the subject property involves no hypothetical conditions.

- There are no hypothetical conditions for this appraisal.

Marketing Time and Exposure Time

The PwC Real Estate Investor Survey, 4th Quarter 2017 provided an overview of the national development land market. It states that development prospects are strongest in the industrial and apartment sectors, whereas retail is the lowest rank category. They further note that development prospects for 2018 are also strong for urban mixed-use properties, data centers, infrastructure, self-storage, and suburban mixed-use town centers. Development concerns were indicated to be land and construction costs, as well as transportation, housing costs and availability, and capital availability. Marketing periods were indicated at a range of 6 months to 36 months, with an average of 16 months. This is similar to the past few quarters, which have ranged from 15 to 16 months. Investor expectations are for appreciation rates averaging 3.5%. This represents a sharp decline from past surveys, to include 5.3% in the 2nd quarter 2017, 5.6% in the 4th quarter 2016, and 5.9% in the 2nd quarter 2016.

CoStar Group provides information regarding land sales in the local market, to include marketing times. This data includes commercial, industrial, and residential land sales. They reported 69 transactions in Brown County since the beginning of 2015. Marketing times were available for 29 sales. They range from 15 days to 3,795 days. The average was 969 days or, 32 months; the median was 873 days or, 29 months. The average parcel size was 10.88 acres and the median was 2.19 acres.

The subject property is located along a major traffic carrier in downtown De Pere. It has a built-up neighborhood that has experienced modest but fairly steady levels of redevelopment activity. This has primarily consisted of the renovation of older, existing structures, but has also included some new construction. Therefore, a shorter marketing time would be anticipated, as compared to outlying location which have more ample alternative sites available. Finally, the CoStar data is based upon historical transactions, over which time there been improvements in the economy and real estate market conditions. As such, a marketing time has been estimated at 9 to 12 months.

The market value conclusion assumes the property has been exposed to the market for 9 to 12 months prior to the effective date of value. No development trends or other factors were found to be present in the market that would result in an exposure time different from the aforementioned marketing time.

Market Value Definition

Market Value is defined by part 323.2(g) of FDIC Rules and Regulations as “the most probable price which 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:

- a. Buyer and seller are typically motivated.
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests.
- c. A reasonable time is allowed for exposure in the open market.
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.”

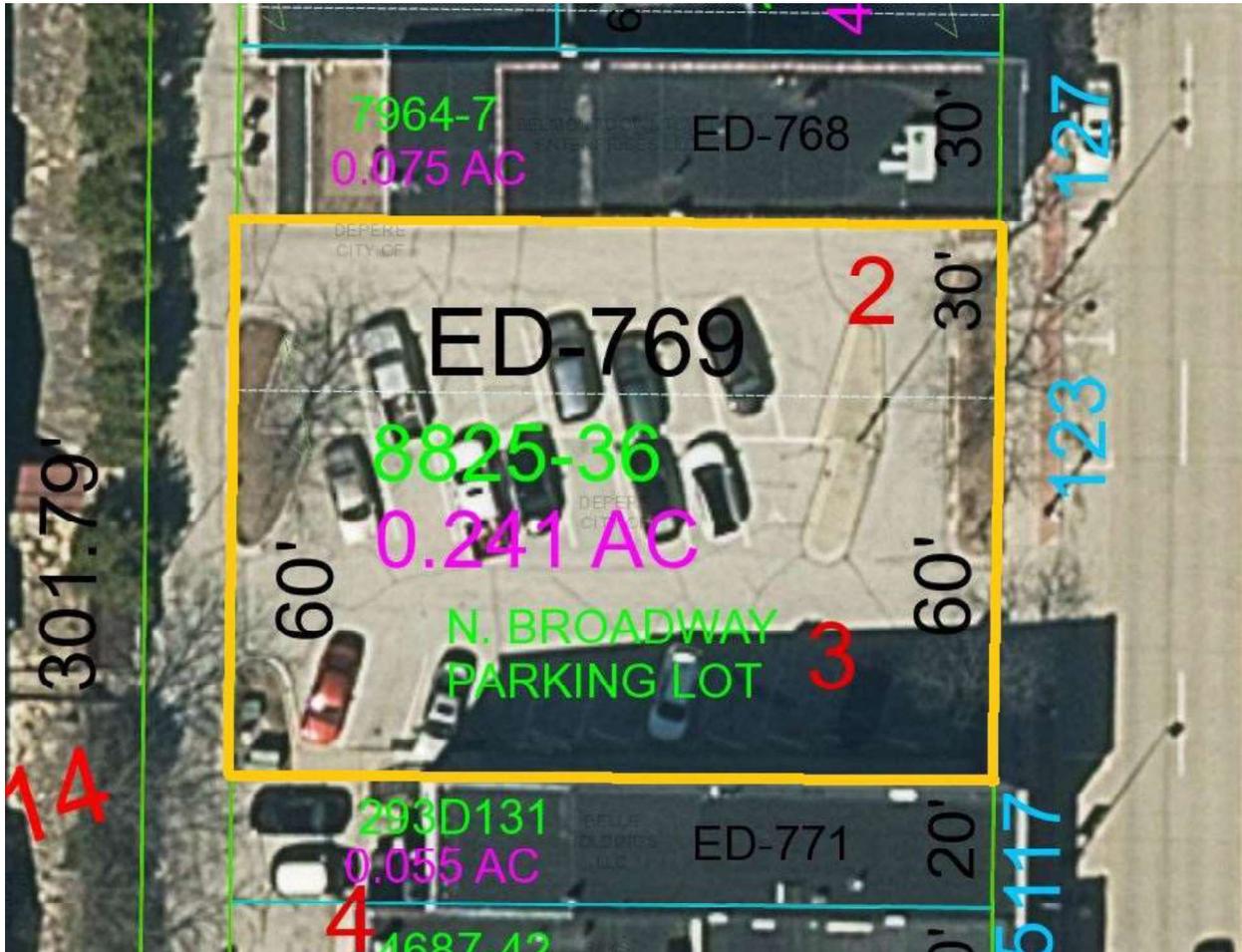
As Is Market Value is defined by the Dictionary of Real Estate Appraisal, 6th Edition as “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

Legal Description

The legal description was obtained from the assessor's records and is presented below. A plat map is included on the following page.

ORIGINAL PLAT OF DEPERE S 1/2 OF LOT 2 & ALL OF LOT 3 BLK 14

Plat Map



http://www.co.brown.wi.us/departments/page_c19a672c00e7/?department=85713eda4cdc&subdepartment=89ce08984445

General Market Area Analysis

Property values are influenced by social, economic, governmental, and environmental forces of the market area in which the property is located. The Dictionary of Real Estate Appraisal, 6th Edition, defines market area as “the geographic region from which a majority of demand comes and in which the majority of competition is located.” The Appraisal of Real Estate, 14th Edition, states that “market areas are defined by a combination of factors-e.g., physical features, the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements (age, upkeep, ownership, and vacancy rates), and land use trends.”

The influences on property value would include general trends for the metropolitan area in which the property is located, as well as more specific value influences in the immediate vicinity, or, neighborhood. The subject general market area would be considered the Green Bay Metropolitan Area, with neighborhood factors discussed subsequently in this report. The following is a discussion of various property value influences for the Green Bay Metropolitan Area. Availability of data varies between countywide data, and the defined metropolitan area, which includes population growth that has occurred in the abutting counties.

Demographic Trends

The subject property is located in the City of De Pere, which is situated in the southwestern portion of Brown County. The county is comprised of the Cities of Green Bay and De Pere, as well as nine villages, and 13 townships. The table on the following page summarizes population trends for the municipalities comprising Brown County.

Brown County has generally experienced increasing trends in population, with the most significant growth occurring in the surrounding suburban areas. These would include the Town of Lawrence and Town of Ledgeview, on the far south side of the community; the Village of Bellevue to the east; the Villages of Howard and Suamico on the northwest side of the county; and the Village of Wrightstown, which is a rural community in the far southwest portion of the county. Population growth in these areas is generally attributable to the expansion of municipal sewer service to these areas, improved roadways, and the desire for newer homes on larger lots.

Despite the increasing trend in population, the community had been impacted by the downturns in the real estate market. There were sharp declines in new construction activity through 2011, followed by a gradual increasing trend. The following chart summarizes single and multifamily housing starts for the county over the past few years, per US census figures.

Year	Single Family	Multifamily
2011	341	327
2012	480	232
2013	450	487
2014	427	251
2015	434	331
2016	536	202

Source: <http://censtats.census.gov/bldg/bldgprmt.shtml>

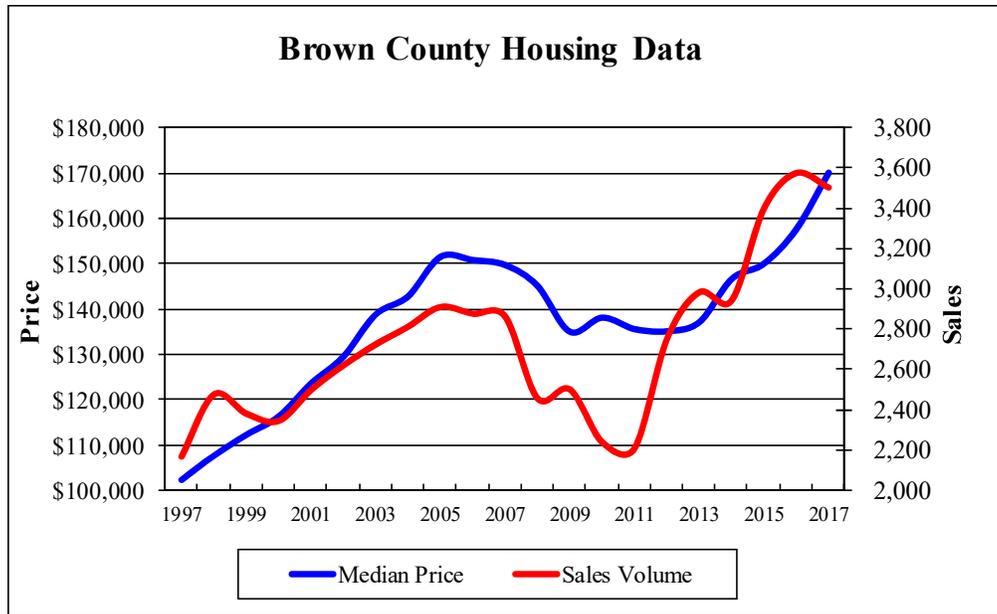
BROWN COUNTY POPULATION TRENDS					
<u>Municipality</u>	<u>2000</u>	<u>2010</u>	<u>2017</u>	Growth Rates	
				<u>2000-2010</u>	<u>2010-17</u>
C GREEN BAY	102,767	104,057	105,443	1.26%	1.33%
C DE PERE	20,559	23,800	24,721	15.76%	3.87%
V ALLOUEZ	15,443	13,975	13,784	-9.51%	-1.37%
V ASHWAUBENON	17,634	16,963	16,867	-3.81%	-0.57%
V BELLEVUE	11,828	14,570	15,365	23.18%	5.46%
V DENMARK	1,958	2,123	2,194	8.43%	3.34%
V HOBART	5,090	6,182	8,778	21.45%	41.99%
V HOWARD *	13,546	17,399	19,371	28.44%	11.33%
V PULASKI *	3,013	3,321	3,316	10.22%	-0.15%
V SUAMICO	8,686	11,346	12,558	30.62%	10.68%
V WRIGHTSTOWN *	1,934	2,676	2,703	38.37%	1.01%
T EATON	1,414	1,508	1,624	6.65%	7.69%
T GLENMORE	1,187	1,135	1,126	-4.38%	-0.79%
T GREEN BAY	1,772	2,035	2,096	14.84%	3.00%
T HOLLAND	1,339	1,519	1,579	13.44%	3.95%
T HUMBOLDT	1,338	1,311	1,342	-2.02%	2.36%
T LAWRENCE	1,548	4,284	5,158	176.74%	20.40%
T LEDGEVIEW	3,363	6,555	7,764	94.92%	18.44%
T MORRISON	1,651	1,599	1,610	-3.15%	0.69%
T NEW DENMARK	1,482	1,541	1,565	3.98%	1.56%
T PITTSFIELD	2,433	2,608	2,742	7.19%	5.14%
T ROCKLAND	1,522	1,734	1,824	13.93%	5.19%
T SCOTT	3,138	3,545	3,641	12.97%	2.71%
T WRIGHTSTOWN	<u>2,013</u>	<u>2,221</u>	<u>2,289</u>	<u>10.33%</u>	<u>3.06%</u>
BROWN CO. TOTAL	226,658	248,007	259,460	9.42%	4.62%

* Extends into adjacent county. Population is for Brown County only.

Source: <http://www.doa.state.wi.us/subcategory.asp?linksubcatid=96&linkcatid=11&linkid=64&locid=9>

The median population age for Brown County was estimated at 36.51 years in 2017, which is up slightly from 36.2 years in the 2010 census. The median household income for 2017 was \$58,985, up from \$50,743 in the 2010 census.

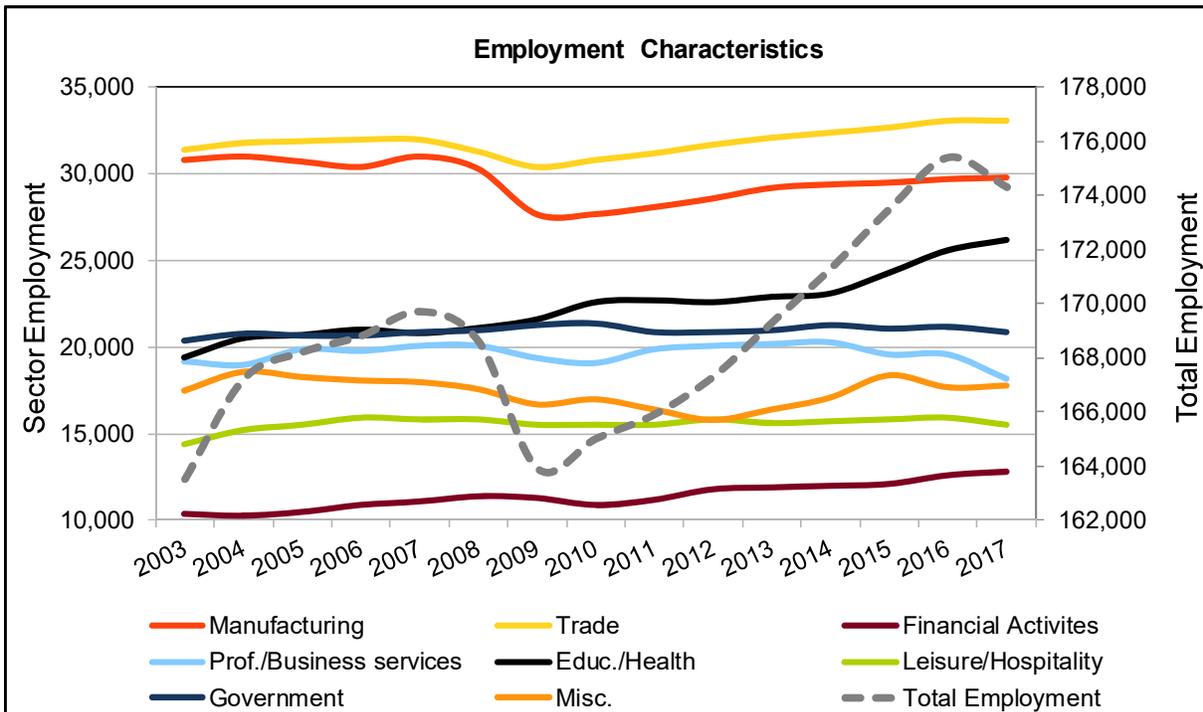
The downturn in the housing market had also resulted in a significant decline in the volume of single family home sales through 2011. However, sales volume has since rebounded sharply. Additionally, the local market did not experience the significant increases in home prices that occurred in other areas of the country. As such, median home prices had shown a lesser level of decline. They have shown steady subsequent increases and are about 26% above the recent low in 2009, and 12% above the prior peak in 2005. The following chart summarizes these single-family housing statistics.



Source: https://www.wra.org/Resources/Property/Wisconsin_Housing_Statistics/

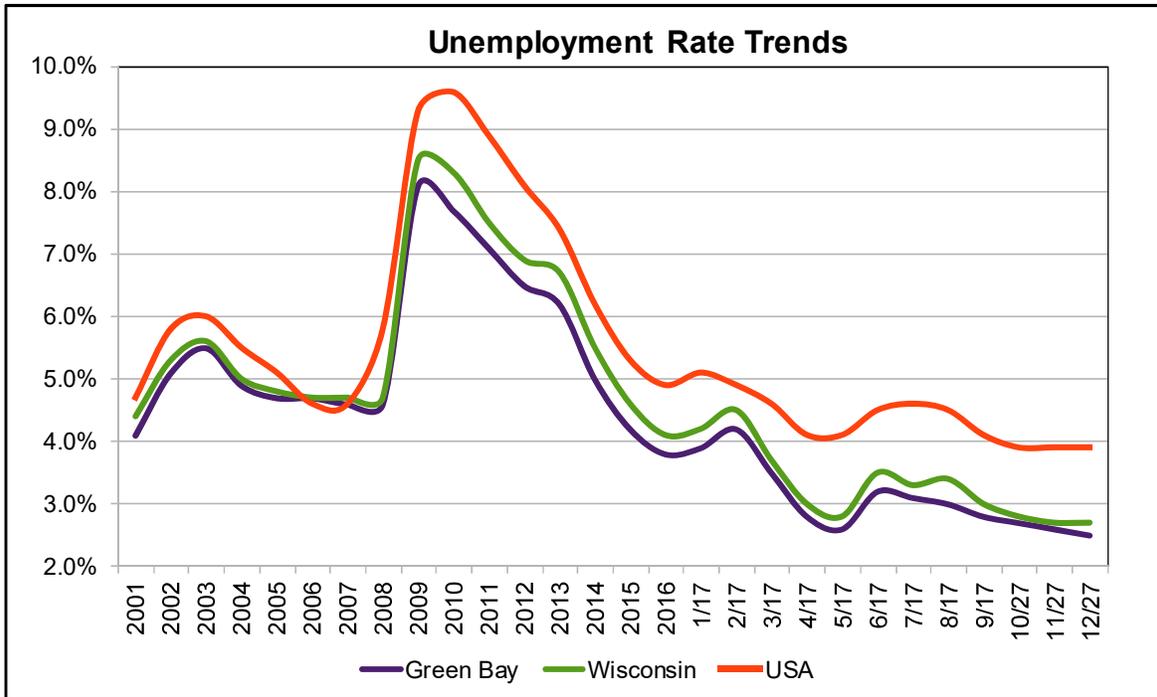
Employment Data

Green Bay generally has a well-diversified economic base. Manufacturing continues to be a key part of the community's economic growth. Many of the manufacturing jobs are either within the paper industry, or directly related to the paper industry, such as machinery or raw materials for the paper industry. The following chart summarizes average annual employment in the major job categories, as well as total employment.



Source: <http://worknet.wisconsin.gov/worknet/daces.aspx?menuselection=da>

The area had generally experienced modest growth in total employment. However, downturns in the national economy have impacted the local market, with sharp increases in unemployment rates. Job losses had been most significant in the manufacturing, professional/business, and trade sectors, whereas the education/health, financial and government sectors have continued to grow. Annual unemployment figures have been declining and have recently reach new historic lows. The following chart summarizes unemployment rates over the past few years, as well as year to date figures. Recent changes represent normal seasonal fluctuations.



Source: <http://worknet.wisconsin.gov/worknet/dalaus.aspx?menuselection=da>

The changes in the employment characteristics are also evidenced in the major employers of the community, which are no longer dominated by manufacturers. The following table summarizes major private employers and their employment levels.

Humana	3,167
Oneida Tribe of Indians	2,690
Schneider National	2,580
Bellin Health	2,329
Georgia – Pacific Corp.	2,200
United Health Group	1,894
Aurora Health Care	1,739
Wisconsin Public Service	1,497
American Foods Group	1,480
St. Vincent Hospital	1,467

Infrastructure

The Green Bay area has excellent highway accessibility. Interstate 41 is located on the west side of the community and provides access to the Appleton Metropolitan Area to the south, and the west side of Milwaukee further south. It also extends northward into the Upper Peninsula of Michigan. Interstate Highway 43 is located on the north and east sides of the community. It begins at Interstate 41 on the northwest side of Green Bay and extends southward to Milwaukee. State Highway 29 is a primary east and west traffic carrier. It extends westward across Wisconsin to Minneapolis - St. Paul, and eastward through rural areas to Lake Michigan.

Air transportation is provided by Austin Straubel International Airport, which is the third largest airport in the state. It serves more than 660,000 passengers annually via three major airlines and two fixed base operators. It provides connections to major airport hubs, allowing for travel to most any destination.

Green Bay fronts along the Bay of Green Bay, and the Port of Green Bay provides modern shipping facilities. The Port of Green Bay handles approximately 2 million tons of cargo annually, to include various dry bulk commodities, as well as bulk liquids and cargo.

Green Bay is serviced by the Canadian Nation Railroad and the Escanaba Lake Superior Railroad. There are numerous motor freight carriers, Green Bay Metro bus service, and Greyhound bus service, which also provides connections to Amtrak in Milwaukee.

Commercial Developed Activity

Commercial development activity is generally concentrated along the various major traffic carriers of the community. The primary regional retail area is located along Oneida Street in the Village of Ashwaubenon and is centered around the Bay Park Square Mall. It contains over 700,000 square feet, and is anchored by Yonkers, Kohl's, and ShopKo, and also includes the Bay Park Square Cinema. Most of the major retailers in the community are located within this area, as are numerous local retailers and restaurants.

A major new development is occurring on the north end of the Oneida Street corridor, adjacent to Lambeau Field. It consists of the Titledown District comprising 34 acres of land formally improved with a Kmart anchored shopping center. It is being redeveloped, with new construction in 2017 including the 144 room Kohler Company Hotel and spa, the 20,000 square foot Hinterland Brewery brew pub and restaurant, the 30,000 square-foot Bellin Health Sports Medicine facility, and a 10-acre public plaza. It is also to include up to 70 townhomes along Brookwood Lane, and a projected 180,000 square feet of additional commercial space along Lombardi Avenue.

Other major concentrations of retail development would include the Military Avenue and West Mason Street corridors on the west side of Green Bay, and the area around the intersection of East Mason Street and Main Street, on the east side of Green Bay.

The downtown Green Bay market has experienced extensive redevelopment of the former Port Plaza Mall. Initial redevelopment in 2006 included the conversion of the Boston store to office use for Baylake Bank and APAC Customer Services. The former Yonkers store is located along the Fox River and has been redeveloped as the WaterMark. It is a multi-story office building which includes first floor retail space, the Green Bay Children's Museum, and Hagemeister Park restaurant. The remaining areas of the mall have been demolished for development of a new headquarters for Schreiber Foods. It was completed in fall 2014 and contains 260,000 square feet of office space with a technology center.

The area along the Fox River has been redeveloped with additional residential projects, to include The Riverfront Lofts condominiums, and the Flats on the Fox apartment complex. The area directly along the Fox River has recently been improved with City Deck. It includes a river walk, gathering areas, and boat docking. In 2015, the KI Convention Center was expanded and the adjacent Hampton Inn Green Bay Downtown was completely renovated. 2017 construction included City Deck Landing, a 76-unit apartment complex at the southeast corner of Main Street and Washington Street, and The Metreau apartments, a 107-unit development at the northeast corner of Walnut Street and Washington Street. The former Northland Hotel is a historic structure last utilized as apartments. It is being renovated into a boutique hotel.

Office development in the Green Bay area is primarily situated along secondary commercial corridors, and also in various business and office park settings. The market includes a mixture of owner occupied and multitenant rental buildings, as well as numerous corporate headquarters. The downtown office market houses various governmental offices, to include local, state, and federal government offices, as well as numerous legal, banking, and financial office users.

Industrial Development Activity

Industrial development within the Green Bay area includes a variety of manufacturing, warehouse, distribution, and shop facilities. The majority of these industrial properties are located in industrial parks developed by local municipalities.

The primary concentrations of industrial development would include; the I-43 Business Center comprising over 800 acres on the east side of Green Bay; the Ashwaubenon Industrial Park and Ashwaubenon Business Park totaling over 1,200 acres on the south side of the Village of Ashwaubenon; the De Pere Business Park and adjacent Southbridge Business Park totaling over 1,100 acres on the southwest side of De Pere; the Village of Howard Industrial Park and Brookfield Industrial Park which comprise 640 acres on the north side of the Village of Howard; and the East De Pere Industrial Park which contains over 400 acres on the southeast side of De Pere.

These business and industrial parks have generally offered sites at reduced prices, which serves to increase the employment base and tax base of the community. Most of these parks are well established and have limited sites available. The City of Green Bay recently developed the University Heights Business Park. It is intended for a mixture of commercial and light industrial development. It currently consists of 120 acres of land around the intersection of State Highways 54 and 57 on the northeast side of the city. It is intended to encompass a total of 1,100 acres.

Finally, there are also various smaller business and industrial park developments located in several of the other municipalities. In general, private industrial and business park development has been very limited, due to the availability of incentives and lower priced sites from the municipalities.

Market Area Conclusions

The Green Bay Metropolitan area had historically enjoyed a growing employment base, with unemployment rates at, or below, state and national averages. The market was impacted by downturns in the national economy, and also within the housing market. This had resulted in significant increases in unemployment, and sharp declines in new development activity. However, historically, the rates of change in the local economy have been less substantial than national trends, with less extensive increases in good times, and less severe decline in bad. Unemployment rates have been declining and have reached new historic lows. Expectations are for continued gradual improvements in local economic and real estate market conditions.

Neighborhood Description

Market conditions in the immediate vicinity of the property can greatly impact value. This area of influence would be the neighborhood in which the property is located. The Dictionary of Real Estate Appraisal, 6th Edition, defines neighborhood as follows:

A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

The following is a description of trends impacting value in the subject neighborhood.

Location

The subject property is located on the west side of Broadway Street, just south of James Street. A neighborhood map is presented on the following page.

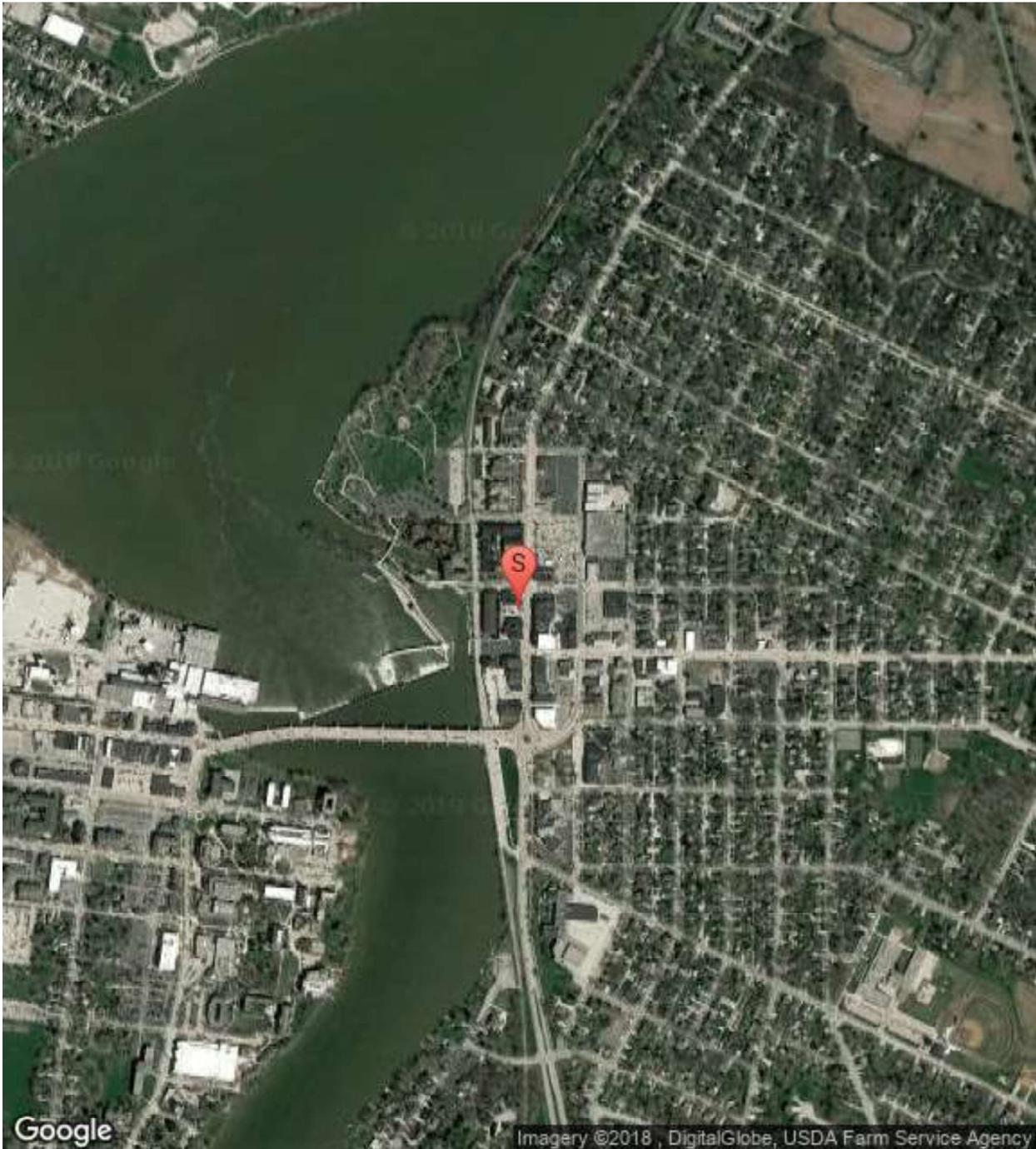
General Neighborhood Characteristics

The subject property is located along a major traffic carrier in downtown De Pere. The downtown market area is located on the east and west sides of the Fox River and is connected by a bridge crossing at Main Avenue/Wisconsin Street. Commercial development on the east side of the Fox River is centered along Broadway Street, while on the west side it is centered along Main Avenue. Commercial development is primarily comprised of the traditional two-story downtown structures. They include a variety of retailers, offices, restaurants, taverns, and service businesses on the first floor, while the upper floors generally house office or residential uses. The east side of downtown includes a shopping center anchored by ShopKo. The west side has several larger office buildings, to include the Marquette Centre, Nicolet Commons, and Reid Street Crossing which has first floor retail space and second story offices.

The downtown market had seen fairly steady levels of redevelopment activity, to include renovation and updating of the existing structures, as well as new construction. Much of the new construction activity occurred in the early 2000's, with larger projects including the aforementioned Marquette Centre, Reid Street Crossing, Nicolet Commons, the Nicolet Highlands Senior Apartments, the Kress Inn Hotel, Joliet Square Apartments, and the 555 Main Avenue condominiums.

Recent development has slowed considerably, reflecting the past downturns in the economy and real estate market. It does include a three-story commercial and residential structure at 500 Main Avenue in 2013; Walgreens at the northeast corner of Broadway Street and Wisconsin Street in 2015; The 102 on Broadway, a 5 story structure with first floor retail and upper floor apartments at the corner of Broadway Street and George Street in 2017; and a proposal for the development of the Mulva Center, a 2 to 3 story cultural arts facility, at the southeast corner of Broadway Street and Wisconsin Street.

Neighborhood Map



Another influence on the neighborhood is a major retail corridor along Main Avenue, just to the west of downtown. Main Avenue extends west to an interchange at Interstate 41, with this area consisting of a variety of convenience stores, restaurants, retailers, and a shopping center anchored by a Festival Foods grocery store.

The downtown market has a wide variety of residential property uses. They include older, traditional mid-priced homes, several historic neighborhoods on the east side, waterfront homes along the Fox River, multifamily properties, and newer apartment and condominiums on the west side. The east side also includes Voyager Park, a 21-acre park along the Fox River on the north side of the downtown market.

Another major property use in the neighborhood is St. Norbert College. It is located along the west side of the Fox River, at the east end of Reid Street. The campus comprises about 108 acres and includes various student housing options. Annual enrollment is at about 2,200 students.

Industrial development is very limited and generally consists of some older, scattered smaller shop structures. However, it does include the Expera Specialty Solution paper mill which is located on the west side of the Fox River, on the north side of Main Avenue. It is comprised of about 27 buildings and has an employment of 210.

The subject property is centrally located along the Broadway Street commercial corridor. Surrounding property uses include Proof Spirited Company to the north and Poppy Avenue Boutique to the south. The Lee Building is to the east, across Broadway Street. It houses various retailers on the first floor and offices on the upper floors. The Fox River Terrace Apartments are directly to the west, across the alley. The recently constructed The 102 on Broadway is situated just to the southeast.

Conclusions

The subject neighborhood would be characterized as a developed area of predominantly commercial and residential property uses. The neighborhood had been impacted by slowdowns in development activity, associated with downturns in the overall economy, as well as within the real estate market. However, there been continued improvements in national and local economic conditions, as well as within the real estate market. Thus, projections would be for continued gradual increases in development activity for the neighborhood.

Site Description and Analysis

One of the primary objectives of the site description and analysis is to provide data that will be utilized in the determination of the highest and best use of the site as though vacant. This in turn, is essential for the land valuation analysis. The following is a description and analysis of the subject sites.

An aerial photo was obtained from the Brown County GIS service and presented in the previous legal description.

Location: The subject property is located on the west side of Broadway Street, just south of James Street.

Current Use of the Property: Parking Lot

Site Size: The assessor's records show a site area of 0.241 acres or, 10,498 square feet

Shape: The site is rectangular.

Frontage/Access: The subject property is not a corner lot. It has good access with frontage as follows:

- Broadway Street: 90 feet
- Alley: 90 feet

Depth: approximately 120 feet
Broadway Street is a four-lane, concrete paved road, with concrete curb and gutter. It also provides on street parking.

Visibility: Good

Topography: The site slopes downward slightly in a westerly direction towards the alley. The Brown County GIS maps show a total change in elevation of about 4 feet.

Soil Conditions: The soil conditions are believed to be adequate to support development.

Wetlands/Watershed: There are no known wetlands impacting the site.

Utilities: Electricity: The site is served by public electricity.
Sewer: Public sewer
Water: Public water
Natural Gas: Public natural gas
Adequacy: The subject's utilities are believed to be typical and adequate for the market area.

- Flood Zone: Floodplain maps for the subject site were prepared by the Federal Emergency Management Agency, and are identified under map number 55009C0258F, dated August 18, 2009. It shows that the subject property is located in FEMA flood zone X, which **is not** classified as a flood hazard area. A copy of the floodplain map is included as Exhibit B in the addendum to this report.
- Environmental Issues: An appraisal is not an environmental survey of the site and the appraiser is not qualified to detect the presence of environmental hazards. The appraised value assumes there are no environmental hazards impacting the site.
- Encumbrance / Easements: The site is assumed to be encumbered by typical utility easements which would provide municipal services to the site. No other easements were physically observed. However, a title search would be required to determine the existence of any other potential easements.
- Other: The property is currently utilized as a parking lot and most of the site is asphalt paved. There also bushes, trees, and grass along the street frontage and in the parking lot islands along the alley.
- Site Comments: The site is readily adaptable to a variety of commercial uses. Photographs of the property have been included in Exhibit A in the addendum.

Assessment and Taxes

The subject property is owned by the City of De Pere and is exempt from taxation.

Taxing Authority City of De Pere
 Assessment Year 2017

Real Estate Assessment and Taxes						
Tax ID	Land	Improvements	Total Assessment	Equalization Ratio	Implied Value	Taxes
ED-769	\$0	\$0	\$0	95.45%	\$0	\$0

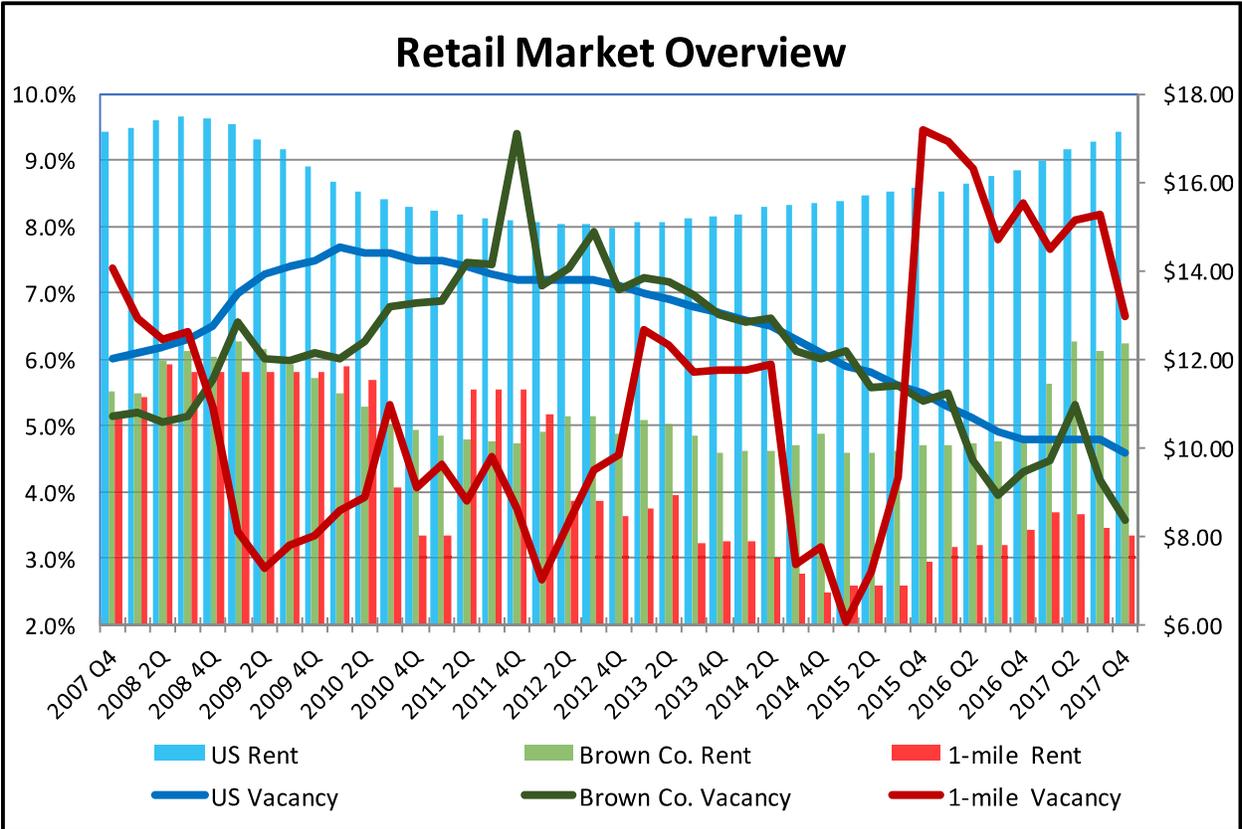
Zoning

Land Use Controls	
Zoning Code	B-1, Central Business District
Zoning Description	Permitted uses include a variety of retail stores, professional office buildings, financial institutions, hotels, medical and dental clinics, restaurants, taverns, and other uses listed in the zoning ordinance. Dwelling units are only allowed above the ground floor and only by Conditional Use.
Set Back Distance	None-Comments
Side Yard Distance	None-Comments
Zoning Comments	The B-1 District has no specific yard setback requirements. However, the site is situated across the alley from a residential district, in which case 'the setback requirements for the residential district shall be applied to the business development on both sides of said street.' The adjacent residential district is R-3, Multiple Family Residence District, which requires a 30 foot front yard, 30 foot rear yard, and 10 foot side yard for multifamily development. However, yard setbacks are further modified, requiring the average setback of existing structures along a street to be maintained. Finally, the property is owned by the City of De Pere and is to be marketed for redevelopment. Permitted uses and setbacks are often modified as part of a development agreement. Overall, the zoning of the site allows for a wide variety of potential commercial development.

Real Estate Market Analysis

The real estate market analysis will examine economic trends impacting the commercial real estate markets. The Appraisal of Real Estate, 14th Edition, defines market analysis as “a process for examining the demand for and supply of a property type in the geographic market area for that property type.” It further notes that a marketability study is “a microeconomic study that examines the marketability of a given property or class of properties, usually focusing on the market segment (or segments) in which the property is likely to generate demand.” The following is a summary of various sources researched to obtain data regarding current trends impacting property values.

Local retail market data was obtained from the CoStar Group, with data available beginning in the 4th quarter 2007. It includes a combination of owner/user buildings, single tenant rental buildings, and multitenant properties. Brown County data is comprised of 1,286 buildings totaling 16.96 million square feet. The subject property situated in downtown De Pere and the market area was delineated by a 1-mile radius around the property. It consists of 84 buildings totaling 618,000 square feet. A graph summarizing this data is presented below. National retail market data is included for comparative purposes.



Source: CoStar Group

Retail Market Summary						
	<u>National</u>		<u>Brown Co.</u>		<u>1-mile</u>	
	<u>Vacancy</u>	<u>Rent</u>	<u>Vacancy</u>	<u>Rent</u>	<u>Vacancy</u>	<u>Rent</u>
High	7.7%	\$17.51	9.4%	\$12.43	9.5%	\$11.89
Low	4.6%	\$14.99	3.6%	\$9.88	2.0%	\$6.71
Average	6.4%	\$15.98	6.1%	\$10.81	5.3%	\$9.24
Current	4.6%	\$17.16	3.6%	\$12.38	6.6%	\$8.01

The national retail market data shows steady improvements since the peak of vacancy in the 1st quarter 2010. The current vacancy rate is at the low end of the survey range, while asking rents have shown steady increases and are toward the upper end of the survey period range. It was also noted that some stabilization in vacancies has occurred, with a stable rate of 4.8% reported between the 4th quarter 2016 and the 3rd quarter 2017.

The local retail markets have also shown a recent declining trend in vacancy. However, there are much greater variations due to the comparatively smaller sample size of the local markets. The sharp spike and subsequent decline in Brown County in the 4th quarter 2011 is attributable to the former vacant Washington Commons in the downtown market having been included as vacant space and then excluded due to the demolition of the building. Other comparatively larger vacancy changes are due to the redevelopment of older single tenant structures, to include the former Kmart and Cub Foods on the west side of Green Bay, the demolition of the former Kmart in Ashwaubenon, the sale of the former Sportsmen’s Warehouse in De Pere, and the proposed redevelopment of the former Menards in Ashwaubenon. Asking rents have generally shown an increasing trend. It was also noted that some of the lower historical rents were due to the predominance of available space in secondary locations and/or in larger, single tenant buildings. Alternatively, recent increases are impacted by the inclusion of newly constructed buildings along the major retail corridors, with correspondingly higher rents.

Vacancy in the 1-mile market area has shown much greater variations due to the smaller sample size. The sharp spike in vacancy in the 4th quarter 2015 is due to the inclusion of a former vacant auto dealership at 715 N. 8th Street. It contains 26,222 square feet and was originally built in 1964. It represents 64% of the vacant space in the market. The current vacancy is above national and Brown County averages, but below the survey period average. Asking rents have shown recent increases and are above the survey period average, but below the prior peak of the market. Current rents are below Brown County averages, which would be partially attributable to the two-mile radius generally comprised of older, existing properties.

The past downturns in the market have resulted in significant declines in construction activity. The charts on the following page summarizes annual construction for the national and Brown County retail markets. The national market has shown some increases, but at levels that remain well below the historical average. Brown County construction has been fairly steady but modest, with the spikes consisting of facilities for Menards, Cabela’s, Costco, and Meijer.



Conclusions

On a national basis, current expectations are for continued improvements in economic conditions. The national and local retail markets have shown steady declines in vacancy levels, increases in asking rents, and continued recent construction activity. Employment statistics presented earlier showed steady increases in the trade sector, which would include retail trade. Projections would be for continued increases in development activity, in conjunction with the continued improvements anticipated in national and local economic conditions.

Highest and Best Use

Highest and best use is defined by The Dictionary of Real Estate Appraisal, 6th Edition as follows:

The reasonably probable and legal 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.

The subject site consists of 0.241 acres of land at 123 N. Broadway Street. It is zoned B-1, Central Business District Permitted uses include a variety of retail stores, professional office buildings, financial institutions, hotels, medical and dental clinics, restaurants, taverns, and other uses listed in the zoning ordinance. Dwelling units are only allowed above the ground floor and only by Conditional Use. The site is located along a major traffic carrier on the east side of downtown De Pere. Surrounding property uses include a variety of retail, restaurant, and service businesses at street level, with office or residential uses prevalent on any upper floors. Although the subject property is currently utilized as a parking lot, demand for parking lots is more limited in the De Pere market area, compared to downtown Green Bay. This would include the availability of free on street and municipal parking lots in De Pere, whereas street parking, and municipal parking lots and ramps are metered in downtown Green Bay. Finally, the subject property is to be marketed for redevelopment, and would be expected to conform with properties uses along the Broadway Street corridor. Based on this discussion, the highest and best use of the site, as vacant, would be for Retail or Restaurant development, with potential upper floor residential uses..

Approaches to Value

The appraisal valuation process consists of three approaches to value; the Sales Comparison Approach, Income Capitalization Approach, and Cost Approach. Each approach has varying levels of applicability to the property being appraised. The following is a description of each approach, based upon definitions obtained from The Dictionary of Real Estate Appraisal, 6th Edition.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.

The subject property consists of land used as a Parking Lot. However, it is to be marketed for redevelopment and therefore essentially consists of undeveloped land. The Sales Comparison Approach was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type. The Income Capitalization Approach was considered and was not developed because the subject property consists of undeveloped land. The Cost Approach was considered and was not developed because the subject property consists of undeveloped land.

Sales Comparison Approach

The Appraisal of Real Estate, 14th Edition indicates that the sales comparison approach is "the process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market derived elements of comparison." It further notes that "a major premise of the sales comparison approach is that an opinion of the market value of a property can be supported by studying the market's reaction to comparable and competitive properties."

The first step in applying the sales comparison approach is to research the market for sales of comparable properties. However, volume of land sales activity has been comparatively limited, due to the past downturns in the economy and real estate market. This is also evidenced by the limited recent construction activity that was reported in the real estate market analysis. Finally, the subject site is located in a built-up, downtown market and is also smaller than much of the recent sales activity. Therefore, the search for comparable sales was expanded to include surrounding neighborhoods and older sales data.

After researching the market for sales, seven sales were selected for comparison to the subject. Sales data sheets summarizing these transactions are presented on the following pages. Also included is a location map of the sales.

Land Sale 1



Transaction

ID	251	Date	6/13/2014
Address	900 W. Main Ave. @ 9th St.	Price	\$710,000
City	De Pere	Price Per Land SF	\$18.69
State	WI	Price Per Acre	\$816,092
Tax ID	WD-709-3-3	Book/Page or Reference	2669916
Grantor	WB Investments I LLC	Property Rights	Fee Simple
Grantee	Unison Credit Union	Financing	Cash
Verification	CoStar, Grantee	Conditions of Sale	Comments

Site

Property Type	Commercial	Zoning	PDD
Land SF	37,992	Zoning Type	Planned Development
Acres	0.87	Utilities	Municipal
Topography	Level	Flood Zone	No

Comments

The site was acquired for a banking office. It extends north to Oak Street. Existing environmental contamination was remediated by the grantor prior to the sale at a cost of \$25,000. The GIS photo shows storm and sanitary sewer easement extending across the site. The grantee stated this did not impact the use of the site but could limit other development possibilities. For this reason, the price was considered to be on the high side.

Land Sale 2



Transaction

ID	289	Date	2/6/2015
Address	620 Cherry Street	Price	\$69,900
City	Green Bay	Price Per Land SF	\$7.94
State	WI	Price Per Acre	\$349,500
Tax ID	11-198	Book/Page or Reference	2696837
Grantor	First Church of Christ	Property Rights	Fee Simple
Grantee	NOA Cherry LLC	Financing	Cash
Verification	Deed, Grantee	Conditions of Sale	Typical

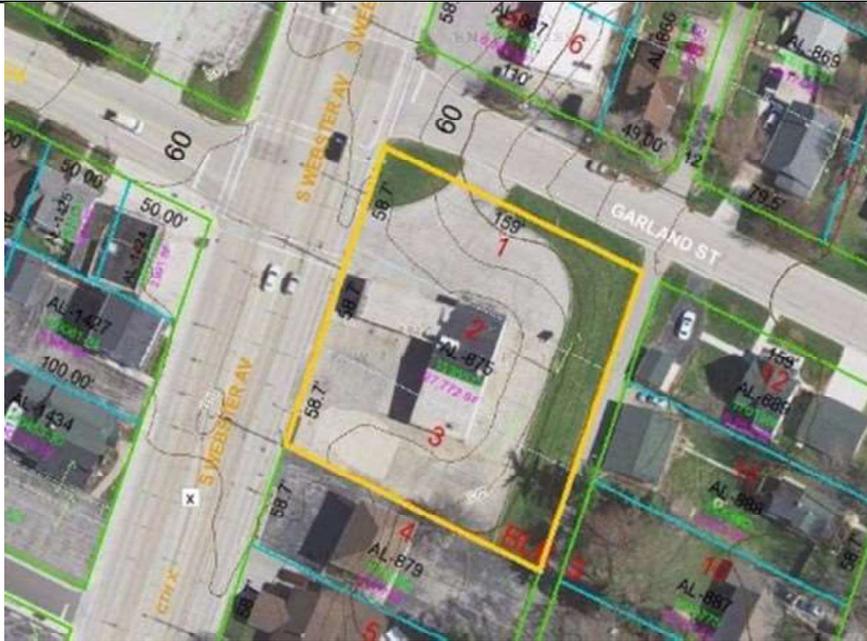
Site

Property Type	Commercial	Zoning	OR
Land SF	8,799	Zoning Type	Office Residential
Acres	0.20	Utilities	Municipal
Topography	Level	Flood Zone	No

Comments

The sale consists of a parking lot sold to the owner of office building to the northeast. The zoning of the site allows for office and service uses, as well as attached single family and multiple family dwellings. Retail uses are only permitted by a conditional use permit.

Land Sale 3



Transaction

ID	569	Date	2/1/2016
Address	1401 S. Webster Ave.	Price	\$357,000
City	Allouez	Price Per Land SF	\$12.85
State	WI	Price Per Acre	\$559,947
Tax ID	AL-875	Book/Page or Reference	2732882
Grantor	Dennis Dornier	Property Rights	Fee Simple
Grantee	Kwik Trip Inc.	Financing	Cash
Verification	CoStar, Grantee	Conditions of Sale	Typical

Site

Property Type	Commercial	Zoning	G
Land SF	27,772	Zoning Type	Highway Business
Acres	0.64	Utilities	Municipal
Topography	Sloping	Flood Zone	No

Comments

The property was acquired for Kwik Trip. It was improved with a former gas station of 1,794 square feet built in 1972. Sale price includes demolition costs estimated at \$7,000. The site slopes down to the east by about 10 feet.

Land Sale 4



Transaction

ID	971	Date	5/3/2016
Address	NWC Jefferson Street &	Price	\$87,500
City	Green Bay	Price Per Land SF	\$10.12
State	WI	Price Per Acre	\$440,739
Tax ID	13-72	Book/Page or Reference	2741888
Grantor	EWEB Real Estate Partners	Property Rights	Fee Simple
Grantee	Family Services of Northeast	Financing	Cash
Verification	Deed, Grantor	Conditions of Sale	Typical

Site

Property Type	Commercial	Zoning	D1
Land SF	8,648	Zoning Type	Downtown One
Acres	0.20	Utilities	Municipal
Topography	Level	Flood Zone	No

Comments

The property consists of a parking lot. The grantee is located just to the southwest, across Crooks Street.

Land Sale 5



Transaction

ID	973	Date	4/14/2016
Address	SWC Eaton Rd & Monaco Dr	Price	\$170,000
City	Bellevue	Price Per Land SF	\$6.66
State	WI	Price Per Acre	\$290,102
Tax ID	B-360-124	Book/Page or Reference	2743065
Grantor	Wisconsin Legal Lite Inc.	Property Rights	Fee Simple
Grantee	Donald Schultz	Financing	Cash
Verification	CoStar, Broker	Conditions of Sale	Typical

Site

Property Type	Commercial	Zoning	B2
Land SF	25,526	Zoning Type	General Business
Acres	0.59	Utilities	Municipal
Topography	Level	Flood Zone	No

Comments

The site is situated just southeast of an interchange for Interstate 41 and Manitowoc Road. It was acquired by the owner of the adjoining BP convenience store/McDonald's to the west. It had been on the market for about 5 years, with reductions in the asking price. The broker indicated the sale price was not impacted by the grantee being the adjacent owner.

Land Sale 6



Transaction

ID	1002	Date	10/19/2016
Address	NWC 4th St. & College Ave.	Price	\$105,800
City	De Pere	Price Per Land SF	\$7.69
State	WI	Price Per Acre	\$334,906
Tax ID	WD-647 & 648	Book/Page or Reference	2763450
Grantor	Masters Properties of De Pere	Property Rights	Fee Simple
Grantee	St. Norbert College Inc.	Financing	Cash
Verification	Deed, Grantee	Conditions of Sale	Typical

Site

Property Type	Commercial	Zoning	B1
Land SF	13,761	Zoning Type	Central Business
Acres	0.32	Utilities	Municipal
Topography	Level	Flood Zone	No

Comments

The property had previously been used as supplemental parking for the former Humana Dental office just to the northwest. The office building was sold separately. The grantee own the adjacent property and acquire the site for continued use as a parking lot.

Land Sale 7



Transaction

ID	1116	Date	6/23/2017
Address	2125 Main Street	Price	\$253,000
City	Green Bay	Price Per Land SF	\$14.81
State	WI	Price Per Acre	\$645,046
Tax ID	21-453-7	Book/Page or Reference	2790466
Grantor	Royal Wash LLC	Property Rights	Fee Simple
Grantee	Gussell Brothers LLC	Financing	Cash
Verification	CoStar, Broker	Conditions of Sale	Typical

Site

Property Type	Commercial	Zoning	C2
Land SF	17,085	Zoning Type	Commercial Two
Acres	0.39	Utilities	Municipal
Topography	Slight slope	Flood Zone	No

Comments

The property was improved with an 820 square foot building constructed as a drive-through restaurant in 1992. It was last used as a dry cleaning store by the grantor. The grantee is demolishing the building for construction of a Dunkin Donuts. The sale price includes estimated demolition costs of \$3000. The south side of the side is encumbered by a 38-foot wide easement for a gas line, petroleum line, and overhead electrical. The site slopes downward about 6 feet to Main Street.

Land Sales Map



Land Sales Adjustment Analysis

In comparing the sales to the subject, they are first adjusted for differences in transactional factors, and then for differences in physical characteristics. The following is a discussion of these adjustments. A sales adjustment grid is presented on the following page.

Property Rights Conveyed

The sales all represent fee simple interests and no adjustments are required.

Financing Terms

This adjustment considers factors such as favorable financing terms or other nonmarket financial arrangements. The sales were either cash transactions or involved conventional financing. No adjustments would be required.

Land Analysis Grid		Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Address	123 N. Broadway Street	900 W. Main Ave. @ 9th St.	620 Cherry Street	1401 S. Webster Ave.	NWC Jefferson Street & Crooks Green Bay	SWC Eaton Rd & Monaco Dr	NWC 4th St. & College Ave.	2125 Main Street
City	De Pere	De Pere	Green Bay	Allouez	Green Bay	Bellevue	De Pere	Green Bay
Date	3/15/2018	6/13/2014	2/6/2015	2/1/2016	5/3/2016	4/14/2016	10/19/2016	6/23/2017
Price	--	\$710,000	\$69,900	\$357,000	\$87,500	\$170,000	\$105,800	\$253,000
Land SF Unit Price	\$0.00	\$18.69	\$7.94	\$12.85	\$10.12	\$6.66	\$7.69	\$14.81
Transaction Adjustments								
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Cash	Cash	Cash	Cash	Cash	Cash	Cash
Conditions of Sale	Typical	Comments -10.0%	Typical	Typical	Typical	Typical	Typical	Typical
Adjusted Land SF Unit Price		\$16.82	\$7.94	\$12.85	\$10.12	\$6.66	\$7.69	\$14.81
Market Conditions to 3/15/2018	3.0%	11.7%	9.6%	6.5%	5.7%	5.8%	4.2%	2.2%
Adjusted Land SF Unit Price		\$18.79	\$8.71	\$13.69	\$10.69	\$7.05	\$8.01	\$15.13
Location/Traffic	13,000	16,800	NA	13,400	1,900	9,600	5,700	17,500
% Adjustment		-40%	35%	-10%	20%	35%	35%	-25%
\$ Adjustment		-\$7.52	\$3.05	-\$1.37	\$2.14	\$2.47	\$2.80	-\$3.78
Land SF	10,498	37,992	8,799	27,772	8,648	25,526	13,761	17,085
% Adjustment		15%	0%	10%	0%	10%	0%	5%
\$ Adjustment		\$2.82	\$0.00	\$1.37	\$0.00	\$0.70	\$0.00	\$0.76
Zoning	B-1, Central Business District	PDD	OR	G	D1	B2	B1	C2
% Adjustment		0%	0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Flood Zone	No	No	No	No	No	No	No	No
% Adjustment		0%	0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Topography	Slight Slope	Level	Level	Sloping	Level	Level	Level	Slight slope
% Adjustment		0%	0%	5%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.68	\$0.00	\$0.00	\$0.00	\$0.00
Misc	Paved	Easements	Paved	Comments	Paved	None	Paved	Easements
% Adjustment		5%	-10%	0%	-10%	0%	-10%	5%
\$ Adjustment		\$0.94	-\$0.87	\$0.00	-\$1.07	\$0.00	-\$0.80	\$0.76
Adjusted Land SF Unit Price		\$15.04	\$10.88	\$14.37	\$11.76	\$10.22	\$10.02	\$12.86
Net Adjustments		-20.0%	25.0%	5.0%	10.0%	45.0%	25.0%	-15.0%
Gross Adjustments		60.0%	45.0%	25.0%	30.0%	45.0%	45.0%	35.0%

Conditions of Sale

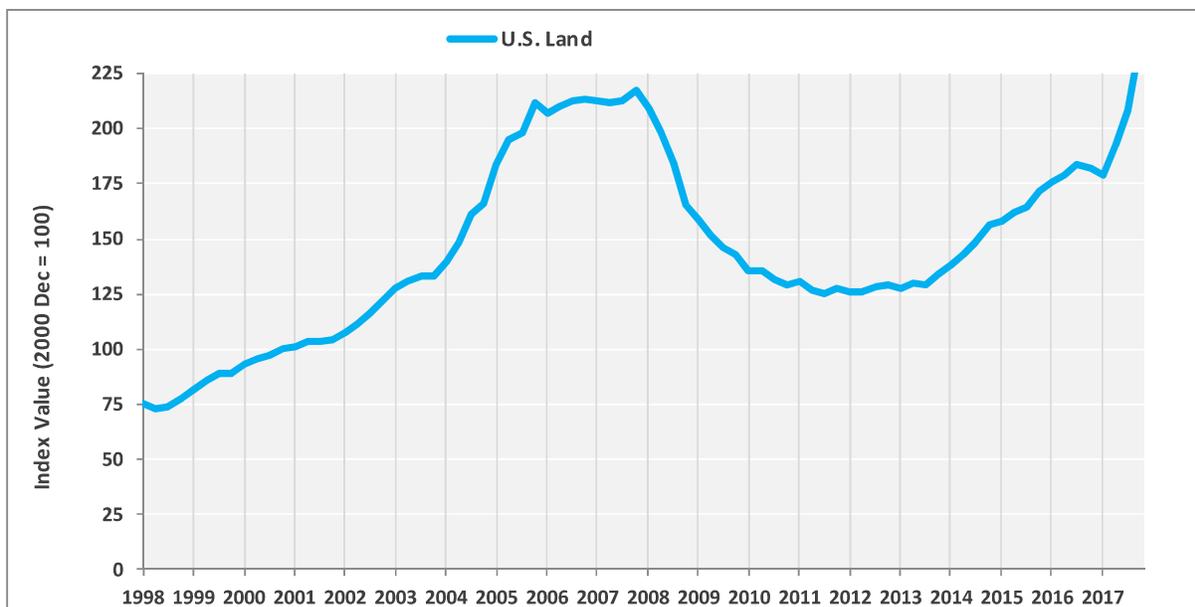
This adjustment consists of factors such as the motivations of the parties in the transaction or other concessions. Most of the sales were typical, arms-length transactions and involved no unusual motivations. Therefore, no adjustments were required. However, as noted on the sales data sheet, Sale 1 was considered to be on the high side as it is impacted by easements that did not affect the buyers intended use of the site but do limit its overall development potential. A 10% downward adjustment has been made.

Market Conditions

The sales are then adjusted for changes in market conditions between the date of sale and the effective date of value. Due to the limited volume of sales activity, market changes are more difficult to extract from the available sales. Information regarding the retail market was presented earlier. For Brown County, it showed steady recent declines in vacancy levels and increases in asking rents. This would be indicative of improvements in market conditions. Similar factors were noted in the local economy, with respect to steady recent increases in employment and declines in the unemployment rate.

The CoStar Repeat Sale Index provides data for market value trends on a national basis. The subject it is part of the Midwest regional market area. The land sales date back to June 2014, with CoStar data showing steady increase in values over this time frame. Specifically, the CoStar Repeat Sale Index for the Midwest retail market shows a 32% increase in values since the 2nd quarter 2014. CoStar also has an index for the national land market, which is presented on the following page. The index showed steady declines through the low point in the 3rd quarter 2011, followed by a period of fluctuating stability through mid-2013. Significant increases have occurred thereafter, resulting in a 93% increase in values since the market low. Again, the sales date back to the 2nd quarter 2014, with the CoStar index indicating a 69% increase over this time frame or, an annualized increase of about 19.7%. However, much of this increase reflects a significant spike between the 3rd and 4th quarters 2017, corresponding to a 15.3% increase in the index and a 61.4% annualized rate of increase.

General observations of the land market tend to show that the local markets had experienced a lesser rate of decline than that indicated by the CoStar US Land Index. This would include some continued construction activity for specific owner/user properties. Additionally, the local economy has generally fared somewhat better than the national markets, with unemployment rates remaining below national averages. Alternatively, recent increases in land values appear to be at a lower rate than those indicated by the CoStar index. In this respect, the retail market has improved but construction activity remains comparatively limited, despite the low physical vacancies. CoStar also noted that the recent spike in the land index is attributable to demand for development sites. However, growth was also reported to be volatile, with the land index not reaching its trough until very late in the recovery.



Source: CoStar

Overall, upward adjustments would be required to reflect recent improvements in market conditions. However, the greater stability in the local market indicates that the magnitude of the adjustment is far less than that indicated by the CoStar national land index. Given the fairly gradual rate of improvement that as occurred, with respect to declines in vacancies and increases in asking rents, as well as the limited volume of new construction activity, it was estimated that a 3.0% annual rate of increase would be applicable.

Location/Traffic

The subject property is located along Broadway Street on the east side of downtown De Pere. Broadway Street is a major traffic carrier, with 13,000 vehicles per day. Traffic volumes for the sales are included on the adjustment grid.

The sales show a fairly broad range of differences in price due to location. For example, Sales 5 and 7 are both located in commercial areas on the east side of Green Bay. However, Sale 7 fronts along Main Street, with higher traffic counts and a much greater density of commercial development. Alternatively, Sale 5 fronts along Eaton Road, which has lower traffic counts and a much lower density of surrounding development. Property uses transition to residential just to the east of the sale property. The result is a 55% lower per square foot sale price. The subject property would fall between these two sales, as it has more extensive commercial development than Sale 5, but a lesser density than Sale 7.

Sale 1 is located at a signal light controlled intersection for Main Avenue and 9th Street. It is located just west of the downtown market area and has a much higher density of surrounding commercial development. Traffic counts are also higher, with the corner location providing additional visibility and exposure. The impact on value is evidenced by its course finally much higher per square foot sale price. When compared to the subject, a 40% downward adjustment is made.

Sale 2 is located along Cherry Street on the east side of downtown Green Bay. Commercial development is situated just to the west along Monroe Avenue, but properties transition to residential to the east. No traffic volumes are available. It was considered inferior to the subject. It is also noted that while the sale property has far lesser traffic volume than Sale 5 discussed above, is much more centrally located in the community and has a higher density of surrounding development. When compared to the subject, a 35% upward adjustment was considered appropriate.

Sale 3 fronts along a major traffic carrier in a mixed-use area of commercial and residential property uses. Traffic volumes are comparable to those of the subject. However, it is a secondary corner and would have some added visibility and exposure compared to the subject's interior location. A 10% downward adjustment has been made.

Sale 4 fronts along two secondary roadways in downtown Green Bay. Traffic counts are well below those of the subject, but the property has a much higher density of surrounding development compared to Sale 2. When compared to the subject, it would be inferior, but to a lesser extent than Sale 2. A 20% upward adjustment has been made.

Sale 5 was discussed above and is located along a major traffic carrier in the northeast quadrant of an interchange for Interstate 43 and Manitowoc Road. Commercial development is situated around the highway interchange but properties transition to residential directly to the east along Eaton Road. It was considered inferior to the subject. Based upon the previous comparison, it has been adjusted upward by 35%.

Sale 6 is located along two secondary roadways and is just south of commercial development fronting along Reid Street. There is an increasing density of commercial development to the north, but a transition to residential to the south. It has a lower density of surrounding commercial development than the subject and lower traffic counts. A 35% upward adjustment is made, on a similar basis to Sales 2 and 5.

Sale 7 was discussed above and fronts along a major traffic carrier with higher traffic volumes and much more extensive surrounding commercial development. When compared to the subject, it was considered superior and adjusted downward by 25%.

Size - Land SF

Typically, smaller sites sell for higher unit values. This is attributable to the greater capital outlay required to both purchase and develop larger properties. It also limits the potential market of buyers. Each sale has been adjusted accordingly.

Zoning

The subject property is zoned B-1, Central Business District which allows for a variety of commercial property uses. Most of the sales are zoned for commercial development but would have some differences in the underlying zoning ordinances. They generally allow for a variety of commercial development and no discernible differences were noted in the sales prices for variations in zoning. Accordingly, no adjustment is required.

Sale 2 has more restrictive zoning but is also situated in a transitional area of office and residential property uses. The zoning is appropriate for the location of the sale and no further adjustment would be applicable.

Flood Zone

The subject property is not situated within the floodplain. The sales are all similar to the subject and require no adjustment.

Topography

The subject property has a slightly downward sloping topography, with a total change in elevation of about 4 feet. Sale 7 is comparable to the subject and requires no adjustment. Sales 1, 2, 4, 5, and 6 are all fairly level. The subject's topography variation is fairly modest and no adjustment was considered necessary. However, Sale 3 has a more extensive topographical difference. Development included some use of retaining walls. It has been adjusted upward by 5%.

Miscellaneous

Other factors considered significant would be features such as shape, easements, or other specific physical attributes. The subject property has no unusual physical attributes but it is currently used as a parking lot. As noted earlier, demand for parking lots is far less prevalent in downtown De Pere, as compared to downtown Green Bay. This would include the availability of free on-street and municipal parking in the downtown De Pere area. Alternatively, street parking and municipal parking lots and ramps are metered in downtown Green Bay. The subject property is owned by the City of De Pere and is to be marketed for redevelopment. Accordingly, the existing parking lot improvements would most likely have negligible contributory value.

Sales 1 and 7 have easements noted on the sales data sheets. While they impact the development potential of the property, ample land was available for construction of the proposed buildings, with the easement areas utilized for parking and driveway purposes. Some upward adjustment was considered be applicable, to recognize limitations on the development potential of the sites. As such, a 5% upward adjustment has been made.

Sales 2, 4, and 6 all consist of parking lots that were acquired for continued parking lot use. The existing parking lot improvements provided contributory value. For example, typical asphalt paving costs are presented in section 66, page 1 of the Marshall valuation manual at \$2.84 per square foot, which include necessary site preparation costs. However, a lesser impact on value would be applicable to recognize the loss of value associated with physical depreciation. The sales also show a lesser impact on value in their per square foot sale prices. As such, the aforementioned sales have been adjusted downward by 10%.

Sale 3 consists of a former gas station that was redeveloped for a new gas station by the buyer. The existing improvements were demolished and no further adjustment would be required. Similarly, Sale 5 consists of undeveloped land and would require no adjustment.

Sales Comparison Approach Conclusion

The sales have an adjusted sale price range of \$10.02 to \$15.04 per square foot, with an average of \$12.16 per square foot and a median of \$11.76 per square foot. Although the adjustment made were subjective in nature, they are considered to be reflective of the impact on value for the underlying physical differences. Several of the sales require larger percentage adjustments, which is attributable to the limited volume of land sales available for smaller sites in a downtown market area. However, the sales generally provide a fairly consistent indication of market value for the subject property.

Sale 1 is at the upper end of the range and also well above the other sales. It is at a much more prominent corner location but impacted by easements. It appears to have sold at the upper end of its potential market value range. Sale 6 is at the low end of the range and costs of a parking lot in a secondary location that sold for continued parking lot use. It is concluded to have sold at the low end of its potential market value range.

Listing activity has also been considered. Listing 1, denoted as L1 on the land sales map, consists of a parking lot at the southeast corner of Main Avenue and 5th Street, on the west side of downtown De Pere. Traffic volumes are at 12,600 vehicles per day. It had previously been listed for sale but is currently not on the market. It contains 0.74 acres or, 32,234 square feet and consists of a parking lot that has been utilized in conjunction with the Reid Street Crossing office/retail development. The prior asking price was \$399,000 or, \$12.38 per square foot. When compared to the subject, it would be slightly superior in location, as it is situated at a signal light controlled intersection; it would require an upward adjustment for its larger size; and additional downward consideration would be applicable, as it represents an asking price.

Listing 2, L2 on the land sales map, consists of a 4,792 square foot parking lot at 352 Main Avenue, on the west side of downtown De Pere. It is offered for sale at \$149,900 or, \$31.28 per square foot. It is situated just to the east of Listing 1. Based upon the per square foot sale prices of the sales and the prior asking price of Listing 1, the asking price of Listing 2 is considered overstated.

Finally, supplemental sale information was also available for the site acquired for the recent development of The 102 on Broadway. It is a 5-story structure with commercial space on the first floor and apartments on the upper floors. It is located at the northeast corner of Broadway Street and George Street. The site contains 11,637 square feet and was acquired from the City of De Pere in May 2016 for \$90,000 or, \$7.73 per square foot. The transaction is recorded in Document 2746880. However, it was indicated that the sale price was negotiated as part of an overall incentive offer from the City of De Pere for the development of the site. The sale price was stated to be favorable to the buyer. Accordingly, a higher market value conclusion would be applicable to the subject.

Overall, the subject property is centrally located along the Broadway Street corridor. It is currently utilized as a parking lot but is to be marketed for redevelopment. This would also coincide with the highest and best use of the site, resulting in negligible value for the existing paving. Overall, market value has been concluded at \$12.00 per square foot, falling toward the mid-portion of the range.

Multiplying \$12.00 per square foot by the 10,498 square feet a site area indicates a market value of \$125,976, which is rounded to \$126,000.

Sales Comparison Approach Value Conclusion **\$126,000**

Final Reconciliation

In the reconciliation of value conclusions, the appraiser considers the appropriateness of each of the approaches, and the availability and quality of the market data used in each approach, to arrive at a final opinion of market value. The subject property consists of vacant land and only the sales comparison approach to value is applicable. It indicated a value conclusion of \$126,000.

As discussed earlier, the limited volume of sales activity is attributable to the past downturns in the economy and real estate market and is also evidenced by correspondingly limited levels of construction activity. However, sufficient sales were available to provide a reliable indication of market value and additional support was provided by listings on the west side of downtown De Pere and the supplemental sale for The 102 on Broadway development. Overall, the available market data was considered to be supportive of an As Is market value conclusion of **\$126,000**.

Final As Is Market Value Conclusion **\$126,000**

Certification

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

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



Detlef H. Weiler, MAI
Wisconsin Certified General Appraiser
WI-237-10

April 3, 2018

Date



Broadway Street facing north along site



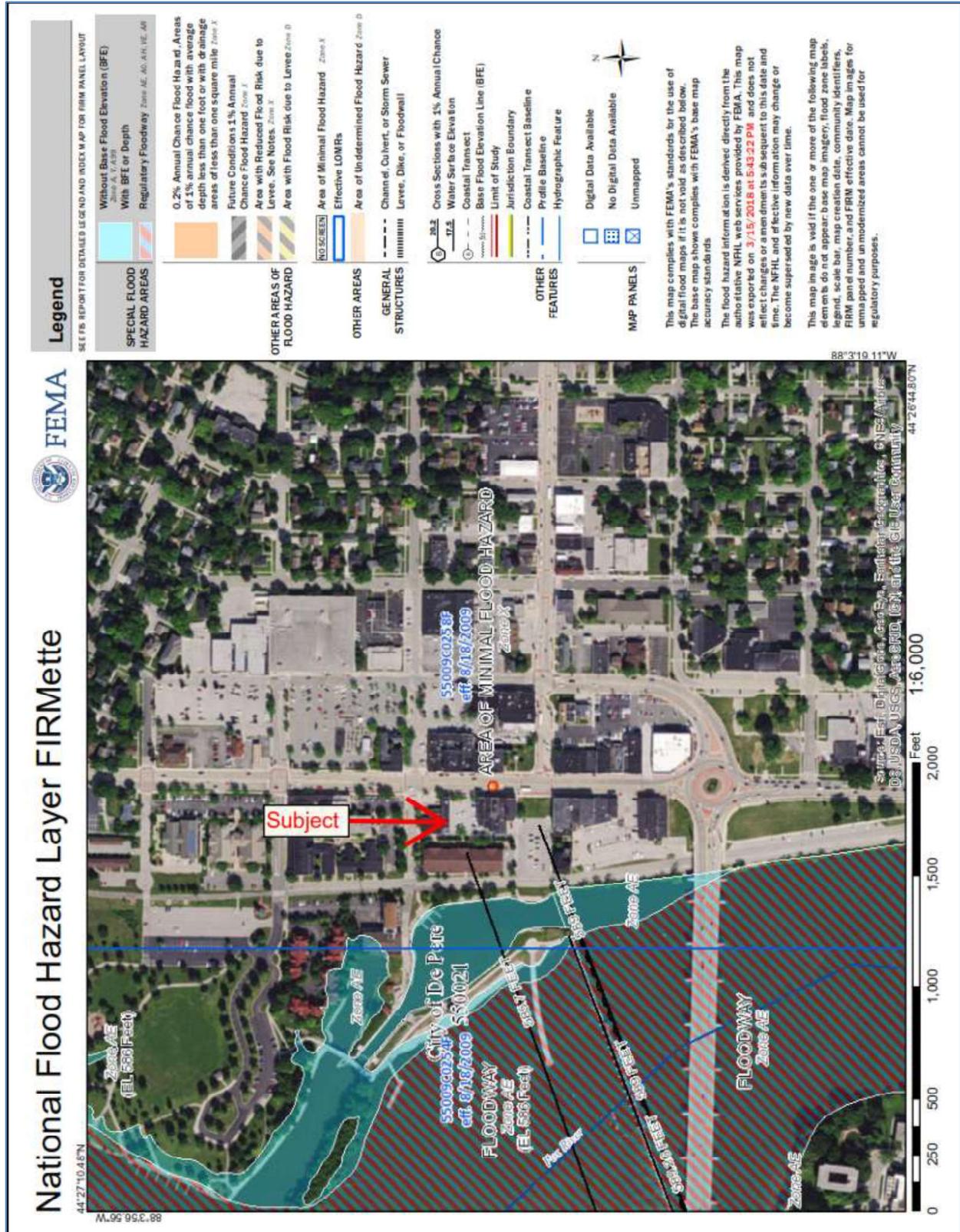
Alley facing north along site



Subject site facing northwest from Broadway Street



Subject site facing southeast from alley



<http://msc.fema.gov/portal>

Qualifications of Detlef H. Weiler, MAI

Education

Graduate of University of Wisconsin-Madison: BBA Finance - 1984; MBA Finance - 1985

Recent Appraisal Institute Seminars and Courses:

- Tenant Credit Analysis
- Introducing Valuation for Financial Reporting
- Introduction to Green Buildings: Principles & Concepts
- 2018-2019 Uniform Standards of Professional Appraisal Practice
- Business Practices and Ethics
- Advanced Spreadsheet Modeling
- Emerging Trends That Affect Your Profession
- Marketability Studies: Advanced Considerations and Applications
- Core Logic/Marshall & Swift Commercial Cost Seminar
- Fundamentals of Separating Real, Personal Property, & Intangible Business Assets

Numerous other professional real estate courses and seminars

Appraisal Experience

President of Weiler Appraisal Inc. since 2009, providing commercial real estate valuation services in the northeastern Wisconsin market. Property types valued include office, retail, industrial, restaurant, automobile dealerships, land, and hotels.

Appraiser for Barnard & Associates from 1992 to 2009. Appraised a wide variety of commercial and industrial properties in the northeastern Wisconsin area.

Appraiser for Allen, Williford, and Seale in Houston, Texas from 1985 to 1992. Appraised commercial, industrial, and multi-family properties throughout Texas for mortgage and right-of-way purposes.

Professional Affiliations

Appraisal Institute, MAI Member Number 8968.

Appraisal Institute: 2013-14 Region III Chair of Nominating Committee. 2008-12 National Board of Directors, 2011-12 Region III Chair, 2009-10 Region III Vice Chair, 2008 Region III Third Director and Treasurer, 2006 Wisconsin Chapter President, 2005 Wisconsin Chapter Vice President, 2004 Wisconsin Chapter Treasurer, 2003 Wisconsin Chapter Secretary.

State of Wisconsin Certified General Appraiser, Certificate Number 237-10

Member Beta Gamma Sigma – The International Business Honor Society