

Notice of Board of Review Determination

Under state law (sec. 70.47(12), Wis. Stats.), your property assessment for the current year 2026 as finalized by the Board of Review (BOR) is listed below.

Property owner

MALLERY SC
731 NORTH JACKSON ST SUITE 900
MILWAUKEE WI 53202-4697

General information

Date issued 5 - 21 - 2026
Parcel no. 17-50328-076
Address 4622 Mormon Coulee Rd
Legal description

Town Village City

Municipality La Crosse

Assessment information

<u>2026</u> Original Assessment		<u>2026</u> Final Assessment <small>(determined by BOR)</small>	
Land	\$ 3,072,700	Land	\$ 3,072,700
Improvements	\$ 8,923,300	Improvements	\$ 8,923,300
Personal property	\$	Personal property	\$
Personal property	\$	Personal property	\$
Personal property	\$	Personal property	\$
Total personal property	\$	Total personal property	\$
Total all property	\$ 11,996,000	Total all property	\$ 11,996,000

Appeal information

If you are not satisfied with the BOR's decision, there are appeal options available. **Note:** Each appeal option has filing requirements. For more information on the appeal process, review the Property Assessment Appeal Guide. Visit revenue.wi.gov and search keyword "Assessment Appeal."

Appeal to:

Department of Revenue (DOR) – must file within 20 days after receipt of the BOR's determination notice or within 30 days after the date specified on the affidavit if there is no return receipt. A \$100 filing fee is required. The fair market value of the items or parcels cannot exceed \$1 million dollars. DOR may revalue the property any time before November 1 of the assessment year or within 60 days after receiving the appeal, whichever is later. If adjusted, the value is substituted for the original value and taxes paid accordingly. (sec. 70.85, Wis. Stats.)

Circuit Court - Action for Certiorari – must file within 90 days after receiving the determination notice. The Court decides based on the written record from the BOR. You cannot submit new evidence. (sec. 70.47(13), Wis. Stats.)

Municipality - Excessive Assessment – must first appeal to the BOR and have not appealed the BOR's decision to Circuit Court or to DOR. You cannot claim an excessive assessment under sec. 74.37, Wis. Stats., unless the tax is timely paid. A claim under section 74.37 must be filed with the municipality by January 31 of the year the tax is payable.



Board of Review

Findings of Fact, Determinations and Decision

1 PROPERTY IDENTIFICATION AND FINDING OF FACT

Assessment Year: **2026**

Tax Key Number: **17-50328-076**

Personal Property Account Number *(if applicable)*:

Property Address: **4622 Mormon Coulee Rd**

Property Owner: **Wal-Mart Real Estate Business Trust**

Mailing Address: **PO Box 8050 Bentonville AR 72716**

January 1, 2026

Assessment Value: **\$11,996,000.00**

Land: **\$3,072,700.00**

Improvements: **8,923.300.00**

Total: **\$11,996,000.00**

Hearing Date: **5/21/2026**

Time: **10:00a**

Objector Received written confirmation of the Hearing Date:

Yes: No:

(OR)

Both Objector and Assessor waived 48-hour notice of hearing:

Yes: No:

{Note: Taxpayer must have filed written objection before or at Board of Review}

Check one of the following:

Timely notice of "Intent to File an Objection" was provided by objector to Clerk (either in writing or orally) at least 48 hours prior to first full session of Board of Review

(OR)

Waiver was granted by Board of Review for:

Good Cause *or*

Extraordinary Circumstances

Board Members Present:

Sue Dillenbeck, Fred Giese, Paul Bagniefski, Scott Rada, Heather Talbot

Board Members Removed (if any):

Board Counsel Present:

Gideon Wertheimer

Property Owner/Objector's Attorney or Representative:

Board Members with certified training (must have at least one):

Heather Talbot, Fred Giese

2 TESTIMONY

The following individuals were sworn as witnesses by the Board of Review Clerk (*include Property Owner/Objector, or his/ her representative, if testifying, and Assessor*): **Hannah Rodriquez, Dammon Kroll**

2.1 PROPERTY OWNER/OBJECTOR:

Sworn Testimony by Property Owner/Objector **Hannah Rodriquez** included:

- a) A recent sale of the subject property: Yes No
If yes: The subject property was sold for \$ (Date of Sale:)
- b) Recent sales of comparable properties: Yes No
If yes: A total number of **7** Other properties were presented.
Addresses of other properties: **Brooklyn Center MN Walmart, Eau Claire WI HOM Furniture, La Crosse WI Sears, Madison WI Shopko, Sussex WI Shopko, Milwaukee WI Target, Monroe WI Shopko**
- c) Other factors or reasons (if presented): Yes No
If yes: List of summary factors or reasons presented by property owner/objector (*if evidence presented only available to one side – list corroboration of that evidence*): **2021 – 2025 assessments in La Crosse County Circuit Court. Exhibit A – Appraisal.**

Sworn Testimony on behalf of Property Owner/Objector was presented by the following other Witnesses (if any):

Summary of testimony of other witnesses for objector (if any):

2.2 ASSESSOR

Sworn Testimony by Assessor **Dammon Kroll** included:

- a) Estimated level of assessment for the current year is **100%**
- b) A recent sale of the subject property: Yes No
If yes: The subject property was sold for \$ (Date of Sale:)
- c) Recent sales of comparable properties: Yes No
If yes: A total number of **2** Other properties were presented.
Addresses of other properties:
Glendale WI Target, Menomonie Falls WI Kohls
- d) Other factors or reasons (if presented): Yes No
If yes: List of summary factors or reasons presented by Assessor:
Exhibit B - Market modified approach

Sworn Testimony on behalf of the assessor was presented by:

Summary of testimony of other witnesses for assessor (if any):

3 DETERMINATIONS

1. The assessor's estimated level of assessment¹ of the municipality has been determined to be **100%**
2. The Board of Review finds that there was a recent sale of the subject property: Yes No
 - a) The sale was an arm's-length transaction Yes No
 - b) The sale was representative of the value as of January 1 Yes No
 - c) The Board finds that the sale supports the assessment Yes No
 - d) *If all answers are 'yes':*
 - i. What is the sale price? \$
 - ii. What if any adjustments, based on the evidence presented, should be made for such considerations as time between the date of sale and the January 1 assessment date, non-market class value in the selling price (ag-use value and fractionally assessed classes), and/or other physical changes that occurred to the property between the sale date and the January 1 assessment date?
 - iii. What is the full market value? \$

(If responses in 2 thru 2c were "yes", upon completion of the section, proceed to section 4, Decision, check all that apply and determine the assessed value.

3. The Board of Review finds that there are recent sales of comparable properties: Yes No
If yes, answer the following:

Property Owner:

- a) Did the property owner present testimony of recent sales of comparable properties in the market area: Yes No
- b) *If yes*, were the attributes satisfactorily adjusted for their differences from the subject and their contribution to value? Yes No

Assessor:

- c) Did the Assessor present testimony of recent sales of comparable properties in the market area: Yes No
- d) *If yes*, were the attributes satisfactorily adjusted for their differences from the subject and their contribution to value? Yes No

Conclusion:

- e) LIST THE PROPERTIES AND VALUES THAT THE BOARD OF REVIEW RELIES ON TO MAKE ITS DETERMINATION AS TO FAIR MARKET VALUE:

4. The Board of Review finds that the assessment should be based on other factors: Yes No
 - a) *If yes*, list the other factors that the Board of Review relies on to make its determination as to fair market value:
Market cost approach outlined in assessor report. Successful store fully occupied and operating and recent remodel derives change of assessment.
 - b) What was the most credible evidence presented: **Assessor report.**

¹ The relationship between the assessed value and the equalized value of non-manufacturing property minus corrections for prior year over or under charges within a municipality--town, city, or village. For example, if the assessed value of all property subject to property tax in the municipality is \$2,700,000 and the equalized value (with no prior corrections) in the municipality is \$3,000,000 then the assessment level is said to be 90% (\$2,700,000/\$3,000,000 = .90 or 90%).

4 DECISION

Motion must be made and seconded.

1. **Dillenbeck Moves:** Exercising its judgment and discretion, pursuant to §70.47(9)(a) of Wis. Statutes, the Board of Review by majority and roll call vote hereby determines: **Rada** Seconds
(*mark all that apply*):

- that the Assessor's valuation is correct;
- that the Assessor presented evidence of the fair market value of the subject property using assessment methods which conform to the statutory requirements and which are outlined in the Wisconsin Property Assessment Manual;
- that the Assessor presented evidence of the proper classification of the subject property using assessment methods which conform to the statutory requirements and which are outlined in the Wisconsin Property Assessment Manual;
- ~~that the proper use values were applied to the agricultural land;~~
- ~~that the proper fractional assessments were applied to undeveloped land and agricultural forest land classifications;~~
- that the property owner did not present sufficient evidence to rebut the presumption of correctness granted by law to the Assessor;
- that the Assessor's valuation is reasonable in light of all the relevant evidence;
- and sustains the same valuation as set by the Assessor;
- (*in certain cases*), It is not relevant to present assessments of other properties as a basis for the market value of the appeal property.

OR

1. Moves: Exercising its judgment and discretion, pursuant to §70.47(9)(a) of Wis. Statutes, the Board of Review by majority and roll call vote hereby determines: Seconds
(*mark all that apply*):

- that the Assessor's valuation is incorrect;
- that the property owner has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor;
- that the property owner valuation is reasonable in light of the relevant evidence;
- that the fair market value of the property is:

Land:	\$
Improvements:	\$
Total:	\$

- that the level of assessment of the municipality is at [Click or tap here to enter text.](#) and hereby sets the new assessment at

Land:	\$
Improvements:	\$
Total:	\$

I, Nikki M. Elsen, Clerk of the Board of Review, do hereby certify that the members of the Board of Review voted as follows:

<u>Name of Board of Review Member:</u>	<u>Yes:</u>	<u>No:</u>
Fred Giese	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Heather Talbot	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scott Rada	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Paul Bagniefski	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sue Dillenbeck	<input checked="" type="checkbox"/>	<input type="checkbox"/>

to adopt these Findings of Fact, Determinations and Decision on this 21st day of May, 2026.

**Nikki M. Elsen, City Clerk
Clerk of Board of Review**

Office of City Clerk



May 14, 2026

MALLERY SC
731 NORTH JACKSON ST STE 900
MILWAUKEE WI 53202

Sent USPS and email to cstrohbehn@mallerysc.com and rkarnes@mallerysc.com

Re: Objection to Real Property Assessment –
Wal-Mart Real Estate Business Trust – 4622 Mormon Coulee Rd 17-50328-076

Your Objection to Real Property Assessment for the subject parcel has been scheduled before the Board of Review as follows:

Date: Thursday, May 21, 2026
Time: 10:00 a.m.
Location: City Hall – Council Chambers, 400 La Crosse Street, La Crosse WI 54601

Appeal hearings are scheduled for 45 minutes. During the hearing, the property owner/authorized agent and assessor will present sworn testimony with an opportunity for questions. To help maintain the schedule, testimony should be limited to 15 minutes for both the property owner/agent and the assessor, followed by a 3-minute rebuttal period. Comments should focus on the property valuation and the evidence supporting your opinion of value. After testimony concludes, the Board of Review will deliberate and issue its determination.

The property owner must be present to provide testimony unless an authorized agent has been appointed. An Agent Authorization for Property Assessment Appeals (PA-105) must be on file prior to an agent testifying on behalf of property owner.

For your information, enclosed is a copy of the Board of Review – “The Basics” which is an overview of the Board of Review and its proceedings which you are encouraged to review prior to your hearing - Taxpayer/Duties at Hearing are covered on page 4.

Feel free to contact me if you have any questions.

Regards,

A handwritten signature in cursive script, appearing to read "Nikki M. Elsen".

Nikki M. Elsen, WCMC, City Clerk
enc.

City of La Crosse, 400 La Crosse Street La Crosse, WI 54601
cityclerk@cityoflacrosse.org | 608-789-7510 www.cityoflacrosse.org

Elsen, Nikki

From: Elsen, Nikki
Sent: Thursday, May 14, 2026 8:24 PM
To: Amy Crichton; Christopher L. Strohbahn; Russell J. Karnes
Cc: Hannah E. Rodriguez; Caroline E. Tietjens; Madeline A. Kozel; Elsen, Nikki
Subject: RE: 2026 Board of Review // 4622 Mormon Coulee Road // Parcel No.: 017-050328-076
Attachments: Wal-Mart Real Estate Business Trust - Decision on Waiver Request.pdf; Wal-Mart Hearing Notice Letter 2026.pdf; Board of Review-The Basics.pdf

Tracking:

Recipient

Delivery

Amy Crichton
Christopher L. Strohbahn
Russell J. Karnes
Hannah E. Rodriguez
Caroline E. Tietjens
Madeline A. Kozel
Elsen, Nikki

Delivered: 5/14/2026 8:25 PM

See attached.

- Request for Waiver of Board of Review Hearing – denied.
- Request to Testify by Telephone at Board of Review – denied.
- Notice of Hearing for May 21, 2026 at 10:00 a.m.

NIKKI M. ELSEN, WCMC

City Clerk

elsenn@cityoflacrosse.org

Direct: 608.789.7555 | Office: 608.789.7510

From: Amy Crichton <acrichton@mallerysc.com>
Sent: Friday, May 8, 2026 3:04 PM
To: Elsen, Nikki <elsenn@cityoflacrosse.org>; Craig, Sondra <craigs@cityoflacrosse.org>
Cc: Christopher L. Strohbahn <cstrohbahn@mallerysc.com>; Russell J. Karnes <rkarnes@mallerysc.com>; Hannah E. Rodriguez <hrodriguez@mallerysc.com>; Caroline E. Tietjens <ctietjens@mallerysc.com>; Madeline A. Kozel <mkozel@mallerysc.com>
Subject: RE: 2026 Board of Review // 4622 Mormon Coulee Road // Parcel No.: 017-050328-076

*** CAUTION: This email originated from an external sender. DO NOT click links or open attachments unless you recognize the sender and know the content is safe. ***

Good afternoon,

Attached please find an Agent Authorization, Notice of Intent to File Objection, Objection to Real Property Assessment, Request for Waiver of BOR Hearing, Request to Testify by Telephone and an Addendum containing a list of authorized agents filed on behalf of our client Wal-Mart Real Estate Business Trust for the 2026 tax assessment for the above property. The original will be sent via UPS.

Hannah
Rodriguez atty

Objection to Real Property Assessment

To file an appeal on your property assessment, you must provide the Board of Review (BOR) clerk written or oral notice of your intent, under state law (sec. 70.47(7)(a), Wis. Stats.). You must also complete this entire form and submit it to your municipal clerk. To review the best evidence of property value, see the Wisconsin Department Revenue's [Guide for Property Owners](#).

Complete all sections:

Section 1: Property Owner / Agent Information				* If agent, submit written authorization (Form PA-105) with this form			
Property owner name (on changed assessment notice) Wal-Mart Real Estate Business Trust				Agent name (if applicable) Mallery, SC			
Owner mailing address PO Box 8050				Agent mailing address 731 N. Jackson Street Suite 900			
City Bentonville	State WI	Zip 72716		City Milwaukee	State WI	Zip 53202	
Owner phone (479) 204-3835		Email Paola.Castillo0@walmart.com		Owner phone (414) 271-2424		Email cstrohbehn@mallerysc.com	
Section 2: Assessment Information and Opinion of Value							
Property address 4622 Mormon Coulee Road				Legal description or parcel no. (on changed assessment notice) 17-50328-076			
City La Crosse	State WI	Zip 54601					
Assessment shown on notice - Total \$11,996,000				Your opinion of assessed value - Total \$5,620,000			

If this property contains non-market value class acreage, provide your opinion of the taxable value breakdown:

Statutory Class	Acres	\$ Per Acre	Full Taxable Value
Residential total market value			
Commercial total market value			
Agricultural classification: # of tillable acres		@ \$ acre use value	
# of pasture acres		@ \$ acre use value	
# of specialty acres		@ \$ acre use value	
Undeveloped classification # of acres		@ \$ acre @ 50% of market value	
Agricultural forest classification # of acres		@ \$ acre @ 50% of market value	
Forest classification # of acres		@ \$ acre @ market value	
Class 7 "Other" total market value		market value	
Managed forest land acres		@ \$ acre @ 50% of market value	
Managed forest land acres		@ \$ acre @ market value	

Section 3: Reason for Objection and Basis of Estimate	
Reason(s) for your objection: (Attach additional sheets if needed) Value is excessive based on other comparable big box stores and appraisals	Basis for your opinion of assessed value: (Attach additional sheets if needed) Based on other big box stores and appraisals

Section 4: Other Property Information	
A. Within the last 10 years, did you acquire the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, provide acquisition price \$ _____ Date <u> </u> - <u> </u> - <u> </u> <input type="checkbox"/> Purchase <input type="checkbox"/> Trade <input type="checkbox"/> Gift <input type="checkbox"/> Inheritance <small>(mm-dd-yyyy)</small>	
B. Within the last 10 years, did you change this property (ex: remodel, addition)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe Remodel: see attached for additional information Date of changes <u>9-1-2023</u> Cost of changes \$ <u>10,369,611</u> Does this cost include the value of all labor (including your own)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <small>(mm-dd-yyyy)</small>	
C. Within the last five years, was this property listed/offered for sale? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, how long was the property listed (provide dates) <u> </u> - <u> </u> to <u> </u> - <u> </u> <small>(mm-dd-yyyy)</small> <small>(mm-dd-yyyy)</small> Asking price \$ _____ List all offers received _____	
D. Within the last five years, was this property appraised? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide: Date <u>12-17-2024</u> Value <u>5,620,000</u> Purpose of appraisal <u>retrospective market valuation</u> <small>(mm-dd-yyyy)</small> If this property had more than one appraisal, provide the requested information for each appraisal. <u>2022 - 4,680,000</u>	

Section 5: BOR Hearing Information	
A. If you are requesting that a BOR member(s) be removed from your hearing, provide the name(s): _____ Note: This does not apply in first or second class cities.	
B. Provide a reasonable estimate of the amount of time you need at the hearing <u>15</u> minutes.	

Property owner or Agent signature <i>Christopher L. Strohbehn</i>	Date (mm-dd-yyyy) 5 - 8 - 2026
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Request for Waiver of Board of Review (BOR) Hearing

Section 70.47 (8m), Wis. Stats., states, "The board may, at the request of the taxpayer or assessor, or at its own discretion, waive the hearing of an objection under sub. (8) or, in a 1st class city, under sub. (16) and allow the taxpayer to have the taxpayer's assessment reviewed under sub. (13). For purposes of this subsection, the board shall submit the notice of decision under sub. (12) using the amount of the taxpayer's assessment as the finalized amount. For purposes of this subsection, if the board waives the hearing, the waiver disallows the taxpayer's claim on excessive assessment under sec. 74.37(3) and notwithstanding the time period under sec. 74.37(3)(d), the taxpayer has 60 days from the notice of hearing waiver in which to commence an action under sec. 74.37(3)(d)."

NOTE: The legal requirements of the Notice of Intent to Appear must be satisfied and the Objection Form must be completed and submitted as required by law prior to the Request for Waiver of Board of Review Hearing being submitted.

NOTE: Request for Waiver must be presented prior to the commencement of the hearing.

Municipality City of La Crosse	County La Crosse
Requestor's name Wal-Mart Real Estate Business Trust	Agent name (if applicable)* Mallery, s.c.
Requestor's mailing address PO Box 8050 Bentonville, AR 72716	Agent's mailing address 731 N. Jackson Street Suite 900, Milwaukee, WI 53202
Requestor's telephone number (479) 204-3835	Agent's telephone number (414) 271-2424
<input checked="" type="checkbox"/> Land Line <input type="checkbox"/> Cell Phone	<input checked="" type="checkbox"/> Land Line <input type="checkbox"/> Cell Phone
Requestor's email address Paola.Castillo0@walmart.com	Agent's email address cstrohbehn@mallerysc.com / rkarnes@mallerysc.com

Property address 4622 Mormon Coulee Road, La Crosse, WI 54601	
Legal description or parcel number 17-50328-076	
Taxpayer's assessment as established by assessor - Value as determined due to waiving of BOR hearing \$ 11,996,000	
Property owner's opinion of value \$ 4,680,000	
Basis for request To take matter directly to Circuit Court as previous tax years are currently in litigation	
Date Notice of Intent to Appear at BOR was given 5 - 5 - 2-26	Date Objection Form was completed and submitted 5 - 8 - 2026

All parties to the hearing understand that in granting of this waiver there can be no appeal to the Department of Revenue under sec. 70.85, Wis. Stats. An action under sec. 70.47(13), Wis. Stats., must be commenced within 90 days of the receipt of the notice of the waiving of the hearing. An action under sec. 74.37(3)(d), Wis. Stats., must be commenced with 60 days of the receipt of the notice of the waiving of the hearing.

Christopher L Strohbehn

Requestor's / Agent's Signature

***If agent, attach signed Agent Authorization Form, PA-105**

Decision

Approved Denied

Reason The Board of Review wants the opportunity to hear Wal-mart's objection to the property assessment and issue a determination for the record.

Frank M. Presj
Board of Review Chairperson's Signature

05/14/2026
Date

Taxpayer advised 5/14/2026 via email
Date

Request to Testify by Telephone or Submit a Sworn Written Statement at the Board of Review (BOR)

Section 70.47(8), Wis. Stats., states "...Instead of appearing in person at the hearing, the board may allow the property owner, or the property owner's representative, at the request of either person, to appear before the board, under oath, by telephone or to submit written statements, under oath, to the board. ..."

NOTE: The legal requirements of the Notice of Intent to Appear at the BOR must be satisfied and the Objection Form must be completed and submitted to the BOR as required by law prior to the Request to Testify by Telephone or Submit Sworn Written Statement form being submitted.

Municipality City of La Crosse	County La Crosse
Property owner's name Wal-Mart Real Estate Business Trust	Agent name (if applicable) Mallery, s.c.
Owner's mailing address PO Box 8050 Bentonville, AR 72716	Agent's mailing address 731 N. Jackson Street Suite 900, Milwaukee, WI 53202
Owner's telephone number (479) 204-3835	Agent's telephone number (414) 271-2424
<input checked="" type="checkbox"/> Land Line <input type="checkbox"/> Cell Phone	<input checked="" type="checkbox"/> Land Line <input type="checkbox"/> Cell Phone
Owner's email address Paola.Castillo0@walmart.com	Agent's email address cstrohbehn@mallerysc.com / rkarnes@mallerysc.com

Please provide the following information on the property and the assessment to which you are objecting. (Attach additional sheets, if necessary.)

1. Property address 4622 Mormon Coulee Road
2. Legal description or parcel number from the current assessment roll 17-50328-076
3. Total Property Assessment \$ 11,996,000
4. If agent, attach signed Agent Authorization form, PA-105

Testify by telephone* Submit sworn written statement

Basis for request _____

To take matter directly to Circuit Court as previous tax years are currently in litigation _____

*If the request is approved, provide the best telephone number to reach you (414) 271-2424

Owner's or Agent's signature <i>Christopher L Strohbehn</i>	Date 5-08-2026
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For Board Use Only

Approved Denied

Reason _____

Fred M. Gisp **05/14/2026**

Taxpayer advised 5/14/2026 via email
Date

ADDENDUM

LIST OF ADDITIONAL AUTHORIZED AGENTS

<u>Name</u>	<u>Title</u>	<u>Company Name</u>	<u>Mailing Address</u>	<u>Email</u>	<u>Phone</u>
Christopher L. Strohhahn	Attorney	Mallery, s.c.	731 North Jackson Street, Suite 900, Milwaukee, WI 53202	cstrohhahn@mallerysc.com	414-271-2424
Russell J. Karnes	Attorney	Mallery, s.c.	731 North Jackson Street, Suite 900, Milwaukee, WI 53202	rkarnes@mallerysc.com	414-271-2424
Hannah E. Rodriguez	Attorney	Mallery, s.c.	731 North Jackson Street, Suite 900, Milwaukee, WI 53202	hrodriguez@mallerysc.com	414-271-2424
Bob Wentzel	Consultant	Alliance Property Consultants, Inc.	11985 Technology Drive, Suite 260, Eden, MN 55344	bobwentzel9@aol.com	952-942-6734
Bill Wentzel	Consultant	Alliance Property Consultants, Inc.	11985 Technology Drive, Suite 260, Eden, MN 55344	billw@alliancepropertyconsultants.com	952-942-6734

Temporary Staff/Le

Handwritten signature

X

Agent Authorization

for Property Assessment Appeals

If an agent is representing the property owner or municipality, the property owner or municipality must provide prior written authorization for the agent to represent the company or municipality when contacting the reviewing authority.

Section 1: Property Owner and Property Information

Company/property owner name Wal-Mart Real Estate Business Trust			Taxation district (Check one) <input type="checkbox"/> Town <input type="checkbox"/> Village <input checked="" type="checkbox"/> City		County La Crosse
Mailing address P.O. Box 8050			Street address of property 4622 Mormon Coulee Road		
City Bentonville	State AR	Zip 72716	City La Crosse	State WI	Zip 54601
Parcel number 17-50328-076		Phone () -	Email Paola.Castillo0@walmart.com		Fax () -

Section 2: Authorized Agent Information

Name / title Christopher L. Strohbahn, Russell J. Karnes, Andrew G. Frank, Hannah E. Rodriguez			Company name Mallery, s.c.		
Mailing address 731 North Jackson Street, Suite 900			Phone (414) 271 - 2424	Fax () -	
City Milwaukee	State WI	Zip 53202	Email cstrohbahn@mallerysc.com / rkarnes@mallerysc.com		

Section 3: Agent Authorization

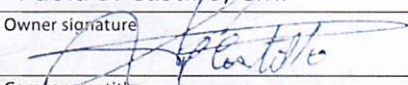
Agent Authorized for: (check all that apply)		Enter Tax Years of Authorization	
<input checked="" type="checkbox"/> Manufacturing property assessment appeals (BOA)		<u>2020-2026</u>	
<input checked="" type="checkbox"/> Wisconsin Department of Revenue 70.85 appeals		_____	
<input checked="" type="checkbox"/> Municipal Board of Review		_____	
<input type="checkbox"/> Other _____		_____	
Authorization expires: <u>12 - 31 - 2026</u>		(unless rescinded in writing prior to expiration)	
		<small>(mm - dd - yyyy)</small>	
Send notices and other written communications to: (check one or both) <input checked="" type="checkbox"/> Authorized Agent <input type="checkbox"/> Property Owner			

Section 4: Agreement/Acceptance

I understand, agree and accept:

- The assessor's office may divulge any information it may have on file concerning this property
- My agent has the authority and my permission to accept a subpoena concerning this property on my behalf
- I will provide all information I have that will assist in the discussion and resolution of any assessment appeal of this property
- Signing this document does not relieve me of personal responsibility for timely reporting changes to my property and paying taxes, or penalties for failure to do so, as provided under Wisconsin tax law
- A photocopy and/or faxed copy of this completed form has the same authority as a signed original
- If signed by a corporate officer, partner, or fiduciary on behalf of the owner, I certify that I have the power to execute this Agent Authorization form

Section 5: Owner Grants Authorization

Owner Sign Here ▶	Owner name (please print) Paola B. Castillo, CMI
	Owner signature 
	Company or title Walmart Real Estate Business Trust - Senior Manager Prop. Tax
Date (mm-dd-yyyy) 04-10-2026	

Rec'd by email
5/8/2026

MALLERY_{SC}
A LIMITED LIABILITY SERVICE CORPORATION

Writer's Direct Email
acriction@mallerysc.com

May 8, 2026

Via E-mail (elsenn@cityoflacrosse.org) and United Parcel Service

Ms. Nikki Elsen, City Clerk
City of La Crosse
City Hall 2nd Floor
400 La Crosse Street
La Crosse, WI 54601

Re: 2026 Request for Waiver of Board of Review (BOR) Hearing
Property Owner: Wal-Mart Real Estate Business Trust
Property Address: 4622 Mormon Coulee Road, La Crosse, WI
Parcel Number: 017-50328-076

Dear Ms. Elsen:

Enclosed please find an Agent Authorization signed by our client, Walmart Real Estate Business Trust, regarding the above referenced property. Please also find the completed Request for Waiver of Board of Review (BOR) Hearing and the Objection to Real Property Assessment.

We would like to waive the hearing of the attached objection. If the Waiver of Hearing is denied, we would like to request a telephone hearing with the Board of Review and have therefore enclosed a Request to Testify by Telephone.

Please let us know if you have any questions or require anything further from us. Thank you for your attention to this matter.

Very truly yours,

Amy Crichton

Amy M. Crichton
Litigation Paralegal

Enclosures

Rec'd by email
5/8/2026

Elsen, Nikki

From: Amy Crichton <acrichton@mallerysc.com>
Sent: Friday, May 8, 2026 3:04 PM
To: Elsen, Nikki; Craig, Sondra
Cc: Christopher L. Strohbeh; Russell J. Karnes; Hannah E. Rodriguez; Caroline E. Tietjens; Madeline A. Kozel
Subject: RE: 2026 Board of Review // 4622 Mormon Coulee Road // Parcel No.: 017-050328-076
Attachments: 2026 Objection to Real Property Assessment - Walmart La Crosse.pdf

*** CAUTION: This email originated from an external sender. **DO NOT** click links or open attachments unless you recognize the sender and know the content is safe. ***

Good afternoon,

Attached please find an Agent Authorization, Notice of Intent to File Objection, Objection to Real Property Assessment, Request for Waiver of BOR Hearing, Request to Testify by Telephone and an Addendum containing a list of authorized agents filed on behalf of our client Wal-Mart Real Estate Business Trust for the 2026 tax assessment for the above property. The original will be sent via UPS.

Would you please advise if our client's request for waiver will be approved, or if you will require someone from our office to appear at the BOR hearing on May 14, 2026 at 10:00 a.m.

Kindly confirm you have received this email and let us know if you need additional information.

Thank you in advance for your assistance,

Amy

Amy Crichton

MALLERY s.c. | A Limited Liability Service Corporation
731 North Jackson Street, Suite 900 | Milwaukee, Wisconsin 53202-4697
Direct | acrichton@mallerysc.com
[Website](#) | [Bio](#) | [LinkedIn](#) | [vCard](#)

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IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS in Circular 230, we inform you that, unless we expressly state otherwise in this communication (including any attachments), any tax advice contained in this communication is not intended or written to be used, and cannot be used, for the

purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any transaction or other matter addressed in this communication.

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From: Amy Crichton <acrighthon@mallerysc.com>

Sent: Tuesday, May 5, 2026 4:43 PM

To: Elsen, Nikki <elsenn@cityoflacrosse.org>; craigs@cityoflacrosse.org

Cc: Christopher L. Strohbahn <cstrohbahn@mallerysc.com>; Russell J. Karnes <rkarnes@mallerysc.com>; Hannah E. Rodriguez <hrodriguez@mallerysc.com>; Caroline E. Tietjens <ctietjens@mallerysc.com>

Subject: 2026 Board of Review // 4622 Mormon Coulee Road // Parcel No.: 017-050328-076

Good afternoon,

My office represents Wal-Mart Real Estate Business Trust, owner of the above referenced property. I am writing to notify you of our intent to file an objection to the assessment of the property. Our objection forms will follow.

Thank you,

Amy

Amy Crichton

MALLERY s.c. | A Limited Liability Service Corporation

731 North Jackson Street, Suite 900 | Milwaukee, Wisconsin 53202-4697

Direct | acrighthon@mallerysc.com

[Website](#) | [Bio](#) | [LinkedIn](#) | [vCard](#)

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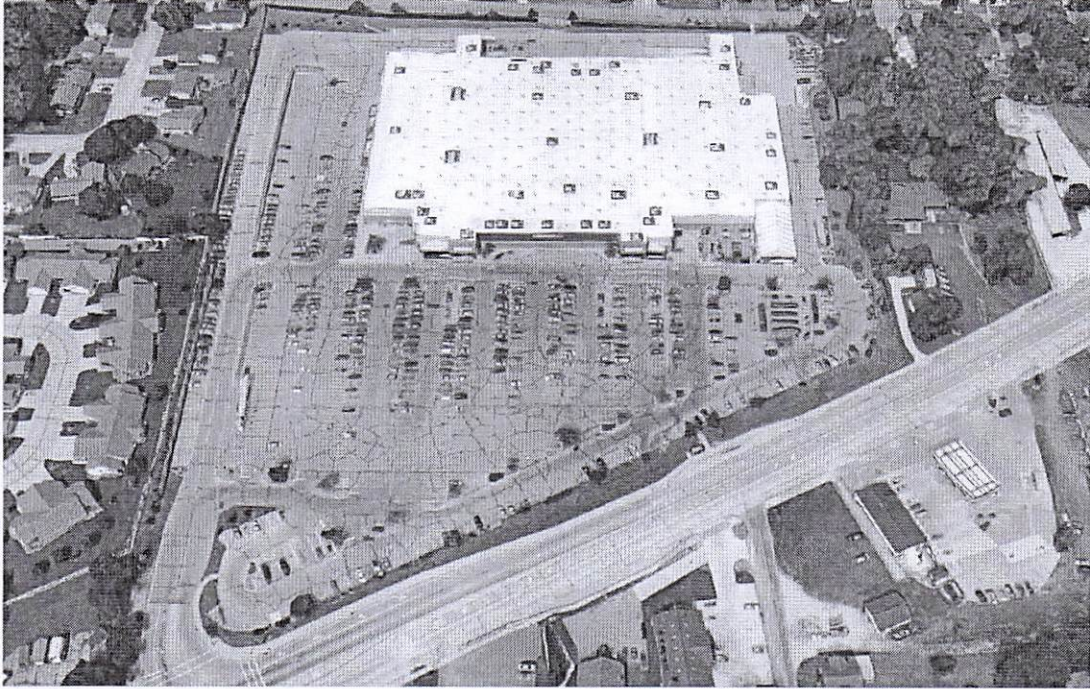
IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS in Circular 230, we inform you that, unless we expressly state otherwise in this communication (including any attachments), any tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any transaction or other matter addressed in this communication.

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APPRAISAL REPORT

Retail Store
Located at 4622 Mormon Coulee Road
La Crosse, Lacrosse County, Wisconsin 54601

Date of Value
January 1, 2023



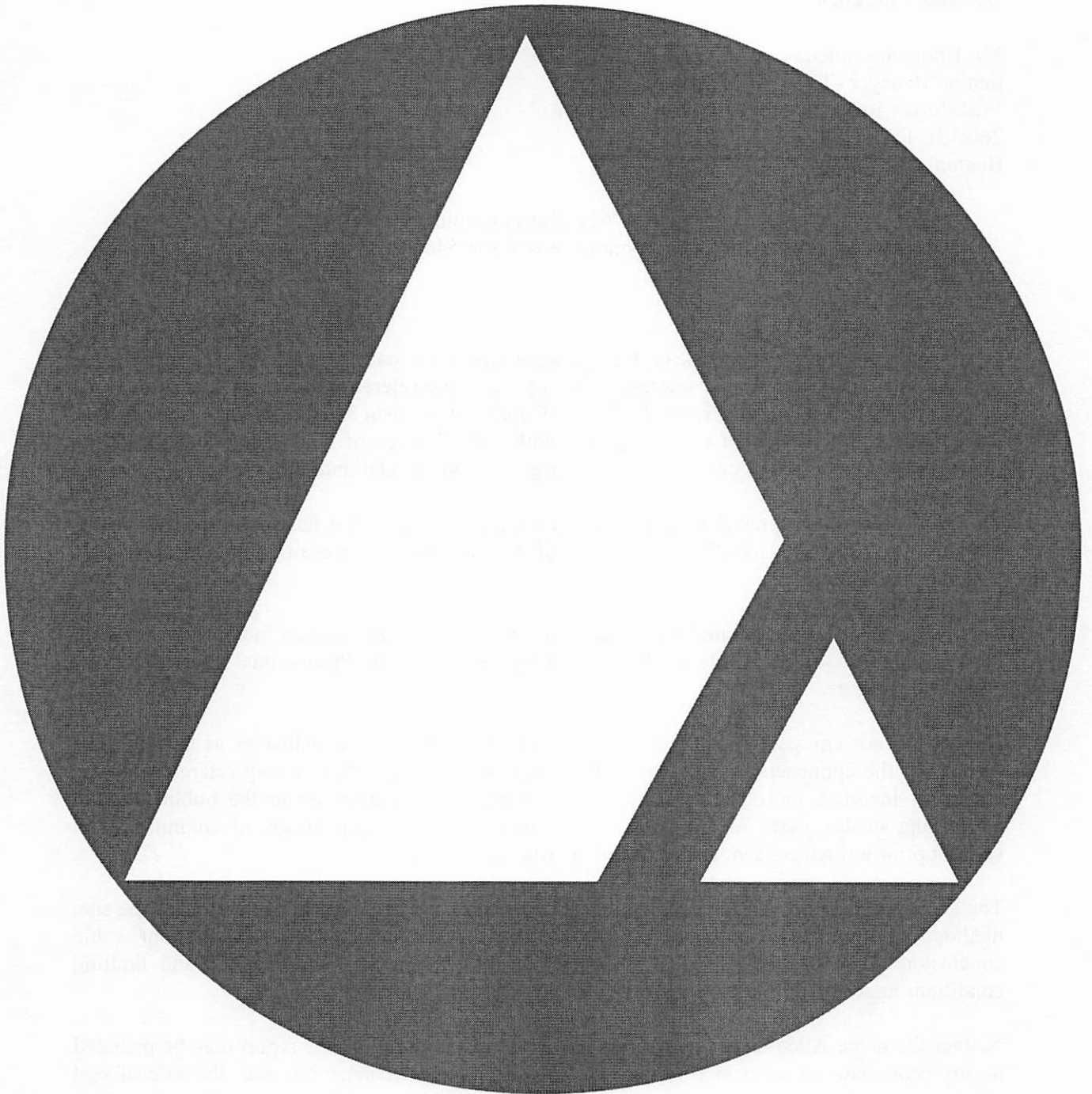
Date of Report
December 17, 2024

Prepared for:
Mr. Brandon Caplena
Senior Manager - Real Estate Property Tax
WAL-MART REAL ESTATE BUSINESS TRUST
2608 SE J Street, Suite 2
Bentonville, Arkansas 72716-0555

By:
ALLEN & ASSOCIATES APPRAISAL GROUP, INC.

550 Stephenson Highway, Suite 340
Troy, Michigan 48083
(248) 433-9630
www.allenappraisal.com





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December 17, 2024

Mr. Brandon Caplena
Senior Manager - Real Estate Property Tax
WAL-MART REAL ESTATE BUSINESS TRUST
2608 SE J Street, Suite 2
Bentonville, Arkansas 72716-0555

Re: Real property located at 4622 Mormon Coulee Road
La Crosse, La Crosse County, Wisconsin 54601

Dear Mr. Caplena:

In accordance with your request, in this appraisal report, we have prepared an appraisal of the market value of the fee simple interest in and of the above referenced property located at 4622 Mormon Coulee Road in La Crosse, La Crosse County, Wisconsin 54601. As of the date of value, the subject site consisted of one tax parcel with ±16.22 acres of land. The subject building improvements consisted of one ±187,386 SF mega warehouse retail building.

The purpose of the appraisal is to estimate the market value of the fee simple interest in the property as of January 1, 2023. The function of this appraisal is for use in property tax review. The client is Walmart.

This report has been researched and to the best of our knowledge written in conformance with the requirements of the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute.

Neither all, nor any part of the contents of this report (especially conclusions as to value, the identity of the appraisers, or the firm with which they are connected, or any references to the Appraisal Institute, or to the MAI designation) shall be disseminated to the public through advertising media, news media, sales media, or any other public means of communication without prior written consent and approval of Allen & Associates.

The accompanying appraisal report, of which this letter is a part, describes in summary the site, methods of appraisal, and contains the pertinent data considered in reaching our value conclusions. The opinion of value is subject to the statement of assumptions and limiting conditions attached herewith.

Neither the name Allen & Associates, nor the material submitted in this report may be included in any prospectus or used in offerings or representations in connection with the sale of real estate, securities, or participation interests to the public without our expressed written permission.

This appraisal has been prepared for sole and exclusive use of *Walmart, its counsel, and Wisconsin Courts* for the purpose of property tax review. Use for any other purpose or by any other user is prohibited without the express written consent of the appraiser.

Based on our analysis, along with the basic assumptions and limiting conditions of the appraisal contained herein, it is our opinion that the market values of the fee simple interest in the subject property as of January 1, 2023 was:

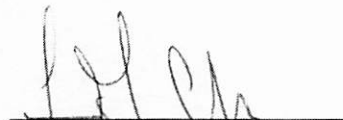
“RETROSPECTIVE” MARKET VALUE OF THE SUBJECT PROPERTY

AS OF JANUARY 1, 2023

FIVE MILLION SIX HUNDRED TWENTY THOUSAND (\$ 5,620,000) DOLLARS

The value estimates and conclusions include the hypothetical condition that the property taxes are assessed at a level reflective of 100% of the market values concluded for the date of value in this report. The effect of this hypothetical condition is an increase in the market value determinations. Additionally, the above value conclusions are subject to the extraordinary assumption that the property condition was as described in this report for the date of value. Further, the above value conclusions are subject to the jurisdictional exception created by the Wisconsin Constitution, state statutes, case law, and the Wisconsin Property Assessment Manual (WPAM) as discussed in the scope of the appraisal. Including the decision in the February 16, 2023 Supreme of Wisconsin in the case of Lowe’s Home Centers, LLC v. City of Delavan (Case #2109AP1987). The above value estimates should be reviewed within the context of the attached report and are subject to the assumptions and limiting conditions contained within the report.

Respectfully submitted:
ALLEN & ASSOCIATES



Laurence G. Allen, MAI
President

Certified General Appraiser
State of Wisconsin #2191-10
Expiration Date: December 14, 2025

Attachments

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Summary of Salient Facts and Conclusions

Property Location:	4622 Mormon Coulee Road La Crosse, La Crosse County, Wisconsin
Parcel ID Number(s):	17-50328-76 (city of La Crosse) 11-1532-1 (town of Shelby)
Date of Report:	December 17, 2024
Interest Appraised:	Fee simple.
Date of Value:	January 1, 2023
Highest and Best Use:	
As Vacant:	Retail development
As Improved:	Use as a retail store.
Site Description:	
Land Area:	±16.22 acres 15.59 acres on parcel 17-50328-76 0.63 acres on parcel 11-1532-1
Shape:	Irregular
Zoning:	C-2, Commercial
Frontage:	Mormon Coulee Rd. & Markle Rd.
Access/Visibility:	Mormon Coulee Rd.
Parking Spaces	±814 provided, ±1,249 required.
Flood Hazard:	Zone X
Building Description:	
<u>Mega Warehouse Store:</u>	
Type:	One-story Class C
Quality:	Average Cost (based upon MVS)
Framing:	Steel
Exterior Walls:	Primarily concrete block walls with minimal EIFS
Gross Building Area	±187,386 SF
Year Built:	2003
Estimated Physical Age:	19 years as of January 1, 2023

Market Value Conclusions:

Retrospective Valuation Conclusions	
Date of Value	<u>January 1, 2023</u>
Sales Comparison Approach	\$5,620,000
Income Approach	\$5,950,000
Cost Approach	\$5,810,000
Reconciled Market Value of Subject Property	<u><u>\$5,620,000</u></u>

The value estimates and conclusions include the hypothetical condition that the property taxes are assessed at a level reflective of 100% of the market values concluded for the date of value in this report. The effect of this hypothetical condition is an increase in the market value determinations. Additionally, the above value conclusions are subject to the extraordinary assumption that the property condition was as described in this report for the date of value. Further, the above value conclusions are subject to the jurisdictional exception created by the Wisconsin Constitution, state statutes, case law, and the Wisconsin Property Assessment Manual (WPAM) as discussed in the scope of the appraisal. Including the decision in the February 16, 2023 Supreme of Wisconsin in the case of Lowe’s Home Centers, LLC v. City of Delavan (Case #2109AP1987). The above value estimates should be reviewed within the context of the attached report and are subject to the assumptions and limiting conditions contained within the report.

Identification of the Subject Property

The subject property is located at 4622 Mormon Coulee Road in La Crosse, La Crosse County, Wisconsin 54601. A legal description for the subject can be found in the addendum of this report.

Property Rights Appraised

The property rights appraised include the fee simple interest, including all rights in realty encumbered by applicable zoning and building code regulations and other government restrictions.

Scope of the Appraisal

The scope of this assignment consists of a market value appraisal of the fee simple interest in the subject real property (“as is”) considering the cost, income, and sales comparison approaches to value. The intended users of this report are *Walmart, its counsel, and Wisconsin Courts* for the purpose of property tax review.

The scope of work is based upon guidelines set forth by the Wisconsin Property Assessment Manual (WPAM) and Wisconsin case law as it pertains to property assessment; most notably the Markarian Theory which is explained as follows.

To determine market value for property tax assessment purposes, the WPAM sets forth a “three-tiered methodology for assessing real property’s full value at private sale.” *Nestle USA, Inc. v. Wis. Dept. of Revenue*, 331 Wis.2d 256, 273, 795 N.W.2d 46, 54 (2011) (citing *Markarian v. City of Cudahy*, 45 Wis.2d 683, 686, 173 N.W.2d 627 (1970)). The court in *Nestle* explains: “[Tier 1:] Evidence of a recent arm's-length sale of the subject property is the best evidence of full value. [Tier 2:] If the subject property has not been recently sold, then an assessor must consider sales of reasonably comparable properties. [Tier 3:] Only in situations where there has been no arm's-length sale of the subject property and there are no reasonably comparable sales may an assessor use one of the third-tier assessment methods.” See also 2023 WPAM 9-23 (summarizing the Markarian Hierarchy as follows: “Assessors, and appraisers valuing property for assessment purposes, must use the ‘Markarian hierarchy’ in valuing real property. [Tier 1:] The Markarian hierarchy requires assessors to first use a recent arm's length sale of the subject property. [Tier 2:] If there is no such sale, the next step is to use recent comparable sales of other properties. [Tier 3:] Only if there are no recent comparable sales of other properties should the assessor proceed to other indicators of value that include the income and cost approaches to value.” (citing *Markarian v City of Cudahy*, 45 Wis. 2d 683, 686 173 N.W.2d 627 (1970))).

The 2023 WPAM explains further:

“Appraisers typically use the sales comparison approach in markets where adequate sales exist. They typically use the cost approach in cases of new or special purpose structures or where limited sales or rental data activity exist. Appraisers typically use the income approach for income-producing properties and when an active rental market exists. It is also important

to understand which valuation approach buyers and sellers rely on when they interact in the marketplace. For example, buyers and sellers of income-producing property may place the most reliance on the income approach because it explicitly considers the net income of the property. Usually, more than one – and often all three – of the approaches apply to a given property. The only limiting factor: whether available and appropriate data exists to develop any and all approaches.

Given the data used and the type of property appraised, the appraiser must consider how well each method employed estimates the market value of the property. How does the appraiser determine which approach or approaches are most reliable? The best guidance that can be offered is to review market activity for the subject and determine the attributes by which the market uses to evaluate alternative real estate decisions. Generally, the greatest weight should be placed on the approach for which the greatest amount of reliable and appropriate data is available that will yield the highest degree of confidence. The final value estimate may be the value estimate derived from one of the approaches or may be a careful reconciliation of the applicable approaches.” (WPAM 2023).

As a result of the aforementioned guidelines as set forth in the state statutes, case law and Wisconsin Property Assessment Manual (WPAM) as discussed in the scope of the appraisal, as it pertains to property assessment, this appraisal is subject to a jurisdictional exception. The jurisdictional exception results for two different reasons in this report, which are as follows:

- 1) The reconciliation of value relies solely on the value derived from the Sales Comparison Approach when additional approaches to value may also produce credible results. Because only the Sales Comparison Approach is considered in the reconciliation, this may violate Standard Rule 1-6, which states:

In developing a real property appraisal, an appraiser must:

- (a) reconcile the quality and quantity of data available and analyzed within the approaches used; and
- (b) reconcile the applicability or suitability of the approaches used to arrive at the value conclusion(s).

- 2) The appraiser has identified numerous sale comparables that are precluded from being utilized as sale comparables in accordance with the Wisconsin Supreme Court’s decision in the aforementioned *Lowe’s Home Centers, LLC v. City of Delavan* (Case # 2109AP1987). The exclusion of these comparables may affect the credibility of the final conclusion of value for the subject property as of the date of value. Because these sales are excluded from use in the valuation, this may violate Standard Rule 1-4, which states:

When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

Further, in accordance with the decision in the February 16, 2023 Supreme of Wisconsin in the case of Lowe’s Home Centers, LLC v. City of Delavan (Case # 2109AP1987) none of the sales that will be included in our analysis will be distressed sales, dark store sales (as defined by the court) or sales with different highest and best uses.

The following bullet points provide additional detail related to the scope that was utilized in this appraisal.

- ***Extent to which the property is identified:*** We were provided with a site plan, building sketch, project overview plan, legal description, and floor plan of the property from Walmart and reviewed municipal parcel boundary sketches. We did not perform a title search or survey of the subject property.
- ***Extent to which tangible property is inspected:*** In preparing this appraisal, we examined the subject property (January 2022 and October 2024) and walked the site and the interior/exterior of the building. We were able to access the entire interior of the building improvements which was facilitated by Walmart employees. We researched the immediate area surrounding the subject property via physical examinations, including the comparables noted in this report. The property was in average condition as both dates of visit and is assumed to be in average condition as of the date of value.

Our examination of the subject property was done in order to develop impressions of the physical characteristics based on visual observations of apparent, not unapparent conditions. We are not licensed engineers and are not qualified to assess structural integrity or the adequacy and condition of its mechanical, electrical, or plumbing components. This appraisal is not a property condition report and should not be relied upon to disclose any conditions present in the property, and it does not guarantee the property to be free of defects. We are not licensed inspectors, and we did not make an “inspection” of the property as defined by Wisconsin law.

We are not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value. We have no reason to suspect the presence of hazardous substances, and we valued the subject assuming that none are present. No responsibility is assumed for any such conditions or for any expertise or engineering required to detect or discover them. We urge the user of this report to obtain the services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While we refer to FEMA flood maps, we are not surveyors and not qualified to make flood plain determinations, and we recommend that a qualified party be consulted before any investment decision is made.

- ***Valuation:*** The valuation section of this report was developed considering all three traditional valuation methodologies: the income, sales comparison, and cost approaches. In the case of the subject property, the sales comparison income and cost approaches were applied. The approaches were developed on an “as is” basis, as of January 1, 2023, for the existing building and its site.

- **Acknowledgement:** Mark D. Wiley has assisted in the fieldwork, analysis, and draft of this report; we would like to recognize his contribution to the report. Laurence G. Allen, MAI has personally examined the subject property.

Statement of Competency

Allen and Associates has performed numerous appraisals of similar properties in Wisconsin, around the Midwest and the country for various functions including, but not limited to: mortgage financing, estate planning, property tax review and litigation. As a result, we are well qualified to perform this assignment.

Intended Use/Intended Users

This appraisal has been prepared for *Walmart, its counsel, and Wisconsin Courts* for the purpose of property tax review. Use by any other user or for any other purpose is prohibited without the express written consent of the appraiser.

Definition of Fee Simple

A fee simple interest is defined in The Dictionary of Real Estate Appraisal, Seventh Edition, (Appraisal Institute, 2015) as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

The 2023 Wisconsin Property Assessment Manuals defines fee simple as “In land ownership, complete interest in a property, subject only to governmental powers.”

Definition of Real Property

Under Wisconsin Statute § 70.03, “[r]eal property...includes not only the land itself but all buildings and improvements thereon, and all fixtures and rights and privileges appertaining thereto.” (WPAM 2023).

Purpose and Function of the Appraisal

The purpose of the appraisal is to provide an estimate of the “as is” fee simple market value of the subject property as of January 1, 2023. The function of this appraisal is for use in property tax review.

Date of Report

The date of this report is December 17, 2024.

Date of Value

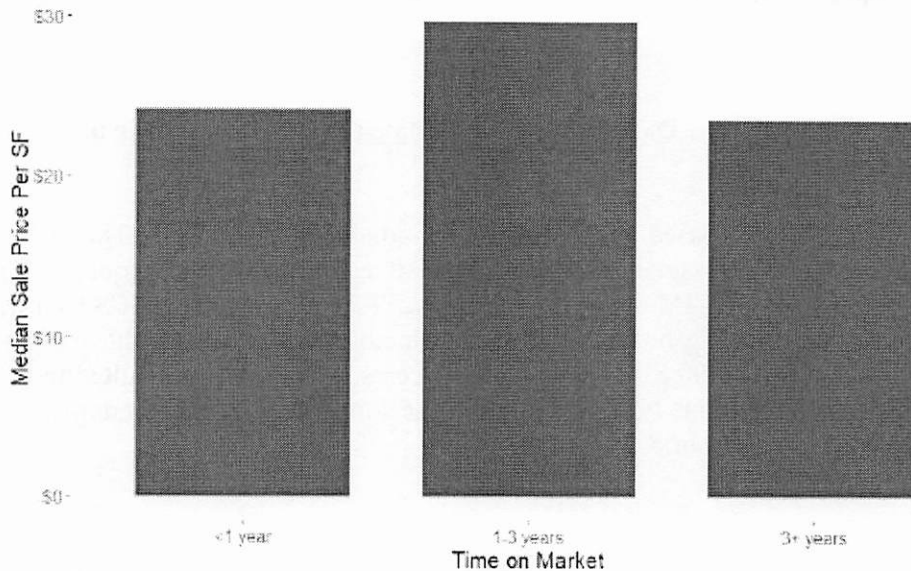
The “as is” retrospective date of value is January 1, 2023.

Exposure Time

Exposure time is defined by The Dictionary of Real Estate (7th Edition) as “The time a property remains on the market.”

The market value estimate is based upon an exposure time of 12-36 months. This is based upon our review of sales and discussions with brokers relative to this type of property. Further, in 2019, Dane Anderson MAI, CCIM and Kenneth Riggs, CFA, CRE, MAI, FRICS CCIM, of Situs RERC produced a study on big box retail valuation methodology which indicated that for big box retail properties over 50,000 SF, a period of 1-3 years on the market resulted in the highest average sale price per SF for this type of property. The following is a graph comparing average prices per SF and time on the market.

Figure 23: Summary of Sales by Marketing Time Category – Fee Simple (>50k SF)



	<1 YEAR	1-3 YEARS	3+ YEARS
Median Sale Price/SF	\$24.17	\$29.65	\$23.57
Average Sale Price/SF	\$28.21	\$36.19	\$27.99
Average Days on Market	203	639	1,535
Average Building Size (SF)	101,687	105,986	106,425
Average Year Built	1993	1995	1992
Average Land-to-Building Ratio	4.7	4.8	4.6
Average ZIP Code Median Household Income	\$52,642	\$54,541	\$54,648
Average ZIP Code Population	32,678	33,617	33,954
# of Transactions	59	63	35

Definition of Market Value

Real property must be valued at market value. See Wis. Stat. § 70.32(1) (stating that property must be valued at “the *full value* which could ordinarily be obtained therefore at private sale” (emphasis added)).

Market value means “the most probable price paid by a willing buyer to a willing seller in an arm’s-length transaction.” (WPAM 2023).

The WPAM explains: “The goal of the assessor is to estimate the current market value of the bundle of rights for a particular property, considering only those rights and privileges that the owner, or beneficial owner, can transfer to a willing buyer in an arm’s-length transaction.” (WPAM 2023).

Additionally, “when applying the market value standard, the assessor must base the value of a property on the arm’s-length sale price of the subject property or the sales of reasonably comparable properties, if available. Therefore, the assessment of any property should reflect the arm’s-length sale price of the subject, or its probable selling price if no sale has occurred.” (WPAM 2023).

Further, the WPAM’s expanded definition of 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, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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 considered their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. 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.

(WPAM 2023 Glossary)

Ownership and Sales History of the Property

In accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute, for a property, such as the subject, the appraiser must consider and analyze any prior sales of the property, which have occurred within the last three years, as well as any current agreements of sale, options, or listings of the property.

As of the date of value (January 1, 2023), Walmart used the subject property to conduct its retail business. Walmart has owned the property for more than three years and has utilized the subject property for retail purposes since 2003. There have been no offers to purchase or sell the property in the three years preceding the date of value.

Statement of Assumptions and Limiting Conditions

1. The title to the subject property is merchantable and the property is free and clear of all liens and encumbrances, except as noted.
2. No liability is assumed for matters legal in nature.
3. Ownership and management are assumed to be in competent and responsible hands.
4. No survey has been made. Dimensions are as supplied by others and are assumed to be correct.
5. The appraisal was prepared solely and exclusively for *Walmart, its counsel and Wisconsin Courts*, for the purpose of property tax review and should not be used for any other reason or by any other user without the express written consent of the appraiser.
6. All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
7. No responsibility is assumed for information supplied by others, which is believed to be reliable and correct. This includes zoning and tax information provided by municipalities and the county.
8. The signatories shall not be required to give testimony or attend court or be at any governmental hearing with references to the said properties unless prior arrangements have been made with the client.
9. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.
10. The legal description is assumed to be accurate.
11. This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. It is suggested that if there are concerns regarding these issues, that an environmental report be obtained. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA.
13. The concluded value estimates include the hypothetical condition that the property taxes are assessed at a level reflective of 100% of the market values concluded in this report. Without this hypothetical condition, the property taxes would be based upon an assessed value that exceeded the market value. The additional tax expense would result in a buyer

paying less for a property as a result of the additional expense. The value estimates should be reviewed within the context of the attached report and are subject to the assumptions and limiting conditions contained within the report. The effect on the value of this assumption is an increase in the concluded market value for the date of value.

14. The value conclusions are subject to the extraordinary assumption that the property condition was as described in this report for the date of value. If this assumption were not correct the final conclusions of value could be affected.
15. In accordance with the decision in the February 16, 2023 Supreme of Wisconsin in the case of *Lowe’s Home Centers, LLC v. City of Delavan* (Case # 2109AP1987) none of the sales that will be included in our analysis will be distressed sales, dark store sales (as defined by the court) or sales with different highest and best uses.
16. As a result of the guidelines as set forth in the Wisconsin statutes, case law and the Wisconsin Property Assessment Manual (WPAM) as discussed in the scope of the appraisal, as it pertains to property assessment, this appraisal is subject to a jurisdictional exception. The jurisdictional exception results for two different reasons in this report, which are as follows:

- 1) The reconciliation of value relies solely on the value derived from the Sales Comparison Approach when additional approaches to value may also produce credible results. Because only the Sales Comparison Approach is considered in the reconciliation, this may violate Standard Rule 1-6, which states:

In developing a real property appraisal, an appraiser must:

- (a) reconcile the quality and quantity of data available and analyzed within the approaches used; and
- (b) reconcile the applicability or suitability of the approaches used to arrive at the value conclusion(s).

- 2) The appraiser has identified numerous sale comparables that are precluded from being utilized as sale comparables in accordance with the Wisconsin Supreme Court’s decision in the aforementioned *Lowe’s Home Centers, LLC v. City of Delavan* (Case # 2109AP1987). The exclusion of these comparables may affect the final conclusion of value for the subject property as of the date of value. Because these sales are excluded from use in the valuation, this may violate Standard Rule 1-4, which states:

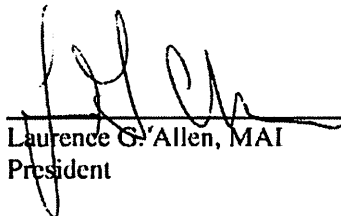
When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

Certification

1. We have no present or contemplated future interest in the subject of this appraisal.
2. We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned), affecting the analysis, opinions, and conclusions contained in this report.
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice. This report, to the best of our knowledge, is in compliance with the applicable Standards Rules of Standard 1 and Standard 2 of the current edition of the Uniform Standards of Professional Appraisal Practice of the Appraisal Standards Board of The Appraisal Foundation.
6. 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 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.
7. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. No one other than the undersigned completed the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report. Mark Wiley has assisted in the fieldwork, analysis, and draft of this report; we would like to recognize his contribution to the report. Laurence G. Allen, MAI and Mark Wiley have personally inspected the property.
9. The Appraisal Institute conducts a voluntary program of continuing education for its members. Laurence G. Allen, MAI is currently certified under this program.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, except when such disclosure to a committee would violate applicable law or regulation.

11. The appraisal assignment was not based upon a minimum valuation, a specific valuation, or approval of a loan.
12. The appraiser has performed an appraisal of the subject property in a report dated April 25, 2022. The date of value included in that report was January 1, 2021.
13. Appraisers are licensed and regulated by the Wisconsin Department of Safety and Professional Services, P.O. Box 8935, Madison, Wisconsin 53703. Laurence G. Allen, MAI is presently licensed as a Certified General Real Estate Appraiser in the State of Wisconsin and several other states, which allows him to appraise of all types of real estate.

Allen & Associates:



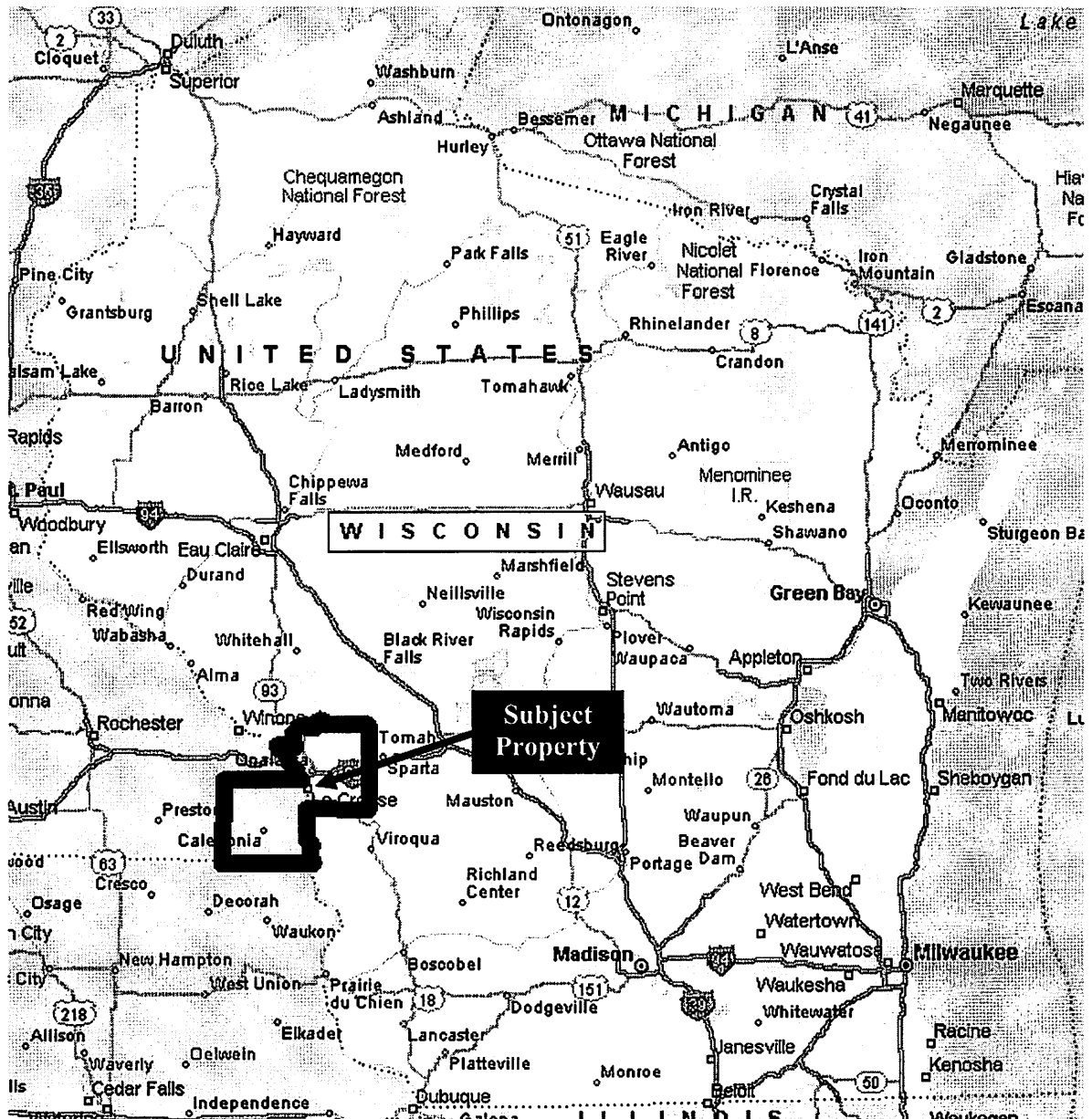
Laurence G. Allen, MAI
President

Certified General Appraiser
State of Wisconsin #2191-10
Expiration Date: December 14, 2025

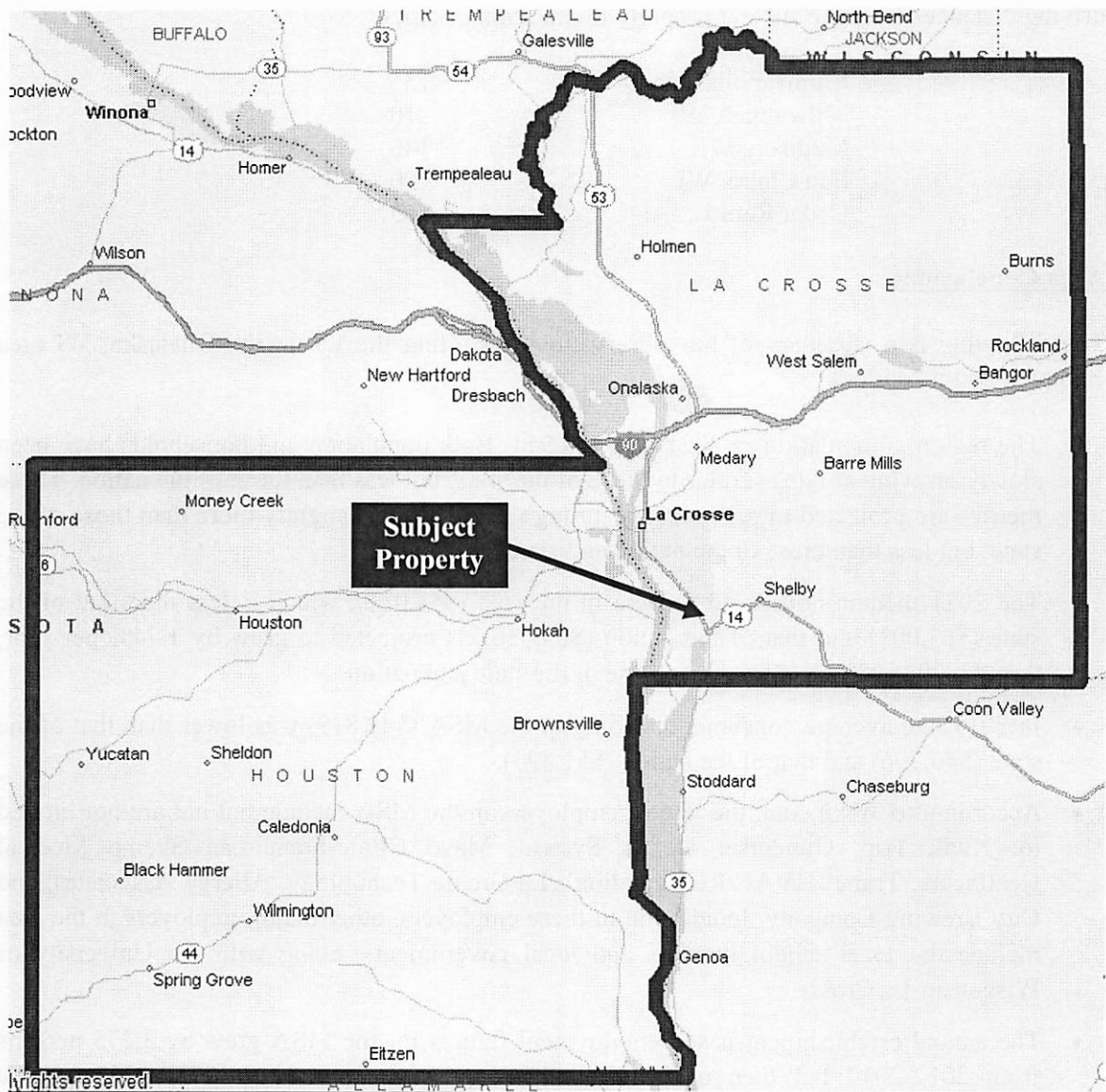
Area Description

The subject property is located in the La Crosse-Onalaska, WI-MN Metropolitan Statistical Area (MSA) in Wisconsin. According to the Office of Management and Budget, the counties included in this statistical area are La Crosse County, WI and Houston County, MN. In this section we analyze the regional economy and the relevant economic factors affecting the La Crosse-Onalaska, WI MSA as well as the State of Wisconsin and the United States.

Map of Wisconsin with Metropolitan Statistical Area Outlined in Blue



Map of the La Crosse-Onalaska, WI-MN MSA – Outlined in Blue



The metropolitan area has several highways that extend through the area, the largest of which is Interstate 90. There are numerous other state routes that traverse the area including, but not limited to, US-14 and US-53. Overall, the MSA has average access to the highway system.

For air-travel, the area is serviced by La Crosse Regional Airport, a primary-non hub airport that is Wisconsin’s sixth busiest airport based upon 2019 enplanements.

The subject is located in southwestern La Crosse County and the following are approximate driving distances from the subject property to other major cities:

Minneapolis, MN:	155
Milwaukee, WI:	210
Madison, WI:	140
Eau Claire, WI:	90
Cedar Rapids, IA:	165

Area Conclusions

The following is a summary of our observations regarding the La Crosse-Onalaska, WI area economy and its outlook:

- The region’s population in 2021 was 139,911. Both population and households have been slowly growing at rates similar to those of the state, but less than those of the nation. These metrics are projected to grow slowly through 2026, at rates slightly more than those of the state, but less than those of the nation and state.
- The 2021 median household income in the area (\$58,011), which is less than that of the state (\$63,001) and that of the nation (\$64,730), is projected to grow by 1.74% per year, through 2026, which is less than those of the state and nation.
- In 2019, the average consumer spending in the MSA (\$42,819) was lower than that of the state (\$46,796) and that of the nation (\$51,893).
- According to Wikipedia, the largest employers in the MSA include but are not limited to: Kwik Trip, Gundersen Health System, Mayo Clinic-Franciscan Skemp Medical Healthcare, Trane (HVAC/Refrigeration), La Crosse Technology, Allergy Associates, and City Brewing Company. In addition to these employers, other major employers in the area include the local school districts and local governments, along with the University of Wisconsin-La Crosse.
- The annual establishment-based employment figures for the MSA grew by 3,275 persons from 2012-2017 but then declined by 2,195 persons from 2017-2022. Although the employment figures for the MSA declined from 2017-2021, as a result of Covid-19 (-33,666 persons), the employment figures also declined in every year except 2021. The number of people employed in 2022 was approximately 1.5% higher than the number of people employed in 2012.
- La Crosse County is located in the Western Workforce Development Area (WDA) in Wisconsin. This WDA includes the counties of Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau, and Vernon. The largest growing employment industry sector, by persons, through 2028 is projected to be the Education and Health Services sector with 2,560 new jobs. The largest growing employment industry sector, by

percentage, through 2028 is projected to be the Construction sector with projected growth of 14.63%.

- The annual average unemployment rate among the county's residents rose from 2009 through 2010 as the economies in the county, state and nation crashed. As these economies improved, the unemployment rate has improved as have the numbers in the labor force and the number of persons employed through 2017. However, in four out of five years from 2017 to 2022, with the exception of 2021, there were declines in the number of persons in the workforce and the number of persons employed in the area. The unemployment rate grew in 2020 to 5.36% as a result of the Covid-19 pandemic and declined to 2.47% in 2022 as a result of the declining size of the labor force and growth in employment in the area.
- In 2018 and 2019, there was minimal growth in the Gross Domestic Product (gross domestic product) in the MSA, the state and the nation. In 2020, the county, MSA, the state and the nation experienced negative growth in their GDPs as a result of the Covid-19 pandemic. Each surveyed area experienced growth in GPD in 2021 with minimal growth in 2022. Overall, from 2017 through 2022, the area's GDP grew at a rate that was less than those of the MSA and the state.
- Residential housing building permits declined through 2014, after peaking in the early 2000s. From 2014 through 2022, the annual building permits have trended upward, with the 2021 figure approaching the peak figures from the early 2000s.

City of La Crosse, WI

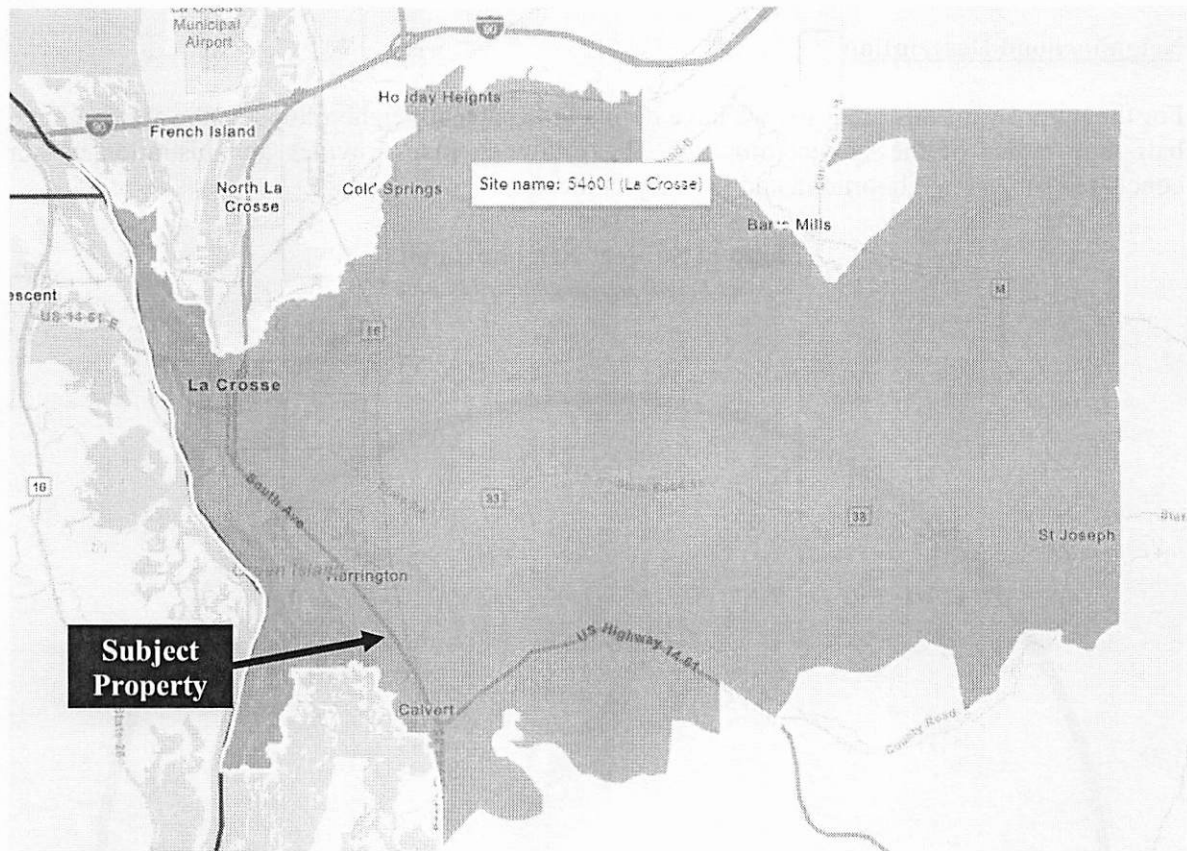
The city of La Crosse is located in southwestern La Crosse County. As of July 2023, the population of La Crosse was estimated at 51,327 persons. Additionally, according to the US Census Bureau QuickFacts, the median household income in La Crosse was \$51,836 as of 2022, compared to \$68,731 for La Crosse County and \$72,458 for the state of Wisconsin. Further, it is estimated that 21% of the population in La Crosse was below the poverty level from 2018 to 2022. This is higher than that of the county (11.5%) and higher than that of the state of Wisconsin (10.7%) for the same period of time.

La Crosse County and La Crosse (Zip Code 54601) Indicators

In addition to the regional indicators for the State of Wisconsin and the La Crosse-Onalaska MSA, statistics for and the subject’s zip code (54601) within La Crosse have also been reviewed by the appraiser. The following table presents data pertaining to these areas. A map of the subject zip code also follows this table.

Key Economic Indicators					
	2010	2021	Annual % Change	2026	Annual % Change
Population					
Wisconsin	5,686,986	5,922,426	0.38%	6,045,275	0.42%
La Crosse-Onalaska, WI-MN MSA	133,665	139,911	0.42%	143,109	0.46%
54601 (La Crosse)	49,444	50,620	0.22%	51,278	0.26%
Housholds					
Wisconsin	2,279,768	2,404,113	0.50%	2,462,852	0.49%
La Crosse-Onalaska, WI-MN MSA	53,986	56,970	0.50%	58,451	0.52%
54601 (La Crosse)	20,038	20,693	0.30%	21,054	0.35%
Median Household Income - 2021 & 2026					
Wisconsin		\$63,001		\$70,642	2.43%
La Crosse-Onalaska, WI-MN MSA		\$58,011		\$63,053	1.74%
54601 (La Crosse)		\$51,701		\$54,745	1.18%
Average Consumer Spending Per Household					
Wisconsin		\$46,796			
La Crosse-Onalaska, WI-MN MSA		\$42,819			
54601 (La Crosse)		\$38,122			

Source: ESRI Business Analyst, Allen & Associates



The presented data indicates that, as of 2021, the subject zip code comprised approximately 43% of MSA’s population. From 2010 to 2021, the population in the subject zip code grew at a rate less than that of the MSA and that of the state. Through 2026, the population for the subject zip code is projected to grow at a rate that is slightly less than that of the MSA and less than that of the state.

The surveyed median household income (MHHI) for the 54601-zip code is less than that of the MSA and less than that of the state. It is projected that through 2026 the median household income in the subject zip code will grow at a rate less than that of the MSA and that of the state.

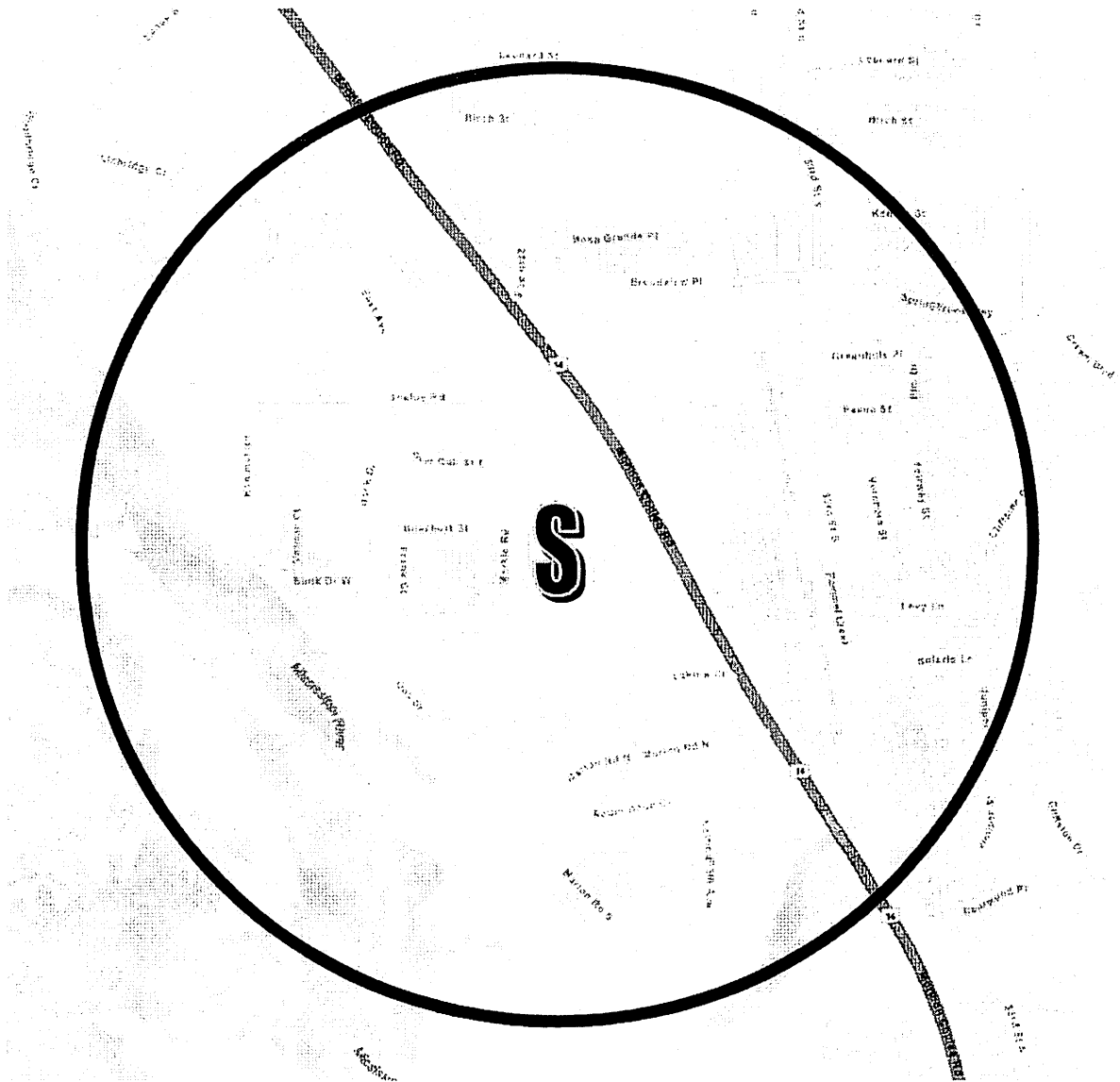
The average annual consumer spending in the subject zip code area is less than that of the MSA and less than that of the state.

In general, the La Crosse 54601-zip code area is inferior to the MSA and the state in terms of historic/projected population growth, MHHI and average consumer spending.

Neighborhood Description

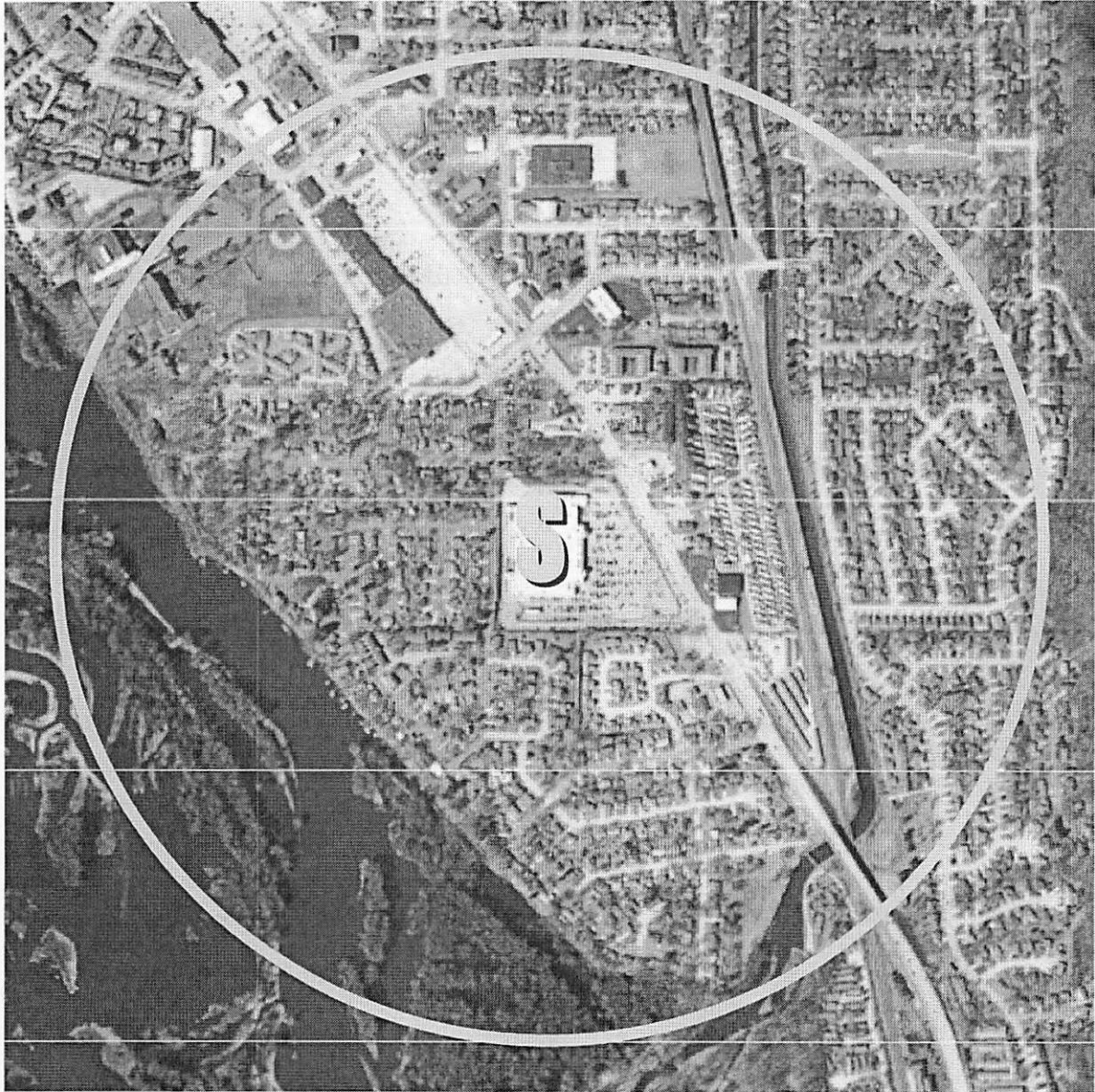
For the purposes of this analysis, we have defined the subject neighborhood as the area within a half mile radius of the subject property. The following map provides an illustration of our concluded subject neighborhood and the subject location.

Map of Subject Neighborhood
Subject Neighborhood Outlined in Blue



Aerial Map of Subject Neighborhood

Subject Neighborhood Outlined in Yellow



Neighborhood Transportation Network - The primary surface transportation artery for the subject neighborhood is Mormon Coulee Road. The nearest interstate is I-90, located approximately nine miles north of the subject property. The subject neighborhood is considered to provide below average access to major highways.

Neighborhood Land Uses – In general, the neighborhood land uses in the neighborhood are retail, commercial, industrial, senior housing, public school and single-family/multi-family residential. The largest retail developments in the neighborhood include Walmart and Shelby Mall shopping

center which was anchored by Shopko until its closing in 2019. Other uses of note in the neighborhood are the strip retail, fast-food restaurants, gas station/convenience stores, office buildings, single tenant retail buildings, industrial, and hospitality uses. The residential uses in the neighborhood include single-family, multi-family and senior/assisted living developments. There is a minimal amount of usable vacant land in the neighborhood.

In early 2023, it was announced that Aldi and Great Big Outlet would be occupying the former Shopko.

Neighborhood Development Trend – The large-scale commercial uses in the neighborhood primarily were built in the late-1970s through the mid-2000s. In recent years, there has been limited new commercial development in the area.

Neighborhood Influences/Amenities – The most notable influence in the neighborhood is the proximity to the La Crosse population base.

Traffic Counts - According to Costar, the following historical average daily traffic counts along roads in the neighborhood near the subject.

Mormon Coulee Rd.	25,326 vehicles (2022)
-------------------	------------------------

Neighborhood Life Cycle - Neighborhoods go through life cycles, which are described as follows:

1. **Growth** – A period during which the neighborhood gains public favor and acceptance;
2. **Stability** – A period of equilibrium without marked gains or losses;
3. **Decline** - A period of diminishing demand;
4. **Revitalization** – A period of renewal, modernization, and increasing demand.

Based upon the projected population statistics along with a review of commercial developments in the neighborhood, it appears that the immediate and broader neighborhood is in the stabilized stage of its life cycle. This is supported by the population figures, which are projected to change slightly through 2026. Further, there is a minimal amount of vacant land in the neighborhood that could be utilized for future development.

We have also analyzed the general demographic profile of the subject neighborhood and immediate surrounding areas, which are presented in the following table:

Neighborhood and Proximate Demographics				
	Description	0.5 miles	1 mile	2 miles
Population	2010 Population	2,723	6,524	14,280
	2021 Population	2,725	6,548	14,264
	2026 Population	2,742	6,600	14,357
	% Population Change 2021-2026	0.62%	0.79%	0.65%
HH	2010 Households	1,304	3,237	6,566
	2021 Households	1,319	3,290	6,635
	2026 Households	1,331	3,326	6,700
	% Households Change 2021-2026	0.91%	1.09%	0.98%
Income (2021)	2021 Median Household Income	\$47,266	\$50,844	\$54,271
	2021 Per Capita Income	\$30,403	\$33,361	\$34,378
	2021 Consumer Spending	\$34,969	\$35,699	\$37,834
	Household Income < \$15,000	10.90%	10.10%	8.40%
	Household Income \$15,000-\$24,999	10.50%	9.30%	9.20%
	Household Income \$25,000-\$34,999	11.70%	10.60%	9.80%
	Household Income \$35,000-\$49,999	19.60%	18.70%	16.00%
	Household Income \$50,000-\$74,999	21.90%	24.00%	26.20%
	Household Income \$75,000-\$99,999	11.60%	13.20%	14.20%
	Household Income \$100,000-\$149,999	8.80%	9.50%	10.90%
	Household Income \$150,000-\$199,999	2.90%	2.80%	3.20%
	Household Income > \$200,000	2.20%	1.80%	2.20%

Source: Site to Do Business

Neighborhood Conclusion - The subject neighborhood is in the stabilized stage of its lifecycle. The subject neighborhood is mixed-use in nature, supporting primarily retail, commercial, and residential uses. There is a minimal amount of vacant, developable land in the subject neighborhood which could be used for future. The immediate and broader neighborhood is serviced by an established transportation network that provides below average highway access.

Site Description

The subject property consists of two tax parcels that are located along the west side of Mormon Coulee in La Crosse, Lacrosse County, Wisconsin 54601. The subject site has a common street address of 4622 Mormon Coulee Road. All customary utilities are available and connected to the subject property.

The property was improved with a Discount/Mega Warehouse store building as of the date of value. The scope of this appraisal includes one retrospective valuation date. Unless noted otherwise, the forthcoming site description is applicable to the retrospective valuation date. For reference, in the forthcoming site and property description, a site aerial and site plan for the subject property is presented in the following pages.

Size and Shape - The subject site is an irregularly shaped parcel that contains approximately ±16.22 acres on two tax parcels. The subject property’s frontage is along Mormon Coulee Road.

The subject property has a land to building ratio of 3.77:1, which is considered normal for a big box retail development. There is no surplus or excess land associated with the subject property.

Access - Access to the subject site is provided by one ingress/egress point to Mormon Coulee Road. Access to I-90 is located approximately nine miles north of the subject. Overall, the subject has below average access to Mormon Coulee Road and to I-90.

Flood Hazard – La Crosse participates in the National Flood Insurance Program. According to map panels #55063C0264D published by FEMA, the subject site is located in Zone X, an area of minimal flooding.

Easement – Other than typical utility easements, we are assuming that there are no further easements that would impact the value of the property. However, we were not provided with a title report or an easement survey.

Visibility – The subject’s visibility is from Mormon Coulee Road. Overall, the subject has good visibility in the neighborhood and good visibility for a big box retail development. Based upon data from WisDOT, the following were the average daily traffic counts near the subject.

Mormon Coulee Rd.	25,326 vehicles (2022)
-------------------	------------------------

Soil Conditions - No soils engineering report for the subject property was provided. However, based on the appearance of ground surface conditions, the presence and condition of the subject structural improvements on site, and other structural improvements in proximity to the subject, the soil and subsoil conditions appear to be stable and suitable for construction of buildings of the nature of the subject utilizing normal construction techniques. There was no apparent evidence of subsidence within the subject site or in immediate proximity thereto during the inspection of the property by the appraisers. The site's drainage appears to be adequate.

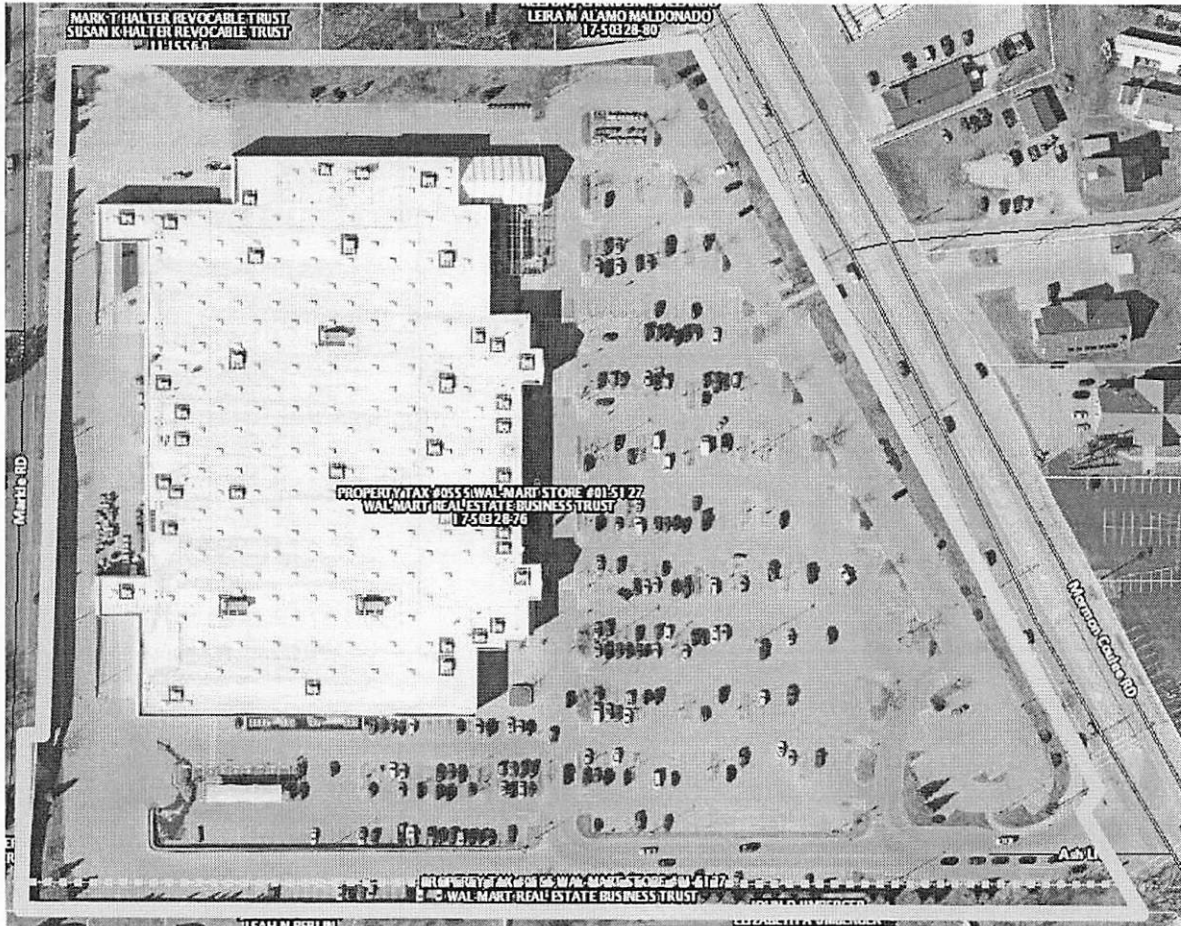
Hazardous Substances - We are not aware of any toxic waste or hazardous substances that currently affect the site, and none were visible or reported to the appraisers.

Site Improvements - The existing site improvements consist of ±360,000 SF of asphalt paving with parking striping for approximately ±814 vehicles (including barrier free spaces), concrete car stops and curbing, pole lighting, and grass/landscaped areas along the roadway frontages. It is estimated that there is ±550 LF of interior roadway that extends through the property. It is estimated that there is approximately ±255 LF of 12' tall chain-link fencing that surrounds the outdoor storage/sales area. It is estimated that there is approximately ±48,000 SF of concrete paving that is used for dock-loading apron, sidewalks, and exterior storage. Overall, the site improvements were average in condition as of the date of value.

The following is a site plan and site aerial for the subject property.

Subject Aerial Photo with Approximate Property Lines in Yellow

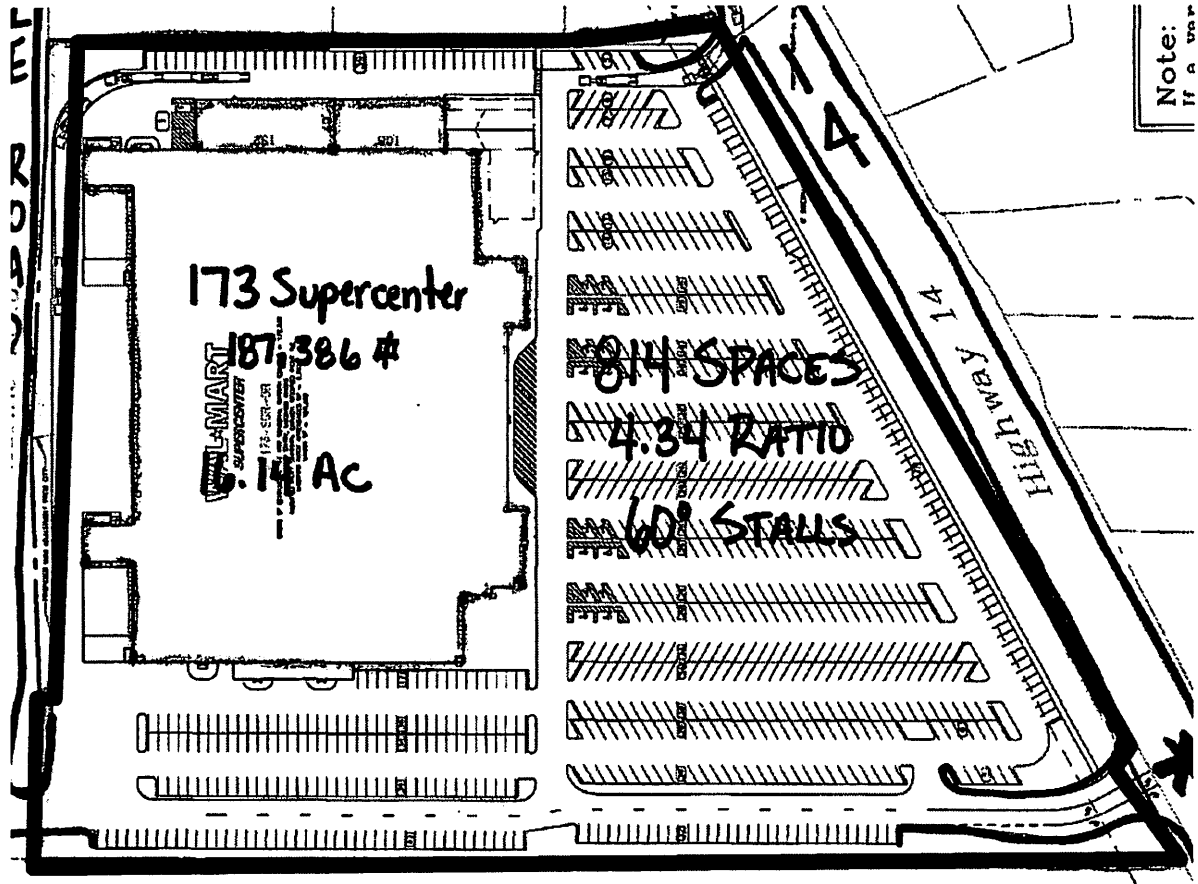
Source: Walworth County Interactive Mapping



Note: The yellow dotted line indicates the property line between the two subject tax parcels.

Subject Property Site Plan with Approximate Site Lines in Red

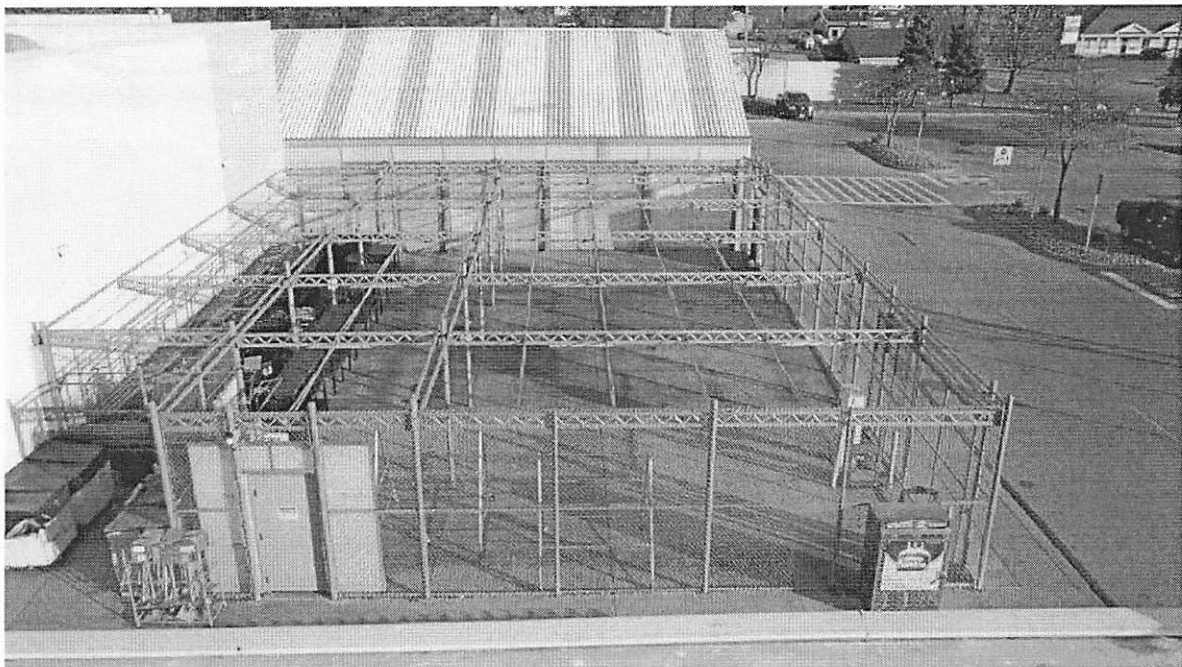
Source: Architectural Drawing



Photographs of the Site Improvements



Exterior Sales Area



Exterior Sales Area

Photographs of the Site Improvements (cont.)



Parking Area, Landscaping and Concrete Walks



Parking Lot

Photographs of the Site Improvements (cont.)



Parking Area



Interior Roadway

Building Description

The subject building consists of one mega warehouse store with ±187,386 SF of above-grade enclosed building area as of the date of value. The mega warehouse category is the type of construction that is most similar to the subject’s construction type.

The following pages provide descriptions of the subject building. All data is based on our visual inspections, assessment records and review of building/site plans that were provided to the appraiser or were available on the municipal assessing website.

Construction Detail – Mega Warehouse Store

- Type of Construction: Pursuant to Marshall Valuation Service, Section 13 - Class C – Average Cost, Mega Warehouse Store
- Approximate Size (GBA): ±187,386 square feet, per the architectural drawings.
- Year Built: 2003, store opened in October 2003
- Foundations: Poured concrete.
- Exterior Walls: Primarily concrete block with limited areas of EIFS near the customer entryways.
- Roof: Flat, single ply elastomeric cover over a steel deck and trusses. The roof is original.
- Ceiling Height: The overall roof height of the subject is approximately 22-24’.
- Loading Docks: Six truck docks with load levelers, located in two truck-well areas. There are numerous other grade level overhead doors around the building.
- Auto-Service Doors: A total of six drive-in, overhead doors.

Interior Detail

- Layout: The layout of the subject property, because of the mega warehouse store design, is intended for a single tenant/user. The layout of the subject property is generally open retail/warehouse areas plus an outdoor garden shop. Finally, the size of the subject is approximately 25-50 percent larger than most large discount/big box stores and would be classified as a mega warehouse store.
- Floor Covering: The retail areas primarily have sealed, polished concrete floors, vinyl tiles and laminate wood floors with limited areas of ceramic

tile flooring near the customer entryways and in the food preparation areas and restrooms. The warehouse has sealed concrete flooring.

Walls: Varies; primarily painted gypsum board walls, including the walls separating the warehouse from the sales floor and offices.

Ceilings: The retail sales floor is primarily exposed roof framing with limited areas with a drop acoustic tile ceiling, while the warehouse areas have exposed roof framing and deck.

Lighting: Primarily consists of strip fluorescent lighting fixtures, which is considered to be adequate. There are minimal areas that have track spot lighting.

Finished Area: The subject has minimal finished area that includes offices, restrooms, and employee break room. The office areas have drop tile ceilings, painted walls with laminate wood floors. The restrooms have ceramic tile flooring and walls with painted ceilings.

Windows: Minimal fenestration limited to entry doorways and the outdoor sales area. This is typical of this type of Discount/Mega Warehouse store building.

Pedestrian Doors: Glass and aluminum frame entry doors accessing the retail area.

Mechanical Detail

Heating and Cooling: Roof-mounted air-cooled condensing units, gas-fired forced air HVAC units.

Plumbing: Complete copper, cast-iron and PVC supply, waste, and vent piping system to fixtures.

Electrical Service: Electrical power is assumed to be adequate for retail use.

Fire Protection: The building is fully protected by a wet sprinkler system.

Additional Improvement Notes

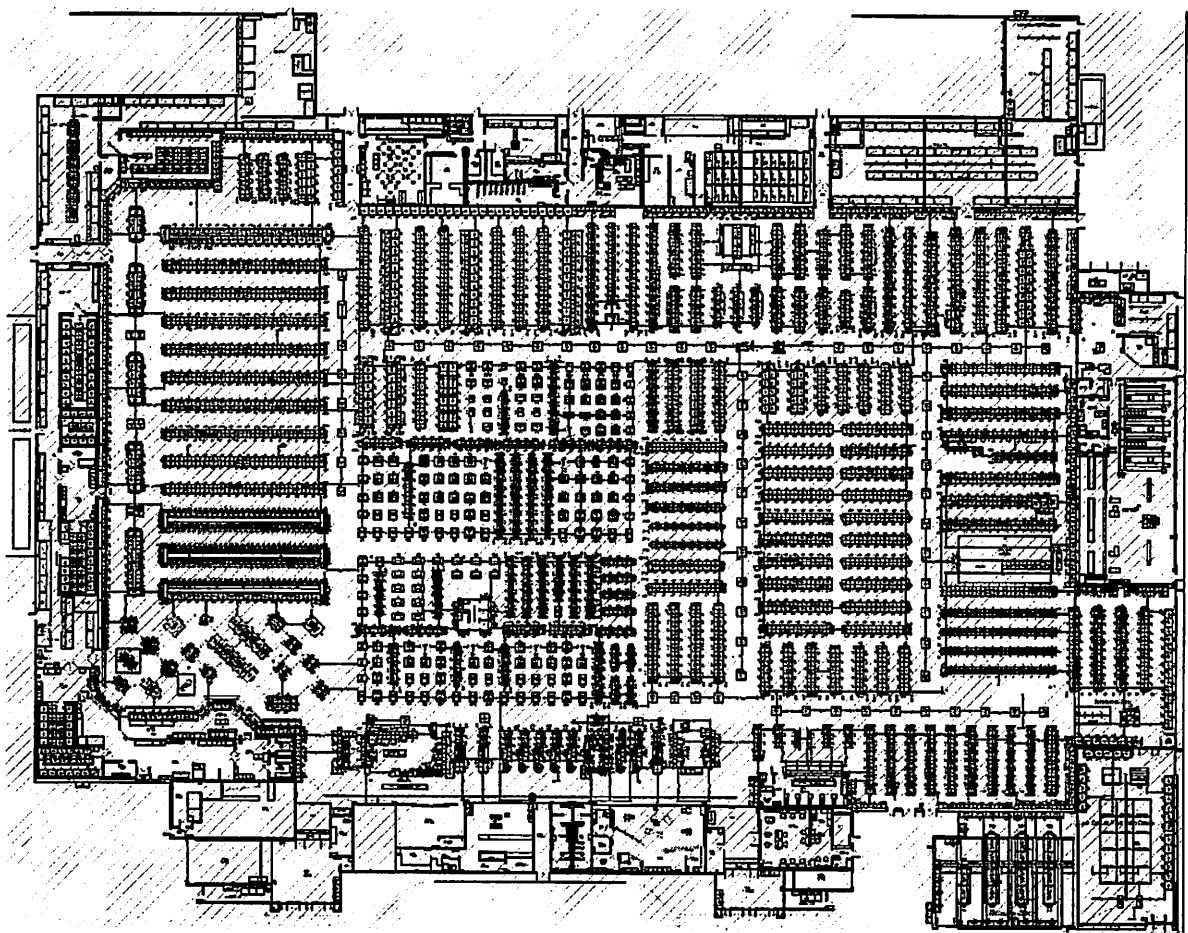
Canopy Areas: There is approximately 3,800 SF of canopy space that is utilized for exterior storage and outdoor sales.

Functional Utility: The building was constructed to be a Walmart store. The building was in average condition, average condition for its age, as of the date of value. The layout and functional

utility of the building is considered to be best suited to a single occupant/user due to the size, depth (mostly is +320') and interior layout of the building although most users would modify and customize the building for their own needs. While it is not designed for multi-tenants, a multi-tenant utilization would be possible. The design of the property in many ways is more similar to a warehouse than a retail store. The ceiling heights, the location of the truck doors, and the large open spaces are characteristics of an industrial warehouse. The design and construction, however, are similar to the design and construction of many "big box" stores today but is oversized for most retail users.

Condition: The mega warehouse store retail building was in average condition, average condition for its age, as of the date of value. The estimated age of the mega warehouse store retail building is 19 years as of January 1, 2021.

The following is a floor plan for the subject mega warehouse store from an architectural plan provided by Walmart. For perspective, the front entrance to the building is located at the bottom of the picture.



Photographs of the Subject Property



Building Exterior

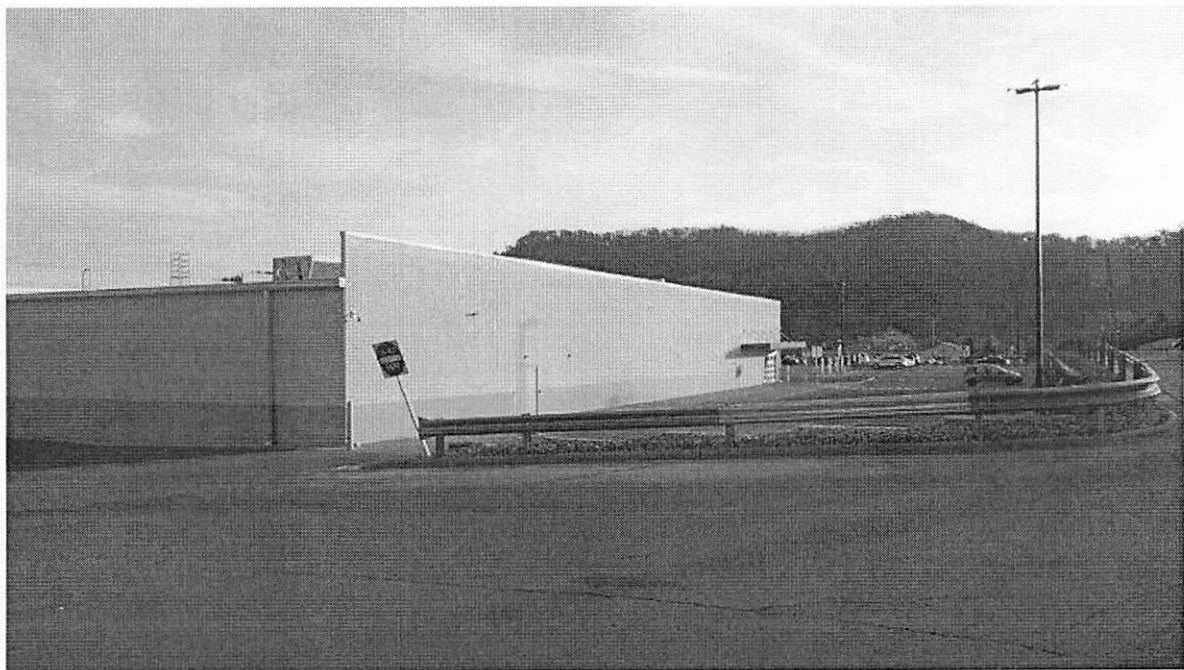


Building Exterior

Photographs of the Subject Property (cont.)



Building Exterior



Building Exterior

Photographs of the Subject Property (cont.)



Building Exterior

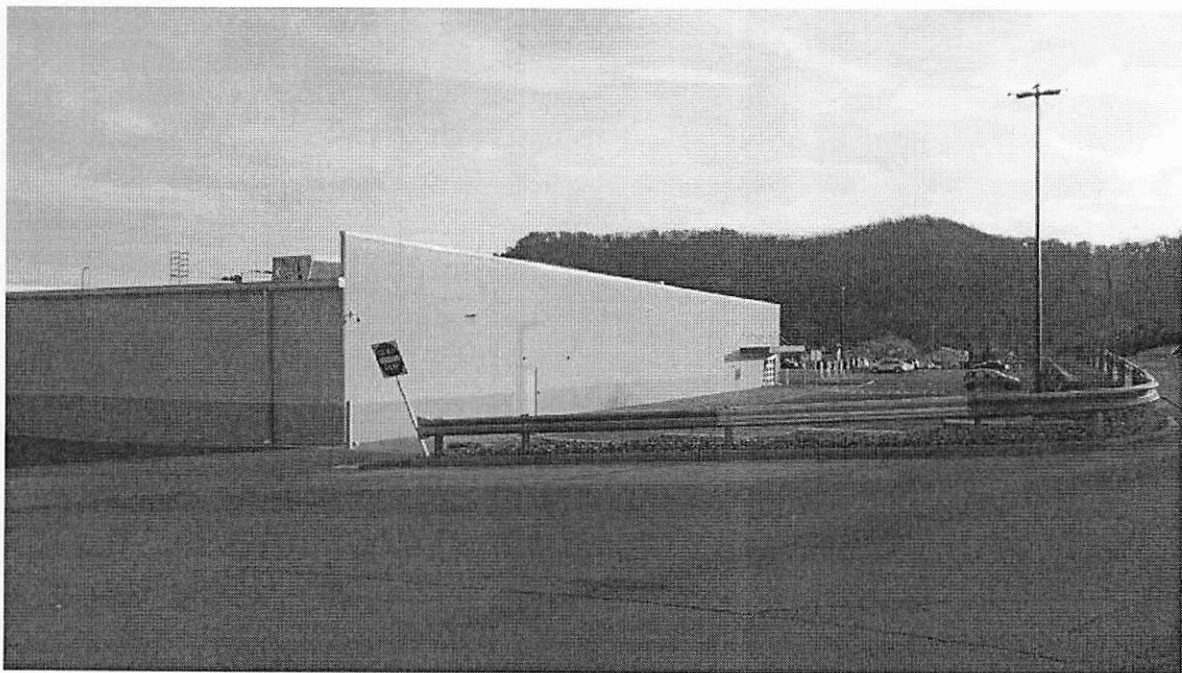


Building Exterior

Photographs of the Subject Property (cont.)



Building Exterior

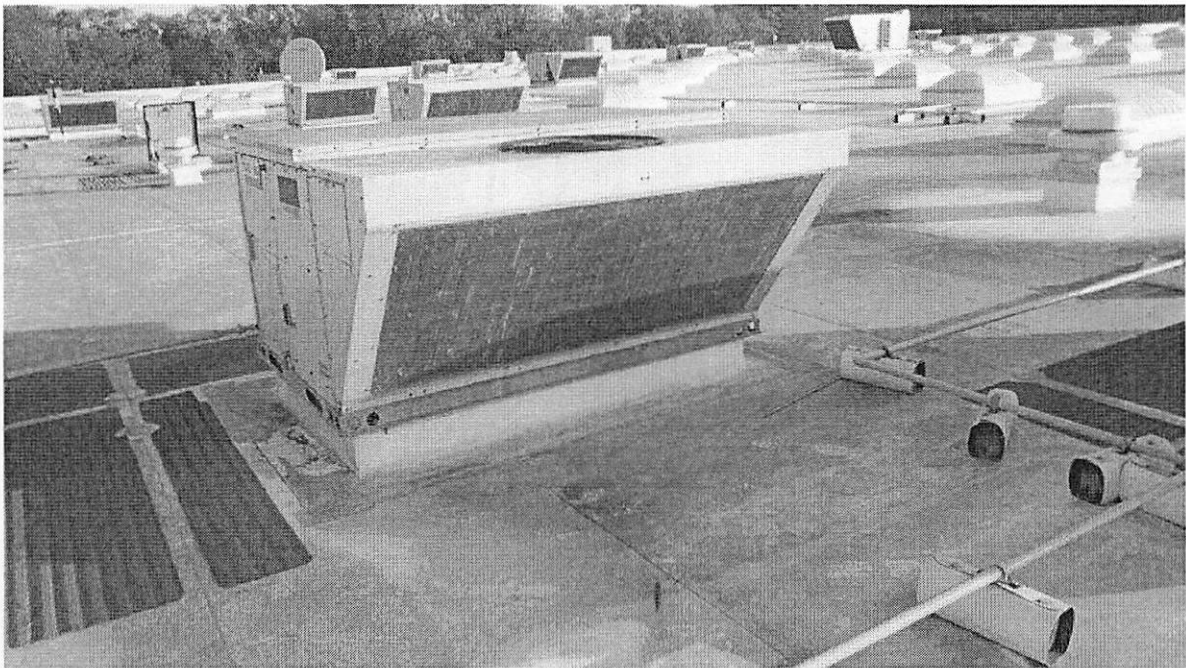


Building Exterior

Photographs of the Subject Property (cont.)



Subject Roof



Subject Roof w/RTU

Photographs of the Subject Property (cont.)



Grocery Retail Floor Area



Grocery Retail Floor Area

Photographs of the Subject Property (cont.)



Grocery Retail Floor Area



Grocery Retail Floor Area

Photographs of the Subject Property (cont.)



Prepped Food Sales Area



Food Prep Area

Photographs of the Subject Property (cont.)



General Retail Floor Area



General Retail Floor Area

Photographs of the Subject Property (cont.)



General Retail Floor Area

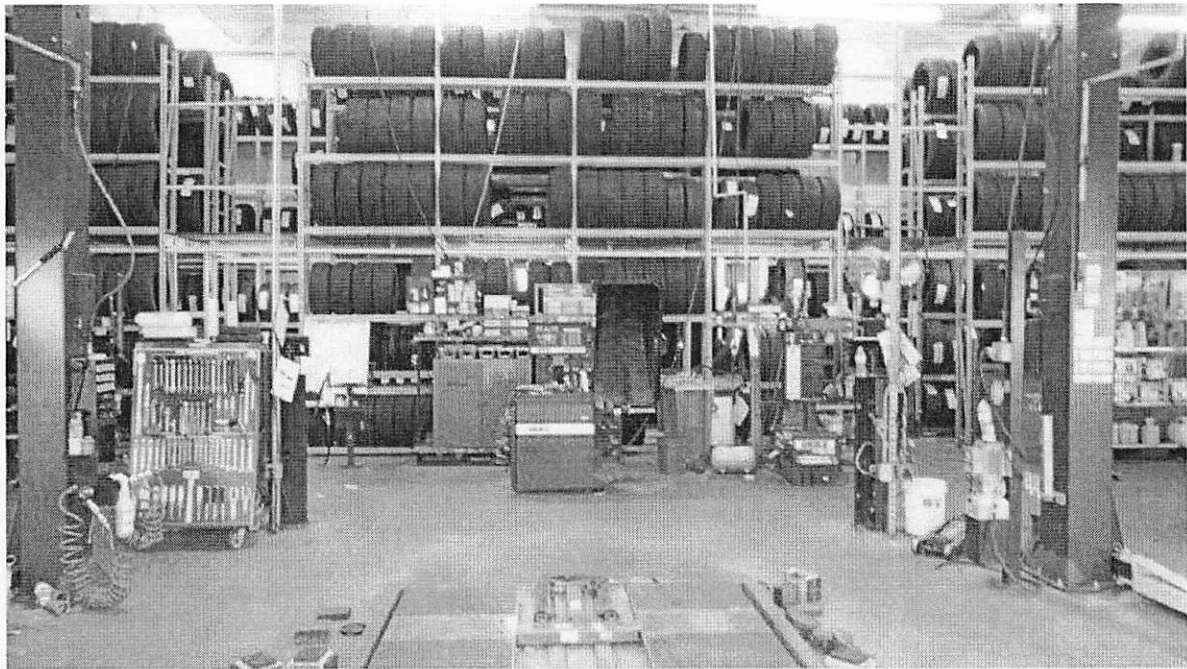


General Retail Floor Area

Photographs of the Subject Property (cont.)



Auto Service Area

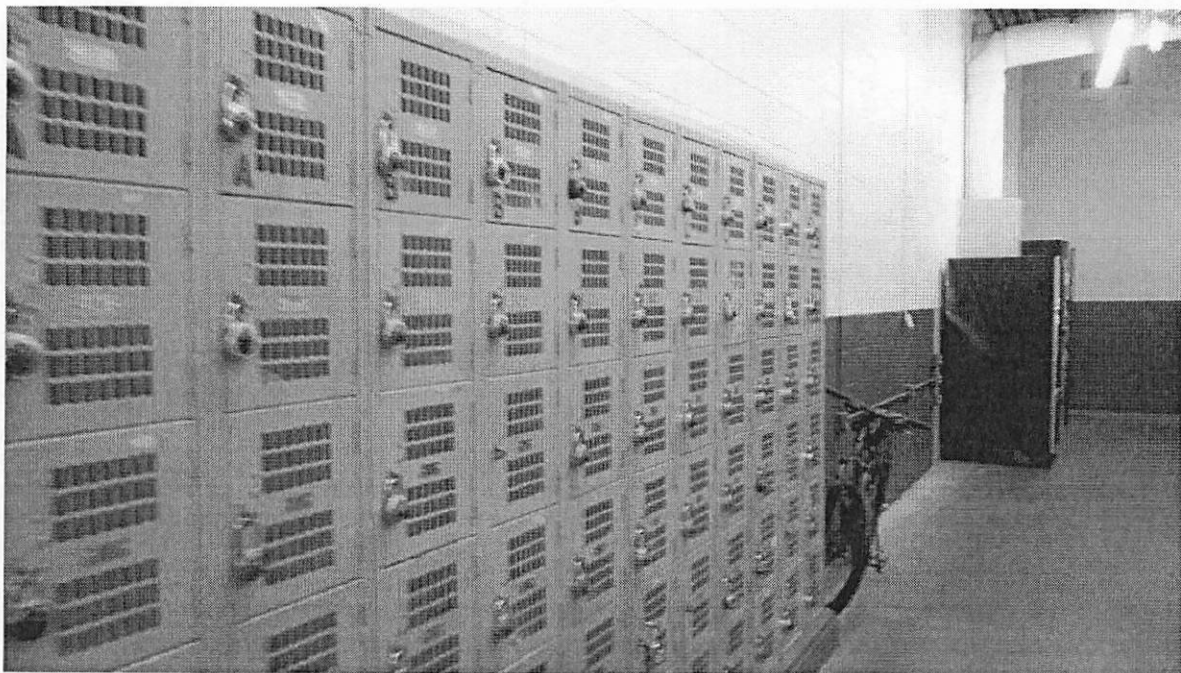


Auto Service Area

Photographs of the Subject Property (cont.)



Sales Floor Ceiling

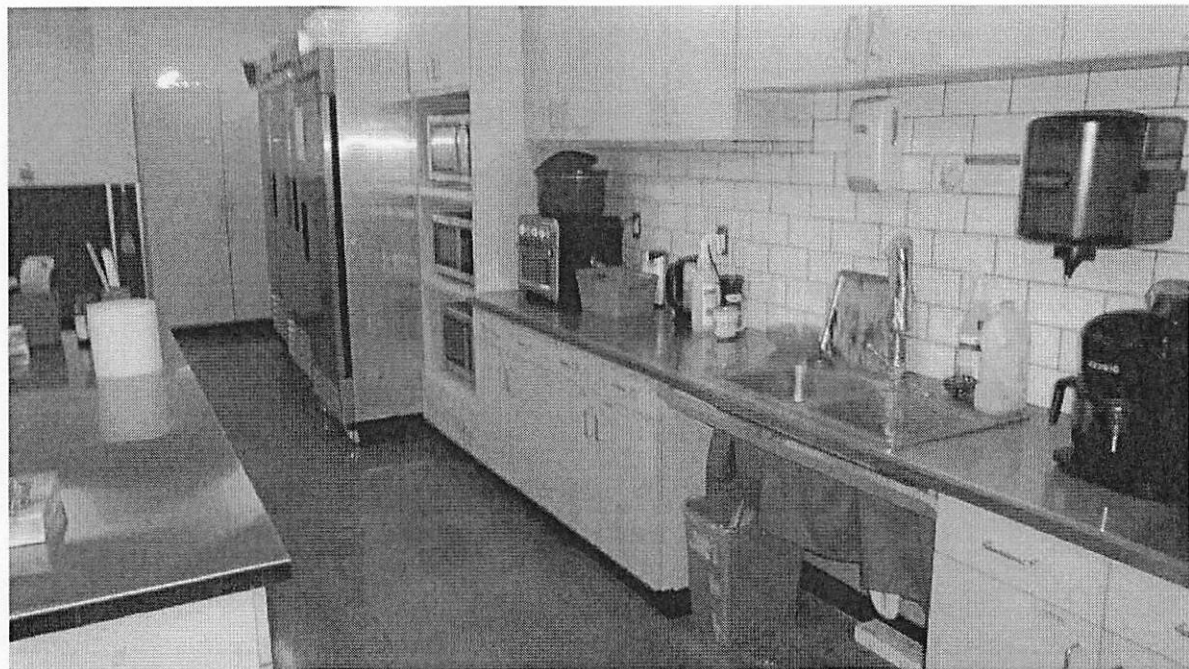


Employee Locker Area

Photographs of the Subject Property (cont.)



Restroom Area



Employee Break Room

Photographs of the Subject Property (cont.)

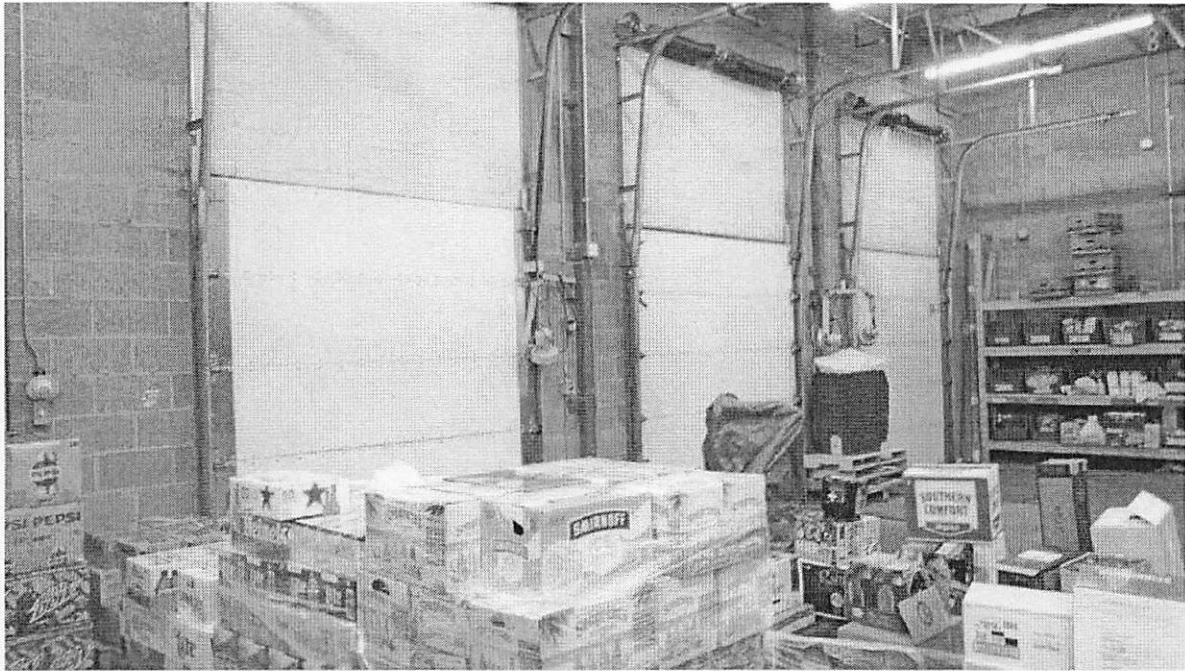


Backroom Storage

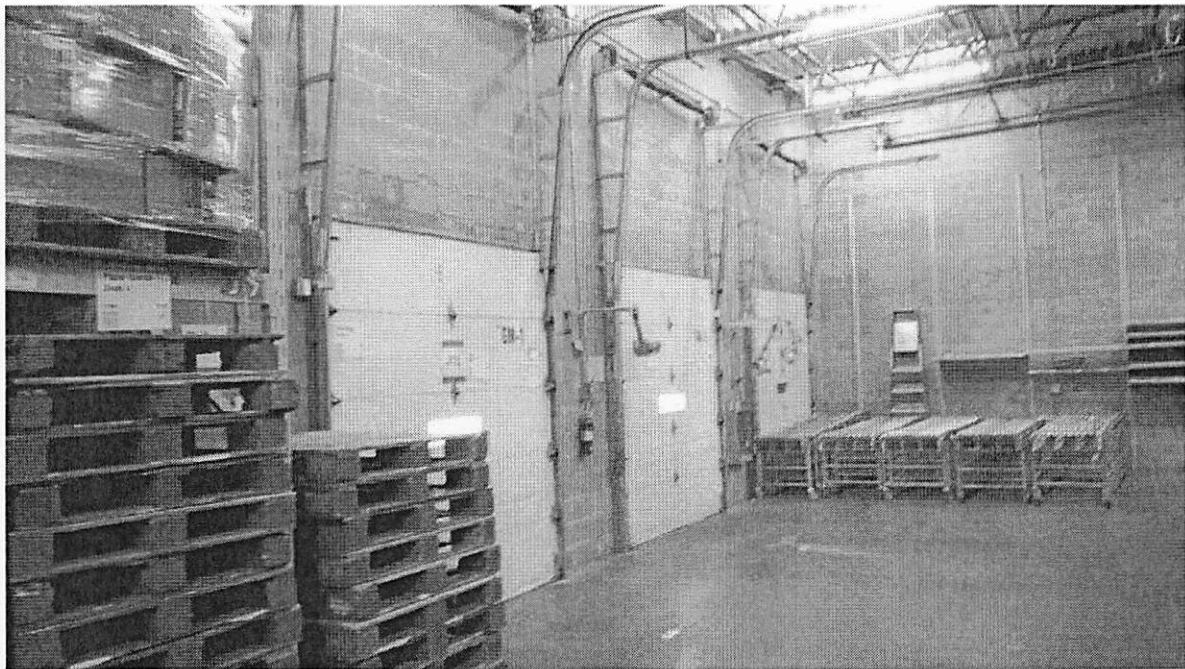


Backroom Storage

Photographs of the Subject Property (cont.)

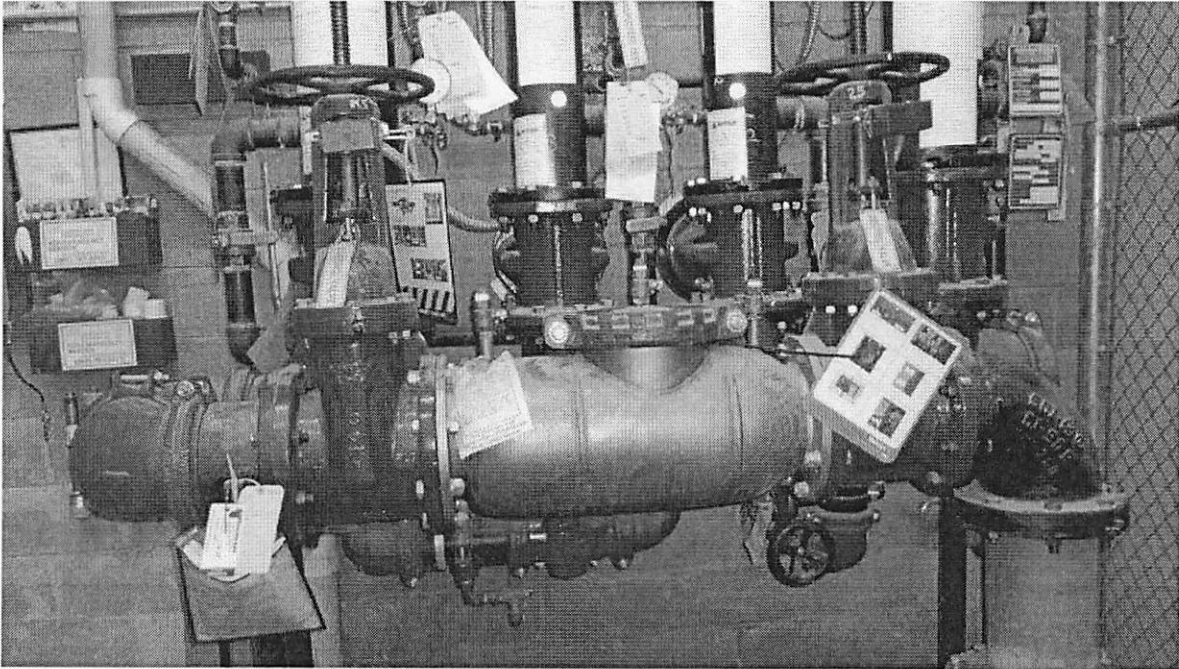


Interior of Dock Doors

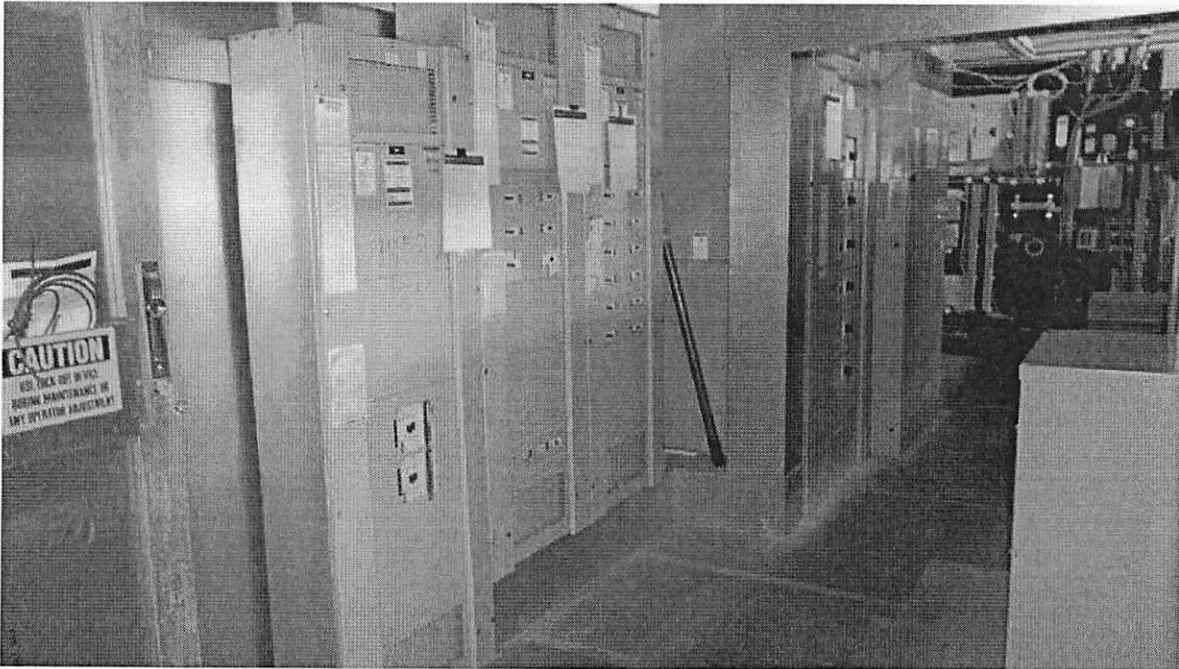


Interior of Dock Doors

Photographs of the Subject Property (cont.)



Fire Riser Area



Electrical Distribution

Zoning

The subject property is zoned C-2, Commercial. The following is from the La Crosse Zoning Ordinance, pertaining to the C-2, Commercial zoning:

Sec. 115-151. - Commercial District.

- (a) *Scope and use regulations.* This section applies to the Commercial District. In the Commercial District, no building or land shall be used and no building shall be hereafter erected or structurally altered unless otherwise provided in this chapter, except for the following uses:
 - (1) Any use permitted in the Local Business District.
 - (2) General garages.
 - (3) Conditional uses as provided in article VI of this chapter.
 - (4) Bakeries in which no more than 10,000 square feet are devoted to manufacturing purposes on the premises.
 - (5) Used car lots.
- (b) *Height regulations.* No building hereafter erected or structurally altered in the Commercial District shall exceed 100 feet or eight stories in height.
- (c) *Area regulations.*
 - (1) *Side yards.* The side yard regulations applicable in the local business district shall also apply in the Commercial District.
 - (2) *Rear yards.* On every lot in the Commercial District, there shall be a rear yard having a depth of not less than nine feet; provided, however, that each story of a building used in any part for dwelling purposes shall be provided with a rear yard having a depth of not less than 20 feet. A residential attached or detached garage is permitted in the C-2 Commercial Zoning District on lots that are smaller than 7,200 square feet provided that there is not an existing garage on the lot or parcel and the commercial building has residential dwellings. The size of an attached garage cannot be larger than the footprint square footage of the principal building or structure and a detached garage cannot be larger than 600 square feet. Said garage is required to meet the side yard setbacks under this chapter and cannot be in the front yard setback. There must be a minimum of a six foot rear yard setback for an attached or detached garage and the location of the garage and setbacks must be approved by the City of La Crosse Fire Department.
 - (3) *Outer courts.* The outer court regulations applicable in the Local Business District shall also apply in the Commercial District.
 - (4) *Inner courts.* In the Commercial District, no inner court shall be less than 16 feet in width nor shall the width of any such court be less than one-third of its height.
 - (5) *Lot area per family.* The lot area per family regulations applicable in the Local Business District shall also apply in the Commercial District.
- (d) *Vision clearance.* The vision clearance requirements for this district shall be the same as for the Local Business District.

(Code 1980, § 15.10)

In addition to the permitted uses listed above, the following is a summary of permitted uses allowed in the Local Business District, all of which are permitted in the C-2 District.

- (1) Business and professional offices.
- (2) Clubs and lodges.
- (3) Financial institutions.
- (4) Hotels and motels.
- (5) Newspaper offices.
- (6) Plazas and observation decks.
- (7) Private indoor recreation and cultural facilities.
- (8) Public passenger transportation terminals such as heliports, bus and rail depots.
- (9) Public recreation and cultural facilities.
- (10) Radio broadcasting studios.
- (11) Residences above the first story.
- (12) Restaurants and other places serving food or drink.
- (13) Retail and personal or business service establishments.
- (14) Swimming pools.
- (15) Television broadcasting studios.
- (16) Theaters.
- (17) Public buildings.
- (18) Conditional uses as provided in article VI of this chapter.

According to a site plan, the subject property provides ±814 parking spaces, which is less than is required under the zoning ordinance (est. ±1,249, required).

Based upon our review of the La Crosse zoning ordinance as well as the site plan, we believe that the subject development is a legal and non-conforming use.

Real Estate Assessment and Taxes

Property taxes are determined by applying a tax rate for a given town, village, or city to the assessed value of the property. The following is a summary of the taxable information for the subject as of January 1, 2023.

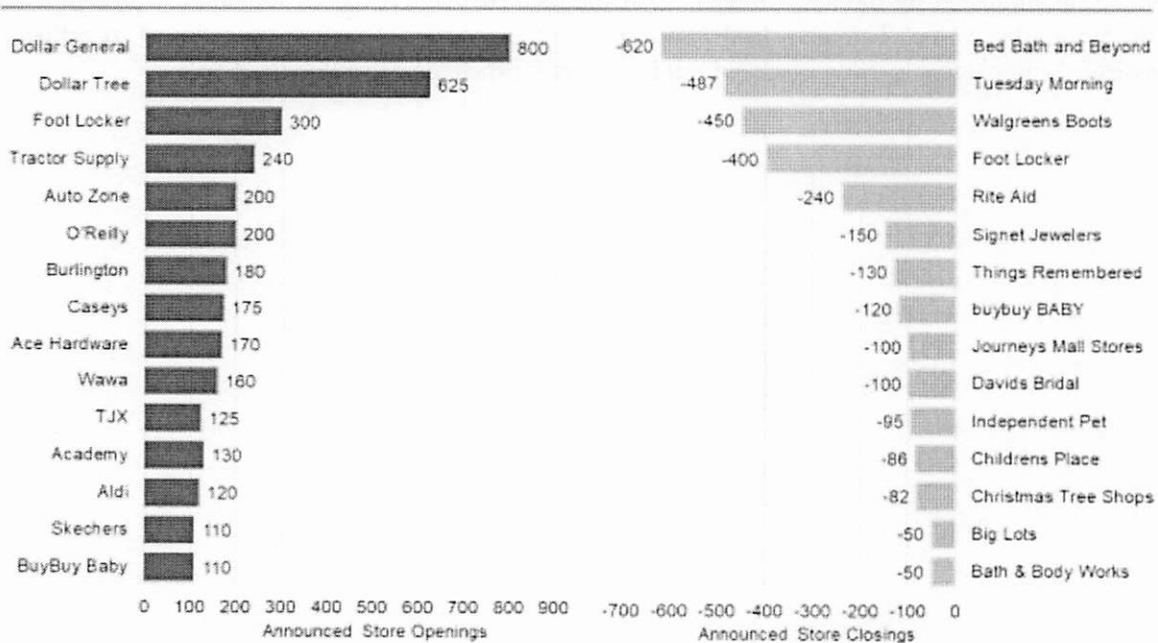
Tax Year 2023				
<u>Parcel/Tax ID Number</u>	<u>Estimated Fair Market Value</u>	<u>Assessed Value</u>	<u>Net Real Estate Taxes</u>	<u>Net Tax Rate</u>
17-50328-76	\$10,957,100	\$9,673,600	\$258,063.95	2.6677%
11-1532-1	\$245,900	\$153,300	\$3,066.55	2.0004%
Combined	\$11,203,000	\$9,826,900	\$261,131	2.6573%

Based upon the forthcoming valuation, we have determined that the assessor’s opinion of assessed value (as indicated by the assessment), as of the date of value, exceeds the subject property’s fee simple market value. This appraisal assumes that the assessment has been reduced to reflect an assessed value equal to 100 percent of market value for the date of value.

Retail Industry Overview

The general retail industry is in a transitional phase while both retail center operators and retailers struggle with what has been widely reported as an over-supply of malls, department stores and big box stores, the growth of e-commerce, and changes in retailer financial positions in recent years. Despite strong economic conditions in the past decade, retail store closures far outpaced openings until 2022. In 2022 store openings outpaced store closings (net gain of 1,575 stores per Costar) for the first time in a number of years, followed by more store openings than closings in 2023 (net gain of 295 stores, per Costar). While 2022 and 2023 witnessed net growth in stores, it is important to understand what types of retailers are fueling store growth, which is illustrated in the following chart:

Retailers Announcing Most Openings and Closings in 2023

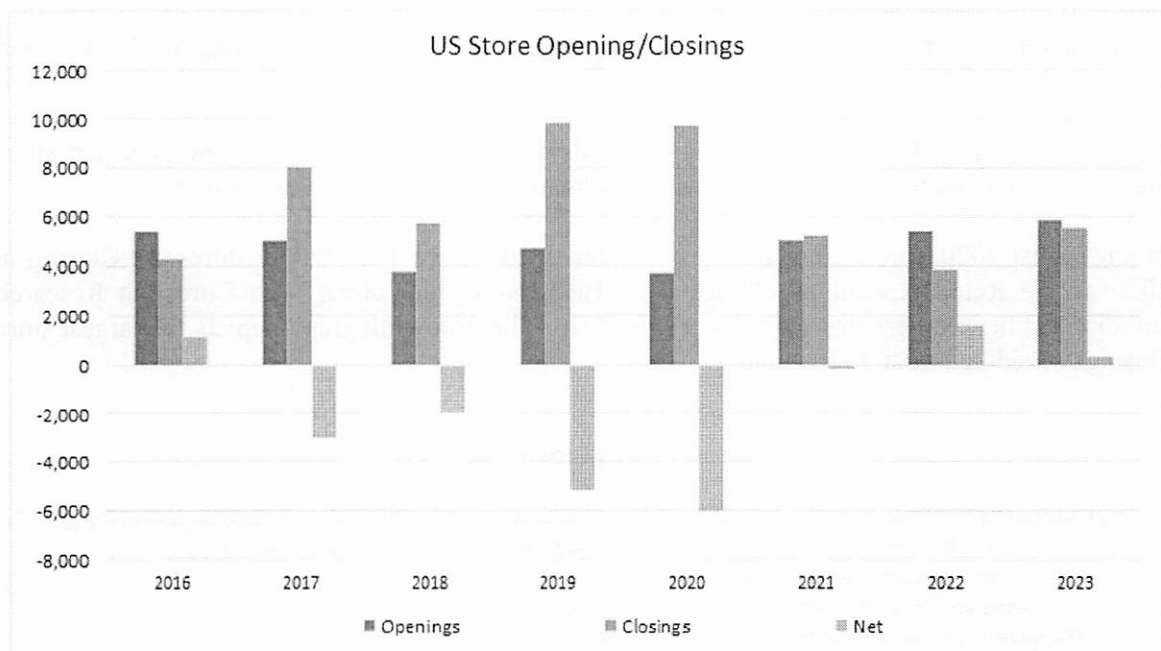


Source: Daily on Retail, December 2023
 Note: Based upon openings and closing plans announced in 2023 regardless of store opening date



Per the provided chart, the majority of the store growth realized is from dollar store tenants, which are generally under 15,000 SF. The leaders in store openings include no notable conventionally recognized big box users, such as Target, Kohl’s, Walmart/Sam’s Club, Lowe’s, Home Depot, and Costco. While no big box users are represented in the store opening leadership group, there are a number of typical junior box users, including Tractor Supply, Burlington, TJ Maxx, Ace Hardware, and Buy Buy Baby.

While store openings have once again outpaced store closing (since 2022), it is important to examine the total store openings vs. closings over time, which is illustrated as follows:



Source: Coresight Research

Notable big box closures in recent years are noted as follows:

JCPenney filed for bankruptcy in 2020 and announced plans to close 30% of its 846 stores.

In February 2020 Macy’s announced plans to close 125 stores.

In March 2020 Art Van Furniture filed for bankruptcy and announced plans to close all company owned stores in Michigan, Indiana, Illinois, Ohio, and Missouri, along with eight Wolf Furniture stores in Maryland and Virginia. In its bankruptcy filing, it was reported that of the 169 stores, all but 44 stores are owned locations.

In November 2020, Sears announced plans to close 96 stores, including 51 Sears stores and 45 Kmart stores.

In May 2020 Nordstrom announced plans to close 16 full-line department stores, or approximately 14% of its store total.

Following its bankruptcy, Lord & Taylor announced plans to conduct liquidation sales at 19 of its 38 locations in 2020.

In April 2023 Bed, Bath & Beyond filed for bankruptcy and subsequently closed approximately 866 locations.

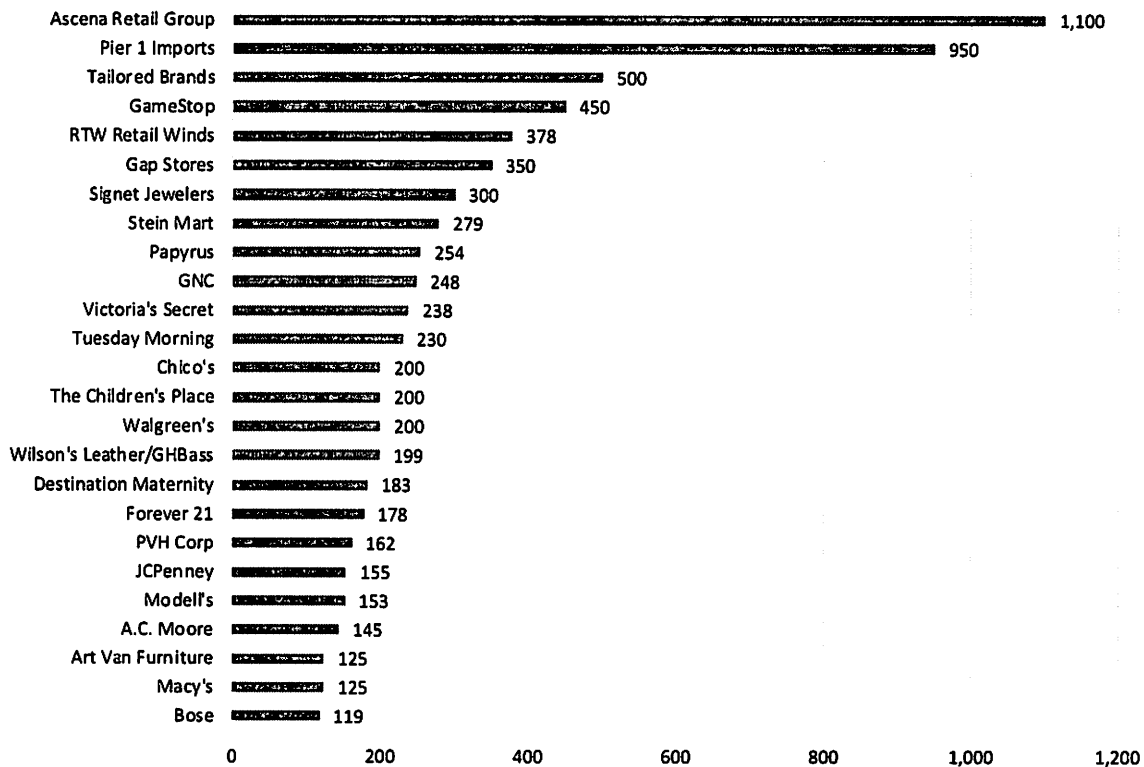
In 2023 Walmart closed 23 locations in the U.S. across 13 states. Walmart also announced that it would be closing an additional six locations in 2024.

Additional major retail closures in 2023 included Tuesday Morning (463 closings), Rite Aid (335 closings), and CVS (300 closings).

These closings are all in addition to the hundreds of store closings involving Sears/Kmart since the early 2000s and there are many more store closings expected from Sears/Kmart.

In an August 2020 article from Business Insider titled “More Than 8,300 Stores are Closing in 2020 as the Retail Apocalypse Drags On”, Business Insider along with Coresight Research summarized the retailers that closed stores in 2020. The following graph depicts the largest store closings scheduled in 2020 by retailer.

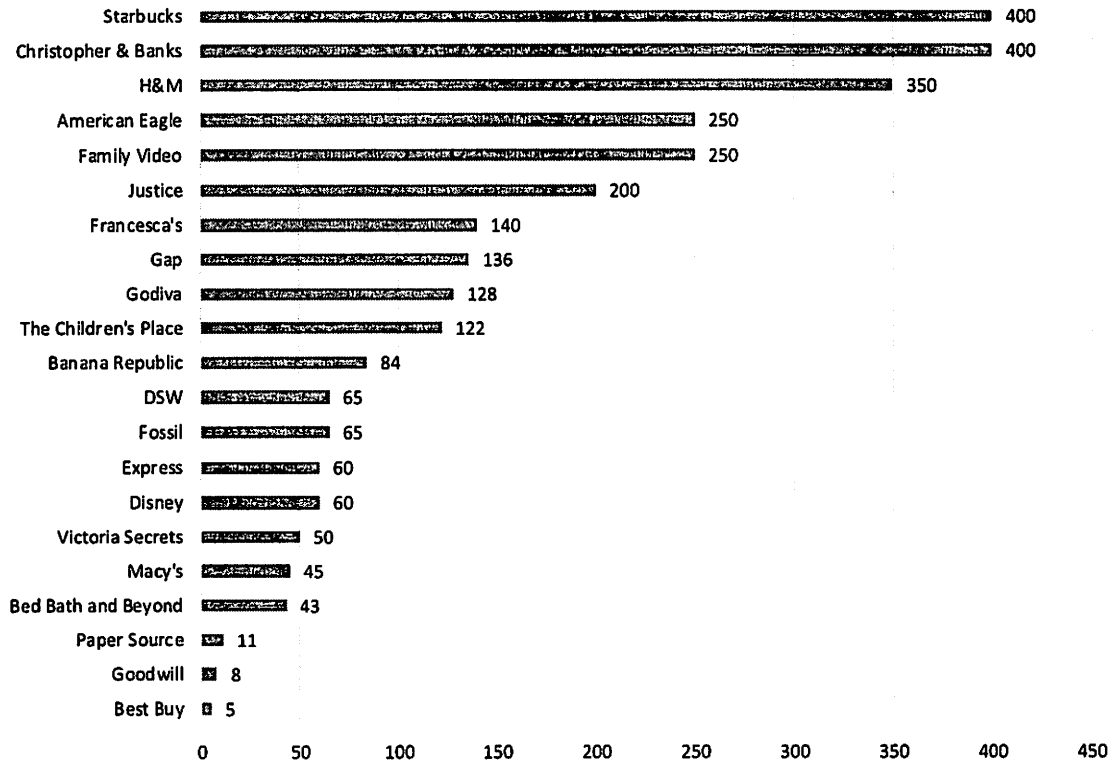
Retail Stores Closing in 2020



Source: Business Insider

Business Insider further followed the list of store closings in 2021 with an article called the “Retail Apocalypse”. The article states “The steep, nationwide drop in sales for brick-and-mortar stores has been accelerating in recent years, but the pandemic put their decline into overdrive. Major retailers closed 12,000 stores in 2020, after an already devastating 2019, when more than 9,300 stores closed.” The following graph depicts the largest store closings scheduled in 2021 by retailer.

Retail Stores Closing in 2021



Source: Business Insider

The following chart illustrates reported 2023 store closures, per Coresight:

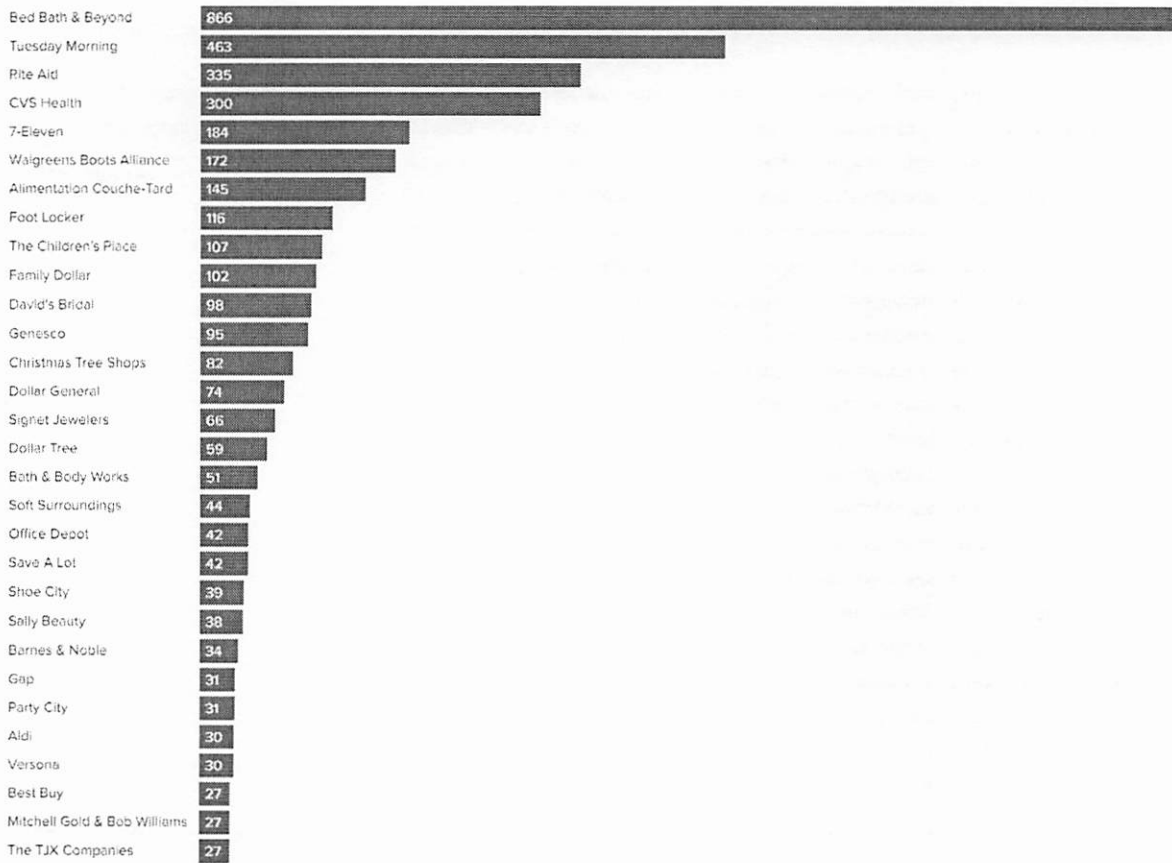
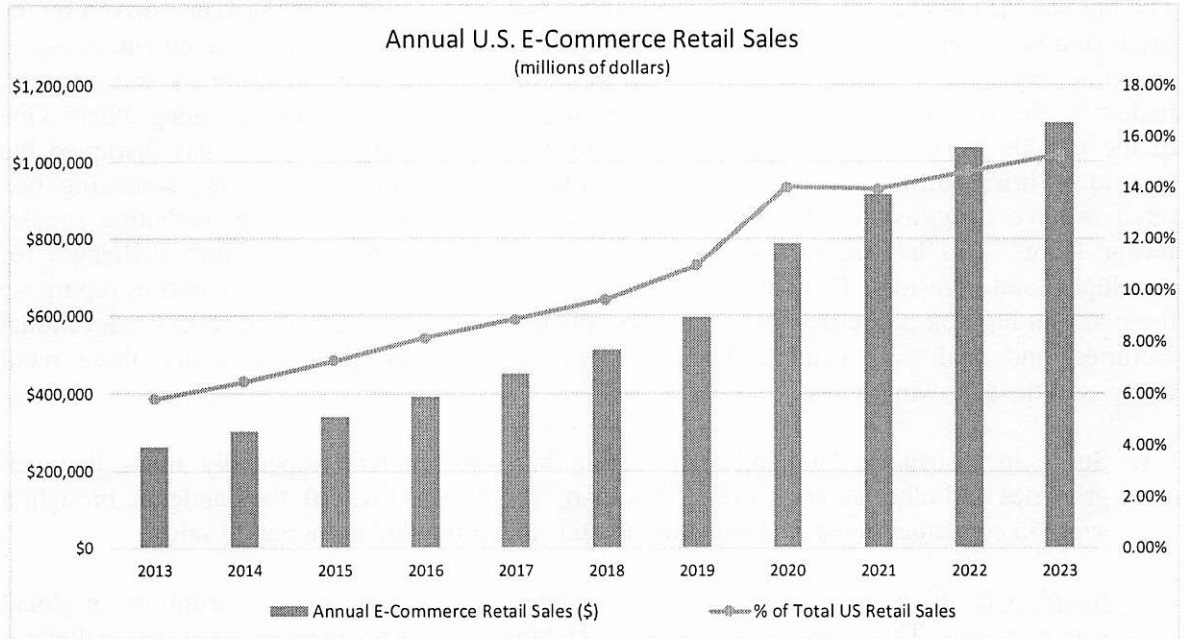


Chart: Kate Gibson • Source: Coresight Research

An April 2021 article from Fortune.com, cites UBS analysts Michael Lasse and Jay Sole, who estimate that 80,000 brick and mortar stores, and as many as 150,000, will close by 2026 as online sales continue to accelerate.

E-Commerce Trends

Additionally, the rise in e-commerce retail sales has affected the demand for brick-and-mortar retail stores. The following graph shows the growth in the e-commerce retail sales in the United States as well as the growing percentage of e-commerce sales of the entire retail sales in the country.



Source: U.S. Department of Commerce

Store Size

The rise in e-commerce retail sales has affected the demand for brick-and-mortar retail stores, including big box retailers. While e-commerce has impacted demand for all retailers, big box retailers are adapting their approach. According to a Washington Post article (J. Peiser, March 2, 2024. Big-box stores try to stay relevant by focusing on smaller stores) “Best Buy and Macy’s this week announced plans to add small-format stores in a strategy that could help the companies cut costs while answering customers’ demand for convenience. They join Nordstrom, Target, Kohl’s, and other national chains in scaling back their locations with tens of thousands of square feet that anchor malls and shopping centers, while focusing on more compact and efficient stores.” The same article notes “Consumers use stores differently than they used to,” Moody’s Investor Services analyst Christina Boni said, adding that shoppers want stores nearby and accessible, and often see them as ways to complement their online shopping with pickups and returns. “All of those things merit itself to thinking about a box that’s different than what it was before.” Small-format stores address a modern shopping experience, one very different from the days before e-commerce, Boni said. Consumers are no longer discovering products by browsing through 100,000-square-foot stores — they’re doing it on social media as well as on the brands’ apps and websites.”

Examples of the shrinking store footprint can be found in construction trends from big box retailers, such as Kohl’s and Target. In 2010 the average new Kohl’s store was 77,397 SF but had shrunk to

45,050 SF by the end of 2021. In the case of Target, new construction stores averaged 152,616 SF in 2010 but had shrunk to 50,266 SF by 2021.

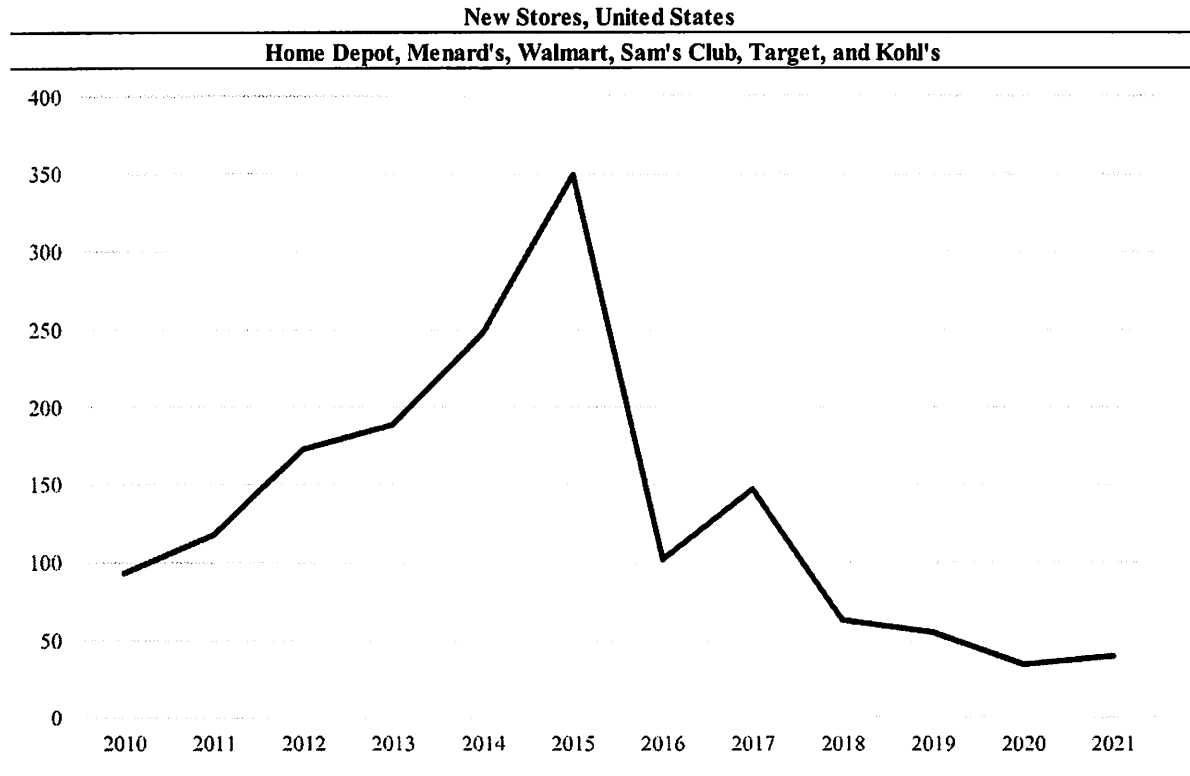
Big Box Real Estate Market Summary

The big box real estate industry has experienced significant growth over the years, driven by the expansion of major retail chains and the increase in consumer demand for convenient, one-stop shopping experiences. These large format stores offer a wide range of products and services, including electronics, home improvement, furniture, clothing, and groceries, among others. One of the notable trends in recent years is the rise of online shopping, which has disrupted the traditional brick-and-mortar retail model. As online sales continue to grow, some big box retailers have struggled to adapt, resulting in store closures or downsizing, including smaller format stores. This has led to a surplus of vacant big box properties, creating challenges for developers and investors. To address this challenge, some developers have started to repurpose these vacant big box properties into retail uses and other uses, such as office spaces, educational facilities, and healthcare centers. The Covid-19 pandemic of 2020 accelerated these retail changes in the following ways:

1. Surge in Consumer Demand: For certain big-box retailers, especially those that sell groceries and other essentials (e.g., Walmart, Target, and Costco), the pandemic brought a surge in consumer demand. Panic buying and stockpiling led to increased sales.
2. Supply Chain Disruptions: However, the pandemic also led to major disruptions in global supply chains. This affected inventory levels and product availability, creating challenges in restocking and maintaining a variety of products on the shelves.
3. Accelerated E-commerce Growth: As physical stores faced lockdowns and consumers became more hesitant to shop in person due to health concerns, there was a notable shift toward online shopping. Big box retailers that had robust e-commerce operations or were quick to enhance their online presence benefited greatly.
4. Curbside Pickup and Delivery Services: To adapt to the changing consumer preferences, many big box retailers expanded their curbside pickup and home delivery services. This provided convenience and a contactless shopping experience.
5. Financial Strain and Store Closures: Some big box stores, especially those not deemed essential or those with weaker e-commerce capabilities, faced financial difficulties. Reduced foot traffic and prolonged closures led to a wave of bankruptcies and store closures within the retail sector.
6. Adaptation and Innovation: To address the challenges of the pandemic, big box retailers hastened innovation, including the use of robots and drones for inventory and delivery, touchless checkout processes, and the deployment of AI for customer service and demand forecasting.

- 7. **Real Estate and Store Layout Changes:** Retailers rethought store layouts to facilitate social distancing, designated special shopping hours for vulnerable populations, and expanded spaces for in-store pickup of online orders. Further, there has been a continuing decrease in store openings and a trend to smaller stores.

In order to illustrate the changes in the big box landscape, we have surveyed free standing big box facilities to examine trends of new store construction for a number of retailers within the United States, which is presented as follows:



Source: SEC Filings, Company provided data

Per the provided data, new store openings for common big box retailers have been steadily decreasing since 2015 due to the previous overexpansion and the move to e-commerce sales which requires fewer and smaller stores.

Highest and Best Use

Highest and best use is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, (Appraisal Institute, 2015) as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

In addition to the Appraisal Institute's definition of highest and best use, the appraiser is considering that Wisconsin law requires compliance with the Wisconsin Property Assessment Manual (WPAM).

Chapter 9 of the defines "highest and best use" as "that use which over a period of time produces the greatest net return to the property owner." Additionally, the highest and best use is "[a] concept in appraisal and assessment law requiring that each property be appraised as though it were being put to its most profitable use, given probable legal, physical and financial constraints." (WPAM Glossary G-38). Although this definition is similar to the 15th Edition of The Appraisal of Real Estate, the WPAM and recent Wisconsin case law require the consideration of some additional factors in determining highest and best use. As summarized in *Nestle USA, Inc.*, "[a] subject property's highest and best use must be: 1) legal, 2) complementary, 3) not highly speculative, and 4) marketable for that use." *Nestle USA, Inc. v. Wisconsin Dep't of Revenue*, 795 N.W.2d 46, 55 (Wisc. 2011) (citing WPAM, at 1–1, 9-11).

Legal means that the contemplated use "must not violate any government regulations. This would include such items as zoning, building codes, health codes, criminal laws, and other regulations. For example, an office building may represent the greatest net return on a parcel of real estate; however, if this use is prohibited by zoning laws, it does not represent the highest and best use." (2023 WPAM).

Complementary means that the contemplated use must "be in balance with the uses of the property around it. This is explained in the principle of conformity." (2023 WPAM).

Not highly speculative means that the contemplated use "should produce the greatest net return over a reasonable time period. An income stream of high return over a short time may not be as valuable as that use which generates a smaller income but over a longer period of time." (2023 WPAM).

When discussing highest and best use, the WPAM states: "The highest and best use of a property can change over time. Changes in the economy, society, and neighborhood can result in new uses of properties. Therefore, the assessor should be periodically reviewing the data on highest and best use and change the conclusions if necessary. Assessors should start with the assumption that the current use is the highest and best use. However, it is important to recognize that the current use of a particular property does not necessarily represent the highest and best use or the full market value of the property. All of the available uses of the property should be considered." (2023 WPAM).

According to WPAM, “It’s important to recognize that the current use of a particular property does not necessarily represent the highest and best use or the full market value of a property. All of the available uses of the property should be considered. According to the book, *Readings in Highest and Best Use*, ‘the fact that a property is adaptable to secondary uses may be an important consideration to a prospective buyer and thus influence market value.’” (2023 WPAM).

Under Wisconsin law, the appraiser should also consider alternative uses of a property for property tax purposes.

The above definitions of highest and best use apply to the use of a site as though vacant, as well as to the total property as improved. When a site contains improvements, the highest and best use may be determined to be different from the existing use. The existing use will continue unless and until the land value in its highest and best use exceeds the sum of the value of the entire property in its existing use plus the cost to remove the improvements.

Highest and Best Use Per WPAM and Wisconsin Law

Based upon a review of zoning codes, the subject property’s retail use is legally permitted. The subject’s use as a retail store is complementary to and conforms with La Crosse market uses, which include numerous other retail uses, such as but not limited to strip centers and single-tenant retail uses along Mormon Coulee Road. Lastly, the subject’s highest and best use is not a highly speculative use as there is evidence of large retail buildings being utilized as both single and multi-tenant facilities in the market. The analysis and conclusion of the highest and best use, under WPAM and Wisconsin law, is consistent with the appraiser’s traditional highest and best use conclusion, as determined by following the analysis, outlined by the Appraisal Institute. Further, the decision in the February 16, 2023 Supreme of Wisconsin in the case of *Lowe’s Home Centers, LLC v. City of Delavan* (Case # 2109AP1987) reiterates that the property should be valued based upon its highest and best use.

Four criteria must be examined to determine whether a use represents a property's highest and best use. These requirements are that the use is legally permissible, physically possible, financially feasible, and maximally productive.

As Vacant

Legal Permissibility – The subject site is permitted to be developed in accordance with the C-2, Commercial zoning district, as of the date of value. The primary intent of the C-2, Commercial zoning district is to provide for a wide variety of commercial uses.

Physical Possibility - As of the date of value, the subject site had ±16.22 useable acres. For the date of value, the physical possibilities are numerous. Physically possible uses include but are not limited to: business and professional offices, financial institutions, hotels and motels, public passenger transportation terminals, restaurants and other places serving food or drink, retail and personal or business service establishments, theatres and public buildings.

Financial Feasibility - The financial feasibility of any use on the subject site is partially a function of its accessibility, visibility, and market demand. The subject site is located in a stable commercial area. Based upon a review of neighborhood developments, it would appear that it would be feasible to develop the subject with a retail/commercial use as of the date of value.

Maximal Productivity – The determination of maximal productivity requires consideration of several development options and scenarios. Given the subject's location and the surrounding developments, the site's maximally productive use as of the retrospective date of value would be retail/commercial development. The most likely buyers would be retail users and developers.

As Improved

As in the determination of the subject's highest and best use as vacant, four criteria must be examined to determine whether a use represents a property's highest and best use as improved. These requirements are that the use legally permissible, physically possible, financially feasible, and maximally productive.

Legal Permissibility - The subject site is permitted to be developed in accordance with the C-2, Commercial zoning district, as of the date of value. The primary intent of the BC-2, Commercial zoning district is to provide for a wide variety of commercial uses. As discussed under Zoning earlier in this report, the retail use is legal and non-conforming within the permitted C-2, Commercial zoning district.

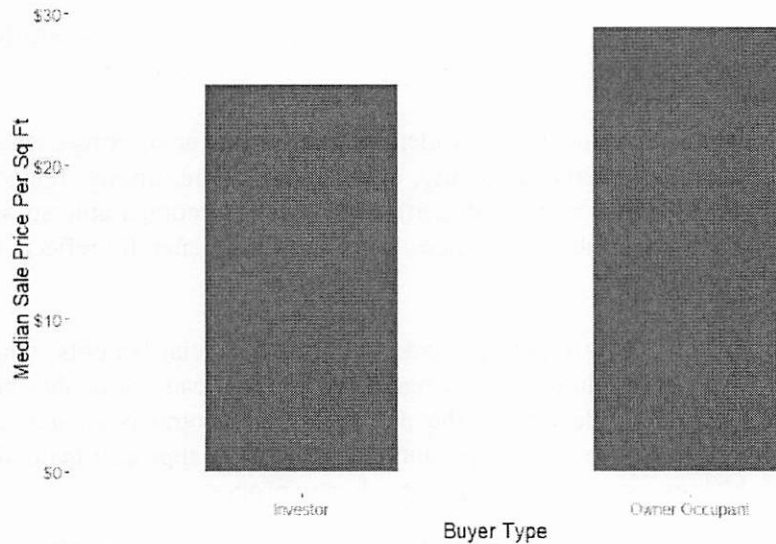
Physical Possibility – The subject was improved with a ±187,386 SF mega warehouse store and supporting site improvements as of the date of value. The improvements were designed and constructed for a specific single occupant user. The subject property is capable of being used by another single occupant retailer; however, each retailer has its own image, layout, and design and therefore, typically a buyer will alter the layout and design to meet their business needs. Overall, the design and construction of the mega warehouse store including the large store depths, location of dock level doors and the lack of utility separation make multi-tenant use challenging. Multi-tenant retail would require significant conversion costs but would be physically possible.

Financial Feasibility - The financial feasibility of any use on the subject site is partially a function of its market demand. The appraiser has reviewed comparable land sales and comparable land offerings from around the subject area. Based upon the forthcoming concluded values for the subject property, the land value does not exceed the subject property, as improved. Overall, it is financially feasible to operate the property as a retail property and it would be financially feasible to use it as a multi-tenant retail property. As will be shown in the forthcoming valuation analysis, it is concluded that the value of the subject property as improved exceeds the market value of the subject property as vacant.

Maximally Productive – Of the financially feasible alternative uses, the maximally productive use of the property is a retail use.

Examples of the types of retail uses among our comparables include home goods stores, farm and home stores, discount retail, grocery, sporting goods, and self-storage. Based upon fee simple sales observed in the market, both owner/users and developers are likely buyers. Of our primary sales, three of the sales were purchased by owner/users that occupied the whole building, two of our sales were purchased by owner/users that occupied a portion of the building and marketed the remainder of the space, and one of our sales were purchased by developers that subdivided the space for multi-tenancy.

The following are the results of the recent Situs RERC National Big Box study that indicates 52% of the buyers of box stores over 50,000 square feet are investors and 48% owner/users. This study also indicated the average price paid by owner users was approximately 15% higher than that paid by investors.



	Investors	Owner-Occupants
Median Sale Price/SF	\$25.29	\$29.03
Average Sale Price/SF	\$31.96	\$34.77
Average Year Built	1994	1993
Average Building Size (SF)	104,489	102,222
Average Land to Building Ratio	5.1	4.8
Average ZIP Code Population	32,348	32,544
Average Median Household Income	\$54,068	\$55,580
# of Transactions	114	106

Valuation Methodology

The market for the subject property is an existing facility available for sale or lease in the open market. This "secondary" or "after" or "used" or "existing" market is distinguishable from the build-to-suit market.

The market value of the existing facility is based upon the fact that it is an existing facility, which is assumed to be available for sale or lease in the open marketplace as of the valuation date. The build-to-suit market involves a yet-to-be constructed facility built to the specifications of the prospective buyer or tenant. The build-to-suit market rent or sale price is based upon the cost of construction, whereas the "existing" market sale price or rent is a function of supply and demand and the open interaction of buyers and sellers or landlords and tenants in the marketplace for an existing property.

The three approaches to valuation -- the sales comparison, income, and cost -- are based upon distinct measures that, although applied separately, may be used to verify each other.

The sales comparison approach to value seeks to identify those sales or offerings which may be comparable in terms of condition, amenities, quality, age, location, type, timing, financing terms, and motivation of buyers and sellers. No two properties are precisely comparable so adjustments must be taken into account for discernible differences. This approach generally reflects the actions of buyers and sellers in the marketplace.

In the income approach to value, an estimate is made of future financial benefits, which can be derived from ownership. After ascertaining the net rental income that can reasonably be expected from the property by a knowledgeable owner, the net operating income is capitalized using a method appropriate to investments of similar type and category. This approach generally is most similar to the manner in which investors view income-producing property.

The cost approach to estimate value entails preparing an estimate of land value and adding an estimate of the replacement cost of the building and improvements, less any physical, economic, or functional depreciation or obsolescence. Implicit in the cost approach is that a knowledgeable buyer would pay no more for the property than what it would cost to replace it.

Applied Valuation Approaches

In considering and applying the appropriate valuation approaches, the Markarian Hierarchy has been followed and utilized as a guideline. The applicable approaches to value for the subject mega warehouse store and supporting land were concluded to be the sales comparison, the income, and the cost approaches to value. The cost approach was applied but is less reliable because the subject property's market value is adversely impacted by substantial depreciation due to obsolescence. The amount of obsolescence is difficult, if not impossible, to estimate without extracting from the other approaches to value. In addition, buyers and sellers, of this type of property, do not generally buy and sell based upon the cost approach to value.

Sales Comparison Approach

Definition of the Sales Comparison Approach

According to The Dictionary of Real Estate Appraisal, Seventh Edition (Appraisal Institute, 2022), the sales comparison approach is defined as:

The process of deriving a value indication for the subject property by comparing sales of similar properties to 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.

Discussion of Methodology

The simplest and most direct sales comparison is with sales of similar properties sold in the fee simple estate with the same or similar highest and best use. The best comparable sales are those that would attract the same class of buyers as the subject. Furthermore, there are a sufficient number of such sale comparables to which the subject can be compared. As such, the sales comparison approach will provide a primary indicator of value along with the income approach.

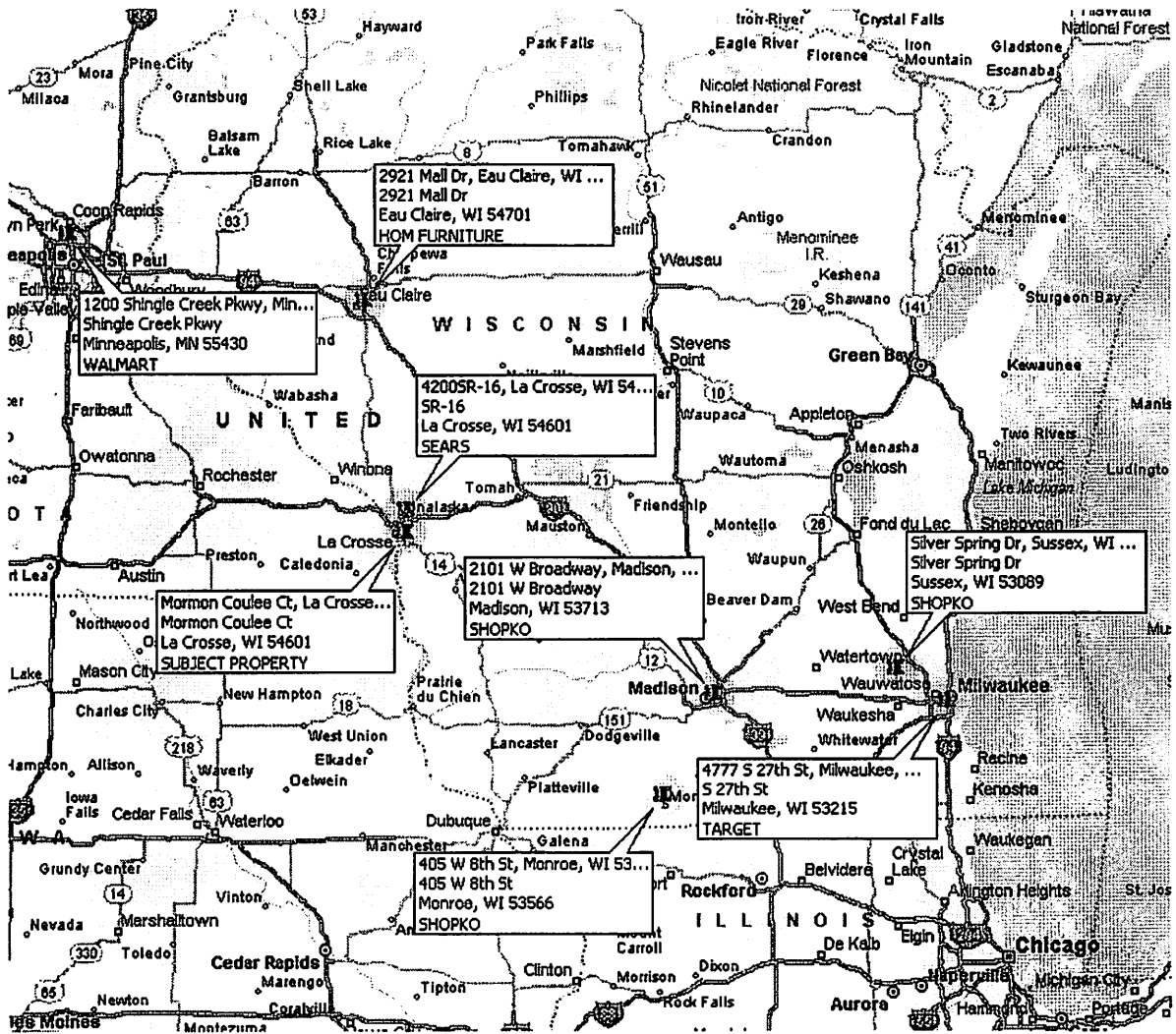
We have researched the market and have identified comparable sales, which are similar to the subject. These represent fee simple transfers of properties, which were similar to the subject property and were available for retail use, during the relevant time periods involved in the valuation. We have not utilized leased fee sales because most of the sales are subject to above market build-to-suit leases and are at prices reflective of the credit of the tenant. Additionally, we did not utilize sale/leaseback sales because these are financing transactions and not representative of market value. The selection criteria included big box retail stores that sold near to the subject date of value. We researched the state of Wisconsin for sales that were as similar in economic location, date of sale, building size, design, and age as the subject property. The criteria included big box retail stores in excess of 70,000 SF that were single tenant in design. Further the search included sales which occurred from 2020 through 2023. In addition, we are familiar with sales of similar properties in other Midwestern states including Illinois, Indiana, Iowa, Ohio, Minnesota, and Michigan.

The following is a summary and a map of comparable sales, which is followed by detailed write-ups of these sales. In the detailed write-ups of the comparables, the properties are identified by the retailer for which the building was constructed. After these sales are analyzed, there will be a presentation of additional sale and listing comparables that were considered before concluding to an indicated per square foot value of gross building area for the fee simple interest in the subject property.

COMPARABLE BUILDING SALES								
SALE DETAILS	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Development	Walmart	Target	Hom Furniture	Walmart	Shopko	Shopko	Shopko	Sears
Location	La Crosse, WI	Greenfield, WI	Eau Claire, WI	Brooklyn Center, MN	Monroe, WI	Sussex, WI	Monona, WI	La Crosse, WI
Sale Date		Jan-20	Mar-20	Dec-23	Feb-20	May-21	Jun-21	Sep-20
Building Area (SF)	187,386	130,125	93,620	181,943	73,956	80,039	97,931	113,252
Year Built	2003	1970	1988, '03	2012	1994	2008	1981/'00	1980
Land Size (a)	16.22	12.94	4.98	18.04	6.98	6.45	10.25	10.64
LTB Ratio	3.77	4.33	2.32	4.32	4.11	3.51	4.56	4.09
Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Sale Price		\$4,000,000	\$2,600,000	\$8,199,999	\$2,200,000	\$1,800,000	\$4,600,000	\$2,400,000
Price/SF		\$30.74	\$27.77	\$45.07	\$29.75	\$22.49	\$46.97	\$21.19
Community Data - 2024								
Population (5 Mile)	50,520	339,127	86,036	330,836	13,270	54,456	189,952	60,591
Households (5 Mile)	22,004	139,775	36,214	126,213	5,988	21,570	85,536	25,562
Average HH Size (5 Mile)	2.10	2.40	2.25	2.59	2.18	2.52	2.08	2.23
Med HH Inc (5 Mile)	\$57,434	\$61,804	\$70,060	\$75,909	\$65,301	\$112,769	\$68,940	\$65,823
Avg. HH Spending (5 Mile)	\$46,242	\$49,685	\$55,498	\$58,097	\$51,630	\$87,140	\$61,311	\$53,100
Spending Power (5 Mile) (a)	\$1,018	\$6,945	\$2,010	\$7,333	\$309	\$1,880	\$5,244	\$1,357
Population (10 Mile)	96,278	803,953	114,519	1,134,316	19,188	267,336	414,146	120,621
Households (10 Mile)	41,803	345,423	47,499	469,971	8,336	111,008	183,626	51,308
Med HH Inc (10 Mile)	\$64,730	\$63,661	\$74,206	\$84,814	\$69,482	\$101,410	\$82,464	\$71,809
Avg. HH Spending (10 Mile)	\$50,855	\$53,782	\$57,007	\$69,463	\$53,947	\$78,718	\$69,383	\$53,623
Spending Power (10 Mile) (a)	\$4,896	\$18,578	\$2,708	\$32,645	\$450	\$8,738	\$12,741	\$6,468
Pop. CAG Δ 2010-24 (5 Mile)	0.17%	-0.08%	0.63%	0.60%	-0.26%	0.78%	1.36%	0.30%
Pop. CAG Δ 2010-24 (10 Mile)	0.19%	-0.11%	0.74%	0.83%	-0.28%	0.42%	1.27%	0.39%
Pop. CAG Δ 2024-29 (5 Mile)	-0.04%	-0.05%	0.42%	0.05%	-0.35%	0.45%	0.70%	0.03%
Pop. CAG Δ 2024-29 (10 Mile)	-0.02%	0.01%	0.50%	0.30%	-0.30%	0.23%	0.66%	0.12%
Traffic Count	25,326	30,800	44,100	65,312	20,800	26,200	131,100	22,700

Notes: - Pop, HH and Med HH Income is based upon 2024 ESRI Data.
 - Traffic Counts are as near to the locations and the date of sale as possible.
 - (a) Calculated by multiplying the # of HH with Avg. HH spending and presented in millions of dollars.

Map of Comparable Sales



COMPARABLE SALE 1



Property Name:	Target	Sales Analysis	
Property Address:	4777 S. 27th St.	Grantor:	Target Corporation
Cross Streets:	S. 27th & W. Layton Ave.	Grantee:	MKB Greenfield, LLC
City/Township:	Greenfield, WI	Verification:	Granton, Broker, Public Records
County:	Milwaukee	Sale Date:	Jan-20
Parcel ID(s):	662-9988-016	Sale Price:	\$4,000,000
Building Description		Occupancy at Sale:	0%
Building Area (SF):	130,125	Property Rights Transferred:	Fee Simple
Year Built:	1970	Conditions of Sale:	Arms-Length
MVS Classification:	Class C	Marketing Time	±11 months
Site Description		Sales Terms:	Cash Equivalent
Land Area (Acres):	12.94	Financial Analysis	
Parcel Shape:	Irregular	Net Operating Income:	n/a
Zoning:	C-2 & C-3	Capitalization Rate:	n/a
Parking:	Asphalt Surface	Price/SF:	\$30.74
Land-to-Building Ratio:	4.33		

Comments

This comparable sale is a former Target store which was closed in February 2019. The property was purchased and reimaged into a Festival Foods grocery store. The building and parking lot were in very good condition, according to the listing broker and a representative from Target. The property has visibility from 27th along with access to both S. 27th and W. Layton Ave.

COMPARABLE SALE 1, cont.

Location Analysis			
5-Mile Demographic Measures		10-Mile Demographic Measures	
2010		2010	
Population:	342,820	Population:	816,860
Households:	137,153	Households:	333,318
Average Household Size:	2.47	Average Household Size:	2.38
2024		2024	
Population:	339,127	Population:	803,953
Households:	139,775	Households:	345,423
Average Household Size:	2.40	Average Household Size:	2.28
Median HH Income:	\$61,804	Median HH Income:	\$63,661
Avg. Consumer Spending:	\$49,685	Avg. Consumer Spending:	\$53,782
2029		2029	
Population:	338,346	Population:	804,313
Households:	141,689	Households:	351,658
Average Household Size:	2.37	Average Household Size:	2.24
CAG 2010-2024 Growth Rate:		CAG 2010-2024 Growth Rate:	
Population:	-0.08%	Population:	-0.11%
Households:	0.14%	Households:	0.26%
CAG 2024-2029 Growth Rate:		CAG 2024-2029 Growth Rate:	
Population:	-0.05%	Population:	0.01%
Households:	0.27%	Households:	0.36%
Traffic Count:	30,800 - traffic counts along S. 27th		

COMPARABLE SALE 2



Property Name:	Hom Furniture	Sales Analysis	
Property Address:	2921 Mall Dr.	Grantor:	SVCN 1, LLC
Cross Streets:	State Road 93 & US-53	Grantee:	Continental 1776, LLC
City/Township:	Eau Claire, WI	Verification:	Broker, Public Records
County:	Eau Claire	Sale Date:	Mar-20
Parcel ID(s):	53-020-99-0004-710	Sale Price:	\$2,600,000
Building Description		Occupancy at Sale:	0%
Building Area (SF):	93,620	Property Rights Transferred:	Fee Simple
Year Built:	1988, '03	Conditions of Sale:	Arms Length
MVS Classification:	Class C	Marketing Time	±3 months
Site Description		Sales Terms:	Cash Equivalent
Land Area (Acres):	4.98	Financial Analysis	
Parcel Shape:	Irregular	Net Operating Income:	n/a
Zoning:	C-3, Commercial	Capitalization Rate:	n/a
Parking:	Asphalt Surface	Price/SF:	\$27.77
LTB Ratio:	2.32		

Comments
 This is the sale of a former Hom Furniture store in Eau Claire that Hom vacated in early 2020 after moving into the former Younkers building at the Oakwood Mall. The property was listed for approximately three months with an asking price of \$2.8m. The property was purchased by an owner/user for retail sales use. The purchaser opened a general merchandise store, selling home goods, clothing and furniture. The property had been well maintained and was in average condition at the time of sale with a new parking lot in 2015.

COMPARABLE SALE 2, cont.

Location Analysis			
5-Mile Demographic Measures		10-Mile Demographic Measures	
2010		2010	
Population:	78,740	Population:	103,349
Households:	32,097	Households:	41,587
Average Household Size:	2.31	Average Household Size:	2.37
2024		2024	
Population:	86,036	Population:	114,519
Households:	36,214	Households:	47,499
Average Household Size:	2.25	Average Household Size:	2.31
Median HH Income:	\$70,060	Median HH Income:	\$74,206
Avg. Consumer Spending:	\$55,498	Avg. Consumer Spending:	\$57,007
2029		2029	
Population:	87,841	Population:	117,421
Households:	37,502	Households:	49,366
Average Household Size:	2.22	Average Household Size:	2.28
CAG 2010-2024 Growth Rate:		CAG 2010-2024 Growth Rate:	
Population:	0.63%	Population:	0.74%
Households:	0.87%	Households:	0.95%
CAG 2024-2029 Growth Rate:		CAG 2024-2029 Growth Rate:	
Population:	0.42%	Population:	0.50%
Households:	0.70%	Households:	0.77%
Traffic Count:	44,100 - based up on 19,200 on Hastings & 24,900 on SR-93		

COMPARABLE SALE 3



Property Name:	Walmart	Sales Analysis	
Property Address:	1200 Shingle Creek Xing	Grantor:	Wal-Mark Real Estate Bus. Trust
Cross Streets:	Bass Lake Rd. & Hwy 100	Grantee:	Sun Empire, LLC
City/Township:	Brooklyn Center, MN	Verification:	Grantor, Public Records
County:	Hennipen	Sale Date:	Dec-23
Parcel ID(s):	02-118-21-32-0018	Sale Price:	\$8,199,999
Building Description		Occupancy at Sale:	0%
Building Area (SF):	181,943	Property Rights Transferred:	Fee Simple
Year Built:	2012	Conditions of Sale:	Arms-Length
MVS Classification:	Class C	Marketing Time	=8 months
Site Description		Sales Terms:	Cash Equivalent
Land Area (Acres):	18.04	Financial Analysis	
Parcel Shape:	Irregular	Net Operating Income:	n/a
Zoning:	PUD/C2	Capitalization Rate:	n/a
Parking:	Asphalt Surface	Price/SF:	\$45.07
Land-to-Building Ratio:	4.32		

Comments
 This comparable sale is a former Walmart store which was closed in April 2023. The property was purchased for use as an Empire Foods Asian superstore. The building and parking improvement were in average condition as of the date of sale. The property has good access to Hwy-100 and Interstate 94 in the neighborhood.

This sale included restrictions including prohibiting use of the property for "adult" business activities, pawn shop, bar, night club, gaming activities, check-cashing business, businesses involved with marijuana or THC, or involuntary human detention. These restrictions remain in effect for 20 years. The restrictions do not limit any other retail uses.

COMPARABLE SALE 3, cont.

Location Analysis			
5-Mile Demographic Measures		10-Mile Demographic Measures	
2010		2010	
Population:	304,217	Population:	1,010,739
Households:	117,264	Households:	414,097
Average Household Size:	2.57	Average Household Size:	2.36
2024		2024	
Population:	330,836	Population:	1,134,316
Households:	126,213	Households:	469,971
Average Household Size:	2.59	Average Household Size:	2.34
Median HH Income:	\$75,909	Median HH Income:	\$84,814
Avg. Consumer Spending:	\$58,097	Avg. Consumer Spending:	\$69,463
2029		2029	
Population:	331,599	Population:	1,151,415
Households:	127,806	Households:	482,341
Average Household Size:	2.56	Average Household Size:	2.32
CAG 2010-2024 Growth Rate:		CAG 2010-2024 Growth Rate:	
Population:	0.60%	Population:	0.83%
Households:	0.53%	Households:	0.91%
CAG 2024-2029 Growth Rate:		CAG 2024-2029 Growth Rate:	
Population:	0.05%	Population:	0.30%
Households:	0.25%	Households:	0.52%
Traffic Count:	65,312 - along Hwy-100		

COMPARABLE SALE 4



Property Name:	Shopko	Sales Analysis	
Property Address:	405 W 8th St.	Grantor:	405 West 8th Street, LLC
Cross Streets:	8th St. & SR-11	Grantee:	Farm & Fleet of Monroe, Inc.
City/Township:	Monroe, WI	Verification:	Broker, Public Records
County:	Green	Sale Date:	Feb-20
Parcel ID(s):	25139000000	Sale Price:	\$2,200,000
Building Description		Occupancy at Sale:	0%
Building Area (SF):	73,956	Property Rights Transferred:	Fee Simple
Year Built:	1994	Conditions of Sale:	Arms-Length
MVS Classification:	Class C	Marketing Time	±3 months
Site Description		Sales Terms:	Cash Equivalent
Land Area (Acres):	6.98	Financial Analysis	
Parcel Shape:	Irregular	Net Operating Income:	n/a
Zoning:	SMU, Suburban Mixed-Use	Capitalization Rate:	n/a
Parking:	Asphalt Surface	Price/SF:	\$29.75
Land-to-Building Ratio:	4.11		

Comments
 This comparable sale is a former Shopko store which was closed in June 2019. The property was subsequently listed for sale with an asking price of \$3m. The property was purchased and reimaged into a Blain's Farm & Fleet. The building and parking lot were in average condition at the time of sale. The property has good visibility from SR-11 and good access to SR-11 within the neighborhood. According to the broker, the property was adequately marketed and the highest price was obtained for the property. The grantor was under no duress to sell the property.

COMPARABLE SALE 4, cont.

Location Analysis			
5-Mile Demographic Measures		10-Mile Demographic Measures	
2010		2010	
Population:	13,770	Population:	19,944
Households:	5,892	Households:	8,222
Average Household Size:	2.30	Average Household Size:	2.39
2024		2024	
Population:	13,270	Population:	19,188
Households:	5,988	Households:	8,336
Average Household Size:	2.18	Average Household Size:	2.27
Median HH Income:	\$65,301	Median HH Income:	\$69,482
Avg. Consumer Spending:	\$51,630	Avg. Consumer Spending:	\$53,947
2029		2029	
Population:	13,040	Population:	18,905
Households:	5,981	Households:	8,350
Average Household Size:	2.14	Average Household Size:	2.23
CAG 2010-2024 Growth Rate:		CAG 2010-2024 Growth Rate:	
Population:	-0.26%	Population:	-0.28%
Households:	0.12%	Households:	0.10%
CAG 2024-2029 Growth Rate:		CAG 2024-2029 Growth Rate:	
Population:	-0.35%	Population:	-0.30%
Households:	-0.02%	Households:	0.03%
Traffic Count:	20,800 - along W. 8th, 6th Ave. and SR-11		

COMPARABLE SALE 5



Property Name:	Shopko	Sales Analysis	
Property Address:	N66W25201 Silver Spring Dr	Grantor:	Realty Income Properties 28, LLC
Cross Streets:	Hwy 164 & Silver Spring Dr.	Grantee:	RAP Fond Du Lac, LLC
City/Township:	Sussex, WI	Verification:	Broker, Public Records
County:	Waukesha	Sale Date:	May-21
Parcel ID(s):	SUXV-0228999021	Sale Price:	\$1,800,000
Building Description		Occupancy at Sale:	0%
Building Area (SF):	80,039	Property Rights Transferred:	Fee Simple
Year Built:	2008	Conditions of Sale:	Arms-Length
MVS Classification:	Class C	Marketing Time	±20 months
Site Description		Sales Terms:	Cash Equivalent
Land Area (Acres):	6.45	Financial Analysis	
Parcel Shape:	Irregular	Net Operating Income:	n/a
Zoning:	B-2, Regional Business	Capitalization Rate:	n/a
Parking:	Asphalt	Price/SF:	\$22.49
Land-to-Building Ratio:	3.51		

Comments

This property was a former Shopko store that was closed in April-2019. The property was listed for sale for approximately 20 months with an asking price of \$4.0m. The purchaser is a developer that is marketing the property for multi or single tenant retail use with available suite sizes ranging from 15,000 SF to 80,000 SF. The property is in a retail neighborhood that includes Kohls. The property has visibility, access and signage along both Highway 164 and Silver Spring Dr. (Main St.). The building was in good condition with no items of deferred maintenance at the time of sale. According to the broker, the property was adequately marketed and the highest price was obtained for the property. The grantor was under no duress to sell the property in a short period of time.

COMPARABLE SALE 5, cont.

Location Analysis			
5-Mile Demographic Measures		10-Mile Demographic Measures	
2010		2010	
Population:	48,830	Population:	252,117
Households:	18,898	Households:	100,114
Average Household Size:	2.58	Average Household Size:	2.48
2024		2024	
Population:	54,456	Population:	267,336
Households:	21,570	Households:	111,008
Average Household Size:	2.52	Average Household Size:	2.39
Median HH Income:	\$112,769	Median HH Income:	\$101,410
Avg. Consumer Spending:	\$87,140	Avg. Consumer Spending:	\$78,718
2029		2029	
Population:	55,706	Population:	270,385
Households:	22,360	Households:	113,997
Average Household Size:	2.49	Average Household Size:	2.35
CAG 2010-2024 Growth Rate:		CAG 2010-2024 Growth Rate:	
Population:	0.78%	Population:	0.42%
Households:	0.95%	Households:	0.74%
CAG 2024-2029 Growth Rate:		CAG 2024-2029 Growth Rate:	
Population:	0.45%	Population:	0.23%
Households:	0.72%	Households:	0.53%
Traffic Count:	26,200 - combined traffic counts along Hwy 164 & Silver Spring Dr.		

COMPARABLE SALE 6



Property Name:	Shopko	Sales Analysis	
Property Address:	2101 W. Broadway	Grantor:	Jeanine Landsinger, Trustee
Cross Streets:	Broadway & Beltline	Grantee:	Broadway Capital, LLC
City/Township:	Monona, WI	Verification:	Broker, Public Records
County:	Dane	Sale Date:	Jun-21
Parcel ID(s):	258/0710-301-2175-7	Sale Price:	\$4,600,000
Building Description		Occupancy at Sale:	0%
Building Area (SF):	97,931	Property Rights Transferred:	Fee Simple
Year Built:	1981/00	Conditions of Sale:	Arms-Length
MVS Classification:	Class C	Marketing Time	±14 months
Site Description		Sales Terms:	Cash Equivalent
Land Area (Acres):	10.25	Financial Analysis	
Parcel Shape:	Irregular	Net Operating Income:	n/a
Zoning:	CDD, Community Design Dist.	Capitalization Rate:	n/a
Parking:	Asphalt Surface	Price/SF:	\$46.97
Land-to-Building Ratio:	4.56		
Comments			
<p>This comparable sale is a former Shopko store which was closed in June 2019. The property was subsequently listed for sale with an asking price of \$5.5m. The property was purchased by a developer that has demised the building into multi-tenant space. At the time of the sale, the grantee had an agreement with Floor & Decor to occupy approximately 81,000 SF of this building. Floor & Decor opened in this location in January 2022 and the remainder of the space is marketed for retail use. The building consists of 97,931 SF of main floor space and 21,850 SF of warehouse mezzanine space. The building and parking lot were in average condition at the time of sale. The property has excellent access/visibility to/from West Beltline and further access/visibility to/from West Broadway within the neighborhood.</p>			

COMPARABLE SALE 6, cont.

Location Analysis			
5-Mile Demographic Measures		10-Mile Demographic Measures	
2010		2010	
Population:	157,280	Population:	346,867
Households:	68,027	Households:	149,463
Average Household Size:	2.17	Average Household Size:	2.24
2024		2024	
Population:	189,952	Population:	414,146
Households:	85,536	Households:	183,626
Average Household Size:	2.08	Average Household Size:	2.17
Median HH Income:	\$68,940	Median HH Income:	\$82,464
Avg. Consumer Spending:	\$61,311	Avg. Consumer Spending:	\$69,383
2029		2029	
Population:	196,672	Population:	427,953
Households:	90,003	Households:	192,554
Average Household Size:	2.05	Average Household Size:	2.14
CAG 2010-2024 Growth Rate:		CAG 2010-2024 Growth Rate:	
Population:	1.36%	Population:	1.27%
Households:	1.65%	Households:	1.48%
CAG 2024-2029 Growth Rate:		CAG 2024-2029 Growth Rate:	
Population:	0.70%	Population:	0.66%
Households:	1.02%	Households:	0.95%
Traffic Count:	131,100 - along Beltline & Broadway		

COMPARABLE SALE 7



Property Name:	Sears	Sales Analysis	
Property Address:	4200 State Rd. 16	Grantor:	TF La Crosse, WI LLC
Cross Streets:	SR-16 & SR-157	Grantee:	Hy-Vee, Inc.
City/Township:	La Crosse, WI	Verification:	Broker, Public Records
County:	La Crosse	Sale Date:	Sep-20
Parcel ID(s):	17-10315-300	Sale Price:	\$2,400,000
Building Description		Occupancy at Sale:	0%
Building Area (SF):	113,252	Property Rights Transferred:	Fee Simple
Year Built:	1980	Conditions of Sale:	Arms-Length
MVS Classification:	Class C	Marketing Time	±20 months
Site Description		Sales Terms:	Cash Equivalent
Land Area (Acres):	10.64	Financial Analysis	
Parcel Shape:	Irregular	Net Operating Income:	n/a
Zoning:	C-2, Commercial	Capitalization Rate:	n/a
Parking:	Asphalt	Price/SF:	\$21.19
Land-to-Building Ratio:	4.09		

Comments
 This property was a former Sears store that was closed in November 2018. It was an anchor store at the Valley View Mall. The property sold to a Hy-Vee, a grocery chain that will be re-imaging the building into a Hy-Vee grocery store. The building and parking lot were in average condition at the time of sale. The property has very good access to I-90, with two interchanges located within one mile of this site.

COMPARABLE SALE 7, cont.

Location Analysis			
5-Mile Demographic Measures		10-Mile Demographic Measures	
2010		2010	
Population:	58,124	Population:	114,284
Households:	23,310	Households:	46,204
Average Household Size:	2.34	Average Household Size:	2.36
2024		2024	
Population:	60,591	Population:	120,621
Households:	25,562	Households:	51,308
Average Household Size:	2.23	Average Household Size:	2.26
Median HH Income:	\$65,823	Median HH Income:	\$71,809
Avg. Consumer Spending:	\$53,100	Avg. Consumer Spending:	\$53,623
2029		2029	
Population:	60,689	Population:	121,357
Households:	26,187	Households:	52,736
Average Household Size:	2.18	Average Household Size:	2.21
CAG 2010-2024 Growth Rate:		CAG 2010-2024 Growth Rate:	
Population:	0.30%	Population:	0.39%
Households:	0.66%	Households:	0.75%
CAG 2024-2029 Growth Rate:		CAG 2024-2029 Growth Rate:	
Population:	0.03%	Population:	0.12%
Households:	0.48%	Households:	0.55%
Traffic Count:	22,700	- along State Road 16	

Explanation of Adjustments

The comparable sales have been analyzed in this sales comparison approach. We have chosen the sale price per square foot of gross building area as the unit of comparison for our analysis. In this analysis the individual attributes of each sale are analyzed and compared to the subject. The comparable sales may be inferior, superior, or equal to the subject. Positive or negative adjustments are made to each sale to account for differences with the subject. Adjustments are made to account for property rights transferred, financing terms, conditions of sale, market conditions, size, location, and age/condition. The following paragraphs summarize our adjustments.

Expenditures after Sale - Typically big box retailers or developers will re-configure a store after purchase to meet its specific retailing image and business plan. This can include re-doing the façade, the floor covering, lighting, electrical, re-locating restrooms and other changes. These do not represent deficiencies in the property at the time of sale or necessary capital expenditures for retail use. The subject, if it were sold to another retailer, would typically undergo similar reconfigurations since every retailer has its own brand, image, layout, and store design and tries to give its customers a consistent buying experience. For an adjustment for expenditures after sale to be needed the remodeling and renovations need to be items that both the buyer and seller recognize need to be immediately done.

Property Rights – None of the comparables sold with deed restrictions that affect the sale price of the property. No adjustment for deed restrictions were made.

Financing Terms – The sales were all cash sales and no adjustments for financing terms were deemed necessary.

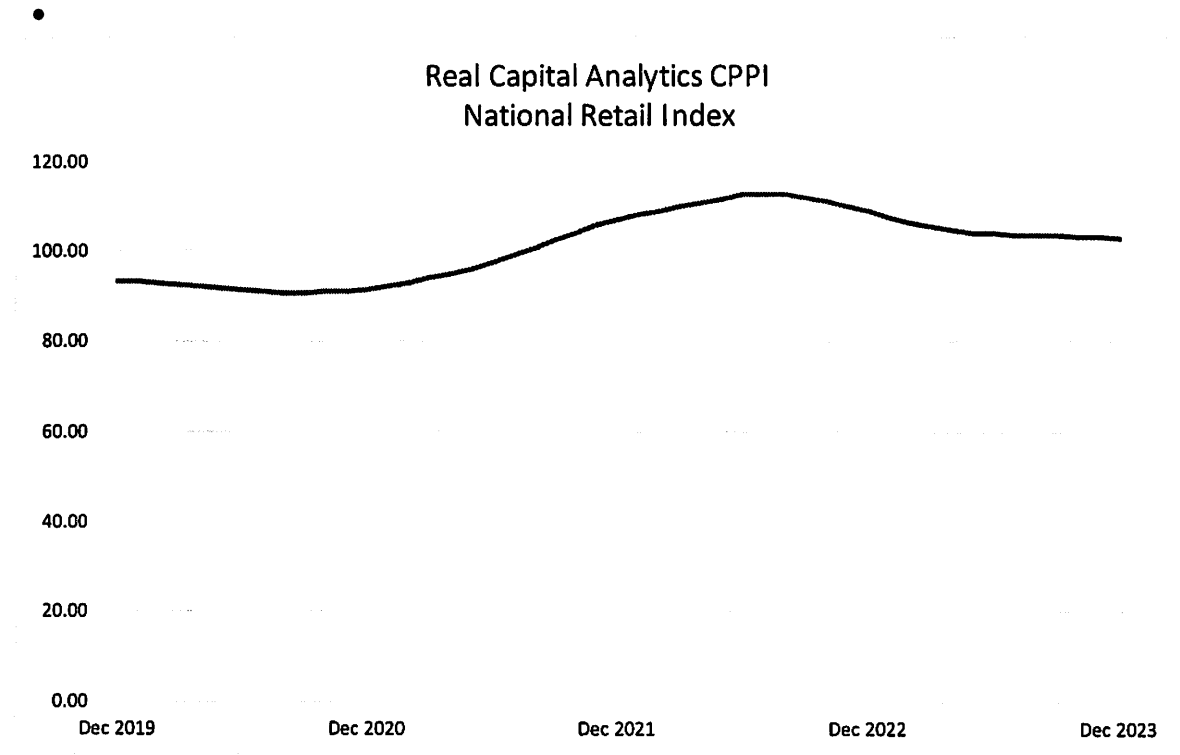
Conditions of Sale – Each of the sales was an arm’s-length cash or a cash equivalent transaction; thus, no adjustment was necessary for these reasons.

Market Conditions - The adjustment for market conditions accounts for any changes in the market conditions between the date of sale of the comparable and the date of value for the subject. We have based our trends on the best data available. Based upon the historical condition of the retail markets in the location of the comparables, we have applied adjustments for annual market conditions from the end of 2015 through the end of 2023 based on rents and vacancy in the provided data from Costar. We have also included capitalization rates for retail investors as surveyed by Realtyrates.com.

In our review of economic data, several indicators were examined, with a few highlighted here: national retail index, national big box sales study, broker interviews, Costar surveyed data and national retail indicators. It is our opinion that these economic indicators reflect the change in market value for big box retail buildings.

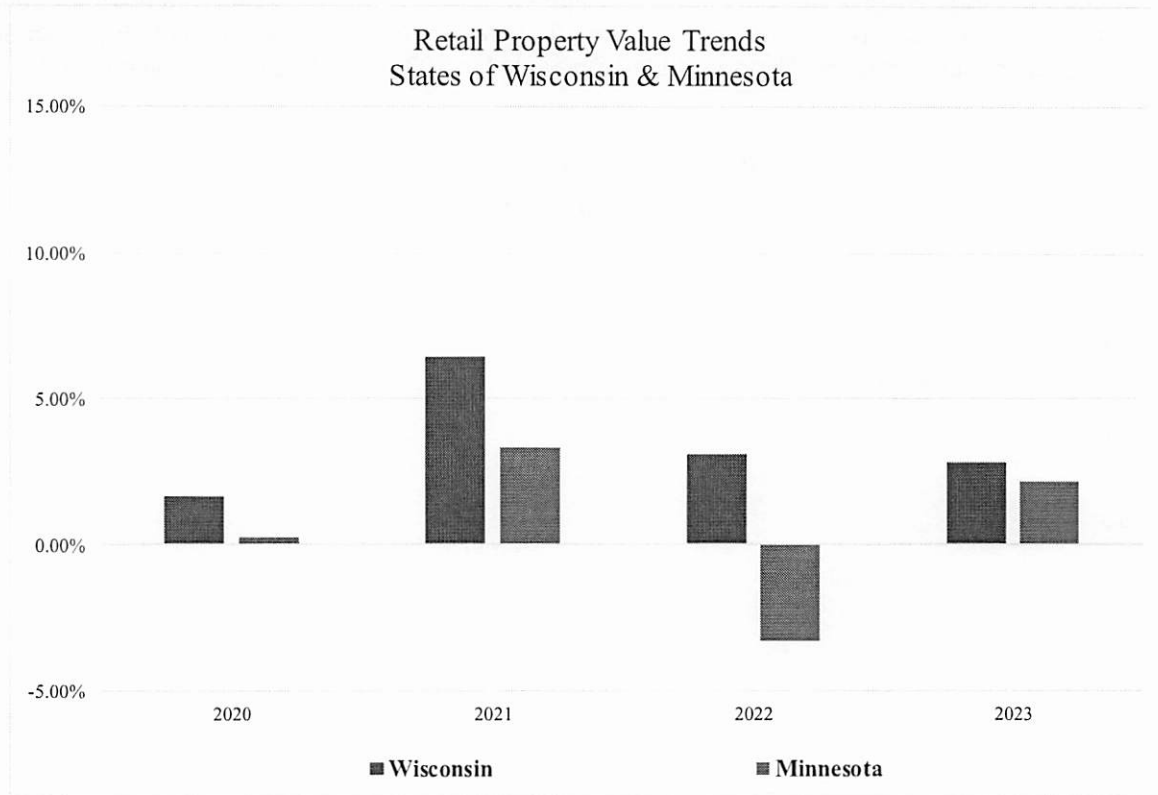
- **Real Capital Analytics** – Real Capital Analytics produces the RCA CPPI Retail Index, which is based on repeat-sales transactions that occurred at any time up through the month prior to the reporting date. The figures indicate the movement in pricing for retail property sales transactions from year end 2019 through year end 2023. The average price changes from year-

end 2019 through year-end 2023 equates to approximately 2.45% per year, with price declines in 2020 and 2023. The decline in prices in 2020 was in response to the Covid-19 pandemic and its effect on retailers. The price index rebounded in 2021 and 2022 but declined in 2023.



- Market Factors** - Retail market trends affect the selling prices of retail real estate. We have considered trends in retail rents, retail vacancies and retail capitalization rates in determining retail value trends for the states of Wisconsin and Minnesota. These local retail market surveys and national realty resources have been utilized in this analysis: *Costar, Inc., and Realty Rates Investor Survey*. A graphical description of these trends from 2020 through 2023 is shown in the following chart.

We have considered these changes in market value for our market conditions analysis.



Based upon the above data, the value trend for all retail property in Wisconsin trended upward at a rate of approximately 3.44% per year, while Minnesota trended upward at rate of 0.57% (2.14% in 2023). The broader market statistics have been relied upon less than the local market indicators in concluding a market conditions adjustment for this analysis.

The following are the conclusions for the annual changes in market conditions from year-end 2019 through year-end 2023. We have applied no market conditions adjustment to the comparables in 2020 due to the Covid-19 pandemic and its effect on real estate.

Year End 2019 through Year End 2020	0%
Year End 2020 through Year End 2021	5%
Year End 2021 through Year End 2022	3%
Year End 2022 through Year End 2023	3%

The following are the conclusions for the annual changes in market conditions from year-end 2019 through year-end 2023. We have applied no market conditions adjustment to the comparables in 2020 due to the Covid-19 pandemic and its effect on real estate.

The following are the conclusions for the annual changes in market conditions then applied to the sale comparables through the date of value, which are January 1, 2023.

Market Conditions Conclusions and Factors							
Comparable	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Sale Date	Jan-20	Mar-20	Dec-23	Feb-20	May-21	Jun-21	Sep-20
Year End 2019 through Year End 2020							
Market Conditions Conclusion	0.0%	0.0%	0.0%	0.0%	-	-	0.0%
Market Conditions Factor	100.0%	100.0%	89.7%	100.0%	98.0%	97.6%	100.0%
Year End 2020 through Year End 2021							
Market Conditions Conclusion	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Market Conditions Factor	105.0%	105.0%	94.2%	105.0%	102.9%	102.5%	105.0%
Year End 2021 through Year End 2022							
<i>January 1, 2023 Date of Value</i>							
Market Conditions Conclusion	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Market Conditions Factor	108.2%	108.2%	97.0%	108.2%	106.0%	105.6%	108.2%

The market conditions following table shows these concluded market conditions for the sales and the date of value.

Market Conditions Conclusions, Rounded to Nearest 1%						
Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
<i>January 1, 2023 Date of Value</i>						
108%	108%	97%	108%	106%	106%	108%

After adjusting for property rights, financing terms, conditions of sale and market conditions, the comparables’ average selling price per square foot of \$32.00 is adjusted to \$35.44 as of January 1, 2023.

Size – A size adjustment is intended to reflect the relationship that is observed in the market between development size and sales prices per square foot. In general, larger developments command lower sales prices per square foot when compared to developments that involve properties that are smaller than big box stores. The following table provides a matched-pair analysis using a former Walmart store in Hartland Township, MI which originally sold as a 186,783 SF store, but was subdivided (via a condominium plat) and the original purchaser (Rural King) subsequently resold a smaller portion (78,434 SF) of the original building to an appliance retailer:

Matched-Pair Analysis		
Walmart - Hartland, MI		
	Original Sale	Subsequent Sale
Area Sold (SF)	186,763	78,434
Sale Price	\$4,175,000	\$2,425,000
Sale Price/SF	\$22.35	\$30.92
Sale Date	Jun-16	Jan-21
Market Conditions Adj.	111.0%	---
Adjusted Sale Price/SF	\$24.81	\$30.92
Indicated Difference	19.74%	

The above analysis indicates a 19.74% discount for the same store when transferring as a larger property, after considering applicable market conditions.

In addition to the above analysis, we have also summarized an RERC study as follows:

RERC Sales Study				
Description	50k-70k	70k-100k	100k-130k	130k+
Median Sale Price	\$27.43	\$25.49	\$29.04	\$24.35
Average Sale Price	\$37.24	\$35.08	\$33.05	\$26.84
<u>Analysis of Medians</u>				
50k-70k	\$27.43			
100k-130k		\$29.04		
Indicated Premium/Discount	5.9%			
<u>Analysis of Averages</u>				
50k-70k	\$37.24			
100k-130k		\$33.05		
Indicated Premium/Discount	-11.3%			
<u>Analysis of Medians</u>				
70k-100k	\$25.49			
130k+		\$24.35		
Indicated Premium/Discount	-4.5%			
<u>Analysis of Averages</u>				
70k-100k	\$35.08			
130k+		\$26.84		
Indicated Premium/Discount	-23.5%			

Overall, we have adjusted comparable sales 1, 2, 4, 5, 6, and 7 downward to reflect their smaller size, and no adjustment was needed for Sale 3 since it is more similar in size to the subject.

Layout and Design - Sale 6 includes 21,850 SF of mezzanine storage space (or approximately 18% of the overall building size) which is less desirable than ground floor space in the marketplace, but still adds value. Sale 7 has been adjusted downward by 5% for layout and design.

Arterial Attributes – This adjustment takes into consideration factors, such as access, visibility, and traffic counts for the subject and the comparables. The average 24-hour traffic count along Mormon Coulee Road (25,326 vehicle) was presented earlier in the report. This figure is below average for a big box retail development. It is concluded that Sales 1, 2, 3, 6, and 7 are superior to the subject property in terms of arterial attributes and these sales have been adjusted downward for this characteristic. Sale 4 is concluded to be inferior to the subject and has been adjusted upward for this characteristic. Sale 5 is concluded to be similar to the subject and has not been adjusted for this characteristic. The following are the traffic counts for the subject and comparable sales. Additionally, the subject’s proximity and access to a major freeway has been considered in this adjustment along with the following traffic counts. For example, Sale 1 has traffic counts that are similar to the subject, but Sale 1 has access to the two main roads in the neighborhood and has access, less than one mile, to two major interstates in the Milwaukee area, which is superior when compared to the subject property.

Arterial Attribute Analysis

Traffic Counts

Comparable #	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Traffic Counts	25,326	30,800	19,200 24,900	65,312	7,300 6,300 7,200	19,600 6,600	116,000 15,100	22,700
Street/Roadway	Mormon Coulee Rd.	S. 27th	Hastings SR-93	Hwy 100	W. 8th 6th Ave. SR-11	Hwy 164 Sil. Spring	Beltline Hwy Broadway	State Rd. 16
Compared to Subject		Superior	Superior	Superior	Inferior	Similar	Superior	Similar

Access Attributes

Comparable #	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Compared to Subject	Superior	Superior	Superior	Similar	Similar	Superior	Superior

Visibility Attributes

Comparable #	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Compared to Subject	Similar	Similar	Similar	Similar	Similar	Superior	Similar

Adjustment	-5.00%	-10.00%	-10.00%	5.00%	0.00%	-15.00%	-5.00%
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Demographic Attributes – In addition to the arterial attributes, the demographics surrounding the subject and comparables have been considered. The following are the primary demographic measures considered in concluding adjustments for differences in demographics. Demographic data for 5-mile radius and 10-radius market areas has been considered. We have also considered the demonstrated and potential retail sales in the market area in making this adjustment.

Demographic Analysis

Comparable #	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
5- Mile Statistics								
Population	50,520	339,127	86,036	330,836	13,270	54,456	189,952	60,591
Households	22,004	139,775	36,214	126,213	5,988	21,570	85,536	25,562
Median HHI (\$)	\$57,434	\$61,804	\$70,060	\$75,909	\$65,301	\$112,769	\$68,940	\$65,823
Avg. HH Spending	\$46,242	\$49,685	\$55,498	\$58,097	\$51,630	\$87,140	\$61,311	\$53,100
Spending Power (a)	\$1,018	\$6,945	\$2,010	\$7,333	\$309	\$1,880	\$5,244	\$1,357
Pop. Δ 2010-20	0.17%	-0.08%	0.63%	0.60%	-0.26%	0.78%	1.36%	0.30%
5-yr Proj Pop Δ	-0.04%	-0.05%	0.42%	0.05%	-0.35%	0.45%	0.70%	0.03%
10- Mile Statistics								
Population	96,278	803,953	114,519	1,134,316	19,188	267,336	414,146	120,621
Households	41,803	345,423	47,499	469,971	8,336	111,008	183,626	51,308
Median HHI (\$)	\$64,730	\$63,661	\$74,206	\$84,814	\$69,482	\$101,410	\$82,464	\$71,809
Avg. HH Spending	\$50,855	\$53,782	\$57,007	\$69,463	\$53,947	\$78,718	\$69,383	\$53,623
Spending Power (a)	\$2,126	\$18,578	\$2,708	\$32,645	\$450	\$8,738	\$12,741	\$2,751
Pop. Δ 2010-20	0.19%	-0.11%	0.74%	0.83%	-0.28%	0.42%	1.27%	0.39%
5-yr Proj Pop Δ	-0.02%	0.01%	0.50%	0.30%	-0.30%	0.23%	0.66%	0.12%

- Pop, HH and Med HH Income is based upon 2024 ESRI Data.

(a) Calculated by multiplying the # of HH with Avg. HH spending and presented in millions of dollars.

Adjustment	-15.00%	-5.00%	-15.00%	15.00%	-5.00%	-10.00%	0.00%
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The market population surrounding the subject property is smaller than all but one of the comparables for the 5-mile and 10-mile surrounding areas. The subject property has a median household income that is less than all of the comparables for the surrounding 5-mile area and is less than all but one of the comparables for the 10-mile surrounding area. Additionally, the spending power surrounding the subject property ranks 7th and 6th out of eight, for the 5-mile and 10-mile surrounding areas, respectively.

Based largely on the surrounding market size, along with the other measures, the subject property’s demographics are concluded to be inferior to Sales 1, 2, 3, 5, and 6 and these comparable sales have been adjusted downward for demographic measures. Sale 4 is concluded to be inferior to the subject in terms of demographics and this sale has been adjusted upward for demographic measures. Sale 7 is similar to the subject in terms of demographics and has not been adjusted.

The following are the subject property rankings for the several measures indicated in the previous tables.

Subject Ranks	
5-Mile Market Area	
Population	7 out of 8
Med HH Income	8 out of 8
Avg HH Spending	8 out of 8
Spending Power	7 out of 8
Pop. CAG Δ 2010-24 (5 Mile)	6 out of 8
Pop. CAG Δ 2024-29 (5 Mile)	6 out of 8
10-Mile Market Area	
Population	7 out of 8
Med HH Income	7 out of 8
Avg HH Spending	8 out of 8
Spending Power	6 out of 8
Pop. CAG Δ 2010-24 (10 Mile)	6 out of 8
Pop. CAG Δ 2024-29 (10 Mile)	7 out of 8

Submarket Adjustment – This adjustment will analyze the reported submarket trends for the subject area and the comparables. Because the date of value are January 1, 2023, the 2020-2022 quarterly average market data, as surveyed by Costar Property, is utilized for comparison purposes. An overview of applicable data is presented in the following table:

Retail Submarket Analysis								
Comparable #	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Geography Analyzed	5-Mile	5-Mile	5-Mile	5-Mile	5-Mile	5-Mile	5-Mile	5-Mile
Survey Period	2020-2022	2020-2022	2020-2022	2020-2022	2020-2022	2020-2022	2020-2022	2020-2022
Asking Rent/SF, NNN	\$10.49	\$13.52	\$9.11	\$13.93	\$15.06	\$11.98	\$18.92	\$13.09
Market Vacancy	3.5%	3.8%	4.1%	4.5%	2.0%	5.2%	3.2%	2.7%
Eff. Mkt. Asking Rent [1]	\$10.12	\$13.01	\$8.74	\$13.30	\$14.76	\$11.36	\$18.31	\$12.74
Compared to Subject	-	Superior	Inferior	Superior	Superior	Superior	Superior	Superior
[1] Calculated as asking rent multiplied by (1-market vacancy)								
Overall Adjustment	-10.00%	5.00%	-15.00%	-15.00%	-5.00%	-20.00%	-10.00%	

Based upon the above analysis, Sales 1, 3, 4, 5, 6, and 7 are located in superior surrounding retail markets and have been adjusted downward for this characteristic. Sales 2 is located in an inferior surrounding retail market and this sale has been adjusted upward for this characteristic.

Age/Condition – The age/condition adjustment considers the physical age of the development, as well as the influence of any renovations and overall maintenance. Land is not subject to the age/condition adjustment. A significant portion of the combined land and building sale price is attributable to the land portion which does not depreciate over time. The comparable per square foot sale prices, including land and building, have been adjusted 1% per year between the subject and the comparables as of their dates of sale. For example, as of the January 1, 2023 date of value, it is estimated that the subject mega warehouse store building had an age of 19 years, while Sale 3 had an age of 11 years at the time of sale. Therefore, this sale is adjusted downward by 8% for the difference in building ages for the January 1, 2023 date of value. The following are the estimated physical ages in years of the comparables as of their dates of sale.

Estimated Comparable Physical Age at Time of Sale

Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
20	25	11	25	13	25	25

This is based upon conversations with brokers familiar with these properties at the time of their sales. The brokers for these sales indicated that the buildings had been improved since their original construction dates and that the building improvement ages at the time of sale were not reflective of their respective original construction dates.

Our adjustment process and the actual adjustments were developed based on the appraiser’s review of numerous market area transactions and the appraiser’s experience in the market.

A summary of the adjustments applied for the date of value is provided as follows:

Sales Comparison Approach Analysis - January 1, 2023

Comparable #	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Development	Walmart	Target	Hom	Walmart	Shopko	Shopko	Shopko	Sears
	Furniture							
Location	La Crosse, WI	Greenfield, WI	Eau Claire, WI	Brooklyn Center,	Monroe, WI	Sussex, WI	Monona, WI	La Crosse, WI
Comparable Summary Data								
Sale Date		Jan-20	Mar-20	Dec-23	Feb-20	May-21	Jun-21	Sep-20
Building Area (SF)	187,386	130,125	93,620	181,943	73,956	80,039	97,931	113,252
Year Built	2003	1970	1988, '03	2012	1994	2008	1981/'00	1980
Land Size	16.22	12.94	4.98	18.04	6.98	6.45	10.25	10.64
LTB Ratio	3.77	4.33	2.32	4.32	4.11	3.51	4.56	4.09
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Sale Price		\$4,000,000	\$2,600,000	\$8,199,999	\$2,200,000	\$1,800,000	\$4,600,000	\$2,400,000
Sale Price/SF		\$30.74	\$27.77	\$45.07	\$29.75	\$22.49	\$46.97	\$21.19
Community Data								
Population (5 Mile)	50,520	339,127	86,036	330,836	13,270	54,456	189,952	60,591
Households (5 Mile)	22,004	139,775	36,214	126,213	5,988	21,570	85,536	25,562
Med HH Inc (5 Mile)	\$57,434	\$61,804	\$70,060	\$75,909	\$65,301	\$112,769	\$68,940	\$65,823
Eff. Mkt. Ask Rent	\$10.12	\$13.01	\$8.74	\$13.30	\$14.76	\$11.36	\$18.31	\$12.74
Traffic Count	25,326	30,800	44,100	65,312	20,800	26,200	131,100	22,700
Transaction Related Adjs.								
Property Rights		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Financing Terms		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Conditions of Sale		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Market Conditions		1.08	1.08	0.97	1.08	1.06	1.06	1.08
Adjusted Sale Price/SF		\$33.20	\$29.99	\$43.72	\$32.13	\$23.84	\$49.79	\$22.89
Characteristic Adjs.								
Size		0.950	0.900	1.000	0.900	0.900	0.900	0.950
Layout and Design		1.000	1.000	1.000	1.000	1.000	0.950	1.000
Arterial Attributes		0.950	0.900	0.900	1.050	1.000	0.850	0.950
Demographic Attributes		0.850	0.950	0.850	1.150	0.950	0.900	1.000
Retail Submarket Analysis		0.900	1.050	0.850	0.850	0.950	0.800	0.900
Age/Condition		1.010	1.060	0.920	1.060	0.940	1.060	1.060
Total Characteristic Adjustment		0.697	0.856	0.598	0.979	0.764	0.555	0.861
Indicated Market Value/SF		\$23.15	\$25.69	\$26.15	\$31.46	\$18.20	\$27.62	\$19.71
Total Adjustments, \$ [1]		(\$7.59)	(\$2.08)	(\$18.92)	\$1.71	(\$4.29)	(\$19.36)	(\$1.49)
Maximum:	\$31.46							
Minimum:	\$18.20							
Average:	\$24.57							
Median:	\$25.69							

[1] Total adjustments include transaction and characteristic based adjustments.

Sale 3 is most similar to the subject property in terms of size, layout, and design with an adjusted sale price of \$26.15/sf, as of the date of value. Sales 1, 4, and 7 are most similar to the subject in terms of location (arterial and demographics) and these sales have an average adjusted sale price of \$24.77/sf, as of the date of value. Sale 2 is most similar to the subject property in terms of surrounding retail markets and this sales has an adjusted sale price of \$25.69/sf, as of the date of value. Sales 1 is most similar in terms of physical age and this sale has an adjusted sale price of \$23.12/sf, as of the date of value.

Sales 5 and 7 required the least amount of gross adjustment and these sales have average adjusted sale price of \$18.95/sf, as of the date of value. Sales 2 and 4 required the least net adjustment and these sales have average adjusted sale price of \$28.57/sf, as of the date of value.

We have also reviewed additional sales in Wisconsin, which occurred prior, or near, to the last valuation date. The following is a summary of these sales and the indicated price per square foot.

List of Additional Big Box Property Sales

Property	Location	Building Size SF	Year Blt.	Land Size (ac)	LTB Ratio	Sale Date	Sale Price	SP/SF	Intended Use	
1	Target	Kenosha, WI	96,150	1994	9.67	4.38	Nov-12	\$2,385,000	\$24.80	Multi-tenant Retail
2	Walmart	Milwaukee, WI	140,002	2002	14.17	4.41	May-13	\$1,650,000	\$11.79	Automotive Parts Mfg.
3	Lowe's	Brown Deer, WI	139,571	2006	11.05	3.45	Dec-13	\$4,000,000	\$28.66	Retail Use
4	Walmart	Greenfield, WI	110,580	1989	9.95	3.92	Dec-13	\$3,900,000	\$35.27	Church/Retail
5	Kmart	Waukesha, WI	115,000	1970	11.77	4.46	Dec-14	\$4,750,000	\$41.30	Multi-tenant Retail
6	Kmart	Menomonie, WI	87,754	1989	7.86	3.90	Mar-15	\$3,090,000	\$35.21	Multi-tenant Retail
7	Lowe's	Milwaukee, WI	134,314	2005	12.77	4.14	Jun-16	\$1,500,000	\$11.17	Lt. Industrial Use
8	Cub Foods	Green Bay, WI	75,932	1983	7.95	4.56	Dec-16	\$1,700,000	\$22.39	Multi-tenant Retail
9	Sam's Club	Milwaukee, WI	138,480	1991	23.90	7.52	Mar-17	\$2,992,000	\$21.61	Lt. Industrial Use
10	Shopko	Madison, WI	119,923	1989	12.40	4.50	Sep-17	\$2,700,000	\$22.51	Climate Cont. Storage
11	Pick N Save	Milwaukee, WI	111,250	1996	8.24	3.23	Nov-17	\$4,500,000	\$40.45	Private School
12	Kmart	Chippewa Falls, WI	86,479	1989	8.10	4.08	Jan-18	\$1,100,000	\$12.72	Climate Cont. Storage
13	Walmart	Kenosha, WI	115,499	1988	10.60	4.00	Jul-18	\$3,045,000	\$26.36	U-Haul/Self Storage
14	Menards	Madison, WI	161,160	1996	14.38	3.89	Dec-18	\$8,000,000	\$49.64	Office/Training Center
15	Kmart	Portage, WI	89,381	1989	9.50	4.63	Feb-19	\$1,500,000	\$16.78	Single Tenant Retail
16	Sam's Club	West Allis, WI	129,395	1999	10.77	3.63	Jun-19	\$7,500,000	\$57.96	Non-Profit Training
17	Shopko	Delavan, WI	78,856	1995	7.22	3.99	Jan-20	\$700,000	\$8.88	Multi-tenant Retail
18	Walmart	New Berlin, WI	104,231	1992	8.80	3.68	Mar-20	\$3,255,000	\$31.23	Retail/Recreation
19	Shopko	Chippewa Falls, WI	90,820	1982	10.75	5.16	Oct-20	\$1,500,000	\$16.52	Dist. Warehouse
20	Shopko	Eau Claire, WI	94,705	1978	9.05	4.16	Dec-20	\$1,800,000	\$19.01	Indoor Self Storage
21	Shopko	Neenah, WI	94,255	1989	7.99	3.69	Mar-21	\$1,667,750	\$17.69	Multi-tenant Retail
22	Shopko	Rothschild, WI	87,813	1977	9.04	4.48	Apr-21	\$3,000,000	\$34.16	VA Hospital/Medical
23	Shopko	River Falls, WI	80,039	1994	7.49	4.08	Apr-21	\$2,000,000	\$24.99	Distillery/Event Center
24	Shopko	Fond Du Lac, WI	102,205	1985	7.48	3.19	May-21	\$3,000,000	\$29.35	Multi-tenant Retail
25	Shopko	Beloit, WI	93,845	1978	8.60	3.99	Jun-21	\$1,700,000	\$18.11	Indoor Self Storage
26	Shopko	Sheboygan, WI	97,910	1993	14.04	6.25	Nov-21	\$3,700,000	\$37.79	Multi-tenant Retail
27	Shopko	Madison, WI	99,101	1979	7.53	3.31	Dec-21	\$4,715,000	\$47.58	Multi-tenant Retail
28	Shopko	LaCrosse, WI	88,161	2004	8.10	4.00	Oct-22	\$3,500,000	\$39.70	Multi-tenant Retail
29	Shopko	Onalaska, WI	91,828	1989	8.41	3.99	Jan-23	\$4,350,000	\$47.37	Multi-tenant Retail
30	Shopko	Sussex, WI	80,039	2008	6.45	3.51	Feb-23	\$2,950,000	\$36.86	Indoor Sports Facility

Maximum Sale Price/SF	\$57.96
Minimum Sale Price/SF	\$8.88
Average Sale Price/SF	\$28.93
Median Sale Price/SF	\$27.51

In this table of additional sale comparables, there are four sales of a Kmart and three former Shopko retail stores that occurred near to the date of value for the subject property. These sales are indicative of retail properties being sold for retail use. However, three of these properties were sold with marketing periods beyond a normal marketing time and one was a distressed sale

(Shopko in Madison). Per the Supreme Court decision in *Lowe’s Home Centers, LLC v. City of Delavan* these sales are considered sales of dark or distressed stores sales.

The following is a summary of these sales.

- **Former Kmart, Portage, Wisconsin.** This 89,381 SF discount store was purchased in February 2019 for \$1,500,000 or \$16.78/sf. The property was purchased by an owner/user (Stock + Field) who occupied the building following the sale. This property had been vacant and available for retail use since it was closed in 2014. The property had been vacant for approximately five years preceding this 2019 sale.
- **Former Shopko, Madison, Wisconsin.** This 99,101 SF discount store was purchased in December 2021 for \$4,715,000 or \$47.58/sf. The property was purchased by a developer who divided the discount store into multiple spaces with Spare Time Entertainment and Crunch Fitness as tenants. This property had been vacant and available for retail use since it was closed in early 2019. The property was sold via foreclosure auction.
- **Former Shopko, La Crosse, Wisconsin.** This 88,161 SF discount store was purchased in October 2022 for \$3,500,000 or \$39.70/sf. The property, which is located in the subject neighborhood, was purchased by a developer who divided the discount store into multiple spaces with Aldi supermarket and Great Big Outlet store as tenants. This property had been vacant and available for retail use since it was closed in early 2019. The property had been vacant for more than three years preceding this 2022 sale.
- **Former Shopko, Onalaska, Wisconsin.** This 94,828 SF discount store was purchased in January 2023 for \$4,350,000 or \$45.87/sf. The property was purchased by a developer who divided the discount store into multiple spaces with Ulta Beauty and Five Below as tenants. This property had been vacant and available for retail use since it was closed in early 2019. The property had been vacant for more than three years preceding this 2023 sale.

While these sales per would be considered sales of dark or distressed stores per the Wisconsin Supreme Court decision in *Lowe’s Home Centers, LLC v. City of Delavan* case, they are indicative of prices paid for former big box retail properties that were utilized for retail use. The sales prices per square foot of the dark and distressed stores are generally higher than the sales of properties that were sold without an extended marketing period. We have therefore concluded a market value nearer to the high end of the adjusted range of the sales of vacant stores that would not be considered dark or distressed stores.

Additional Market Information

Big Box Sale Study - In addition to the above analysis, the appraiser has reviewed and considered a national study which was completed on big box property sales from across the continental United States. The study was completed in 2017 by Brent Harrington, CMI of the International Appraisal Company, located in Upper Saddle River New Jersey. The study included all big box sales over 90,000 sf that sold between January 2011 and December 2016 that were determined to be arms-length and were for continued use of the improvements.

The study included 272 sales, from January 2011 through December 31, 2016, of which 145 sales were the transfer of the fee simple estates. The fee simple sale prices ranged from \$7.92/sf to \$66.84/sf and averaged \$28.27/sf. Of these fee simple sales, 57% of the sales sold for less than \$30/sf, 83% sold for less than \$40/sf and 63% fall within the \$15/sf-\$30/sf range.

Situs RERC Study

RERC gathered national data on 843 sales of big box and junior box stores of 30,000 sf and larger from 2010 through early 2018. The RERC study included 436 fee simple sales and 407 leased fee sales. The following is a summary of their findings.

	Fee Simple	Leased Fee
Average Sale Price/SF	\$44.82	\$126.99
Median Sale Price/SF	\$32.98	\$104.67
Average Year Built	1991	1998
Average Building Size (SF)	76,134	75,106
Average Land to Building Ratio	4.84	5.12
Average ZIP Code Population	12,111	12,510
Average ZIP Median Household Income	\$54,303	\$60,059
# of Transactions	436	407

The sales were further divided into, surrounding market size (population), building size categories and year-built categories. The following tables summarize the statistics from these three segmentations.

Table 8: Population Category Descriptive Statistics (>50k SF)

Population Category	<100k	100k-1M	1M -3M	3M+
Average Sale Price/SF	\$20.11	\$28.21	\$36.17	\$45.85
Median Sale Price	\$17.88	\$24.86	\$30.59	\$36.24
Average Building Size (SF)	92,052	99,931	104,866	112,741
Average Year Built	1994	1992	1995	1995
Average Land to Building Ratio	5.9	5.1	4.9	4.2
Average ZIP Code Median Household Income	\$48,499	\$51,032	\$53,469	\$64,095
Average ZIP Code Population	20,848	30,350	37,369	38,298
# of Transactions	40	72	54	58

In the above table, the category that would apply to the subject property would be a market population of 100k-1M. The median sale price in this market segmentation was \$24.86 per SF and the average selling price was \$28.21 per SF.

Table 9: Building Size Category Descriptive Statistics (Fee Simple)

Building Size Category	30k-50k	50k-70k	70k-100k	100k-130k	130k+
Median Sale Price/SF	\$55.08	\$27.43	\$25.49	\$29.04	\$24.35
Average Sale Price/SF	\$67.94	\$37.24	\$35.08	\$33.05	\$26.84
Average Building Size (SF)	39,227	56,243	85,155	113,995	155,049
Average Year Built	1993	1991	1992	1994	1999
Average Land to Building Ratio	4.6	5.2	5.2	5.0	4.4
Average Median Household Income	\$56,905	\$53,944	\$52,054	\$54,536	\$59,052
Average ZIP Code Population	32,031	30,221	29,069	35,202	34,018
# of Transactions	141	40	62	82	40

In the above table, the category that would apply to the subject property would be a building size over 130k SF. The median sale price in this market segmentation was \$24.35 per SF and the average selling price was \$26.84 per SF.

Table 11: Year Built Category Descriptive Statistics (>50k SF)

Year Built Category	1980s	1990s	2000+
Median Sale Price/SF	\$23.02	\$26.88	\$29.58
Average Sale Price/SF	\$28.36	\$32.24	\$41.51
Average Building Size (SF)	88,656	106,275	114,663
Average Year Built	1985	1994	2005
Average Land-to-Building Ratio	4.5	5.2	5.1
Average Median Household Income	\$50,755	\$54,165	\$60,151
Average ZIP Code Population	31,949	33,272	31,210
# of Transactions	66	106	52

In the above table, the category that would apply to the subject property would be a year built of 2000+ The median sale price in this market segmentation was \$29.58 per SF and the average selling price was \$41.51 per SF.

Conclusion of Sales Comparison Approach

After analyzing the comparable sales in the adjustment grids, relying upon each of the adjusted sales and considering the other sales identified earlier, the following market value per SF has been concluded for the subject property’s retail store and supporting land via the sales comparison approach as of January 1, 2023. The value conclusion per square foot is nearer to the high end of the range of the adjusted sales per square foot for the comparable sales. This is supported by the additional sales of big box retail properties that sold with marketing times that extended beyond normal marketing times as well as the one distressed sale in Madison, WI that sold through a foreclosure auction.

The concluded values per square foot have been applied to the square footage of the mega warehouse store building which is ±187,386 square feet.

The following is a presentation of the subject property’s market value for the date of value via the sales comparison approach. Our conclusion is above the average adjusted and non-adjusted sale prices per square foot of the comparables sales.

<u>Conclusion of Value Via the Sales Comparison Approach</u>	
	<u>January 1, 2023</u>
Concluded Value Per SF - Ground Floor Area	\$30.00
Building Size - Square Foot	<u>187,386</u>
Value of Building and Land	\$5,621,580
Sales Comparison Approach Conclusion, rounded	<u><u>\$5,620,000</u></u>

**RETROSPECTIVE MARKET VALUE OF THE SUBJECT PROPERTY
VIA THE SALES COMPARISON APPROACH:**

AS OF JANUARY 1, 2023

FIVE MILLION SIX HUNDRED TWENTY THOUSAND (\$ 5,620,000) DOLLARS

The above value estimate should be reviewed within the context of the attached report and is subject to the assumptions and limiting conditions contained within the report.

Income Approach

Definition of the Income Approach

According to The Dictionary of Real Estate Appraisal, Seventh Edition, (Appraisal Institute, 2022), the Income Approach is defined as:

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.

Discussion of Methodology

Income-producing real estate is typically developed, owned, and operated with the objective of creating value by renting space to users who will pay rental rates high enough to cover the operating expenses, fixed costs, and a profit on, as well as a return of, the original investment. “When the fee simple interest is valued, the presumption is that property is available to be leased at market rents.” (15th Edition of The Appraisal of Real Estate, Page 415). The interest being appraised is the fee simple interest. As a result, the property has been appraised as if unencumbered by a lease as of the valuation date.

The most commonly employed technique in the valuation of the fee simple interest in this type of real estate is the direct capitalization of net operating income with an adjustment for stabilization costs. This technique can be summarized as follows:

- A. Estimate the gross potential rental income that the property is capable of producing.
- B. Deduct an appropriate vacancy and collection loss factor to arrive at the stabilized estimated effective gross rental income.
- C. Deduct the estimated expenses to arrive at the net operating income.
- D. Capitalize the net operating income at an appropriate rate to reflect return on and return of the investment to yield a value indication.
- E. Subtract stabilization costs.

In this approach, the appraiser studies the market to determine the appropriate rental rates, prevailing occupancy levels, expense levels, etc., in order to arrive at an estimate of net operating income (NOI). The estimated NOI is then divided by an appropriate capitalization rate to provide an estimate of value for the property.

Market Level Rent

The following discussion outlines the manner in which the market rental rate for the retail store property, expressed as an annual amount per SF of building area, was derived for use in estimating the NOI.

Rental Revenue – Big Box Retail Building

The analysis of the subject property is as an existing retail store facility. In order to analyze the income (market rent) potential of this commercial retail building, we have estimated a rental rate based upon the comparison of market rent from similar existing buildings. The following is a summary of the rent comparables used in our analysis to estimate the market rent for the subject retail store facility. There are two types of lease transactions. One is the lease of an existing retail building, and the other type of retail rental transactions are build-to-suit leases, i.e., for buildings not yet in existence but to be constructed to a tenant's specifications, which is a form of financing for the store operator/tenant. Build-to-suit leases represent rents for proposed buildings but do not represent rents that are achievable for existing buildings. In addition, build-to-suit leases do not meet the definition of market rent since they are not buildings that were offered for lease on the competitive and open market. The lessor is not typically motivated since the lessor is the builder and is motivated by the potential profit on the construction. The following is the definition of market rent from the 15th Edition of The Appraisal of Real Estate.

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and 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:

- *Lessee and lessor are typically motivated;*
- *Both parties are well informed or well advised, and acting in what they consider their best interests;*
- *Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and*
- *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).*

The analysis of the subject property is as an existing big box retail store facility. In order to analyze the income (market rent) potential of this commercial building, we have estimated a rental rate based upon the comparison of market rent from existing buildings. The following is a summary of the rent information considered in our analysis. The leases are presented in a NNN basis.

Lease Comparable Summary								
Retail Store, La Crosse, WI								
#	Tenant	Address	Lease Date	Lease Size (SF)	Lease Rate/SF	Lease Term	Year Built	Terms
Build-to-Suit Big Box and Junior Box Leases (leased prior to construction)								
1	Dick's Sporting Goods	9899 76th, Kenosha, WI	Sep-08	50,000	\$13.50	10.0 Yrs.	2008	Flat rate
2	Hobby Lobby	803 Pilgrim Way, Green Bay, WI	Feb-11	55,000	\$9.25	15.0 Yrs.	2011	N/A
3	Festival Foods	2233 Humes, Janesville, WI	Sep-15	72,500	\$12.46	15.0 Yrs.	2015	5 Yr. Bumps
4	Dick's Sporting Goods	345 Discovery, Brookfield, WI	Aug-16	50,000	\$14.00	10.0 Yrs.	2016	5 Yr. Bumps
5	Cabela's	1350 Cabela Drive, Madison, WI	Sep-17	90,387	\$15.69	22.0 Yrs.	2017	10 Yr. Bump
6	Fleet Farm (a)	1555 Pabst Farms, Circle, Oconomowoc, WI	Aug-18	223,533	\$11.55	20.0 Yrs.	2018	1.5%, annual
7	At Home	10800 Assembly Park, Wixom, MI	Aug-18	107,092	\$10.75	15.0 Yrs.	2018	N/A
Average Lease Size SF			92,645					
Minimum Lease Rate/SF:			\$9.25					
Maximum Lease Rate/SF:			\$15.69					
Average Overall Lease Rate/SF:			\$12.46					

(a) This property size and lease rate includes a 4,905 SF gas station/convenience store

Big Box Leases (existing stores)								
8	Garden Ridge	4641 Lafayette, Indianapolis, IN	Oct-07	108,900	\$4.75	12	1994	N/A
9	Big R	1401 W 26th, Marion, IN	Aug-09	94,875	\$1.60	14	2003	N/A
10	Furniture Outlet	14201 Manchester Rd., Ballwin, MO	Aug-10	106,800	\$6.00	N/A	1994	N/A
11	Garden Ridge	1325 N. Meacham Rd., Schaumburg, IL	Sep-10	104,546	\$3.00	N/A	2001	N/A
12	Art Van Furniture	7150 S. Cicero Ave, Bedford Park, IL	Mar-13	84,505	\$6.00	10.0 Yrs.	1992	\$0.50 in Yr. 6
13	Walmart	17550 S. Halsted, Homewood, IL	Aug-13	196,000	\$3.06	10.0 Yrs.	1992	None
14	At Home	4620 Stadium Dr, Kalamazoo, MI	Nov-13	84,000	\$2.85	5.0 Yrs.	1974	N/A
15	At Home	3100 Washtenaw Ave., Ypsilanti, MI	Dec-13	91,743	\$3.60	5.0 Yrs.	1960	N/A
16	Floor & Décor	3430 Highland Ave, Cincinnati, OH	Jun-14	79,348	\$5.50	10.0 Yrs.	1994	N/A
17	At Home	10331 University, Clive, IA	May-15	91,030	\$6.39	N/A	1991	N/A
18	At Home	3201 N. Mayfair, Wauwatosa, WI	Oct-15	100,801	\$5.35	5.0 Yrs.	1969	None
19	At Home	4601 S. 27th, Greenfield, WI	Feb-16	116,805	\$4.71	10.0 Yrs.	1995	None
20	At Home	2101 S. Telegraph, Bloomfield Hills, MI	Sep-16	120,650	\$5.60	10.0 Yrs.	1993	\$0.15 in Yr. 6
21	G4CE Entertainment	28300 Dequindre, Warren, MI	Nov-17	101,773	\$4.75	5.0 Yrs.	1993	None
22	Floor & Décor	14453 Hall Rd., Shelby Twp, MI	Sep-19	91,500	\$5.79	10.0 Yrs.	2000	None
23	At Home	2201 Zeier Rd., Madison, WI	Oct-19	94,105	\$6.95	--	1987	--
24	Listing (Former Kmart)	1200 W Fond Du Lac, Ripon, WI	Listing	86,479	\$5.00	--	1988	--
25	Listing (Former Shopko)	N66W25201 Silver Spring Dr., Sussex, WI	Listing	80,039	\$6.00	--	2008	--
Average Lease Size SF			101,883					
Minimum Lease Rate/SF:			\$1.60					
Maximum Lease Rate/SF:			\$6.95					
Average Overall Lease Rate/SF:			\$4.83					

Junior Box Leases (existing space)								
26	Gordman's	7500 Green Bay Rd., Kenosha, WI	Aug-13	50,000	\$8.45	10.0 Yrs.	1994	4.5% in Yr. 6
27	Hobby Lobby	N95W18723 Cty. Line, Menomonee Falls, WI	Sep-14	60,944	\$5.63	10.0 Yrs.	1987	N/A
28	Burlington Coat Factory	5914 75th Street, Kenosha, WI	Oct-16	46,471	\$5.70	12.5 Yrs.	1980	5 Yr. Bump
29	Big Lots	616 W Johnson, Fond Du Lac, WI	Feb-22	46,175	\$5.41	10.0 Yrs.	1985	None
30	Hobby Lobby	618 W Johnson, Fond Du Lac, WI	May-22	50,000	\$4.25	10.0 Yrs.	1985	None
31	Big Lots	5601 US-10, Steven Point, WI	Nov-23	39,900	\$6.02	10.0 Yrs.	1992	\$0.50 in Yr. 6
32	Hobby Lobby	5633 US-10, Steven Point, WI	Apr-24	54,363	\$4.25	10.0 Yrs.	1993	None
Average Lease Size SF			49,693					
Minimum Lease Rate/SF:			\$4.25					
Maximum Lease Rate/SF:			\$8.45					
Average Overall Lease Rate/SF:			\$5.67					

The above data reflects a 61% difference between the build-to-suit leases and the leases of existing buildings before considering differences in age, location, date of lease.

It should be noted that existing big box store buildings, as opposed to big box store buildings to be built, are not often leased in the open market. When there is a lease, it is generally a financing transaction with a build-to-suit lease when built or a sale-leaseback. When the fee simple interest in an existing big box store is put on the market it is often offered for lease or sale but will generally sell before it is leased. As a result, there are not many lease comparables for big box stores. The above leases represent the best market rent comparables available for the existing subject big box store building.

Unleased big box stores are most often sold to users rather than investors so there is not a lot of leasing activity for existing big box stores (80,000 SF and above), especially for the size of the subject property. This necessitates the use of smaller and older store leases to determine market rents for the subject property. This is reflected in our lease comparables for existing retail buildings, which are generally older buildings than the subject, thereby resulting in lower rents. Most are also significantly smaller than the subject property which results in higher rents per square foot than could be achieved at the subject property. These differences are off setting to various degrees. Although age is relevant, it is less significant for a lease than it is for a sale. The use of smaller and older leases to determine market rents for the subject property results in a less reliable determination of market rent than if leases of similar size and age buildings were available close to the valuation date under consideration. Also, for store buildings greater than 80,000 sf we have not observed size as impacting selling price; however, for leased store buildings we have observed a significant inverse relationship between size and market rent.

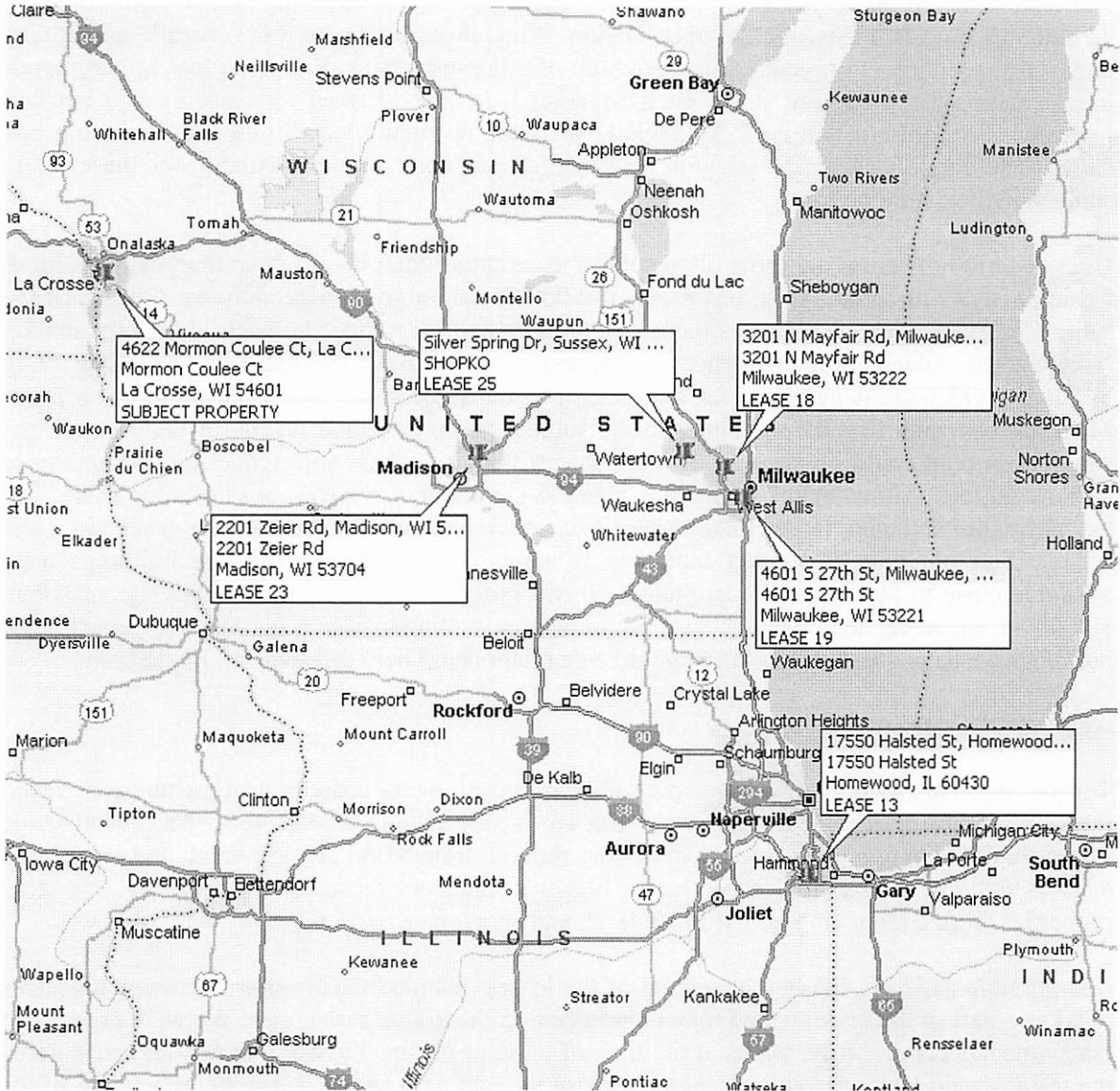
Analysis of Comparable Leases

The build-to-suit lease comparables presented in the previous chart indicate a range in rental rates (NNN) from \$9.25/sf to \$15.69/sf, with an overall average of \$12.46/sf. The rental range for leases of existing big box stores was lower, ranging from \$1.60/sf to \$6.95/sf, and an average of \$4.83/sf. The junior box leases had a higher range than those for existing big box store properties, with a range of \$4.25/sf to \$8.45/sf, and an average of \$5.67/sf.

It is possible and very likely that several of the leases included tenant improvement allowances (TIs) as a part of the lease, which may be reflected in the higher lease rates. We were not able to verify the TIs for all of the leases at the time of lease up. If the TIs were known and considered the result would be lower rent indicators because the rent paid would be for a combination of the leased property and a tenant allowance.

Because the subject is an existing building, a lease rate for an existing big box store would be most applicable. The most relevant existing store comparable leases include Walmart (13), At Home (18), At Home (19), and At Home (23), and a former listing (25). The Walmart lease in Halsted is the largest sized lease, while the three At Home leases are in Wisconsin and are near to the date of value for the subject. The appraiser considered the asking rent for lease comparable 25, because of its location in Wisconsin to the subject along with its similar age.

The following includes a map of the comparable leases as well as write-ups of the lease transactions.



COMPARABLE LEASE 13



Comparable Lease 13

Property Name:		Walmart	
Property Address:	17550 Halsted	Lessor:	Seritage KMT Finance
Municipality:	Homewood, IL	Lessee:	Walmart
Building Description		Lease Date:	Aug-13
Building Area (SF):	196,000	Lease Term:	240 Months
Year Built:	1992	Rental Rate/SF NNN:	\$3.06
MVS Classification:	Class C	Tenant Improvement Allowance:	\$0.00/SF
Site Description		Rental Concessions:	None
Land Area (Acres):	18.94	Location Analysis	
Parking:	Asphalt	Population (5-Mile):	201,988
Land-to-Building Ratio:	4.21	Households (5-Mile):	76,182
Traffic Count:	34,900	Median HH Income (5-Mile):	\$65,609
		Average Consumer Spending:	\$52,529
		Spending Power	\$4,002

COMPARABLE LEASE 18



Comparable Lease 18

Property Name:	At Home	Lease Analysis	
Property Address:	3201 N. Mayfair	Lessor:	Fundamentals Company
Municipality:	Wauwatosa, WI	Lessee:	At Home Stores
Building Description		Lease Date:	Oct-15
Building Area (SF):	100,801	Lease Term:	60 Months
Year Built:	1969	Rental Rate/SF NNN:	\$5.35
MVS Classification:	Class C	Tenant Improvement Allowance:	\$0.00/SF
Site Description		Rental Concessions:	None
Land Area (Acres):	10.37	Location Analysis	
Parking:	Asphalt	Population (5-Mile):	293,315
Land-to-Building Ratio:	4.48	Households (5-Mile):	120,392
Traffic Count:	45,400	Median HH Income (5-Mile):	\$66,305
		Average Consumer Spending:	\$57,551
		Spending Power:	\$6,929

COMPARABLE LEASE 19



Comparable Lease 19

Property Name:	At Home	Lease Analysis	
Property Address:	4601 S 27th, St.	Lessor:	Marion-Delaware, LLC
Municipality:	Greenfield, WI	Lessee:	At Home Stores
Building Description		Lease Date:	Feb-16
Building Area (SF):	116,805	Lease Term:	120 Months
Year Built:	1970	Rental Rate/SF NNN:	\$4.71
MVS Classification:	Class C	Tenant Improvement Allowance:	\$0.00/SF
Site Description		Rental Concessions:	None
Land Area (Acres):	10.77	Location Analysis	
Parking:	Asphalt	Population (5-Mile):	340,631
Land-to-Building Ratio:	4.02	Households (5-Mile):	141,024
Traffic Count:	35,896	Median HH Income (5-Mile):	\$61,431
		Average Consumer Spending:	\$49,467
		Spending Power:	\$6,976

COMPARABLE LEASE 23



Comparable Lease 23

Property Name:	At Home	Lease Analysis	
Property Address:	2201 Zeier Rd.	Lessor:	Flintlock Capital
Municipality:	Madison, WI	Lessee:	At Home
Building Description		Lease Date:	Oct-19
Building Area (SF):	94,105	Lease Term:	120 Months
Year Built:	1987	Rental Rate/SF NNN:	\$6.95
MVS Classification:	Class C	Tenant Improvement Allowance:	\$0.00/SF
Site Description		Rental Concessions:	None
Land Area (Acres):	7.20	Location Analysis	
Parking:	Asphalt	Population (5-Mile):	126,402
Land-to-Building Ratio:	3.33	Households (5-Mile):	58,215
Traffic Count:	22,800	Median HH Income (5-Mile):	\$80,214
		Average Consumer Spending:	\$63,314
		Spending Power	\$3,686

COMPARABLE LEASE 25



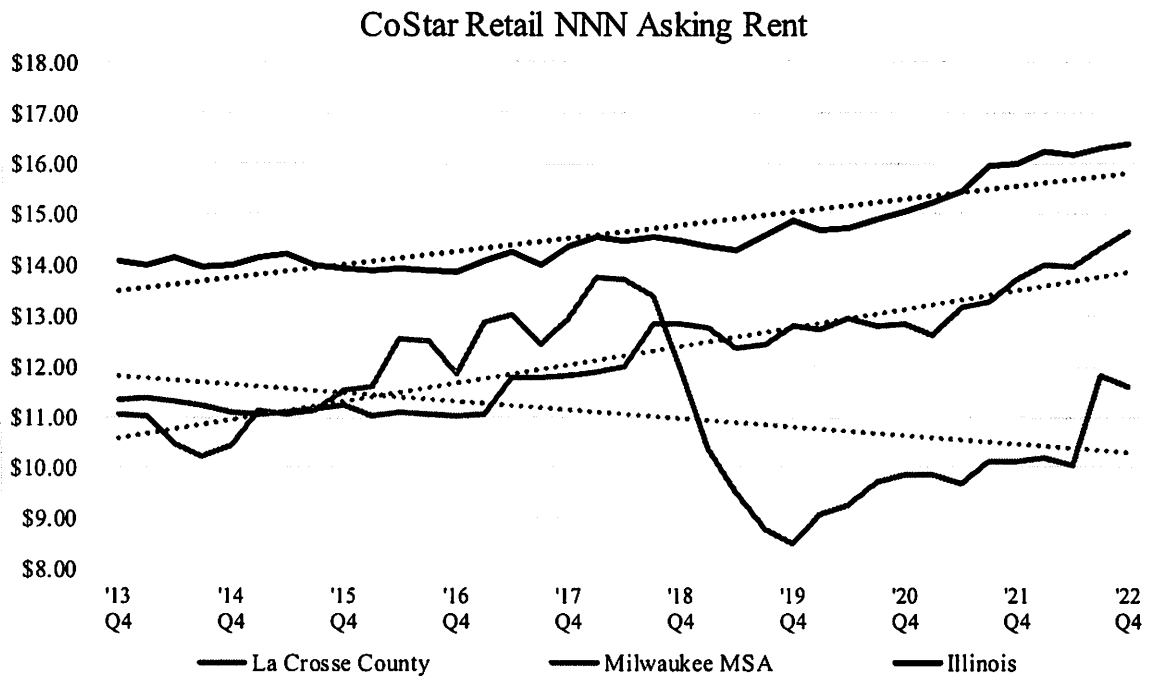
Comparable Lease 25

		Lease Analysis	
Property Name:	Listing	Lessor:	N/A
Property Address:	N66W25201 Silver Spring Dr	Lessee:	Offering for Lease
Municipality:	Sussex, WI	Lease Date:	N/A
Building Description		Lease Term:	Negotiable
Building Area (SF):	80,039	Rental Rate/SF NNN:	\$6.00
Year Built:	2008	Tenant Improvement Allowance:	Negotiable
MVS Classification:	Class C	Rental Concessions:	Negotiable
Site Description		Location Analysis	
Land Area (Acres):	6.45	Population (5-Mile):	54,456
Parking:	Asphalt	Households (5-Mile):	21,570
Land-to-Building Ratio:	3.51	Median HH Income (5-Mile):	\$112,769
Traffic Count:	26,200	Average Consumer Spending:	\$87,140
		Spending Power	\$1,880

These most relevant comparables have been analyzed and adjusted for differences when compared to the subject. A market conditions adjustment was considered based upon the changes in the average asking rents from across Wisconsin, Illinois, and La Crosse County. Based upon the data, a market conditions adjustment has been applied to the comparables through the date of value.

Rental Trends

The following charts exhibit the changes in asking rents of retail properties in Wisconsin, Illinois, and La Crosse County, as surveyed by CoStar Property. The CoStar data shows upward trends in Wisconsin and Illinois. The retail rental trends in La Crosse County trended upward from 2013 through 2018 and then experienced sharp decline in 2019 with growth from 2019 through 2022. Based upon the data, La Crosse County experienced an annual average growth in asking rent of 0.54%, while the Wisconsin and Illinois experienced annual growth rates of 2.05% and 1.71%, respectively.



In addition to this adjustment for market conditions (1.5% annually, except 2020 due to the effect of the Covid-19 pandemic), the market leases have been adjusted similar to the comparables utilized in the sales comparison approach. The following table summarizes the adjustments completed to the lease comparables. This lease adjustment table is for the January 1, 2023 date of value.

Lease Comparable Adjustment Table

	Subject	13	18	19	23	25
Tenant	Walmart	Walmart	At Home	At Home	At Home	Listing
City	La Crosse, WI	Homewood, IL	Wauwatosa, WI	Greenfield, WI	Madison, WI	Sussex, WI
Lease Date		Aug-13	Oct-15	Feb-16	Oct-19	Listing
Building Size	187,386	196,000	100,801	116,805	94,105	80,039
Year Built	2003	1992	1969	1970	1987	2008
Lease Rate		\$3.06	\$5.35	\$4.71	\$6.95	\$6.00
Conditions of Lease		-	-	-	-	-10.00%
Market Conditions (Jan-2023)		13.00%	10.00%	9.00%	3.00%	0.00%
		\$3.46	\$5.89	\$5.13	\$7.16	\$5.40
Characteristic Adjustments						
Size		100.0%	95.0%	95.0%	90.0%	90.0%
Arterial		95.0%	90.0%	95.0%	100.0%	100.0%
Demographic		90.0%	85.0%	85.0%	90.0%	100.0%
Retail Submarket		95.0%	90.0%	90.0%	85.0%	95.0%
Age/Condition		100.0%	110.0%	110.0%	105.0%	100.0%
Adjustment Factor		81.23%	71.95%	75.95%	72.29%	85.50%
Indicated Rent per SF		\$2.81	\$4.23	\$3.90	\$5.18	\$4.62
Traffic	25,326	34,900	45,400	35,896	22,800	26,200
Population (5-Mile)	50,520	201,988	293,315	340,631	126,402	54,456
Med. HH Income (5-Mile)	\$57,434	\$65,609	\$66,305	\$61,431	\$80,214	\$112,769
Spending Power (5-Mile)	\$1,018	\$4,002	\$6,929	\$6,976	\$3,686	\$1,880
SubMkt Eff. Asking Rent - 2020-22 Quarterly Avg.	\$10.12	\$11.63	\$12.77	\$13.03	\$14.82	\$11.36
Minimum Adjusted Lease Rate/SF		\$2.81				
Maximum Adjusted Lease Rate/SF					\$5.18	
Average Adjusted Lease Rate/SF						\$4.03
Median Adjusted Lease Rate/SF						\$4.07

With consideration of each of these adjusted rent comparables as well as the previously mentioned existing store rent comparables and the location and features of the subject retail store property, the following retrospective triple net market rental rate has been concluded for the subject retail store property as of the date of value.

- January 1, 2023 - \$4.00 per sf

Vacancy and Credit Loss

Based on a review of the subject market, data from third party providers and conversations with real estate brokers, we have estimated a vacancy and credit loss factor for the subject property.

The following table presents the surveyed vacancy for the subject market from Costar Property.

Period	Costar La Crosse County Vacancy	CoStar Subject 5-Mile Retail Market Vacancy
4th Q 2020	3.7%	3.0%
4th Q 2021	2.1%	3.2%
4th Q 2022	1.6%	3.0%

Overall, we have included a vacancy and credit loss factor of 5% for the retail store property as of the date of value. This would equate to approximately 6 months of uncollected rent every 10 years. This 5% vacancy conclusion reflects stabilized occupancy but does not consider the cost of achieving stabilized occupancy. Because of the retail store property’s size, design, and location, it takes longer to lease this type of property; but, after it is leased, it is typically leased with at least a 10-year term. When offered for lease, existing big box properties, like the subject, often remain on the market for a number of years before being leased.

Additionally, there are numerous other examples of extended vacancy periods for big box stores across Wisconsin. Lowe’s in Brown Deer was vacant for more than two years before it was sold in late 2013. The former Walmart on West Hope in Milwaukee closed in 2016 and was still available as of the January 1, 2023 date of value. The former Shopko in Sussex had been closed since April 2019 and had been available for sale (sold in May 2021) through the January 1, 2023 date of value. In addition to these Sussex and Milwaukee area examples, the following are additional examples in southeast Wisconsin. The former Target store in Kenosha was closed in 2008 and remained vacant until 2013, after it was sold and demised into a multi-tenant facility. Additionally, the former Walmart on 52nd Street in Kenosha has been vacant and marketed for lease or sale since 2008 and through 2019. The former Shopko in Chippewa Falls had been closed since April 2019 and had been available for sale until it sold in October 2020. The former Shopko in Rothschild had been closed since April 2019 and had been available for sale until it sold in April 2021. The former Shopko in Fond Du Lac had been closed since April 2019 and had been available for sale until it sold in May 2021. The former Sears and Younkers, located at Fox River Mall in Appleton, were vacant and have remained so since these stores were closed in early 2019 and early 2018, respectively. Lastly, the Kmart in Plymouth, WI closed in early 2015 and has remained vacant for more than six years following this closing.

Reimbursable Operating Expenses

Our research indicates that the market level rent would typically be on a triple net lease with the tenant reimbursing for common area maintenance (CAM) and insurance. Normally, property taxes would be included as a reimbursable expense but will be accounted for by utilizing a tax loaded cap rate. The operating reimbursable operating expense estimates are as follows.

- CAM Expenses – estimated at \$1.20/sf CAM Expenses estimated for the subject property. *IREM Income/Expense Analysis* for 2019 Shopping Centers in the United States reports a range in CAM expenses of \$0.92/sf to \$2.51/sf with a median of \$1.66/sf. The appraiser has also considered the following expense comparables for big box retail CAM reimbursements.

Big Box Retail CAM Expense Comparables

ExpComp 1	ExpComp 2	ExpComp 3	ExpComp 4
\$1.18	\$1.34	\$0.86	\$1.19

- Property Taxes – based upon the value reached via this approach and applicable tax rates for the year.
- Insurance Expense – estimated at \$0.20/sf. *IREM Income/Expense Analysis* for 2019 reports a range in insurance expenses of \$0.14/sf to \$0.34/sf with a median of \$0.21/sf.

Our research indicates that the market level rent would typically be a triple net lease with the tenant reimbursing for common area maintenance (CAM) and insurance.

Unreimbursed Operating Expenses

Management Fee - Management fees are intended to cover the administrative effort and cost necessary to manage the subject property. This includes rent collection and supervising building capital improvements. Management fees typically range from 2 percent to 5 percent of effective gross income for properties like the subject facility. Because the property will be triple net, leased to a single tenant for a long term, we believe a management fee of 3 percent of effective gross income is most appropriate for the subject facility.

Reserves for Capital Improvements - The landlord is responsible for making capital improvements. These improvements include periodic structural repair or renovations necessary to re-position the property in the market. The PWC *Real Estate Investor Survey* for 1st Quarters 2021-2023 indicates that, across several different types of investors, a reserve of \$0.10/sf to \$0.50/sf is utilized. Based upon the subject’s age, we have deducted \$0.25/sf as an annual reserve amount for future capital improvements.

Net Operating Income

The net operating income is equal to the gross annual income less vacancy and credit loss less the expenses incurred by the landlord before including property taxes. The calculation of the net operating income before property taxes as of the date of value is presented in the following table.

INCOME STATEMENT			
Retail Store, La Crosse, WI			
INCOME		as of	
Rental Income		<u>January 1, 2023</u>	
Building Size SF		187,386	
Rental Rate per SF		<u>\$4.00</u>	
Rental Income			\$749,544
Reimbursement Income			
CAM			\$224,863
Insurance			<u>\$37,477</u>
Potential Gross Income			\$1,011,884
Less: Vacancy & Credit Loss	@ 5.0%		<u>\$50,594</u>
Effective Gross Income (EGI)			\$961,290
EXPENSES			
CAM	@ \$1.20 per SF		\$224,863
Insurance	@ \$0.20 per SF		\$37,477
Management Fee	@ 3% of EGI		\$28,839
Reserve for Replacement	@ \$0.25 per SF		<u>\$46,847</u>
Total Expenses			<u>\$338,026</u>
NET OPERATING INCOME (NOI)			<u><u>\$623,265</u></u>
<i>Source: Allen & Associates</i>			

Determination of Overall Rate

We are valuing the subject as of January 1, 2023. The determination of an overall capitalization rate has been accomplished by analysis of capitalization rates derived from single-tenant retail building and center sales, band-of-investment, and investor surveys for this time-period. The capitalization rate derived should be extracted from sales that were not influenced by a construction contract or the credit-rating of the tenant. Further, capitalization rates for leased properties reflect less risk for properties that are not leased.

The goal here is to estimate an overall rate to value a fee simple interest, not a leased fee interest. Unfortunately, overall rate sources are for leased fee rates. A leased fee overall rate is generally lower than a fee simple rate because of the many risks involved in a fee simple interest that do not exist in a leased fee interest including the need to find a tenant, negotiate a lease, possibly provide a tenant improvement allowance, or make changes. Additionally, the leased fee overall rate is based upon the credit of the tenant and without a known tenant there is uncertainty in the strength of the tenant and term of the lease.

Band-of-Investment - The band-of-investment technique of deriving an overall rate is based on current mortgage and equity requirements. These figures are weighted and combined to arrive at an overall rate. The band-of-investment technique used in this analysis is based on the formula: $R_o = (M * R_m) + ((1-M) * R_e)$.

Where:

R_o = the overall rate M = loan to value ratio
 R_m = loan constant R_e = equity dividend rate

We have referenced survey data from *Realtyrates.com* in their estimation of the respective interest rates, loan to value ratio and equity dividend rate.

Band-of-Investment Technique			
Description	Retail - Free Standing		
	Minimum	Maximum	Average
1st Quarter 2023, Realtyrates.com			
Interest Rates	4.67%	9.34%	6.22%
Amortization Period	40	15	28
Mortgage Constant	0.05527	0.12415	0.07598
LTV	80.0%	60.0%	70.0%
Debt Coverage Ratio	1.18	1.67	1.42
Equity Dividend Rate	7.61%	16.58%	11.65%
Band of Investment Technique	5.94%	14.08%	8.81%

Investment Surveys - The following chart summarizes investor capitalization rate survey data from *PWC Real Estate Investor Survey*, *Realtyrates.com Investor Survey* and *Boulder Group Net Lease Big Box Report* (asking rates) and *Net Lease Market Report* for retail (asking rates). Non-Institutional Power Center in the PWC Investment Survey is the category that best reflects how the subject would trade. The Retail – Free Standing was the most appropriate comparative category from Realtyrates.

Industry Publications				
Capitalization Rates				
Publication	Survey Date	Property Type	OAR Range	Average
January 1, 2023 Date of Value				
<i>PWC RE Investor Survey</i>	4th Q 2022	National Power Center, Institutional	5.25%-7.50%	6.43%
		National Power Center, Non-Institutional	8.00%-10.0%	9.00%
		National Net Lease	5.00%-7.50%	6.23%
<i>Boulder Group Net Lease Market Report</i>	4th Q 2022	Median Asking Cap Rate - National Retail	N/A	5.86%
<i>Realtyrates.com</i>	1st Q 2023	Retail - Free Standing	5.90%-13.42%	10.36%

In addition to the above surveyed overall rates, the following table is from the *CBRE Cap Rate Survey for the 1st Half 2021*. The table presents surveyed capitalization rate ranges for Class A, Stabilized Retail Power Centers. There are no cities from Wisconsin included in the survey. Historically, of the midwestern markets surveyed by CBRE, the majority were categorized as TIER III investment markets with only Chicago (TIER I) not being TIER III. The most recent CBRE Cap Rate Survey does not classify the markets by tiers.

CLASS A RETAIL POWER CENTER
CAP RATES (%) STABILIZED

MARKET	H2 2019	H1 2021	CHANGE
Chicago	6.50 – 7.50	6.50 – 7.50	◀▶
Cincinnati	7.50 – 8.25	7.50 – 8.25	◀▶
Cleveland	8.25 – 9.00	8.00 – 9.00	◀▶
Columbus	7.50 – 8.25	7.50 – 8.25	◀▶
Detroit	8.00 – 8.75	8.00 – 9.00	◀▶
Indianapolis	7.50 – 8.25	7.50 – 8.25	◀▶
Kansas City	7.50 – 8.25	7.50 – 8.25	◀▶
Minneapolis/St. Paul	7.00 – 7.50	6.50 – 7.50	▼
St. Louis	7.50 – 8.25	7.50 – 8.25	◀▶

In general, the retail market in La Crosse and Wisconsin would be considered riskier than the average of the national investment surveys due to the size (population) of the market, the economic conditions in the Midwest and the fact that the greatest demand for properties is on the two coasts. Historical CBRE Cap Rate Surveys and Boulder Group Surveys indicate higher cap rates in the Midwest when compared to the east and west coasts. Due to desirability and risk, properties in the Midwest require higher returns than in major markets on the east and west coasts.

Properties such as the subject are often involved in sale leasebacks and long-term leases such that when they sell the capitalization rate is based primarily on the credit of the tenant and the term of the lease. Our capitalization rate conclusion as best as possible is not based upon the credit of a particular tenant and reflects capitalization rates for the valuation of a fee simple interest in the subject property. A buyer of this property without a tenant in place would have to locate a tenant and negotiate a lease before he would have the benefit of the value that could be created by utilizing the credit of the tenant.

RERC Sales Study

The Situs RERC report further segmented their cap rate study based upon credit rating for big box retail properties over 50,000 SF. The following table summarizes their survey findings.

Table 26: Credit Rating Descriptive Statistics (>50k SF)

	Investment Grade	Non-Investment Grade	Not Rated
Median Sale Price/SF	\$103.36	\$134.28	\$119.56
Average Sale Price/SF	\$128.34	\$136.70	\$124.99
Median Cap Rate	6.57%	7.25%	7.50%
Average Cap Rate	6.73%	7.66%	8.50%
Average Building Size (SF)	123,562	81,052	80,231
Average Year Built	1998	2005	2001
Average Land to Building Ratio	4.9	4.4	4.8
Average ZIP Code Median Household Income	\$55,543	\$58,487	\$60,445
Average ZIP Code Population	31,741	39,291	34,732
# of Transactions	64	42	56

The retail store property would fall under the “Not-Rated” category, but due to the fact that its size is nearly twice as large as the “Not-Rated” sample average and its population size is much lower it would require a higher capitalization rate than the average “Non-Investment Grade” sale.

Conclusion of Overall Capitalization Rate

The band of investment indicates a range of approximately 5% to 14% for the valuation date. The subject capitalization rate would fall within this range. The PwC survey indicated rates for non-institutional power centers in the 8-10% with an average of 9%. The Boulder asking rates of 5.86% represents rates for properties with the risk reduced by a credit tenant. The survey data for Realtyrates Retail-Free Standing indicates an average rate of 10.36%. The subject property is considered riskier than then the average national surveyed retail rates due to its property type, size, and its location in a small market area in the Midwest.

Furthermore, the subject is a value-added investment since an investor would not be buying a property with a lease in place. CBRE formerly published value-add capitalization rate data. The last time this data was published was in the 2nd Half of 2019. As of the 2nd Half of 2019, CBRE reported stabilized Class B Power Center capitalization rates at 8.75%-9.50%, while the same survey reported Class B Value-Add Power Center capitalization rates at 9.75% to 12.0%. The elevated capitalization rates for value-add assets reflect the additional risk associated with value-add investments. The value-added premium per this survey is 100 to 150 basis points. The subject property if placed on the market would be a value-added investment. While this survey was done in 2019 the risk factors in investing in a big box retail property that is not operating at stabilized occupancy remains the same.

Based on an analysis of the market-derived rates, band of investment-derived rates, the retail store property’s attributes, and investment surveys, the overall capitalization rate for the retail store property is as following:

- January 1, 2023 – 8.50%

In addition to the concluded overall rate, the property taxes need to be considered by loading the overall rates with the estimated tax rate. In the subject’s appraisal, it is concluded that the lease is a NNN lease with property taxes being reimbursed by the tenant during periods of occupancy and being paid by the property owner during times of vacancy. Therefore, the tax rate loaded to the overall rate is the portion that the ownership would pay during periods of vacancy. The following table presents the conclusion regarding the tax loaded overall rate for the date of value.

	<u>January 1, 2023</u>
Estimated Tax Rate	2.65730%
Conclude Vacancy	<u>5.0%</u>
Tax Load	0.1329%
Concluded Overall Rate	<u>8.50%</u>
Concluded Tax Loaded Cap Rate	8.6329%

Conclusion of the Income Approach

Our Income Approach is based on the market value of the fee simple interest. The valuation of the fee simple interest using an Income Approach assumes that the property is available for lease as of the date of value and further that it will be leased at market rent after purchase and a reasonable lease-up and stabilization period of time. The valuation analysis needs to consider appropriate lease-up costs and loss in income over the lease-up period. The Appraisal of Real Estate, 15th Edition addresses the holding or stabilization cost that an appraiser should consider when the subject property is not leased at stabilized occupancy.

"In its classic form the cost approach estimates fee simple value without consideration of the costs or benefits associated with leasing. However, adjustments can be made to account for the value difference between a fee simple property and a leased fee, depending on the property rights being appraised. Appraisers may need to consider the holding costs that accrue during the leasing phase of property development along with other indirect costs such as leasing commissions, marketing costs, and rent concessions. Tenant finish costs may also be necessary to achieve stabilized occupancy and, if so, they must be added as a cost when valuing a leased fee." (page 530).

One important and necessary cost to achieve stabilized occupancy is the leasing fees that need to be paid to locate a tenant and negotiate a lease. The Appraisal of Real Estate, 15th Edition addresses leasing commissions on page 455.

"Leasing commissions are fees paid to an agent for leasing tenant space. In direct capitalization, leasing commissions are either treated as a normalized annual expense or included below the line in the reconstructed operating statement, depending on local market convention."

We have found that the market for big box stores accounts for leasing commission as a one-time cost rather than an annual expense. That cost is typically paid at the time of lease signing. Our interviews with commercial brokers that lease big box stores indicate that a normal commission is 6% over the first five years of the lease or 3% over the first 10 years. Both methods will result in the same commission. We have accounted for this cost in our income approach to value. We have based the leasing fee on the market norm of 6 percent of estimated schedule base rental revenue for the first five years of the lease term.

Estimate of Leasing Commissions	January 1, 2023
Annual Base Rental Income	\$749,544
First Five Years	<u>5</u>
Lease Base Rental Income Value	\$3,747,720
Leasing Commission	<u>6.00%</u>
Estimated Leasing Commission	\$224,863

Another cost for achieving stabilization is the holding costs during lease-up. The holding cost deduction accounts for the loss of return to the investor during lease-up as well as the lost reimbursement for property expenses that the property owner is responsible for when the property is not leased or occupied.

Big box stores take longer to find a tenant, negotiate a lease, and put a tenant in place than most properties. Through Costar Property, the appraiser searched for the average months on market for leased retail space in Wisconsin that was larger than 50,000 SF from 2016 through the date of value. The data indicated that the average “months on market” was 17.7 months. In the case of the retail store property, we have concluded that an investor would anticipate a minimum vacancy period of 12 months to find the tenant, negotiate the lease and put the tenant in place. The following presents the calculation for holding costs as estimated for the retail store property.

Holding Cost Estimate	January 1, 2023
Annual Base Rental Revenue	\$749,544
Annual Reimbursement Revenue	<u>\$262,340</u>
Annual Potential Gross Income	\$1,011,884
Estimated Lease Up Period (Months)	<u>12.00</u>
Estimated Holding Cost	\$1,011,884

No deductions were made for other costs such as marketing and rent concessions incurred to achieve stabilized occupancy. Such costs would be covered by the broker. Rent concessions and tenant improvements were adjusted for in the rent analysis and conclusions relating to market rent.

The resulting estimation of the value for the subject property derived using the direct capitalization method is presented as follows.

Conclusion of Income Approach w/o Property Taxes	
Included as Expense	
	<u>January 1, 2023</u>
Net Operating Income	\$623,265
Divided By: Overall Rate (tax loaded)	<u>8.6329%</u>
Capitalized Net Operating Income	\$7,219,672
Less: Leasing Commissions	-\$224,863
Holding Costs	<u>-\$1,011,884</u>
Income Approach Conclusion, rounded	<u><u>\$5,980,000</u></u>

As a check on the valuation, we have applied a non-tax loaded capitalization rate to a net operating income figure that was calculated, including the property taxes as an expense. The taxes are then iterated/estimated based upon the value concluded via the approach.

The following table provides an analysis with the unloaded overall capitalization rate:

INCOME STATEMENT			
Retail Store, La Crosse, WI			
INCOME			as of
Rental Income			January 1, 2023
Building Size SF (Ground Floor)	187,386		
Rental Rate per SF	<u>\$4.00</u>		
Rental Income			\$749,544
Reimbursement Income			
CAM			\$224,863
Insurance			\$37,477
Property Taxes			<u>\$158,100</u>
Potential Gross Income			\$1,169,984
Less: Vacancy & Credit Loss	@ 5.0%		<u>\$58,499</u>
Effective Gross Income (EGI)			\$1,111,485
EXPENSES			
CAM	@ \$1.20 per SF		\$224,863
Insurance	@ \$0.20 per SF		\$37,477
Property Taxes			\$158,100
Management Fee	@ 3% of EGI		\$33,345
Reserve for Replacement	@ \$0.25 per SF		<u>\$46,847</u>
Total Expenses			<u>\$500,631</u>
NET OPERATING INCOME (NOI)			<u><u>\$610,854</u></u>
Divided By: Overall Rate			8.50%
Capitalized Net Operating Income			\$7,186,514
Less: Leasing Commissions			-\$224,863
Holding Costs			-\$1,011,884
Value Estimate			\$5,949,767
Tax Rate			2.6573%
Tax Estimate, rounded to nearest thousand			\$158,100
Iterated Tax Estimate			<u>\$158,100</u>
Iteration Check			\$0
VALUE CONCLUSION, w/ TAXES INCLUDED			<u><u>\$5,950,000</u></u>

Source: Allen & Associates

The indicated income approach values from the two methods are within less than 1% of each other. The direct capitalization with property taxes as an expense and a reimbursement most accurately reflects how an investor would buy the property.

***RETROSPECTIVE MARKET VALUE OF THE SUBJECT PROPERTY
VIA THE INCOME APPROACH***

***AS OF JANUARY 1, 2023
FIVE MILLION NINE HUNDRED FIFTY THOUSAND (\$ 5,950,000) DOLLARS***

The above value estimate should be reviewed within the context of the attached report and is subject to the assumptions and limiting conditions contained within the report.

Cost Approach

Definition of the Cost Approach

According to The Dictionary of Real Estate Appraisal, Seventh Edition, (Appraisal Institute, 2022), the Cost Approach is defined as:

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. 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 rights being appraised.

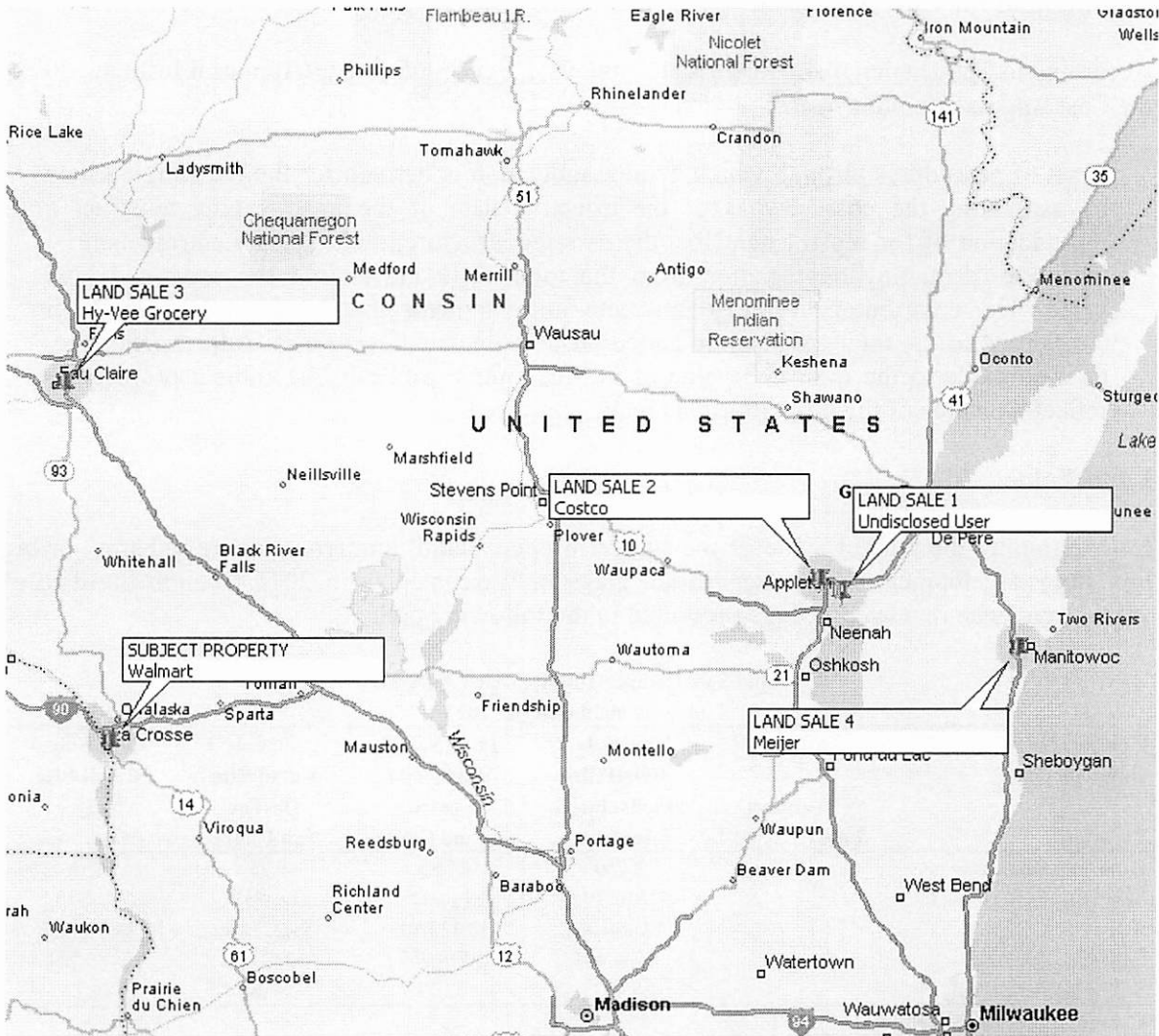
Land Value

In determining the market value of the subject property land, numerous land purchases for big box store development, in smaller-market areas in Wisconsin from 2015 through the date of value, have been reviewed and are presented in the following table.

**Land Sale Comparison Approach Analysis
As Is as of January 1, 2023**

Comparable # Development	Subject Walmart La Crosse, WI	Land Sale 1 Retail Site Undisclosed Appleton	Land Sale 2 Retail Site Costco Grand Chute	Land Sale 3 Retail Site Hy-Vee Eau Claire	Land Sale 4 Retail Site Meijer Manitowoc
Land Size (acres)	16.22	22.50	17.85	9.73	24.76
Sale Date		Jun-19	Jun-15	Dec-19	Dec-16
Sale Price		\$3,250,000	\$2,123,600	\$3,237,000	\$4,600,000
Sale Price Per Acre		\$144,444	\$118,969	\$332,682	\$185,784
Sale Price Per SF		\$3.32	\$2.73	\$7.64	\$4.27
Community Data - 5 Mile					
Population	50,520	154,618	103,605	88,075	38,078
Households	22,004	65,044	43,986	36,952	16,763
Med HH Income	\$57,434	\$75,498	\$76,052	\$70,204	\$59,369
Avg Consumer Spending	\$46,242	\$55,883	\$57,437	\$55,248	\$46,832
Spending Power	\$1,018	\$3,635	\$2,526	\$2,042	\$785
Traffic Count	25,326	64,600	12,600	54,000	48,900
Eff. Submkt NNN Rent	\$10.12	\$8.82	\$8.45	\$8.81	\$8.69

Map of Comparable Land Sales



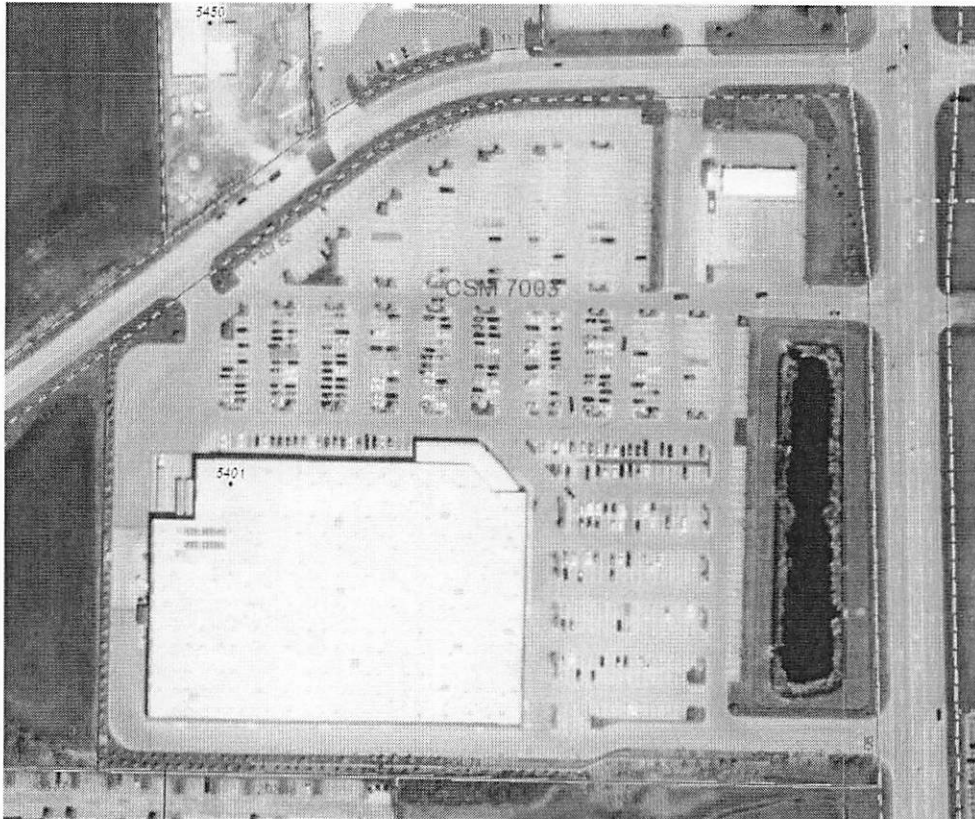
Comparable Land Sale 1



Development:	Commercial Site	Sale Analysis	
Address:	S. Oneida	Grantor	Farm Fleet Properties, LLC
Cross Streets:	S. Oneida & US-10/SR-441	Grantee	Oneida 441, LLC
Municipality:	Appleton	Verification:	Public Records, Broker
County:	Winnebago	Sale Date:	Jun-19
Parcel # (s):	31-8-1600-00, 1601-00, 1602-00	Sale Price:	\$3,250,000
Site Description		On/Off-Site Costs:	\$0
Land Area (Acres):	22.50	Adjusted Sale Price:	\$3,250,000
Land Area (SF):	980,100	Adjusted Sale Price/Acre:	\$144,444
Shape:	Rectangular	Adjusted Sale Price/SF:	\$3.32
Proposed Building Area:	n/a	Intended Use:	Undisclosed
Land-to-Building Ratio:	n/a	Sale Terms:	Arms-Length
Topography:	Relatively Level	Financing:	Cash Equivalent
Frontage:	S. Oneida, Valley Rd. & US-10	Population (5-mile):	154,618
Zoning:	C-2, Commercial	Households (5-mile):	65,044
Utilities:	All Available	Median HH Income (5-mile):	\$75,498
Traffic Count:	64,600	Avg. Consumer Spending:	\$55,883
		Spending Power:	\$3,635

Comments:
 This property is a vacant parcel that was owned by Mills Farm Fleet for years. This site has good frontage, visibility and access to both S. Oneida and US-10/SR-441. The traffic counts were 20,100 on S. Oneida and 44,500 on US-10. There is a complete entrance/exit interchange to US-10 at S. Oneida. The property sold with a 10-year deed restriction, preventing the property from being occupied by or used for the following uses: warehouse home improvement, farm/ranch merchandise center, lumber yard, any building material supply center and never a Blain's Farm & Fleet. The broker indicated that the deed restriction had no effect on the purchase or purchase price for this sale.

Comparable Land Sale 2



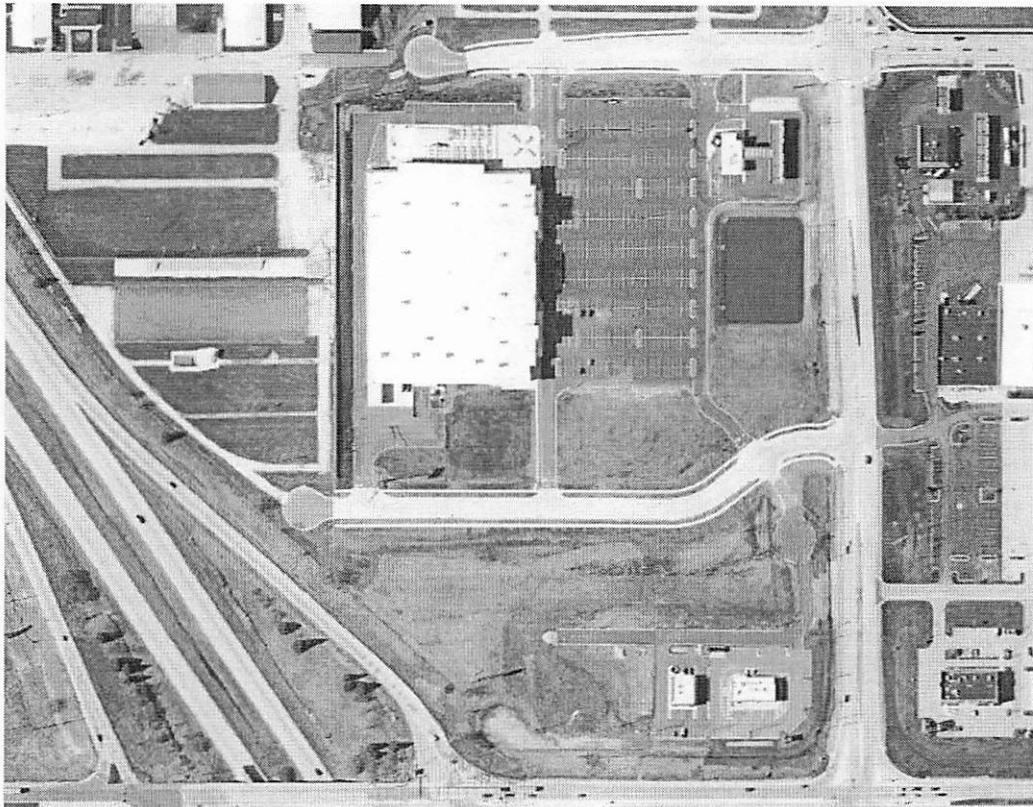
Development:	Retail Site	Sale Analysis	
Address:	5401 Integrity Way	Grantor	MCM, LLC
Cross Streets:	W. Wisconsin & McCarthy	Grantee	Costco Wholesale Corp.
Municipality:	Grand Chute	Verification:	Public Records
County:	Outagamie	Sale Date:	Jun-15
Parcel # (s):	101-1250-03	Sale Price:	\$2,123,600
Site Description		On/Off-Site Costs:	\$0
Land Area (Acres):	17.85	Adjusted Sale Price:	\$2,123,600
Land Area (SF):	777,546	Adjusted Sale Price/Acre:	\$118,969
Shape:	Irregular	Adjusted Sale Price/SF:	\$2.73
Proposed Building Area:	148,352	Intended Use:	Costco Store and Fuel Station
Land-to-Building Ratio:	5.24	Sale Terms:	Arms-Length
Topography:	Generally Flat	Financing:	Cash Equivalent
Frontage:	Integrity & McCarthy Rd.	Population (5-mile):	103,605
Zoning:	CR, Regional Commercial	Households (5-mile):	43,986
Utilities:	All Available	Median HH Income (5-mile):	\$76,052
Traffic Count:	12,600	Avg. Consumer Spending:	\$57,437
		Spending Power:	\$2,526
Comments:			
This site is at the SWQ of Integrity Way and N McCarthy Rd. in Grand Chute. The site was improved with a Costco store and gas station. The site has obstructed visibility from W. Wisconsin Avenue and from Integrity Way and McCarthy Rd. The traffic count figure is based upon 12,600 vehicles along W. Wisconsin Ave. The site has good interstate/highway access to I-41.			

Comparable Land Sale 3



Development:	Retail Site	Sale Analysis	
Address:	2424 Clairemont	Grantor	Clairemont Properties, LLC
Cross Streets:	Clairemont & Hastings	Grantee	Hy-Vee, Inc.
Municipality:	Eau Claire	Verification:	Public Records, Broker
County:	Eau Claire	Sale Date:	Dec-19
Parcel # (s):	18221-2-270927-230-004	Sale Price:	\$3,100,000
Site Description		On/Off-Site Costs:	\$137,000
Land Area (Acres):	9.73	Adjusted Sale Price:	\$3,237,000
Land Area (SF):	423,839	Adjusted Sale Price/Acre:	\$332,682
Shape:	Irregular	Adjusted Sale Price/SF:	\$7.64
Proposed Building Area:	95,000	Intended Use:	Hy-Vee Grocery Store
Land-to-Building Ratio:	4	Sale Terms:	Arms-Length
Topography:	Generally Flat	Financing:	Cash Equivalent
Frontage:	Clairemont, Fairfax & Ridge	Community Data - 2024	
Zoning:	C3, Commercial	Population (5-mile):	88,075
Utilities:	All Available	Households (5-mile):	36,952
Traffic Count:	54,000	Median HH Income (5-mile):	\$70,204
		Avg. Consumer Spending:	\$55,248
		Spending Power:	\$2,042
Comments:			
This site is the former Kmart retail building located at the intersection of Hastings and Clairemont. The property was improved with a ±117,000 SF retail building that was razed by the purchaser, a regional grocer. It is estimated, by the purchaser, that the cost of demolition was \$387,000 of which \$250,000 was reimbursed to the purchaser through a grant from the Wisconsin Economic Development Corp's Idle Sites Grant program. The property has visibility from Hastings, Clairemont and Fairfax.			

Comparable Land Sale 4



Development:	Retail Site	Sale Analysis	
Address:	1818 S Rapids Rd.	Grantor	Manitowoc County
Cross Streets:	Calumet & I-43	Grantee	Meijer Stores LP
Municipality:	Manitowoc	Verification:	Public Records, Grantee
County:	Manitowoc	Sale Date:	Dec-16
Parcel # (s):	Part of 052-835-201-010.00	Sale Price:	\$4,600,000
Site Description		On/Off-Site Costs:	\$0
Land Area (Acres):	24.76	Adjusted Sale Price:	\$4,600,000
Land Area (SF):	1,078,546	Adjusted Sale Price/Acre:	\$185,784
Shape:	Irregular	Adjusted Sale Price/SF:	\$4.27
Proposed Building Area:	163,000	Intended Use:	Meijer Store w/Fuel Station
Land-to-Building Ratio:	6.62	Sale Terms:	Arms-Length
Topography:	Generally Flat	Financing:	Cash Equivalent
Frontage:	S. Rapids Rd	Population (5-mile):	38,078
Zoning:	PUD, Planned Unit Dev.	Households (5-mile):	16,763
Utilities:	All Available	Median HH Income (5-mile):	\$59,369
Traffic Count:	48,900	Avg. Consumer Spending:	\$46,832
		Spending Power:	\$785
Comments:			
This site is part of the Manitowoc County Expo Center. The site has frontage along S. Rapids and has visibility from S. Rapids, Calumet and I-43.			

As with the improved retail property sales and the comparable leases, the land sales have been adjusted to account for differences between the comparable land sales and the subject property. The following is an adjustment table presenting this analysis through the January 1, 2021 date of value. The comparables have been adjusted for market conditions (3%, annually through year end 2019, and 0% in 2020, 5% in 2021 and 3% in 2022), size, demographic attributes, arterial attributes, and retail submarket.

Land Sale Comparison Approach Analysis
As Is as of January 1, 2023

Comparable #	Subject	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4
Development		Retail Site	Retail Site	Retail Site	Retail Site
	Walmart	Undisclosed	Costco	Hy-Vee	Meijer
Location	La Crosse, WI	Appleton	Grand Chute	Eau Claire	Manitowoc
Land Size (acres)	16.22	22.50	17.85	9.73	24.76
Sale Date		Jun-19	Jun-15	Dec-19	Dec-16
Sale Price		\$3,250,000	\$2,123,600	\$3,237,000	\$4,600,000
Sale Price Per Acre		\$144,444	\$118,969	\$332,682	\$185,784
Sale Price Per SF		\$3.32	\$2.73	\$7.64	\$4.27
Community Data - 5 Mile					
Population	50,520	154,618	103,605	88,075	38,078
Households	22,004	65,044	43,986	36,952	16,763
Med HH Income	\$57,434	\$75,498	\$76,052	\$70,204	\$59,369
Avg Consumer Spending	\$46,242	\$55,883	\$57,437	\$55,248	\$46,832
Spending Power	\$1,018	\$3,635	\$2,526	\$2,042	\$785
Traffic Count	25,326	64,600	12,600	54,000	48,900
Eff. Submkt NNN Rent	\$10.12	\$8.82	\$8.45	\$8.81	\$8.69
Transaction Related Adjustments					
Property Rights		1.00	1.00	1.00	1.00
Financing Terms		1.00	1.00	1.00	1.00
Conditions of Sale		1.00	1.00	1.00	1.00
Market Conditions		1.10	1.24	1.08	1.18
Adjusted Sale Price/Acre		\$158,889	\$147,522	\$359,297	\$219,225
Adjusted Sale Price/SF		\$3.65	\$3.39	\$8.25	\$5.03
Characteristic Adjustments					
Size		1.05	1.00	0.95	1.05
Arterial Attributes		0.90	1.05	0.90	0.90
Demographic Attributes		0.90	0.95	0.95	1.05
Retail Submarket		1.05	1.05	1.05	1.05
Total Characteristic Adjustments		0.89	1.05	0.85	1.04
Total Adjustments, \$ [1]		(\$2,553)	\$35,541	(\$26,251)	\$42,618
Indicated Market Value/Acre		\$141,892	\$154,511	\$306,431	\$228,402
Indicated Market Value/SF		\$3.26	\$3.55	\$7.03	\$5.24
	<i>Per SF</i>	<i>Per Acre</i>			
Maximum:	\$7.03	\$306,431			
Minimum:	\$3.26	\$141,892			
Average:	\$4.77	\$207,809			
Median:	\$4.40	\$191,456			

[1] Total adjustments include transaction and characteristic based adjustments.

Source: Allen & Associates

Land Sales 2 is most similar to the subject in terms of size while Land Sales 2 is most similar to the subject in terms of location (considering arterial and demographics). Land Sales 1 and 3 occurred nearest to the subject date of value. Overall, Land Sale 3 required the least amount of gross adjustment while Land Sale 1 required the least amount of net adjustment. Overall, a market value of \$200,000/acre (\$4.59/sf) has been concluded for the subject property’s useable land as of January 1, 2023. The following presents the conclusion of market value for the subject property land as of the date of value.

<u>Date of Value</u>	<u>January 1, 2023</u>
Concluded Value Per Acre	\$190,000
Land Size - Acre	16.22
Estimated Land Value	\$3,081,800
Concluded Subject Land Value	<u><u>\$3,080,000</u></u>

Improvement Costs

It is unlikely that a prospective buyer would be able to obtain actual construction costs for the subject property. To the extent a buyer would consider the cost approach, the buyer would in any event rely on replacement cost, not reproduction cost. Secondary cost estimates are considered more reliable because a buyer, considering cost, would only be concerned with the cost to replace the utility of the subject property for that buyer and not the cost to duplicate a Walmart store design, i.e., reproduction cost.

Cost Estimate - We have utilized a replacement cost estimate guide published by the Marshall Valuation Service (MVS). The mega warehouse category is the type of construction that is most similar to the subject’s construction type. We have used an appropriate replacement cost from Section 13, Page 30 for an Average Cost Quality Class C Mega Warehouse store. The derived cost estimate is multiplied by the gross building area to arrive at a building replacement cost. In addition, we have included the appropriate multipliers for perimeter, story height, local costs, and current time adjustments to arrive at our replacement cost estimate as of the date of value.

Refer to the following table for the calculation of the building improvement replacement cost for the date of value.

RETAIL BUILDING CALCULATIONS		
Type of building: Avg. Cost, Class C Mega Whse. Store (Sec 13, page 30 - May 2022 Data Compilation) Source: MVS December 2022		
	<u>January 1, 2023</u>	
Total building floor area (SF):	187,386	
MVS HVAC premium/SF:	\$11.41	
MVS sprinkler cost estimate/SF:	\$2.90	
MVS bldg cost estimate/SF:	<u>\$64.50</u>	
Total MVS cost estimate/SF:	<u>\$78.81</u>	
Base building cost:	\$14,767,891	
Story height adjustment	1.170	
Perimeter adjustment	<u>0.780</u>	
Adjusted base building cost:		\$13,477,177
Canopy area (SF):	3,800	
MVS bldg cost estimate/SF:	<u>\$55.50</u>	
Total MVS cost estimate/SF:		\$210,900
Total base costs:		\$13,688,077
x Local Multiplier		1.060
x Current Multiplier		<u>1.060</u>
Building Replacement Cost Estimate:		\$15,379,923
Time Adjustment to Date of Value:		<u>100.00%</u>
Replacement Cost New Estimate:		\$15,379,923
<i>Source: Allen & Associates</i>		

Site Improvements - Site improvements include the asphalt and concrete parking, lighting, concrete paving, and fencing. The following table is the calculation of the site improvement costs for the subject property for the date of value.

CALCULATION OF SITE IMPROVEMENT COSTS	
	<u>January 1, 2023</u>
<i>Surface Parking Improvements</i>	
Paving Spaces	814
Cost Per Space	<u>\$2,873.50</u>
Base Cost	\$2,339,029
<i>Concrete Paving</i>	
Basic Paved Area (SF)	48,000
Cost Per SF	<u>\$9.90</u>
Base Cost	\$475,200
<i>Interior Roadway</i>	
Lineal Feet of Roadway	550
Cost Per LF	<u>\$275.00</u>
Base Cost	\$151,250
<i>Metal Fencing</i>	
SF Feet of Fencing	255
Cost Per SF	<u>\$48.00</u>
Base Cost	<u>\$12,240</u>
TOTAL BASE COST	\$2,977,719
x Local Multiplier	1.040
x Current Multiplier	<u>1.090</u>
Site Improvement Rpl. Cost Estimate:	\$3,375,542
Time Adjustment to Date of Value:	<u>100.00%</u>
Replacement Cost New Estimate:	\$3,375,542
<i>Source: Allen & Associates</i>	

Soft Costs

According to the 15th Edition of the Appraisal of Real Estate (p.541), “cost approach procedure is the value of the fee simple interest in the property at stabilized occupancy and at market rent and terms.” Since we are valuing the property’s fee simple interest, i.e., as if the subject property is unencumbered by a lease as of the date of value, the property is valued as if it is available for lease but not at stabilized at market occupancy as of the date of valuation. Therefore, the cost associated with finding and securing a tenant for the subject property are included. In this instance, those costs include leasing commissions during the period it takes to secure a tenant.

The following excerpt from MVS provides insight as to what the MVS costs include, and do not include:

WHAT THE COSTS CONTAIN

- (1) In the Calculator Section, the actual costs used are final costs to the owner and will include average architects' and engineers' fees. These, in turn, include plans, plan check and nominal building permits, and surveying to establish building lines and grades.
- (2) In the Segregated Cost and most Unit-in-Place Cost Sections, except as noted, the architects' fees are omitted. For these sections, a schedule of typical fees is printed in Section 99. However, each listed item will have its pro rata share of the other miscellaneous costs included in the construction of the whole building or other improvement.
- (3) Normal interest on only the actual building funds during period of construction and processing fee or service charge is included. Typically, this will average half of the going rate over the time period plus the service fee. For average construction times, see Section 85.
- (4) All material and labor costs include all appropriate local, state and federal sales or GST taxes, etc.
- (5) Normal site preparation including finish, grading and excavation for foundation and backfill for the structure only.
- (6) Utilities from structure to lot line figured for typical setback except where noted in some Unit-in-Place Cost sections (e.g., mobile homes).
- (7) Contractors' overhead and profit including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc., are included.

WHAT THEY DO NOT CONTAIN

- (1) Costs of buying or assembling land such as escrow fees, legal fees, property taxes, right of way costs, demolition, storm drains, or rough grading, are considered costs of doing business or land improvement costs.
- (2) Pillings or hillside foundations are priced separately in the manual and are considered an improvement to the land. This also refers to soil compaction and vibration, terracing, etc.
- (3) Costs of land planning or preliminary concept and layout for large developments inclusive of entrepreneurial incentives or developer's overhead and profit are not included, nor is interest or taxes on the land, feasibility studies, certificate of need, environmental impact reports, hazardous material testing, appraisal or consulting fees, etc.
- (4) Discounts or bonuses paid for financing are considered a cost of doing business, as are funds for operating startup, negative cashflow during development, project bond issues, permanent financing, developmental overhead or fixture and equipment purchases, etc.
- (5) Yard improvements including septic systems, signs, landscaping, paving, walls, yard lighting, pools or other recreation facilities, etc., which can be priced separately from Unit-in-Place Sections.
- (6) Off-site costs including roads, utilities, park fees, jurisdictional hookup, tap-in, impact or entitlement fees and assessments, etc.
- (7) Furnishings and fixtures, usually not found in the general contract, that are peculiar to a definite tenant, such as seating or kitchen equipment, etc.
- (8) Marketing costs to create first occupancy including model or advertising expenses, leasing or brokers' commissions, temporary operation of property owners' associations, fill-up or membership sales costs and fees.
- (9) General contingency reserve where a percentage of the total cost is set aside for some unknown future event, such as labor strikes, anticipated labor and material increases, etc.

Our forthcoming soft cost estimate is intended to reflect the overhead and profit for a construction management company that would negotiate the general contractor contracts and

oversee the overall construction project as well as the leasing commission is added to the replacement cost.

In addition to the soft costs, we are including the cost associated with leasing the subject property.

According to the 15th Edition of the Appraisal of Real Estate (p.541), “cost approach procedure is the value of the fee simple interest in the property at stabilized occupancy and at market rent and terms.” Since we are valuing the property’s fee simple interest, i.e., as if the subject property is unencumbered by a lease as of the date of value, the property is valued as if it is available for lease but not at stabilized at market occupancy as of the date of valuation. Therefore, the cost associated with finding and securing a tenant for the subject property are included. In this instance, those costs include leasing commissions during the period it takes to secure a tenant.

Refer to the following table for a summary that indicates the calculation and allocation of the soft costs and leasing estimates for the subject property with respect to the date of value.

CALCULATION AND ALLOCATION OF THE SOFT COSTS AND LEASING COMMISSIONS			
			<u>January 1, 2023</u>
Building Improvements			\$15,089,736
Site Improvements			<u>\$3,375,542</u>
Total Improvement Cost			\$18,465,278
Soft Costs Estimated @	5%		\$923,264
Leasing Commissions			<u>\$224,863</u>
Total Soft Costs & Leasing Commissions			\$1,148,127
<i>Allocated as</i>			
Building Improvements	as %	81.72%	
	as \$	\$938,244	
Site Improvements	as %	18.28%	
	as \$	\$209,883	
<i>Depreciable Basis</i>			
Building Improvements			\$16,027,980
Site Improvements			\$3,585,425
<i>Source: Allen & Associates</i>			

Depreciation

Depreciation with respect to real estate is a loss in value from all causes. A depreciation-based loss in value can result from one or more of three factors: (1) physical deterioration, (2) functional obsolescence, and (3) external obsolescence. Furthermore, these types of depreciation are classified as curable or incurable. Curable factors represent faults that can be rectified at a cost which is economically feasible. However, if the cost to cure cannot be recovered in the marketplace, the depreciation or obsolescence is considered to be incurable.

Physical Depreciation - Incurable physical depreciation is calculated based upon an age/life method. As of January 1, 2023, the subject building had a physical age of 19 years, respectively. The retail store has an estimated useful life of 35 years by MVS.

As of January 1, 2023, the site improvements had an estimated physical age of seven years, respectively and the useful life of the site improvements is 15 years.

CALCULATION OF PHYSICAL DEPRECIATION		
<u>January 1, 2023</u>		
Building Improvements		
Depreciable Basis:	\$16,027,980	
Estimated Age:	19	
Useful Life:	<u>35</u>	
x Depreciation Factor:	54.3%	\$8,700,903
Site Improvements		
Depreciable Basis:	\$3,585,425	
Estimated Age:	7	
Useful Life:	<u>15</u>	
x Depreciation Factor:	46.7%	<u>\$1,673,199</u>
Total Physical Depreciation		<u><u>\$10,374,102</u></u>
<i>Source: Allen & Associates</i>		

Functional Obsolescence - Functional obsolescence is any loss in value that results from an inherent deficiency perceived in the market caused by physical factors including design, layout, or orientation of the building site but not physical deterioration. The retail store property is both oversized for the market and has a façade and other features, including interior layout and design that is specific to a Walmart business but would not have value to other users.

Unlike many other commercial properties, free standing “big box” stores like the subject are not constructed for the purpose of thereafter selling or leasing the property in the marketplace. This

is because no prudent person would expect to realize a positive return on such an investment. As a result, no entrepreneurial profit should be included or is included in the replacement cost estimate. In addition, one constructing a free standing “big box” store similar to the subject may expect to incur a profit on the operation of the store but would expect a loss upon the sale of the real estate. This phenomenon is not unique to “big box” stores, as it can be observed in other situations, such as the purchase of a new car or a new tailored suit. When each is essentially brand new, each suffers a reduction in value from the initial investment when it is sold. This is also true as it relates to “big box” stores. As discussed below, we have observed this in the marketplace for both rentals and sales of such properties. Furthermore, the subject features were designed for Walmart. Although suitable for retail use by other retailers, a buyer for a retail use would either incur modification costs or utilize features, including the subject’s specific size, different than those desired. This type of loss in value is also reflected in market rentals and sales. Also, the larger size of the subject amplifies the problem and results in further loss in value from cost new.

External Obsolescence - External obsolescence is the loss in value from factors external to the property such as economic or environmental factors that affect the supply/demand relationship in the market. Market demand for large commercial buildings like that of the subject is very limited in the subject market, as well as the surrounding market areas. The growth in e-commerce sales has negatively impacted the demand for big box store properties. In recent years, the new construction of big box stores has declined dramatically.

Thus, based on our experience in the market, as well as our review of market transactions, we have concluded there is obsolescence associated with large free-standing retail stores. For the purposes of this report, we will estimate the obsolescence associated with the subject improvements using several methodologies and examples. relates almost entirely to functional obsolescence.

- **Market Extraction of Obsolescence from Sales**

Obsolescence can be determined specific to the subject property directly from the sales comparison approach which reflects the market based on selling prices paid by buyers to sellers of the property. The difference between (1) replacement cost and land value and (2) market value is total depreciation. Subtracting physical depreciation from the total depreciation provides an indication of obsolescence. If physical depreciation is less than reflected in the calculation, the obsolescence is greater dollar for dollar. If physical depreciation is more, then obsolescence is less dollar for dollar. The following table indicates the obsolescence calculation for the subject property and is interdependent with the sales comparison approach.

CALCULATION OF OBSOLESCENCE		
Direct Extraction Utilizing Sales Comparison Conclusion and Cost		
<u>January 1, 2023</u>		
Cost of Improvement New		
- Store & Site Improvements		
Total Improvements Cost	\$19,613,405	
Add: Supporting Land Value	<u>\$3,080,000</u>	
Total Repl. Cost, Including Land		\$22,693,405
Concluded Value via the Sales Comparison Approach		<u>\$5,620,000</u>
Total Depreciation		\$17,073,405
Less: Physical Depreciation		
- Building Improvements	\$8,700,903	
- Site Improvements	<u>\$1,673,199</u>	
Total Physical Depreciation		<u>\$10,374,102</u>
Estimated Obsolence		<u>\$6,699,303</u>
% of Replacement Cost New		34%
% of Replacement Cost New+ Land		30%
Per SF of Building Area		\$35.75
<i>Source: Allen & Associates</i>		

The above market-based determination of incurable obsolescence is applicable to the improvements and not the land. The incurable obsolescence represents 34% of the improvement replacement cost new and 30% of the total replacement cost new including land.

Capitalized Rent Loss

The Appraisal of Real Estate, 15th Edition (starting on page 576), recommends calculating obsolescence by estimating the income loss that is caused by the obsolescence. This method was also taught in the Advanced Sales Comparison and Cost Approaches class by the Appraisal Institute. In order to calculate this loss, the income necessary to support the value of the property without obsolescence is estimated. The economic (market) rent from the income approach is subtracted from the required rent based on cost of land and improvements. The difference is the rent loss due to obsolescence, which is then capitalized into a determination of total obsolescence.

CALCULATION OF OBSOLESCENCE		
Deficient Income Method		
	<u>January 1, 2023</u>	
Cost of Improvement New		
- Store & Site Improvements		
Total Improvements Cost	\$19,613,405	
Add: Supporting Land Value	<u>\$3,080,000</u>	
Total	<u>\$22,693,405</u>	
Overall Capitalization Rate	<u>8.6329%</u>	
Required NOI for Feasibility		\$1,959,091
Projected Subject NOI		<u>\$623,265</u>
Deficient Income from Improvements		\$1,335,827
Overall Capitalization Rate		<u>8.6329%</u>
Incurable Obsolescence		\$15,473,733
Curable Obsolescence		<u>\$1,236,748</u>
Estimated Overall Depreciation		\$16,710,481
Less: Physical Depreciation		<u>\$10,374,102</u>
Estimated Obsolescence		<u>\$6,336,379</u>
% of Replacement Cost New		32%
% of Replacement Cost New + Land		28%
Per SF of Building Area		\$33.81
<i>Source: Allen & Associates</i>		

The above determination of obsolescence is applicable to the improvements and not the land. The obsolescence represents 32% of the improvement replacement cost new. Further, obsolescence represents 28% of the total replacement cost new including land.

Obsolescence Summary

The following table summarizes the aforementioned obsolescence examples and the appraiser’s conclusion of obsolescence for the subject property.

Summary of Obsolescence Examples & Conclusion				
#	Example Type	As a % of RCN	As a % of RCN + Land	As a \$/SF
1	Direct Extraction from Sale Comparison Conclusion - as of January 1, 2023	34%	30%	\$35.75
2	Deficient Income for the Subject - as of January 1, 2023	32%	28%	\$33.81
	RCN - Replacement Cost New			
	Concluded Subject Obsolescence @ - as of January 1, 2023	\$34.75 per SF	\$6,511,664	

The appraiser has relied primarily on the direct extraction from the sales comparison approach and the deficient income obsolescence per square foot figure in concluding an obsolescence figure of \$34.75/sf of building improvement size as of January 1, 2023.

Conclusion of the Cost Approach

COST APPROACH SUMMARY	
	<u>January 1, 2023</u>
Depreciable Basis	
Building Improvements	\$16,027,980
Site Improvements	<u>\$3,585,425</u>
Total Improvements Cost	\$19,613,405
Less Depreciation	
Incurable Physical	
Building Improvements	\$8,700,903
Site Improvements	\$1,673,199
Deferred Maintenance	\$0
Obsolescence	<u>\$6,511,664</u>
Total Depreciation	<u>\$16,885,765</u>
Depreciated Cost	\$2,727,640
Estimated Land Value	<u>\$3,080,000</u>
Cost Approach Value Estimate	<u>\$5,810,000</u>
NOTE: Numbers may not foot due to rounding.	
Source: Allen & Associates	

The appraiser has not reviewed the costs incurred by the subject ownership for when the property was originally constructed. To the extent a buyer would consider the cost approach, the buyer would in any event rely on replacement cost (the cost to construct a replacement of the subject for the buyer’s use), not reproduction cost or historical cost. A buyer, considering cost, would only be concerned with the cost to replace the utility of the subject property for that buyer and not the cost to duplicate a Walmart store design, i.e., reproduction cost.

**RETROSPECTIVE MARKET VALUE OF THE SUBJECT PROPERTY
VIA THE COST APPROACH:**

**AS OF JANUARY 1, 2023
FIVE MILLION EIGHT HUNDRED TEN THOUSAND (\$ 5,810,000) DOLLARS**

The above value estimate should be reviewed within the context of the attached report and are subject to the assumptions and limiting conditions contained within the report.

Reconciliation

Reconciliation involves the correlation of the conclusions reached from the three methodologies considering the property type involved and the requirements of the appraisal assignment as well as following the direction of the Markarian Hierarchy. This process depends on the recognition of the appropriateness and reliability of each approach, and of the quality and viability of the data obtained.

The sales comparison approach provides a reliable value estimate. This approach takes sales of similar properties and compares them to the subject property. In this case, we researched, developed, and analyzed nine reliable sales of existing structures as well as considering a number of additional sales. Adjustments were made to each of the comparables thus indicating a range in value for the subject property. The sales comparison approach is considered the primary indicator of value. The Markarian Hierarchy methodology applies in this appraisal where the subject property has not recently sold. There are sufficient sales of comparable properties in the market to make this a reliable approach to value.

The income approach analyzes market lease rates for existing properties to determine a value estimate. Similar properties were located and analyzed using this approach. After analyzing the rental rates of the comparable properties, a conclusion to the subject’s potential rent was established. The subject’s projected net operating income was capitalized using a market supported cap rate resulting in an estimate of market value for the subject property. For this analysis, the income approach is considered a secondary indicator of value. The subject property is not a leased income property, a developer/investor buying the fee simple interest would have substantial risk due to the need to find a tenant, negotiate a lease and then sell the property. Due to the Wisconsin Markarian Hierarchy and the existence of comparable sales this approach is not directly relied upon but provides a supportive analysis to the Sales Comparison Approach.

As illustrated in the cost approach, there is a significant amount of obsolescence associated with the subject building improvements. Considering the large amount of depreciation and considering that this approach is not utilized by buyers and sellers in the marketplace for a property like the subject, the cost approach is not considered as reliable or applicable as the other two approaches. Due to the Wisconsin Markarian Hierarchy and the existence of comparable sales this approach is not directly relied upon but provides a supportive analysis to the Sales Comparison Approach.

The following table summarizes our reconciled retrospective market values for the subject property pursuant to Wisconsin law and guidelines set forth in the WPAM.

Retrospective Valuation Conclusions	
Date of Value	<u>January 1, 2023</u>
Sales Comparison Approach	\$5,620,000
Income Approach	\$5,950,000
Cost Approach	<u>\$5,810,000</u>
Reconciled Market Value of Subject Property	<u><u>\$5,620,000</u></u>

The value estimates and conclusions include the hypothetical condition that the property taxes are assessed at a level reflective of 100% of the market values concluded for the date of value in this report. The effect of this hypothetical condition is an increase in the market value determinations. Additionally, the above value conclusions are subject to the extraordinary assumption that the property condition was as described in this report for the date of value. Further, the above value conclusions are subject to the jurisdictional exception created by the Wisconsin Constitution, state statutes, case law, and the Wisconsin Property Assessment Manual (WPAM) as discussed in the scope of the appraisal. Including the decision in the February 16, 2023 Supreme of Wisconsin in the case of Lowe’s Home Centers, LLC v. City of Delavan (Case #2109AP1987). The above value estimates should be reviewed within the context of the attached report and are subject to the assumptions and limiting conditions contained within the report.

Addendum

Legal Description/Property Identification

Parcel:	17-50328-76
Internal ID:	70170
Municipality:	City of La Crosse
Record Status:	Current
On Current Tax Roll:	Yes
Total Acreage:	15.590
Township: ⓘ	15
Range: ⓘ	07
Section: ⓘ	21
Legal Description:	
CERTIFIED SURVEY MAP NO. 20 VOL 11 DOC NO. 1362560 LOT 1 EX PRT IN TOWN OF SHELBY & EX PRT DEDICATED FOR R/W ON CSM SUBJ TO ESMT & RESL FOR RD NAME (ASH LANE) IN DOC NO. 1668824	
Property Addresses:	
<u>Street Address</u>	<u>City(Postal)</u>
4622 MORMON COULEE RD	LA CROSSE

Parcel:	11-1532-1
Internal ID:	53889
Municipality:	Town of Shelby
Record Status:	Current
On Current Tax Roll:	Yes
Total Acreage:	0.630
Township: ⓘ	15
Range: ⓘ	07
Section: ⓘ	21
Legal Description:	
CERTIFIED SURVEY MAP NO. 20 VOL 11 DOC NO. 1362560 THAT PRT LOT 1 IN TOWN OF SHELBY EX PRT DEDICATED FOR R/W ON CSM	
Property Addresses:	
<u>Street Address</u>	<u>City(Postal)</u>
MARKLE RD	LA CROSSE

Area Description Data and Tables

Key Economic Indicators

Key Economic Indicators					
	2010	2021	Annual % change	2026	Annual % change
Population					
La Crosse-Onalaska, WI-MN MSA	133,665	139,911	0.42%	143,109	0.46%
Wisconsin	5,686,986	5,922,426	0.38%	6,045,275	0.41%
United States	308,745,538	333,934,112	0.74%	345,887,495	0.72%
Households					
La Crosse-Onalaska, WI-MN MSA	53,986	56,970	0.50%	58,451	0.52%
Wisconsin	2,279,768	2,404,113	0.50%	2,462,852	0.49%
United States	116,716,292	126,470,675	0.76%	131,047,364	0.72%
Median Household Income - 2021 & 2026					
La Crosse-Onalaska, WI-MN MSA		\$58,011		\$63,053	1.74%
Wisconsin		\$63,001		\$70,642	2.43%
United States		\$64,730		\$72,932	2.53%
Average Consumer Spending (2019)					
La Crosse-Onalaska, WI-MN MSA	\$42,819				
Wisconsin	\$46,796				
United States	\$51,893				

Source: Site to Do Business, Allen & Associates

Economic Base

Annual Average Employment, Establishment-Based	
La Crosse-Onalaska, WI-MN MSA	
2012-2017	
2012 Employment	72,765
2017 Employment	76,040
2012-2017 Change, #	3,275
2012-2017 Total Change, %	4.5%
2017-2022	
2017 Employment	76,040
2022 Employment	73,845
2017-2022 Change, #	-2,195
2017-2022 Total Change, %	-2.9%

Source: Bureau of Labor Statistics, Allen & Associates

**WESTERN WORKFORCE DEVELOPMENT AREA
LONG TERM INDUSTRY PROJECTIONS, 2018-2028**

WDA9: BUFFALO, CRAWFORD, JACKSON, JUNEAU, LA CROSSE, MONROE, TREMPLEAU, AND VERNON COUNTIES

Disclaimer: The Long-Term 2018-2028 projections are estimates based on historic data and do not include any impact COVID-19 may have on industry employment in the future.

Industry	2018 Employment	2028 Projected Employment	Employment Change (2018-2028)	Percent Change (2018-2028)
Total All Industries	162,973	170,351	7,378	4.53%
<i>Goods Producing</i>	34,133	35,640	1,507	4.42%
Natural Resources and Mining	5,127	5,630	503	9.81%
Construction	5,037	5,774	737	14.63%
Manufacturing	23,969	24,236	267	1.11%
<i>Services Providing</i>	118,674	123,889	5,215	4.39%
Trade, Transportation, and Utilities	30,541	31,312	771	2.52%
Information	1,351	1,382	31	2.29%
Financial Activities	6,415	6,618	203	3.16%
Professional and Business Services	9,083	9,795	712	7.84%
Education and Health Services	36,811	39,371	2,560	6.95%
Leisure and Hospitality	13,710	14,381	671	4.89%
Other Services (except Government)	7,787	7,964	177	2.27%
Government	12,976	13,066	90	0.69%
Self-Employed	10,166	10,822	656	6.45%

STATE OF WISCONSIN WORKFORCE DEVELOPMENT AREA LONG TERM INDUSTRY PROJECTIONS, 2018-2028				
STATE OF WISCONSIN				
Industry	2018 Employment	2028 Projected Employment	Employment Change (2018-2028)	Percent Change (2018-2028)
Total All Industries	3,160,935	3,272,861	111,926	3.54%
<i>Goods Producing</i>	643,484	659,966	16,482	2.56%
Natural Resources and Mining	42,676	46,092	3,416	8.00%
Construction	122,293	135,294	13,001	10.63%
Manufacturing	478,515	478,580	65	0.01%
<i>Services Providing</i>	2,365,177	2,453,586	88,409	3.74%
Trade, Transportation, and Utilities	555,753	555,749	-4	0.00%
Information	47,156	48,524	1,368	2.90%
Financial Activities	152,825	156,164	3,339	2.18%
Professional and Business Services	327,663	345,642	17,979	5.49%
Education and Health Services	665,133	712,496	47,363	7.12%
Leisure and Hospitality	288,704	303,565	14,861	5.15%
Other Services (except Government)	158,175	162,135	3,960	2.50%
Government	169,768	169,311	-457	-0.27%
Self-Employed	152,274	159,309	7,035	4.62%

Employment, Population Based

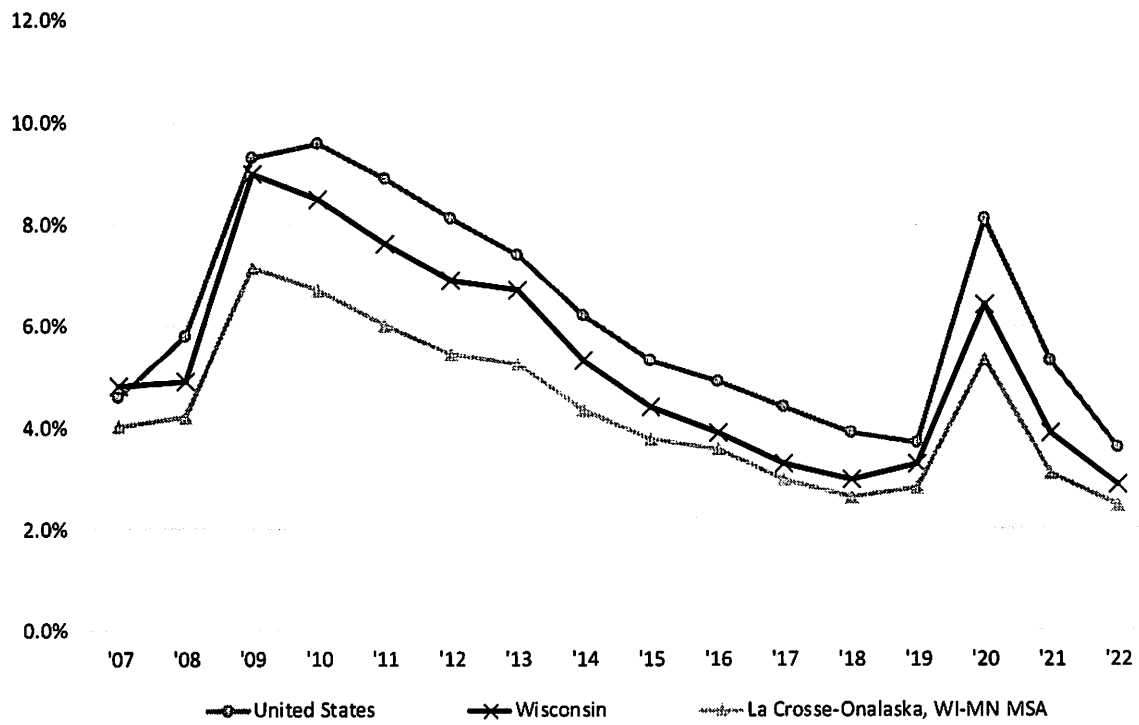
Annual Average Employment - Population-Based

La Crosse-Onalaska, WI-MN MSA

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2005	72,692	69,710	2,982	4.10%
2006	75,071	72,212	2,859	3.81%
2007	75,383	72,345	3,038	4.03%
2008	76,367	73,141	3,226	4.22%
2009	77,170	71,672	5,498	7.12%
2010	76,501	71,381	5,120	6.69%
2011	76,130	71,568	4,562	5.99%
2012	76,939	72,765	4,174	5.43%
2013	77,243	73,196	4,047	5.24%
2014	77,004	73,671	3,333	4.33%
2015	76,973	74,058	2,915	3.79%
2016	77,982	75,192	2,790	3.58%
2017	78,370	76,040	2,330	2.97%
2018	77,453	75,401	2,052	2.65%
2019	76,792	74,608	2,184	2.84%
2020	76,348	72,257	4,091	5.36%
2021	77,020	74,626	2,394	3.11%
2022	75,714	73,845	1,869	2.47%

Source: Bureau of Labor and Statistics

Unemployment, Population-Based Annually 2007-2022
United States, Wisconsin, La Crosse-Onalaska MSA



Source: Bureau of Labor & Statistics

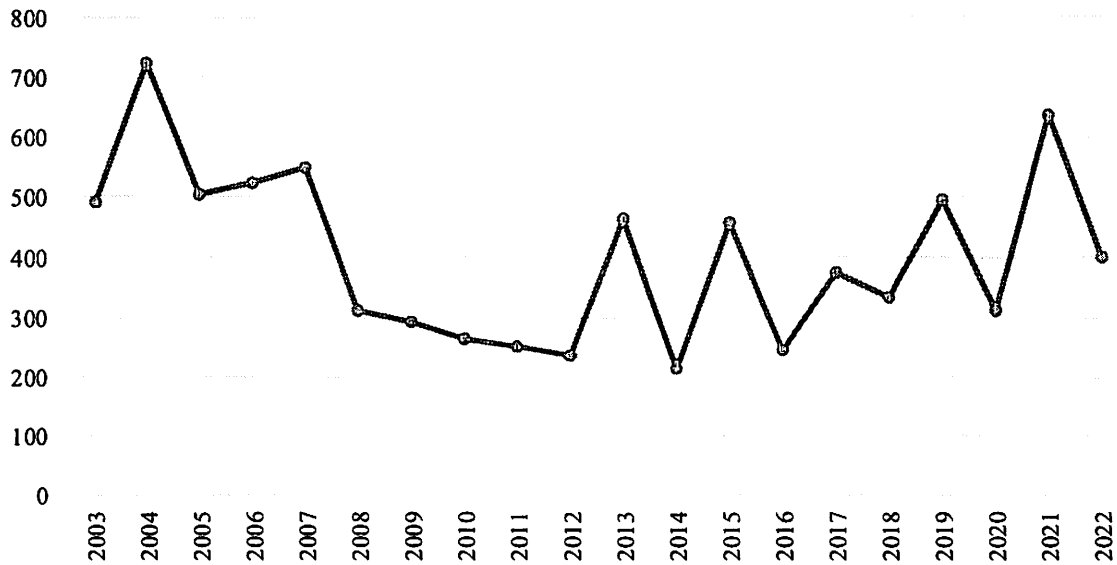
Economic Activity

Annual % Change in Gross Domestic Product			
Year	La Crosse-Onalaska, WI-MN MSA	Wisconsin	United States
2018	1.70%	2.16%	2.97%
2019	1.42%	1.48%	2.47%
2020	-3.75%	-3.21%	-2.21%
2021	2.92%	3.57%	5.80%
2022	-0.23%	0.35%	1.94%
2017-2022	1.94%	4.29%	11.27%

Residential Permits

Total Residential Permits (Living Units) La Crosse-Onalaska, WI-MN MSA					
Year	Total	Single Family	Multi Family	Single Family	Multi Family
2003	491	355	136	72.3%	27.7%
2004	724	465	259	64.2%	35.8%
2005	504	439	65	87.1%	12.9%
2006	522	356	166	68.2%	31.8%
2007	549	361	188	65.8%	34.2%
2008	312	245	67	78.5%	21.5%
2009	292	201	91	68.8%	31.2%
2010	266	196	70	73.7%	26.3%
2011	253	213	40	84.2%	15.8%
2012	235	226	9	96.2%	3.8%
2013	463	283	180	61.1%	38.9%
2014	216	193	23	89.4%	10.6%
2015	457	199	258	43.5%	56.5%
2016	246	224	22	91.1%	8.9%
2017	374	222	152	59.4%	40.6%
2018	334	154	180	46.1%	53.9%
2019	494	182	312	36.8%	63.2%
2020	313	185	128	59.1%	40.9%
2021	637	202	435	31.7%	68.3%
2022	401	212	189	52.9%	47.1%

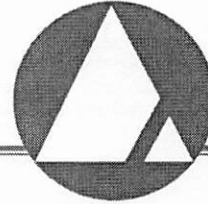
Source: US Census Bureau



Qualifications

LAURENCE G. ALLEN, MAI, CFA

Allen & Associates Appraisal Group, Inc.
 5700 Crooks Road, Suite 202, Troy, Michigan 48098
 (248)433-9630 extension 2, (602)944-2659, Phoenix office
lallen@allenappraisal.com



PROFESSIONAL HISTORY:

- 1991-present President, **Allen & Associates Appraisal Group, Inc.**, a real estate valuation and consulting firm located in Troy, Michigan. Formerly vice president of **Brekan Nava Allen**, a real estate appraisal firm located in Tempe, Arizona
- 1988-1991 National Director of Appraisal and Valuation Services, **BDO Seidman**, an international accounting and consulting firm, in charge of the Detroit office and the national real estate appraisal, machinery & equipment appraisal, business valuation, and hospitality consulting practice.
- 1973-1988 President, **Dean Appraisal Company**, in charge of real estate valuation and counseling assignments.

MAJOR PROJECTS:

Property tax appraisals of **Big Box** stores in Michigan, Indiana, Iowa, Wisconsin, Missouri and Arizona for major retailers including Meijer, Walmart, Target, Kohl's, Lowe's, Home Depot, Cabela's, Bass Pro. Testimony in relevant tax courts in Michigan, Indiana and Iowa. Property tax appraisals of **Regional and Super Regional Malls** located in Michigan, Indiana and Iowa. Property tax appraisal of **Anchor Department Stores** in Michigan and Indiana.

Real estate valuations and feasibility studies for existing and proposed **Hotels** on an individual and portfolio basis for mortgage financing and property tax in Michigan and across the U.S.

Real estate valuations, market studies and rent comparability studies of existing and proposed **Apartment** properties for financing through the Department of Housing and Urban Development (HUD) in Michigan, Indiana and Colorado.

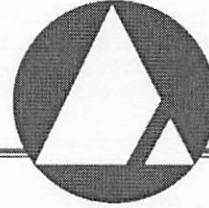
Real estate appraisals and market studies for the acquisition and development of **Manufactured Housing Land Lease Communities** throughout the country.

EDUCATION:

- Linfield College**. BA (Cum laude) - in Psychology with Departmental Honors.
- University of Michigan**. MBA - concentration in Marketing and Finance.
- Institute of Chartered Financial Analyst (CFA)** – Three levels of course work and testing in Economics, Statistics, Financial Accounting and Investment Analysis.
- Appraisal Institute (MAI)** - Courses and Seminars in valuation including, "Investment Analysis", "Urban Properties", "Computer Applications", "Industrial", "Residential Construction", "Syndication", "Troubled Properties", "Rates, Ratios & Reasonableness", "Hotel/Motel", "Retail Properties", "Office Building", "Option Values", "Marshall & Swift Commercial Cost Training", "Green Buildings", "Self-Storage", "Subdivision", "Nursing Home", "Intangible Business Assets", "Troubled Properties", "Highest and Best Use", "Partial Interests", "Environmental Issues", "Challenging Markets", "Medical Office Buildings", "Forecasting Revenue", "Analyzing Operating Expenses", "Convenience Stores", "Real Estate Finance Statistics", "Valuation Modeling", "International Valuation Standards", "Uniform Standards of Professional Appraisal Practice".

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(248)433-9630 extension 2, (602)944-2659, Phoenix office
lallen@allenappraisal.com



PROFESSIONAL LICENSURE / DESIGNATIONS:

Licensed Real Estate Broker, State of Michigan
State Certified Appraiser, Michigan, Indiana, Arizona, Wisconsin, Colorado, Missouri, Iowa
MAI, Member of the Appraisal Institute, President of Michigan Chapter, 1988.
MHM-Master, with Community Investor
CFA, Chartered Financial Analyst with the CFA Institute.

TEACHING EXPERIENCE:

Seminar presentations on the *Allen Investment Survey* of manufactured home landlease communities at **Networking Roundtables** at Amelia Island Resort, Florida, Seaside, Oregon, San Diego, California and San Antonio, Texas.

Guest lecturer on real estate valuation at **University of Michigan** Ross School of Business Administration and the graduate hotel management program at the Eli Broad School of Business at **Michigan State University**.

"Real Estate Appraisal I and II" for the **University of Michigan** and **Oakland Community College**.

EXPERT WITNESS:

Federal Bankruptcy courts in **Detroit, Michigan, Hartford, Connecticut, San Antonio, Texas, Columbus, Ohio and Los Angeles, California, Wayne, Washtenaw and Oakland County Circuit Courts, Michigan Tax Tribunal, Indiana and Iowa Tax Courts.**

PUBLICATIONS:

"Market Testing of Ellwood", **Appraisal Journal**
"Market Testing of Ellwood, Part Two", **Appraisal Journal**
"Single Business Tax: A Factor in the Appraisal of Investment Real Estate", **The Michigan Assessor**.
"Appraising Income Investment Properties for Real Estate Assessment Purposes", **NAPTR**
"True Cash Value for Assessed Purposes in a Land Contract Market", **The Michigan Assessor and Michigan Tax Law**.
"Valuation of a Terminal Grain Elevator", **The Appraisal Journal**.
"Expressway Proximity Damages to Residential Properties", **Right of Way**.
"Amortizing Favorable Financing as an Intangible Asset", **Appraisal Journal** (Notes and Comments).
"Appraising Subsidized Housing for Property Tax Purposes", **Appraisal Journal**.
"Hotel Enterprise Valuation", **The Appraisal Journal**.
"Hotel Valuation Guidelines for the 1990's", **Hospitality Advisors Lodging Commentary**.
"Chapter 5 Estimating Value", **How to Find, Buy and Sell a Manufactured Home Community**, John Wiley & Sons.
"The Allen Investment Survey I – V, **Community Management**, 1996 - 2000.
"Hotel Investment Parameters" **Hospitality Advisors Lodging Commentary**.

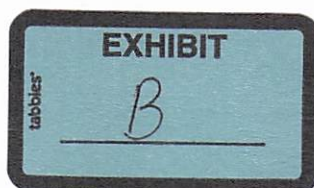
2026

CITY OF LA CROSSE
BOARD OF REVIEW



Appeal by Wal-Mart Real Estate Business Trust
4622 Mormon Coulee Rd
Tax Key #17-50328-076
La Crosse, WI 54601

Report Prepared by Dammon Kroll – State Certified Assessor I, II & III



Introduction

Name: Dammon Kroll

Position: Deputy City Assessor – City of La Crosse Assessors Office (3+ Years)

- I. Certified Assessor I - State of Wisconsin Department of Revenue
- II. Certified Assessor II - State of Wisconsin Department of Revenue
- III. Certified Assessor III – State of Wisconsin Department of Revenue
- IV. Member of WAAO- Wisconsin Association of Assessing Officers
- V. Senior Property Appraiser for the City of Milwaukee Assessors Office (4+ Years)
- VI. Title Insurance Professional (6 Years)

Purpose/Market Value:

The Purpose of the assessment was to determine the market value of the subject property as of January 1, 2026 for assessment purposes in accordance with the State Statutes, the guidelines of the Wisconsin Property Assessment Manual, and the procedures of the Assessor's Office.

Market value is 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.

Determine Market Value of Subject Property:

- A. Highest and Best Use - Commercial Discount Warehouse Store
- B. Land Value = \$3,072,700
- C. Improvement Value= \$8,923,300
- D. Total= \$11,996,000

Subject Description:

-The subject property was built in 2003. A 8,256 square foot addition was constructed in 2023, for an indicated cost of \$10,369,611 per the owner's submitted objection form. The property is largely in average condition.



A. Picture-

- B. Address- 4622 Mormon Coulee Rd
- C. Lot Size- 654,925 SqFt (15.04 AC)
- D. Improvement Size- 198,828 Above Grade SqFt
- E. Building Type - Discount Warehouse Store
- F. Last time inspected- Monday January 5, 2026 (Exterior)

-The Subject property has not recently sold.

-In the absence of a recent arm's length transaction of the subject property, there are three traditional approaches used to arrive at market value: the Sales Comparison Approach, the Income Approach and the Cost Approach.

-Only two recent valid arms-length sales of reasonably comparable, fully occupied properties were found when searching across Wisconsin over a two-year period. Due to the lack of sufficient comparable sales, the market-modified cost approach, as part of our CAMA (computer assisted mass appraisal) system, was most heavily relied upon for this assessment. A limited sales comparison grid is included for reference.

-Conclusion - Based on my training, knowledge, education, experience, and the market-modified cost approach to value, it is my opinion that the market value of the subject property as of January 1, 2026, is -_ \$11,996,000.

Tax key number: 17-50328-076

Property address: 4622 Mormon Coulee Rd

Traffic / water / sanitary: Heavy / City water / Sewer

Legal description: CERTIFIED SURVEY MAP NO. 20 VOL 11 DOC NO. 1362560 LOT 1 EX PRT IN TOWN OF SHELBY & EX PRT DEDICATED FOR R/W ON CSM SUBJ TO ESMT & RESL FOR RD NAME (ASH LANE) IN DOC NO. 1668824 & SUBJ TO AGREE IN DOC NO. 1806682

Summary of Assessment	
Land	\$3072,700
Improvements	\$8,923,300
Total value	\$11,996,000

Qty	Land Use	Width	Depth	Square Feet	Acres	Land		Special Tax Program	Assess Value
						Water Frontage	Tax Class		
1	Commercial	1,000	655	654,925	15.035	None	Commercial		\$3,072,700

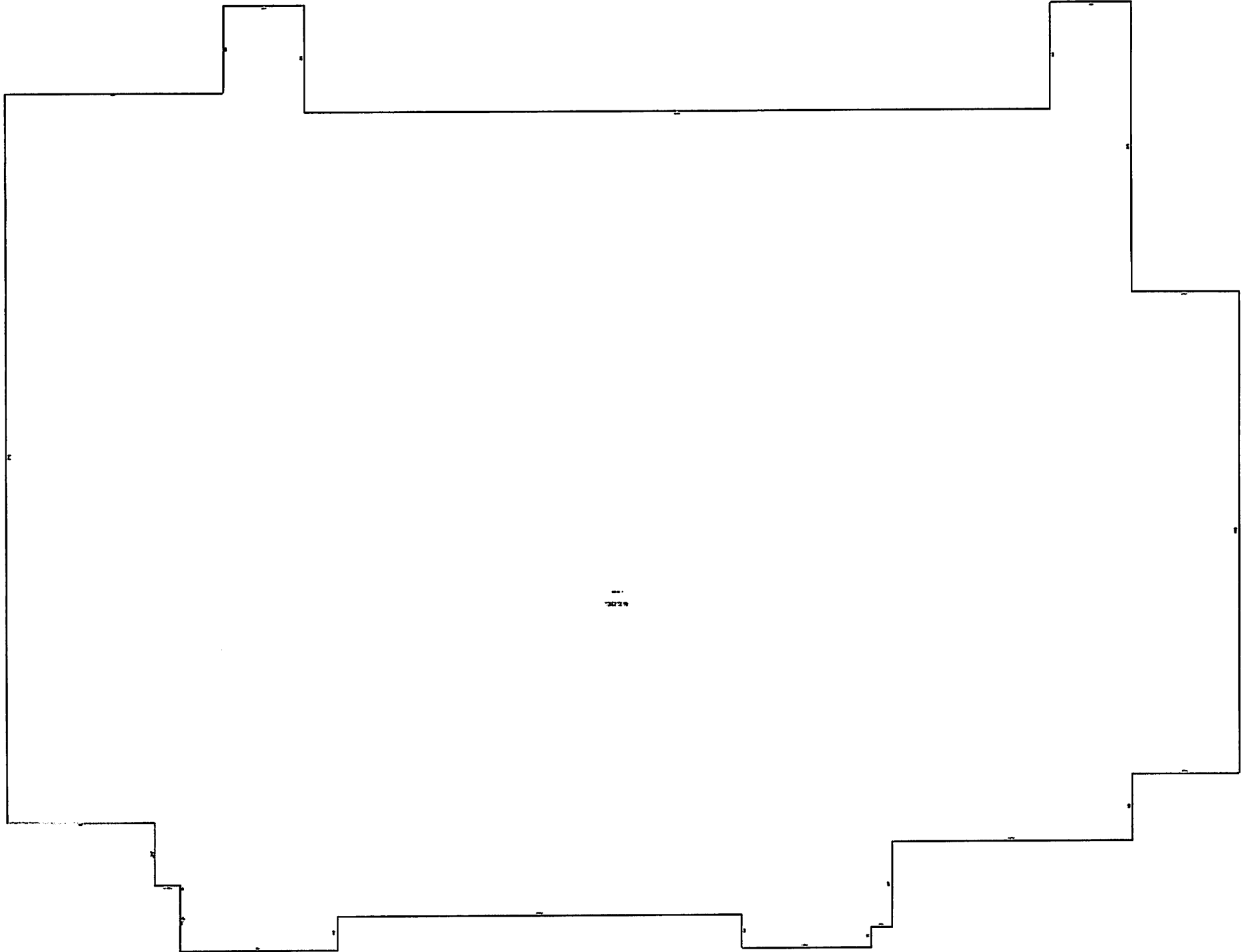
Commercial Building (Walmart)
Assessed value: \$8,599,100

Section name: Section 1
 Year built: 2003
 % complete: 100%
 Stories: 1.00
 Perimeter: 2,048 LF
 Total area: 186,812 SF (all stories)



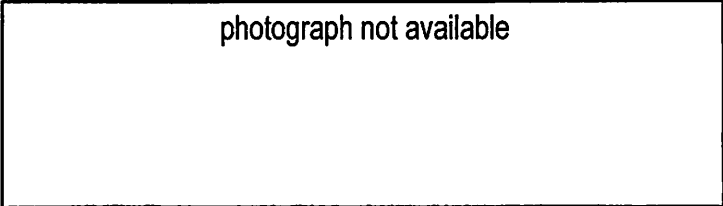
Occupancies	Designed Use	Actual Use	Units	Area per Unit	Construction Class	Avg Ht	Quality	CDU
		Discount warehouse store	Discount store	1	186,812	Masonry bearing walls	22.00	C (AV)

Exterior walls	Component Description		Count	Stops	Area (sf)	Area (%)	Quality
		Concrete Block			186,812	100.0%	C (AV)
HVAC	Package unit			186,812	100.0%	C (AV)	
Fire sprinklers	Wet sprinklers			186,812	100.0%	C (AV)	



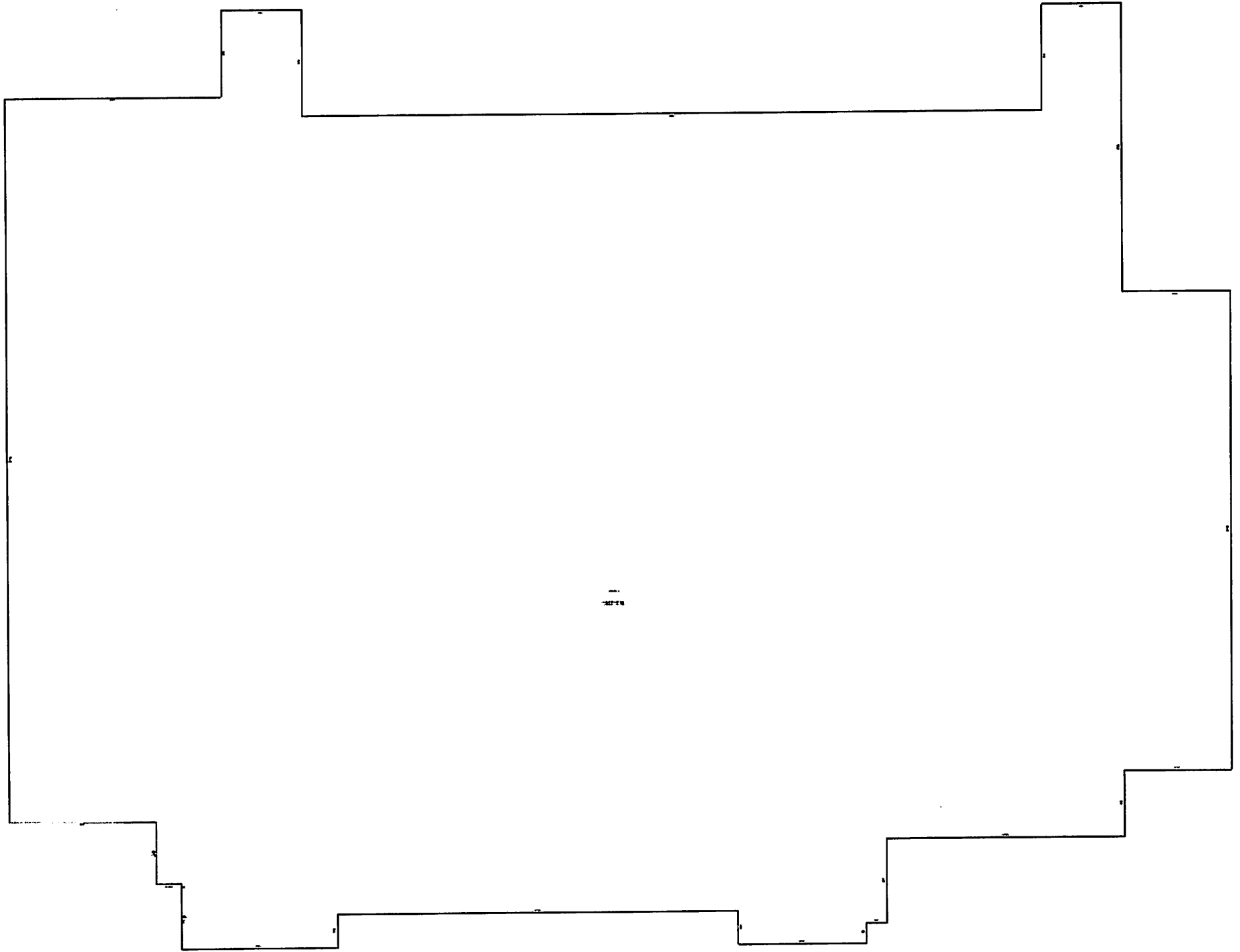
2026

Section name: Section 2 (Greenhouse)
 Year built: 2003
 % complete: 100%
 Stories: 1.00
 Perimeter: 215 LF
 Total area: 3,760 SF (all stories)

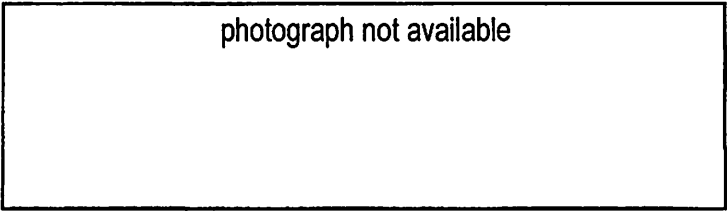


	Designed Use	Actual Use	Units	Area per Unit	Construction Class	Avg Ht	Quality	CDU
Occupancies	Discount warehouse store	Retail, warehouse	1	3,760	Metal frame and walls	14.00	C (AV)	Average

	Component Description	Count	Stops	Area (sf)	Area (%)	Quality
Exterior walls	Single-Metal, Tex Cover on S			3,760	100.0%	C (AV)
HVAC	Radiant space heaters			3,760	100.0%	C (AV)
Fire sprinklers	Wet sprinklers			3,760	100.0%	C (AV)



Section name: Section 3 (2023 add'n)
 Year built: 2023
 % complete: 100%
 Stories: 1.00
 Perimeter: 420 LF
 Total area: 8,256 SF (all stories)



	Designed Use	Actual Use	Units	Area per Unit	Construction Class	Avg Ht	Quality	CDU
Occupancies	Storage warehouse	Warehouse, 5-15% fin office	1	8,256	Masonry bearing walls	22.00	C (AV)	Average

	Component Description	Count	Stops	Area (sf)	Area (%)	Quality
Exterior walls	Concrete Block			8,256	100.0%	C (AV)
HVAC	Space heater			8,256	100.0%	C (AV)
Fire sprinklers	Wet sprinklers			8,256	100.0%	C (AV)

# of identical OBIs:	Other Building Improvement (OBI)		
	Main Structure	Modifications (Type, Size)	Photograph
# of identical OBIs: 1	OBI type: Surface parking lot Const type: Asphalt Year built: 2003 Width: 560 LF Depth: 625 LF Floor area: 350,000 SF	Grade: C Condition: Average % complete: 100% Assessed \$: \$324,200	not available

Building Permits				
Issued	Permit #	Purpose	\$ Amount	Completed
11/13/2025	040206-2025	Alteration	\$50,000	12/31/2025
1/17/2024	029320-2024	Alteration	\$619,397	5/31/2024
9/28/2022	024036-2022	Alteration	\$2,000,000	12/31/2023
9/7/2018	005531-2018	New	\$50,000	12/31/2018
8/20/2018	005321-2018	Alteration	\$20,000	12/31/2018
7/20/2017	SIGN-00506-2017	Sign	\$12,500	1/23/2018
7/11/2017	000060-2017	Bath & pharmacy alterations	\$400,000	11/28/2017
8/27/2009	59947	DEMO	\$0	12/8/2009
8/10/2009	48499	REMODEL	\$65,000	12/8/2009
9/8/2005	TENF2005-5	CHANGE SNACK BAR TO A SUBW	\$90,000	12/1/2005

Sales History		
Date	Price	Type

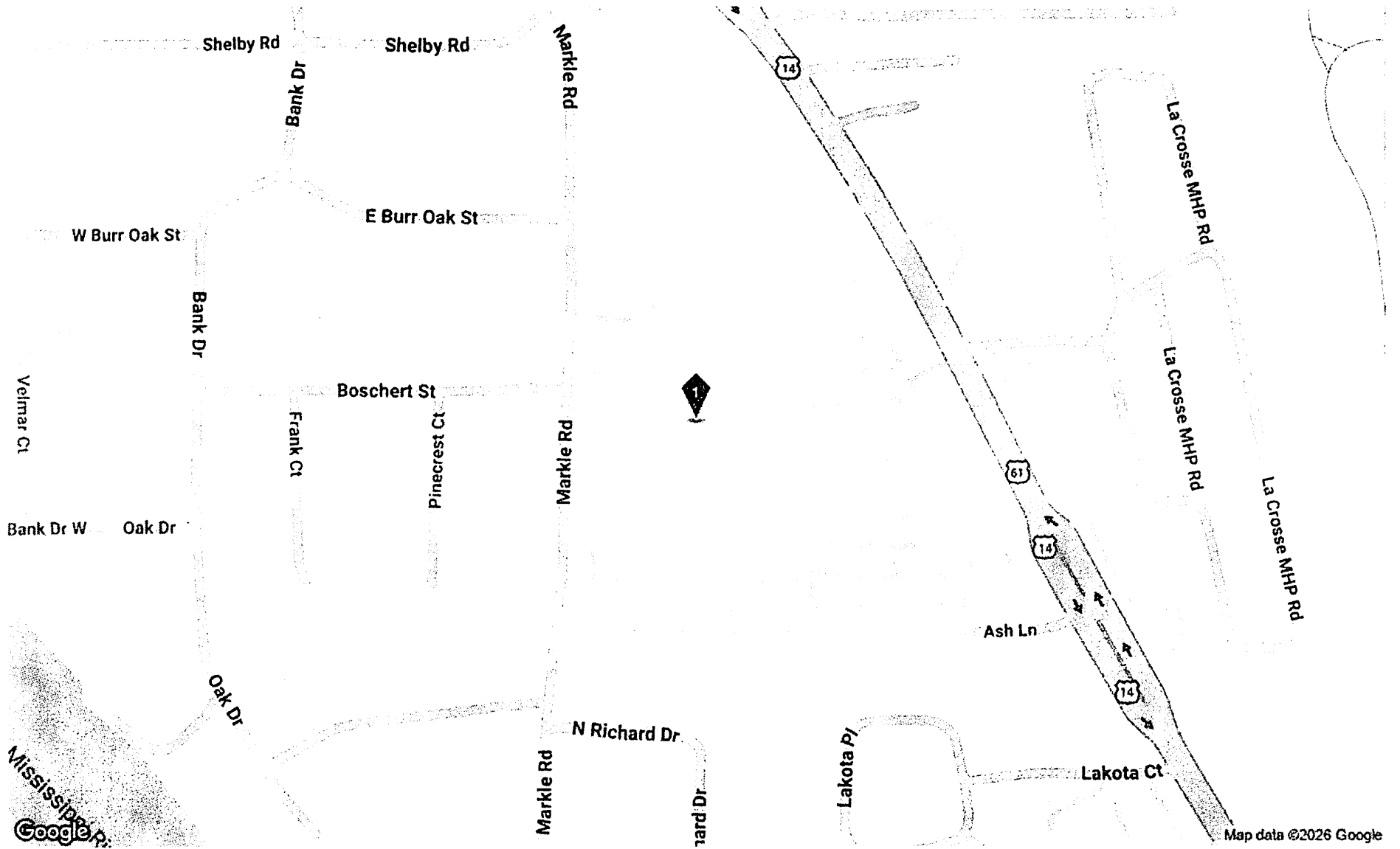


4622 Mormon Coulee Rd - Wal-Mart

La Crosse, Wisconsin 54601 (La Crosse County) - La Crosse/Onalaska Submarket



Retail



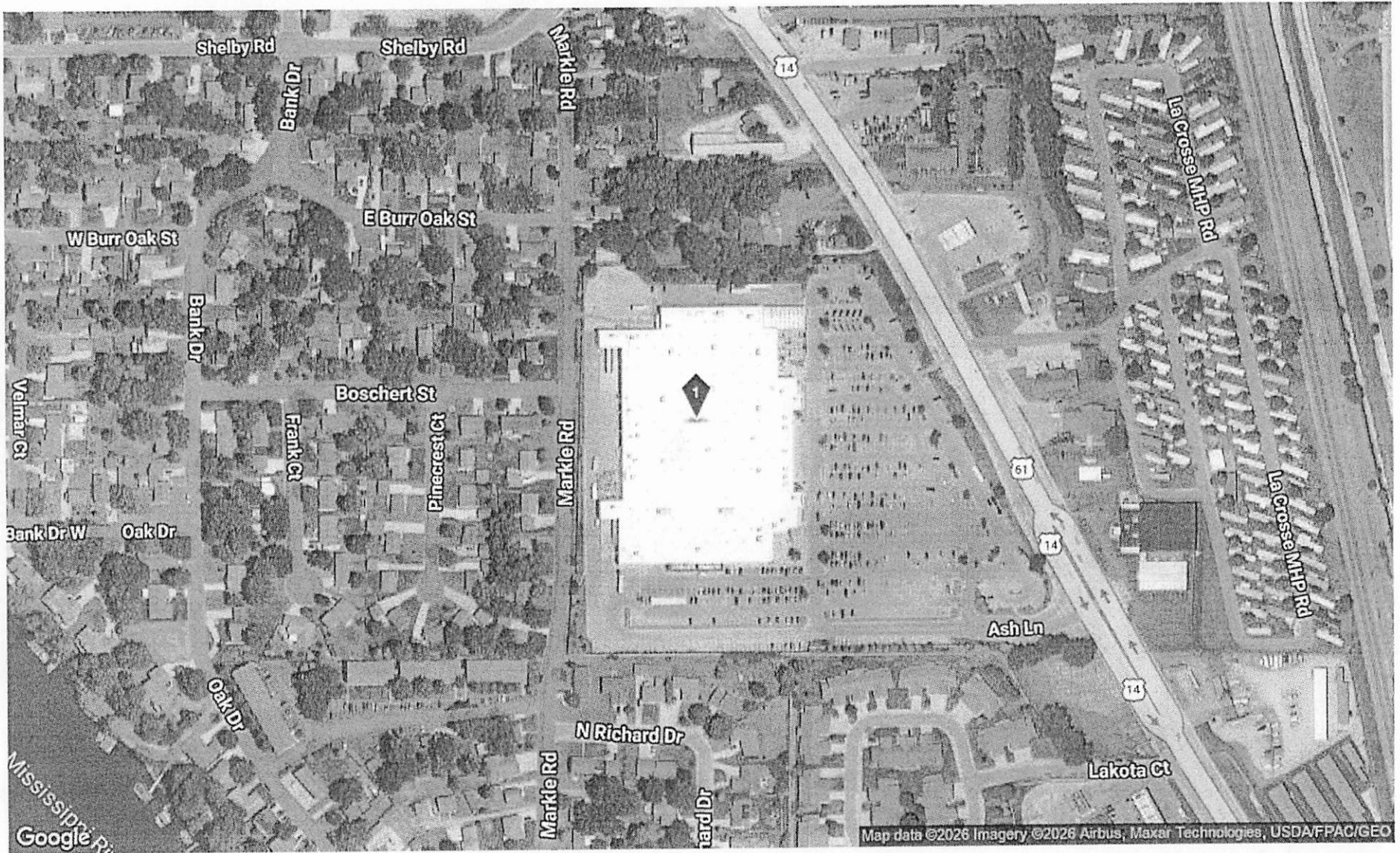
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4622 Mormon Coulee Rd - Wal-Mart

La Crosse, Wisconsin 54601 (La Crosse County) - La Crosse/Onalaska Submarket

★★★★☆

Retail



Sales Comparison Grid

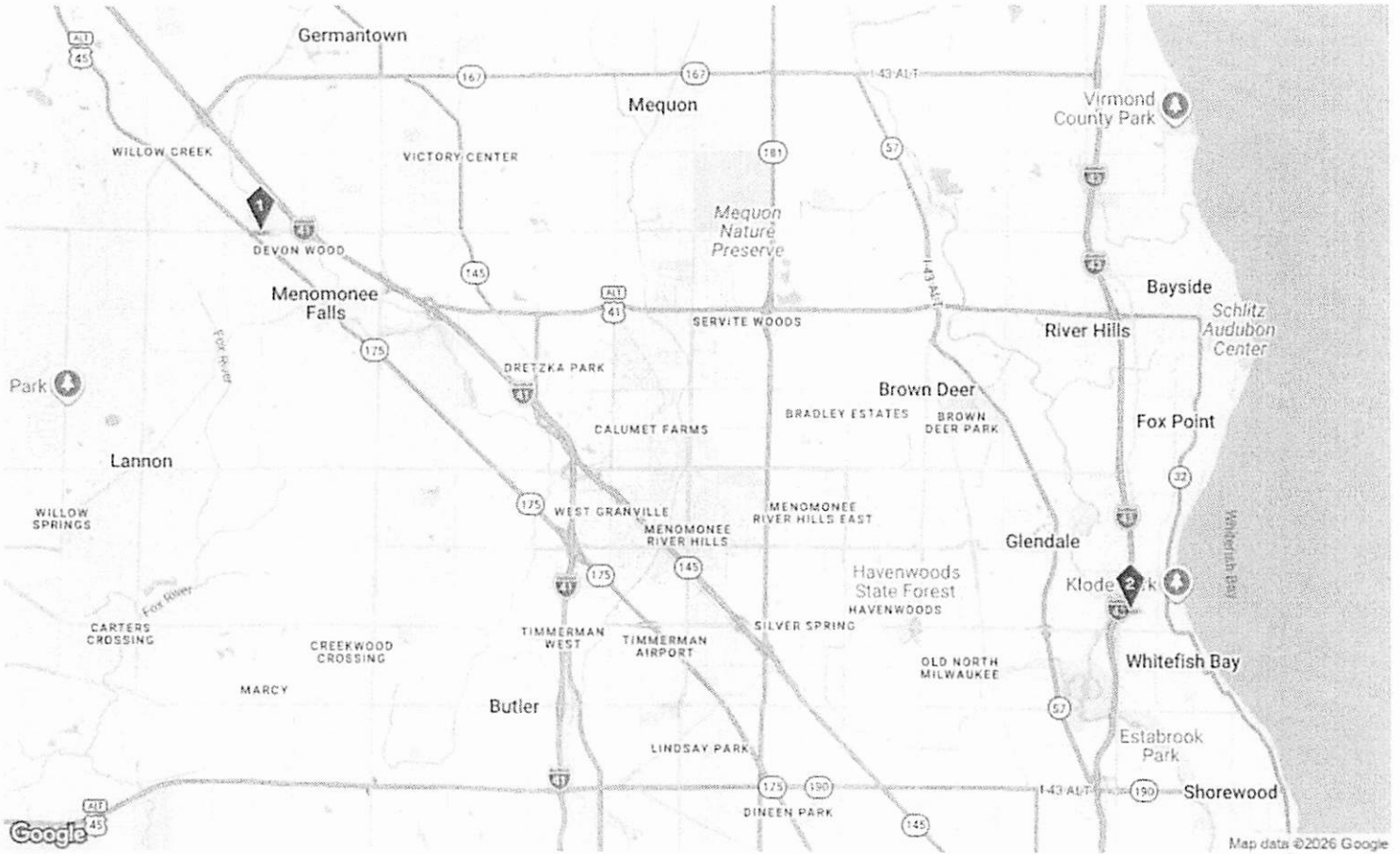
	Subject	Comparable #1	Comparable #2
Location	4622 Mormon Coulee Rd	5701 N Lydell Ave	N95W18000 Appleton Ave
City	La Crosse, WI	Glendale, WI	Menomonie Falls, WI
Date of Sale	-	12/23/2024	9/7/2025
Building Type	Freestanding Retail	Freestanding Retail (Target)	Freestanding Retail (Kohl's)
Sale Price	-	\$12,311,300	\$6,750,000
Square Feet	198,828	128,512	106,514
Year Built	2003	2015	1992
Lot Size	15.59 AC	3.57 AC	8.12 AC
Land-Building Ratio	3.42	1.21	3.32
Sale Price per SqFt	\$60.33	\$95.79	\$63.37

Adjustments	Comparable #1	Comparable #2
Time	3.2%	-
Location	-36%	-13%
Size	-7%	-9%
Year Built	-6%	5.5%
Land to Building Ratio	6.6%	-
Total Adjustments	-39.3%	-16.5%
Adjusted Sale Price Per Sq Ft	\$58.14	\$52.91
Gross Adjustments:	58.8%	27.5%

Average Adjusted Sale Price/SqFt: \$55.53
 Indicated Value: \$11,039,925

Indicated Value Range: \$10,519,989 - \$11,559,860

Sale Comps Map & List



Sale Comps List

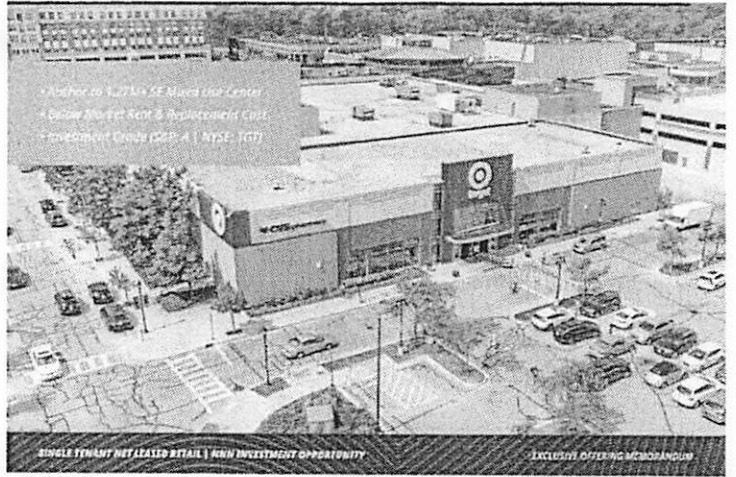
Property Name Address	Type	Built/Renovated	Size (% Leased)	Sale Date	Price	Cap Rate
1 N95W18000 Appleton Ave Menomonee Falls, WI 53051	Retail ★★★★☆	1992	106,514 SF	9/7/2025	\$6,750,000 (\$63.37/SF)	10.19% Actual
2 Target 5701 N Lydell Ave Glendale, WI 53217	Retail ★★★★☆	2015/2021	163,367 SF (100%)	12/23/2024	\$12,300,000 (\$75.29/SF)	-



Sold	9/7/2025
Sale Price	\$6,750,000 (\$63.37/SF)
GLA	106,514 SF
Price Status	Confirmed
Built	1992
Land Area	8.12 AC/353,707 SF
Actual Cap Rate	10.19%
Sale Comp Status	Research Complete
Sale Comp ID	7326203
Parcel Numbers	MNFV-0013-997-008
Sale Conditions	1031 Exchange



Sold	12/23/2024
Sale Price	\$12,300,000 (\$75.29/SF)
GLA (% Leased)	163,367 SF (100%)
Price Status	Full Value
Built/Renovated	2015/2021
Land Area	3.57 AC/155,509 SF
Sale Comp Status	Research Complete
Sale Comp ID	6999034
Parcel Numbers	166-8021-000
Sale Conditions	Investment Triple Net





Property Information

**Parcel Number:**

166-8021-000

Physical Address:W FOUNTAINVIEW DR
, 53209**Municipality:**

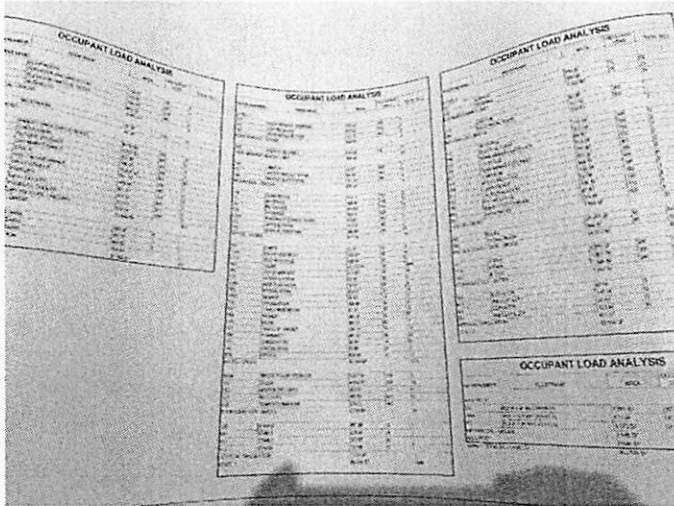
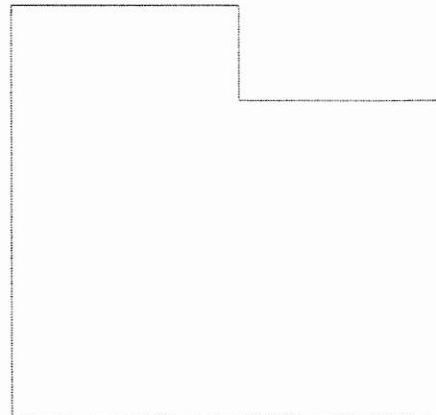
Glendale, City of

Owner Name:Capro NNN I, LLC
P.O. BOX #9456
MINNEAPOLIS, MN 55440**Legal Description:**CERTIFIED SURVEY MAP NO. 9254,
SE 1/4 SEC 29-8-22, LOT 8**Land Use:**

Commercial

Date of Inspection:

4/17/2025

Neighborhood: 10 Neighborhood Name - Glendale**Property Photograph:****Property Sketch:**Bsmt
32,000 sf
1FL
64053 sf
2FL
63500 sf

Parcel Sketch and Site Map obtained from the County GIS

Commercial Building #: 166-8021-000-1-1

Commercial Building Class: B-Commercial Commercial Occupancy: 412-Shopping Center, Nghbrhd Commercial Framing: D5-Wood Good Building Section: 1 Height: 18 Stories:		Basement Total Area: 0 Component Total Area: 0 Improvement Total Area: 0 Building Area: 128,512 Condition: Average Grade: C		Year Built: 1/1/2015 Effective Year Built: 1/1/2015 Total Units: One Bedroom: Two Bedroom: Three Bedroom:	
Permit / Construction History:					
<u>Date of Permit:</u>	<u>Permit Number:</u>	<u>Permit Amount:</u>	<u>Details of Permit:</u>		
7/30/2020	PE20-0235	\$5,000	relocate traffic signal servi		
Ownership / Sales History:					
<u>Date of Sale:</u>	<u>Sale Document:</u>	<u>Purchase Amount:</u>	<u>Sale Validity:</u>	<u>Conveyance Type:</u>	<u>Sale Type:</u>
12/19/2024	11473917	\$12,311,227	Valid	W/C D - Warrant/Condo Deed	Land and Improvements
Land Data - Land Item: 1					
Land Class: B-Commercial Pricing / Unit of Measure: Gross Square Footage: 155,422 Depth: 0 Land Value: \$4,820,400			Land Sub-Class: B-Commercial Primary Site Acreage: 3.568 Frontage: Width:		
Total Improvement Value:					\$5,104,600
Total Land Value:					\$4,820,400
Total Assessed Value:					\$9,925,000

Dammon Kroll

Deputy City Assessor

Work Experience

City of La Crosse

Assessor's Office

Property Appraiser/Deputy Assessor

Jan. 2023 – Present

New Castle Title of La Crosse

Searcher/Examiner

Nov. 2016 – Dec. 2022

City of Milwaukee

Assessor's Office

Senior Property Appraiser/
Property Appraiser

May 2012 – Nov. 2016

Nonprofit Center of Milwaukee

GIS Intern

Jan. 2012 – May 2012

Assessor | City of La Crosse

3rd Floor City Hall

400 La Crosse Street

La Crosse, WI 54601

Phone: (608) 789-7525

Email: assessor@cityoflacrosse.org

Education

Graduate Certificate, GIS

University of Wisconsin – Milwaukee (Fall 2010–Spring 2012)

Bachelor of Science

Major: Geography – Geographic Information Systems Concentration

University of Wisconsin – La Crosse (May 2009)

Certificates / Licenses

Wisconsin Certified Assessor, Level 1, No. WI94588CA

Wisconsin Certified Assessor, Level 2, No. WI94588CA

Wisconsin Certified Assessor, Level 3, No. WI94588CA

Memberships

Wisconsin Association of Assessing Officers (WAAO)

Job Related Training

IAAO Course 311 – Real Property Modeling Concepts

Marshall & Swift Commercial Cost Approach (Online)

Introduction to Mass Appraisal (WCTC)

IAAO Course 112 – Income to Approach to Valuation II

IAAO Forum 931 – Reading and Understanding Leases

IAAO Forum 917 – How to Critique an Appraisal

Assessment of Commercial Properties (WCTC)

Wisconsin Assessment Law (WCTC)

Introduction to Property Assessment (WCTC)