



Listing Proposal

1118 North 4th Street, Milwaukee, Wis.

April 25, 2014

Prepared by:

David J. Buckley
James T. Barry III, J.D., CCIM

Cassidy Turley Barry
1232 N Edison Street
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TO: Ms. Elaine (Bunkie) Miller
City of Milwaukee
Department of City Development
809 N. Broadway
Milwaukee, WI 53202-3617

FROM: David J. Buckley
James T. Barry III, J.D., CCIM

DATE: April 25, 2014

RE: 1118 N. 4th St., Milwaukee, WI

Thank you for the opportunity to discuss Cassidy Turley Barry's potential involvement in marketing the commercial space at 1118 N. 4th Street.

The purpose of this proposal is to give you our thoughts on pricing the subject property for "[sale/lease]", to set forth a summary of our marketing plan for the property, to let you know why Cassidy Turley Barry is the best qualified real estate firm for this assignment, and to discuss the terms of our engagement. We have also included several supplementary materials that we encourage you to review.

Pricing Opinion

Property Description

Location

1118 N. 4th St.
Milwaukee, WI 53203

General Description

A former restaurant space consisting of ±8,407 square feet of ground floor space and a basement area of ±3,000 square feet.

Tax Valuation – As of 01/01/2014

Land Assessment.....	\$ _____
Building Assessment.....	\$ _____
Total Assessment.....	\$ _____
Common Level of Assessment..	_____ %
Estimated Fair Market Value.....	\$ _____
2013 Property Taxes.....	\$ _____

This property is currently tax-exempt.

Definition of Value

The most probable price in terms of money or any acceptable “value in exchange” which the property should attain in a competitive, open and active market under those conditions requisite to a fair sale without unusual, unique or undue stimulus and with both buyer and seller acting knowledgeably and prudently.

It is recommended that an environmental audit be contracted for the facility as soon as possible. Environmental problems are affecting real estate nationwide; consequently, it is important to determine the extent of any and all contamination at the earliest stages of facility disposition. The values that will follow are based on an environmentally “clean” facility.

Approaches to Value

The conventional, traditional and acceptable approaches to assigning value to real property are:

- Replacement Cost Approach
- Income Approach
- Market Value (Comparable) Approach

Weighing the Approaches

- The cost approach is not applicable to older or special purpose properties. It is too subjective. Given the nature of the property being part of a large parking structure, this approach will not be used in this pricing opinion.
- The State of Wisconsin compels its assessors to give the “market” approach the greatest weight.
- The income approach relies upon the market approach for its foundation.
- In the marketplace itself buyers & sellers and landlords & tenants are most interested in the market approach.
- Usually there is sufficient evidence available in a market search upon which to provide a foundation for an opinion of value to be rendered.

Income Approach

The income approach is based on the present value of the future benefits of ownership. The future benefit is the net operating income an informed investor can assume the property will produce over its remaining economic life. This approach converts anticipated benefits (dollar income or amenities), which will be derived from the ownership of property into a value estimate. The income approach typically is applied in appraising income-producing properties. Anticipated future cash inflow or outflows are discounted to a present worth figure using a capitalization rate based upon reliable market indicators and comparable properties.

Estimation of Value

Income Potential

Office Area ¹	8,407 sq ft	x	\$12.00 per sq ft	\$100,884
Warehouse Area	3,000 sq ft	x	\$3.50 per sq ft	\$10,500
			Total Net Income Potential	\$111,384
			Less Vacancy and Credit Loss of 20%	(\$22,277)
			Effective Net Income Potential	\$89,107

Rate of Capitalization 10%

$\$89,107 \div 10\%$

Total Value	\$891,070
Total Value (Rounded)	\$891,100

¹ The rate utilized for the office area will be on an "as is" basis. The tenant would be responsible for the costs of demolition and reconfiguring the space for their needs.

Market Approach

The market approach to value is determined by comparing the subject property to similar properties that have been sold or offered for sale. Adjustments are made for differences in date of sale, age, condition, size, location, land/building ratio, local tax policies, and other physical characteristics and circumstances influencing the sale. The adjusted values of those sales considered most comparable (based on physical appearance and condition) establish a range of values for the subject property.

Comparable Properties Presently Available for Sale

<i>Location</i>	<i>Size</i>	<i>Price</i>	<i>Price/Sq Ft</i>
315 W. Court St., Milwaukee	22,500	\$800,000	\$35.56
1849 N. Martin Luther King Dr., Milwaukee	17,832	\$800,000	\$44.86
1109-1111 N. Old World 3 rd St., Milwaukee	6,750	\$775,000	\$114.81
1023-1027 N. Old World 3 rd St., Milwaukee	16,103	\$1,225,000	\$76.07
1737 N. Palmer St., Milwaukee	13,428	\$625,000	\$46.54
1818-1830 N. Martin Luther King Dr., Milwaukee	14,901	\$625,000	\$41.91
1817-1819 N. Martin Luther King Dr., Milwaukee	4,920	\$498,900	\$101.40
107-115 E. Wells St., Milwaukee	13,106	\$750,000	\$52.38

Comparable Properties Recently Transferred

<i>Location</i>	<i>Size (sq. ft.)</i>	<i>Price</i>	<i>Price/Sq Ft</i>
520 W. McKinley Ave., Milwaukee	17,402	\$850,000	\$48.84
1023 N. Old World 3 rd St., Milwaukee	8,236	\$525,000	\$63.74
300-318 W. Juneau Ave., Milwaukee	28,160	\$774,000/ \$769,000	\$27.49/ \$27.31
518 W. Cherry St., Milwaukee	9,900	\$525,000	\$53.03
1322-1324 N. 8 th St., Milwaukee	10,000	\$555,000	\$55.50
1311 N. 6 th St., Milwaukee	67,500	\$1,254,000	\$18.58
1310 N. 6 th St., Milwaukee	9,020	\$500,000	\$55.43
1005-1007 N. Old World 3 rd St., Milwaukee	5,400	\$595,000	\$99.24

Comparable Properties Presently Available for Lease

<i>Location</i>	<i>Size (sq. ft.)</i>	<i>Lease Rate</i>	<i>Lease Type</i>
525 N. 6 th St., Milwaukee	8,000	\$10.00	Gross
1322-1324 N. 8 th St., Milwaukee	10,000	\$12.00	Net
11 th & Juneau, Milwaukee	9,000	\$14.00-\$16.00	Net
205 W. Highland Ave., Milwaukee	7,744	\$12.50-\$15.50	Mod. Gross
1037 W. McKinley Ave., Milwaukee	4,584-13,752	\$15.00	NNN
747 N. Broadway, Milwaukee	5,735	\$15.00	NNN
200-208 W. Wisconsin Ave., Milwaukee	6,696	\$15.00	NNN
633 W. Wisconsin Ave., Milwaukee	10,400	\$12.50-\$14.00	Plus Electric

Comparable Properties Presently Available for Lease, continued

<i>Location</i>	<i>Size (sq. ft.)</i>	<i>Lease Rate</i>	<i>Lease Type</i>
310 W. Wisconsin Ave., Milwaukee	11,110	\$16.50	Mod. Gross
301 W. Wisconsin Ave., Milwaukee	6,860	\$13.00	Mod. Gross
230 W. Wells St., Milwaukee	5,200	\$7.02	Mod. Gross
135 W. Wells St., Milwaukee	6,194	\$12.75	Mod. Gross
440 W. Vliet St., Milwaukee	6,000	\$14.00	Mod. Gross
1104-1110 N. Old World 3 rd St., Milwaukee	8,100	\$16.50-\$18.00	Mod. Gross
700 W. Michigan Ave., Milwaukee	4,474	\$10.00-\$14.50	Mod. Gross

Comparable Properties Recently Leased

<i>Location</i>	<i>Size (sq. ft.)</i>	<i>Lease Term</i>	<i>Lease Rate</i>	<i>Lease Type</i>
Schlitz Park, Milwaukee	N/A	7 years	\$10.25	NNN
Schlitz Park, Milwaukee	23,350	7 years	\$10.50	NNN
The Brewery, Milwaukee	2,066	N/A	\$17.00	Mod. Gross
The Brewery, Milwaukee	9,315	N/A	\$17.50	Mod. Gross
Third Ward, Milwaukee	10,000	10 years	\$17.50	FSG

Estimation of Value

An analysis of recent comparable sales, adjusting in accordance with the conditions above, would indicate a value of \$70.00 per sq. ft. assuming a building as a condominium unit.

11,407 sq ft	x	\$70.00 per sq ft	
		Total Value	\$798,490
		Total Value (Rounded)	\$800,000

Pricing Opinion Summary

Estimated Values

Income Estimate	\$891,100
Market Estimate	\$800,000

<i>Average</i>	\$845,550
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Conclusion

Recommended Asking Price \$900,000

Selling Range (Ideal User)	\$825,000 to \$900,000
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Selling Range (Most Likely User)	\$725,000 to \$825,000
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Selling Range (Investor)	\$650,000 to \$725,000
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Recommended Asking Lease Rate \$14.00 per square foot NNN

The above information is an estimate based upon the writer's general knowledge of the commercial/industrial real estate market and represents only the writer's opinion of an appropriate asking price for the property. This document is not an appraisal and no warranty or representation is made regarding the accuracy of the estimates contained herein.

Prepared by: Cassidy Turley Barry
1232 N Edison Street
Milwaukee, WI 53202-2502

Date: April 25, 2014

Preliminary Marketing Plan

The following is our preliminary marketing plan for the sale or lease of the Highland Garage commercial space property. Our primary objective in implementing this marketing plan is to "[sell/lease]" the property at the highest price possible within a reasonable time frame based upon the current market, the status of the property and the motivation of ownership. This means procuring offers; negotiating aggressively, yet professionally, on your behalf; placing the property under contract, and closing the sale. How we intend to do this is outlined below:

Goals

1. **Develop a realistic picture** of the property's strengths and weaknesses in order to determine its key "selling points" by physical inspection of the property.
2. **Identify specific prospects**, primarily through contacts, advertising, on-going research, and discussions among brokers in our office and throughout our Cassidy Turley affiliates. Determine, promptly after inspection, what prospects we can name.
3. **Develop a complete advertising program** to maximize the exposure, visibility, features, and availability of the property.
4. **Expose the property to the brokerage community and other parties** who may have relationships with prospects via direct communication.
5. **Present and show the property** to prospects in order to induce the prospects to make an offer. As often as possible, this is preceded by a physical inspection of the premises intended to be vacated. *By using this strategy on behalf of our principal we learn things about the present and intended uses so we can adapt these into our sales platform while showing subject to this prospect. We consider it critical to conduct this inspection with the decision maker.*
5. **Successfully negotiate and close the transaction.**

Implementation of Goals

1. Marketing Team

David Buckley and Jim Barry III will implement our marketing plan. In cooperation with our other brokers, staff, and our Cassidy Turley, CCIM, CRE and SIOR affiliates, they will identify prospects, make presentations and showings, oversee all advertising, conduct brainstorming sessions and enter into face-to-face negotiations with serious prospects.

David will be your primary contact at Cassidy Turley Barry for this transaction and you should feel free to contact him at any time.

Jim Barry III, an attorney and president of Cassidy Turley Barry, assists David in putting together marketing presentations and in the development and implementation of negotiations and closing strategies. All other brokers in our office will also be involved in seeking prospects for the building.

2. Property Analysis

Using our extensive market knowledge, as well as other appropriate sources, we will prepare a detailed property analysis. We will use this analysis to prepare a concise summary of the property's marketable features for prospects and to assist in our marketing efforts. The analysis will be based upon such things as the property's location, its adaptability to other uses, and its appeal to office and commercial users as well as other users.

3. Prospect Identification

Potential prospects for the property will be identified on a local, state, regional, and national level. Such prospects will include, but not be limited to, the following:

- Tenants with businesses that may wish to relocate
- Firms with split operations
- Expanding firms that have outgrown or are close to outgrowing their available space
- Firms that are undergoing major management or policy changes
- Firms which have recently been involved in merger or acquisition
- Firms desiring to move closer to the Westown market
- Neighboring firms, particularly those adjacent to the property
- Developers and investors - often they have tenants needing different space requirements
- Executives and real estate managers of local, state, and national real estate users and realtors
- Other brokers (soliciting their cooperation). Familiarization by means of an information sheet, mailings, and possibly a broker open house
- Offices of vendors to the BMO Harris Bradley Center wishing to be close to the facility
- Prospects available through the Wisconsin Manufacturers Association
- Prospects available through the Milwaukee Economic Development Corporation
- Investors seeking property pursuant to a Section 1031 tax free exchange
- Prospects available through the Wisconsin Department of Development
- Prospects developed for alternate uses of subject
- National restaurant entities that can support a facility of this size
- Other contacts of Cassidy Turley Barry.

In our opinion, a successful marketing plan for this property should include exposing the property to the regional and national real estate markets, as well as a strong local marketing effort. Through Cassidy Turley, we have access to one of the largest commercial real estate networks in the world, with a proven record of success in the sale and lease of buildings similar to the Highland Garage commercial property.

4. Brochure

We will create a color brochure designed to stimulate interest in the property. This brochure will be mailed using established, proprietary mailing lists which include the names of local, state, national and international users, investors, brokers, financial institutions, attorneys, accountants, management consultants and other contacts; as well as our Cassidy Turley, SIOR, CCIM, and CRE affiliates.

5. Internet Marketing

Your property will be featured in the online versions of appropriate local periodicals, such as the *Milwaukee Journal Sentinel*, *BizTimes* and *The Business Journal of Metro-Milwaukee*. The property will also be featured on an extensive array of online property listing databases and websites such as:

- cassidyturley.com
- ccimnet.com
- choosemilwaukee.com
- costar.com
- craigslist.com (if ownership so desires)
- futurewisconsin.com
- locateinwisconsin.com
- loopnet.com
- xceligent.com

6. Signage

Our marketing plan will include erecting appropriate signs on the property. Our signs use the nationally recognizable color scheme developed by Cassidy Turley that has been professionally designed to be tasteful, but eye-catching. We will ensure that our signs are placed on the property in a manner that gives the property maximum exposure. Although we believe this is an important component of a successful marketing plan, we are sensitive to our client's image and are open to discussion regarding this matter.

7. Brokerage Cooperation

Cooperation with other brokers is always an important part of our marketing program. Implementation of our brokerage cooperation program will involve at least the following steps:

- A property information sheet and brochure will be e-mailed to each of the area office, commercial and hospitality brokers as well as to selected brokers at each of our Cassidy Turley, CCIM and SIOR affiliates.
- The owners and the top producers of designated firms will be called and invited to a private tour at their convenience.
- Your property will also be featured on the Commercial Association of Realtors—Wisconsin (CARW) multiple listing database – Xceligent as well as the national property listing databases – CoStar and LoopNet, which are primarily used by the brokerage community.

8. Presentations to Potential Buyers and Tenants

This is the most important part of our marketing plan. After using the above techniques to stimulate interest in serious prospects we submit the property to such prospects at a face-to-face presentation. The purpose of this presentation is to persuade the prospect that the property meets its needs and to induce the prospect to make an offer.

9. Negotiating and Closing the Deal

Our marketing plan begins when the property is listed and does not end until the transaction is closed. In today's real estate climate, being able to successfully negotiate and close a transaction is an essential part of a successful marketing plan. We are uniquely equipped, both in creativity and experience, to successfully negotiate and close your transaction.

The philosophy of our firm is to have fewer, more experienced brokers than our competitors. Because the majority of our staff has already proven themselves in other fields such as law, accounting, banking, sales, architecture, and construction management and because of our extensive experience in the real estate business, we understand *all* aspects of a transaction and can bring our collective experience to bear on yours. Where appropriate, we can call upon our extensive contacts in the construction, title insurance, finance, environmental consulting and other industries for assistance.

Both Jim Barry, Jr. and Jim Barry III routinely act as troubleshooters in assisting with negotiations and moving a deal toward closing. Many times, the key to getting a transaction closed is knowing whom to call and getting through to that person. Jim Barry, Jr.'s fifty years of experience at the leading edge of the commercial brokerage business enables him to succeed in such calls.

10. Reporting

At regular intervals, we will submit reports to you covering all activity on the property. All current prospects will be discussed and their status explained. Copies of all promotional material will be supplied. Such reports can be made in written or oral form and as frequently as you desire.

11. Follow-up

Once a prospect has been identified, we will continue our contacts with that prospect until your transaction is closed or the prospect has left the market.

Why Cassidy Turley Barry?

Founded in 1921 as The James T. Barry Company, Cassidy Turley Barry has had a long history of success in the industrial, office, commercial, and investment real estate markets. When you engage Cassidy Turley Barry, you can count on receiving the highest level of professional services for the following reasons:

Proven Record of Success

Cassidy Turley Barry has leased and sold countless commercial properties in Wisconsin and has been a leading presence in southeastern Wisconsin's industrial real estate market for more than nine decades. This means that we have already had contact with and are on a first name basis with many of the potential prospects for your property. In addition, companies looking for space are often referred to our company by their attorneys, accountants, management consultants and other advisers.

Award Winning Real Estate Services

Cassidy Turley Barry is consistently recognized as a market leader. The firm has been repeatedly recognized by the Milwaukee Business Journal, Wisconsin Corporate Reports and BizTimes Milwaukee as one of the most well-known and respected commercial real estate firms in Wisconsin.

Cassidy Turley Barry has twice received SIOR's prestigious Most Ingenious Inter-City Transaction award and has been the recipient of the Commercial Association of Realtors – Wisconsin (CARW) "Deal of the Year" award 11 times, given yearly to the transaction that shows the greatest amount of skill, dedication, and experience. Most recently, Cassidy Turley Barry was awarded the 2012 Industrial Deal of the Year award for its involvement in the sale of a 165,000 square foot industrial facility in Milwaukee to Bridge Logistics. Cassidy Turley Barry also received similar awards in 2008, 2009, 2010 and 2011.

In 2011, Cassidy Turley Barry was awarded the First Place Best Deal/Lease of the Year by the Milwaukee Business Journal for the sale of a 323,000 square foot industrial facility in Mount Pleasant, Wis. to Seda International Packing for its North American Headquarters. The company won the same award in 2010 for representing Bemis Manufacturing Company in the sale of its 175,000 square foot Menomonee Falls, Wis. facility to Towne Investments and in 2009 for the sale of 54 acres in Menomonee Falls, Wis. to First Industrial and the structuring of a 388,000 square foot build-to-suit distribution center lease to Quad/Graphics.

Cassidy Turley

Cassidy Turley Barry is the only Wisconsin member of Cassidy Turley, one of the nation's largest commercial real estate service providers. Collectively, the Cassidy Turley firms have over 4,800 professionals in more than 60 offices nationwide, which generated over \$25.8 billion worth of transactions in 2013. Through its team of experienced service professionals, Cassidy Turley focuses on the needs of its clients, offering end-to-end services delivered across a full spectrum of commercial real estate. Being a part of Cassidy Turley gives us access to contacts, information, prospect referrals and advice from leading brokerage firms around the world. In identifying investors, large users and out-of-state real estate concerns, our Cassidy Turley connection is invaluable.

CCIM, CRE, SIOR

Cassidy Turley Barry's connections are complemented by its affiliations with the Certified Commercial Investment Members (CCIM) - the CPA of commercial real estate, the Counselors of Real Estate (CRE) - by invitation only, and the Society of Industrial and Office Realtors (SIOR). In fact, Cassidy Turley Barry is the one of only two Wisconsin real estate firms to have active affiliations with all three groups and has a higher percentage of brokers



with CCIM, CRE, and SIOR designations that any other major Wisconsin commercial brokerage company. CCIM, CRE and SIOR give Cassidy Turley Barry access to a national network of prospects, referrals and experience in a wide variety of commercial real estate markets.

Time and again, Cassidy Turley Barry has used these connections for the benefit of its clients. Cassidy Turley Barry currently has six CCIM brokers, a CRE member and five SIOR members (more than any other firm in the metro-Milwaukee area), including the current president of the Wisconsin Chapter of SIOR.

Our affiliations with CCIM, CRE and SIOR, combined with our affiliation with Cassidy Turley, puts us in the strongest position of any Milwaukee firm to procure an out-of-state buyer for your property.

Performance in Successfully Concluding Transactions

Historically, Cassidy Turley Barry has successfully concluded the vast majority of all listings it has held on an exclusive basis. Our closing percentage compared to other commercial brokerage firms in our area is the highest and best. When we are not the initial broker selected, we almost always are the second, and, when this occurs, our closing percentage approaches 100%. Although the majority of our listed properties are sold or leased by brokers in our office, we invite cooperation from other brokers.

Market Knowledge

Our brokers and support staff are constantly accumulating and updating the most extensive and accurate commercial real estate market information available in the Southeastern Wisconsin area. This information allows us to better identify prospects for your property and gives us the knowledge necessary to negotiate the best deal on your behalf as well as see your deal through to a successful closing.

Team Work

Our brokers appreciate the "team" approach and use it extensively and successfully. Our weekly brokers' meeting is devoted to an exchange of information regarding prospects and strategies for listed properties. In addition, our brokers inspect all our listings, attend open houses and discuss potential prospects with one another on a continual basis. Our marketing and support staff work with our brokers to sell or lease properties by preparing property information sheets and brochures, arranging open houses, coordinating signage and advertising and fielding inquiries. In our experience, this "team" approach is a key component of a successful marketing effort.

Terms of Engagement

Proposed Commission

Sales Commission

Six Percent (6%) of the purchase price

Lease Commission

Eight Percent (8%) of the first year's rent
plus
Three Percent (3%) of all rent thereafter

Listing Term

Twelve (12) Months

Again, we appreciate the opportunity to make this presentation. You have a fine property and we are confident that we can sell or lease it for you at the highest possible price. Please do not hesitate to contact us if you have any questions regarding the contents of our proposal. Thank you for your consideration.