

November 14, 2022

KJJ Real Estate LLC  
Attn.: Mr. Jim Poulsen  
2745 Chicory Road  
Racine, WI 53403

Re: Chicory Road Wet Weather Basin Project – Parcel 2745  
Premier Products Building  
2745 Chicory Road  
Mount Pleasant, Racine County, WI 53403

Dear Mr. Poulsen:

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

The subject property, as referenced above, is located at 2745 Chicory Road and is further identified as tax parcel number 151032332064000. The subject site is a 20.060-acre or 873,814 square foot parcel, before the proposed acquisition. The site is improved with an industrial building consisting of 210,000 square feet and constructed in 1970. The appraised property is listed as being currently owned by KJJ Real Estate LLC, and primarily occupied by Premier Products of Racine, a related entity.

The subject property is being impacted by the City of Racine's improvement project. As a result of the project, the City of Racine is purchasing a fee simple acquisition of 0.673 acre or 29,316 square feet as well as a temporary limited easement (TLE) of 1.874 acres or 81,631 square feet. The remainder parcel is 19.387 acre or 844,498 square feet.

The purpose of the appraisal is to develop an opinion of the loss in fair market value for the property, considering both a before and after the acquisition analysis. The client in this assignment is KJJ Real Estate LLC; the intended user of this report is the client and their designated representatives. I acknowledge the intent is to share this appraisal with the City of Racine in conjunction with determining just compensation due to the subject property owner by the WisDOT for acquisition of real property and real property rights. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

Based on the analysis contained in the following report, the value conclusions involving the subject property as of the effective date corresponding to the most recent inspection of the property on October 24, 2022 are summarized as follows:

Summary of Before and After Values		
Before Value		\$4,019,000
Acquisition Allocation		
Fee Acquisition	\$51,148	
Fencing - Depreciated Cost New to Replace	\$9,720	
Fencing - Cost to Cure	\$6,480	
Landscaping - Cost to Cure	\$16,275	
PLE Compensation	\$0	
(Less) Total Acquisition		\$83,623
After Value		\$3,935,377
TLE Compensation	\$20,065	
Total Acquisition	\$83,623	
Total Additional Compensation	\$20,065	
Total Compensation		\$103,688
Rounded		\$103,700

Respectfully submitted,  
Valbridge Property Advisors | Milwaukee



S. Steven Vitale, MAI, SGA  
Senior Managing Director  
Wisconsin License #506-10  
License Expires 12-14-2023  
svitale@valbridge.com

## PROJECT OVERVIEW

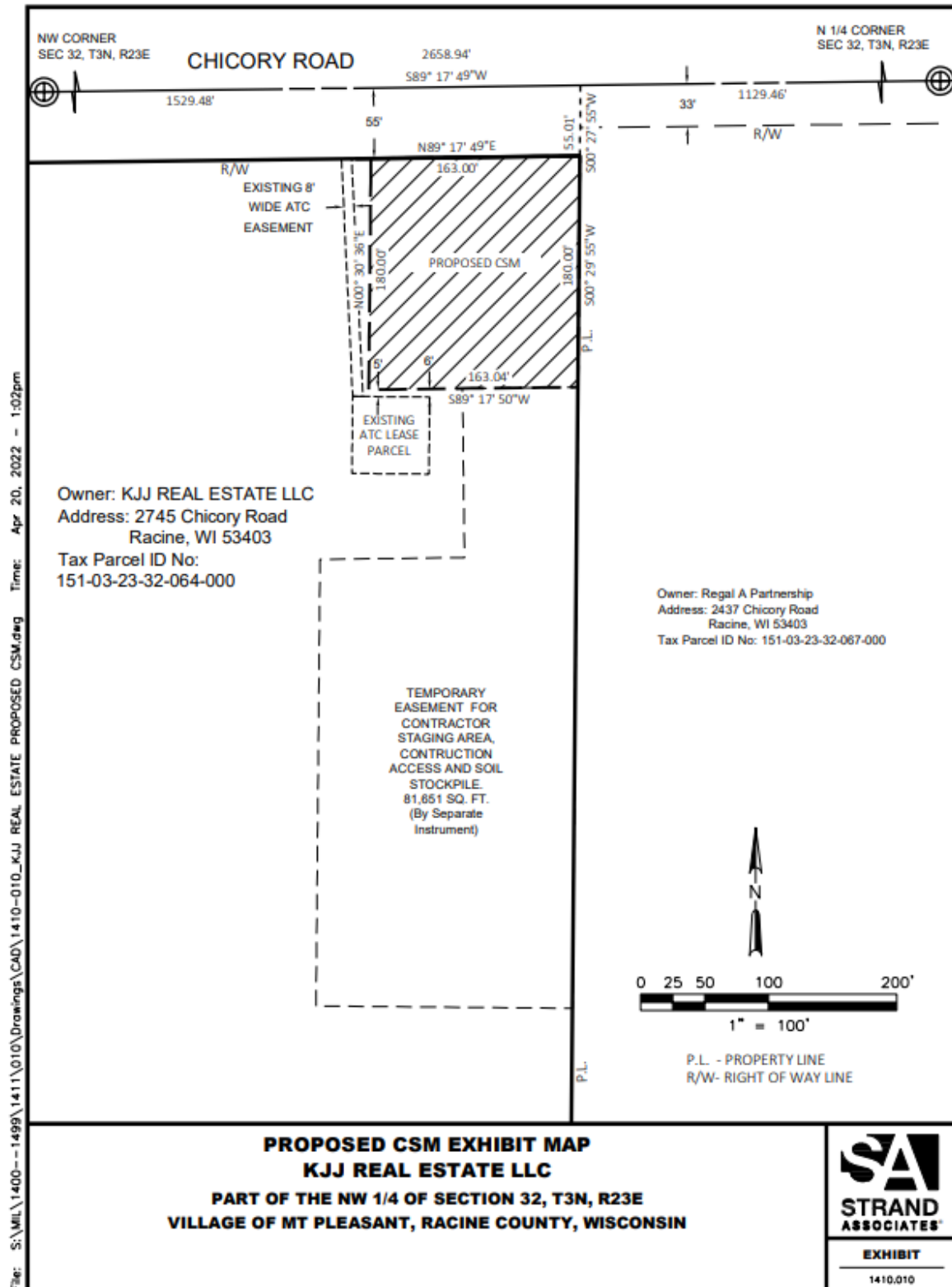
The subject property is Parcel No. 2745 being impacted by City of Racine's Chicory Road Wet Weather Basin Project.

The City of Racine currently plans to construct a wet weather underground water basin on the south side of Chicory Road in the Village of Mount Pleasant. This basin is to assist in preventing basement flooding and backups during heavy rains. The proposed wet water basin includes the construction of a 1.66-million-gallon wet weather storage basin (approximately dimensions of 135-feet by 135-feet) installed just south of Chicory Road to increase the level of protection against basement backups during heavy rainfall events in neighborhoods tributary to the Chicory Road interceptor.

The wet weather storage basin will be below ground structure with a vegetated cover over most of the basin. The equipment in the basin includes pumps utilized to pump the basin out after use, tipping buckets to clean the basin, and motor operated valves to route pumped flow to the tipping buckets or back to the Chicory Road interceptor. The basin will only be used during heavy rainfall events and will be cleaned as soon as possible after each use. The Racine Wastewater Utility has several wet weather basins installed throughout the City system.

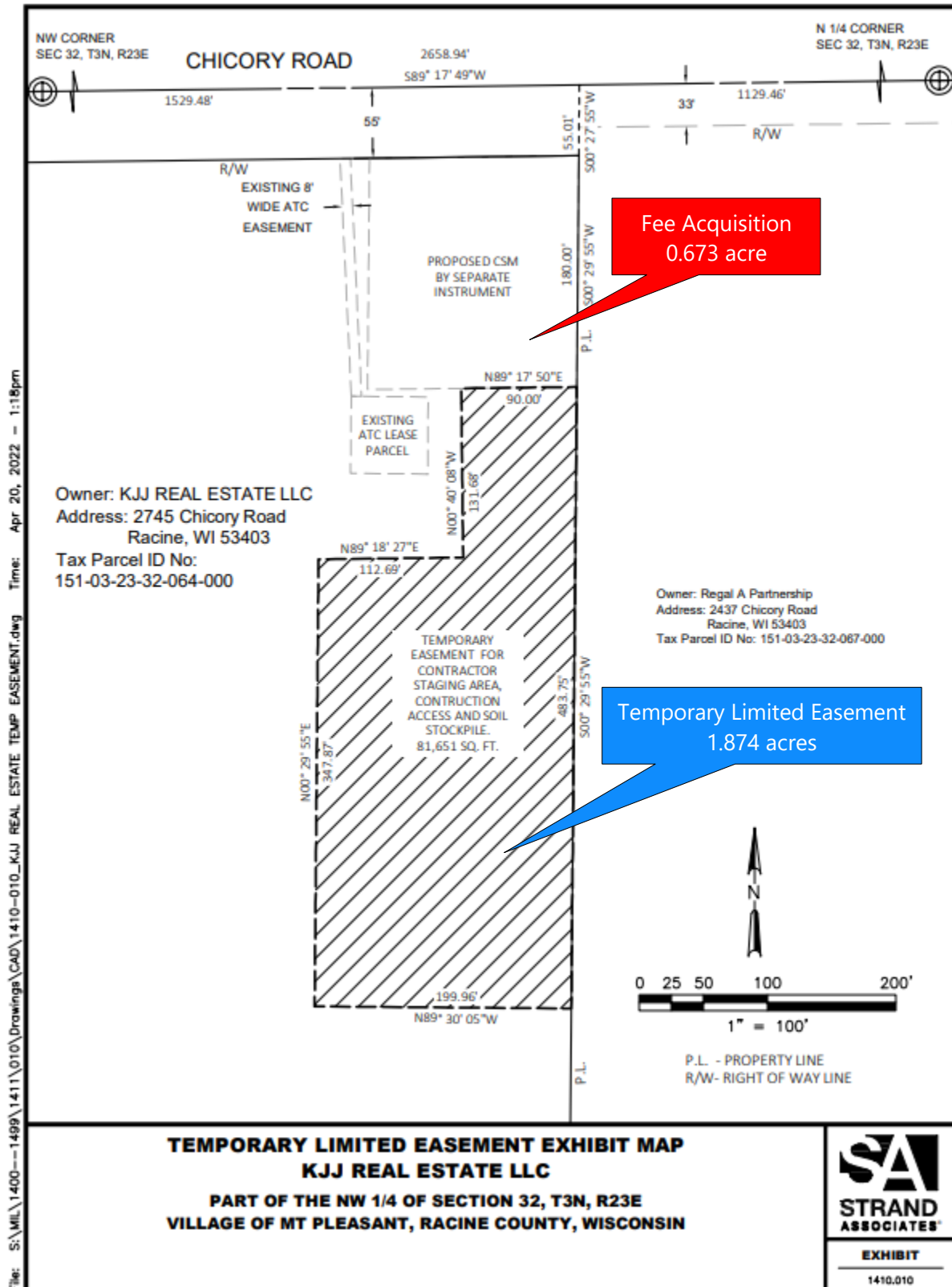
A small building will be installed at the edge of the basin to house electrical equipment. This small building will likely be a masonry structure with dimensions of approximately 10-feet by 20-feet. Construction of the Chicory Road wet weather basin is planned to begin early 2023 and to be completed prior to the end of 2024. A conceptual plan/plat has been included in this report to show the proposed improvements and approximate location of the basin.

**CITY OF RACINE PROJECT**

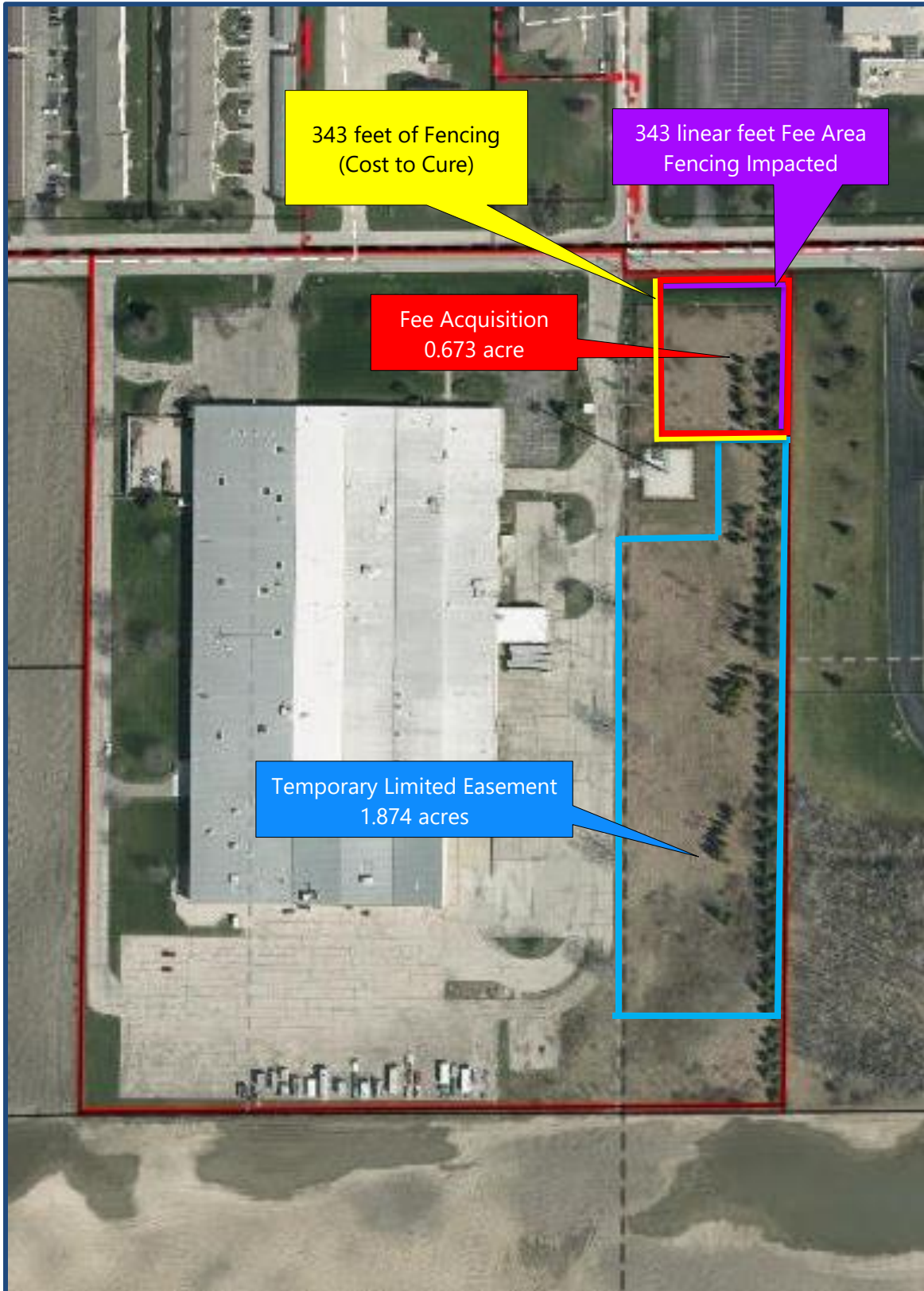


**Plan and Appraiser Drawing**

**PLAT**



**APPRAISER DRAWING**





## SCOPE OF WORK & INTENDED USE

### Scope of Work

This analysis was prepared for KJJ Real Estate LLC and is presented in an Appraisal Report format as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). Appraisers develop an opinion of property value with three distinct methods of data analysis: The Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. All approaches to value were considered. I assessed the applicability of each approach within the context of the characteristics of the subject property. Based on this assessment the Sales Comparison Approach was developed. The Cost Approach and Income Capitalization Approach were not developed. The significant elements of scope included the following: Exterior on-site inspection of the subject property and environs (unless otherwise noted) and collection, verification (as reported) and analysis of comparable data. The scope of research and analysis is adequate to produce a credible value conclusion. The appraiser(s) maintains a specific, coherent work file in support of this Appraisal Report. The contents of the work file include sufficient information to indicate that the appraiser(s) complied with the requirements of STANDARD 1 and for the appraiser(s) to produce an Appraisal Report.

### Inspection of the Subject

S. Steven Vitale MAI, SGA performed an exterior inspection of the subject property on October 24, 2022.

### Owner Concerns/Opinions

Exposed pipes  
Concrete eyesore  
Prairie restoration  
Need of Landscaping

### Intended User and Intended Use

The client in this assignment is the owner, KJJ Real Estate LLC. The sole intended user of this report is the client and its designated representatives, DeMark, Kolbe & Brodek, S.C. It is understood that the report will be shared with the City of Racine in order to satisfy disclosure requirements This report is to be used to determine just compensation due to the property owner by the City of Racine for acquisition of real property and real property rights.

Our findings and conclusions are further contingent upon the previously defined extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results.

### Market Value Definition

The appraisal problem is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated.
- Both parties are well informed or well advised, each acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.”<sup>1</sup>

<b>Acquisitions</b>	Fee Simple Acquisition: 0.673 acre or 29,316 square feet Temporary Limited Easement (TLE): 1.874 acres or 81,631 square feet Permanent Limited Easement (PLE): None
<b>Fee Simple Estate (Fee)</b>	Fee simple estate is defined 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.” [Source: Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6 <sup>th</sup> ed. (Chicago Appraisal Institute), 2015]
<b>Permanent Limited Easement</b>	The Facilities Development Manual from the Department of Transportation definition of a Permanent Limited Easement (PLE) “is an acquisition for limited purpose. It is typically used for construction outside the normal right-of-way that does not seriously impair the property owner’s use but does require occasional access for maintenance purposes. Some typical applications are riprap of drainage ditches, channel changes, yard drains, culvert outlets, and construction of storm sewer outfall lines.”
<b>Temporary Limited Easement (TLE)</b>	According to the Wisconsin Department of Transportation, a temporary limited easement is a right for construction purposes, including the right to operate necessary equipment thereon and the right of ingress and egress, as long as required for such public purpose, including the right to preserve, protect, remove, or plant thereon any vegetation that the highway authorities may deem necessary or desirable.
<b>Highway Easement (HE)</b>	According to the Facilities Development Manual – Wisconsin Department of Transportation 12-1-15.2, a highway easement (HE) is the acquisition of interest in property for highway purposes. The property remains on county tax records, but its use is denied to the owner as long as the property is used for highway purposes. This type of acquisition is used only in rare instances where fee acquisition cannot be accomplished, usually involving small non-complex acquisitions or acquisitions from another public agency, semipublic agency or Native American Nation. This method is particularly well suited for acquiring land interests from the Wisconsin Department of Natural Resources (DNR),

<sup>1</sup> Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions



railroads, or federal agencies and for the acquisition of contaminated parcels. Highway easement acquisition must be shown in a separate column in the Schedule of Lands and Interests Required table. The exterior boundaries of the new highway easement acquisition shall be shown with a bold solid line. The area between the new highway easement and the existing right-of-way shall be hatched. Station and offsets shall be shown on the highway improvement plats at the angle points of the new highway easement. Bearings and distances shall be shown for the boundaries of the new highway easement.

<b>Size Before the Acquisition</b>	The property is 20.060 acre or 873,814 square feet.
<b>Remainder</b>	<p>The remainder parcel is 19.387 acre or 844,498 square feet. The TLE does not affect the size of the subject property. The Fee acquisition does affect the size of the subject property. The subject property’s landscaping improvements will be impacted. These landscaping items include tree plantings and vegetation as well as 343 linear feet of 8-ft feet tall chain-link (barbed-wire top) fencing, as well as 343 linear feet of the same fencing that will need to be replaced to secure the border of the property as in the before condition.</p> <p>The highest and best use of the subject larger parcel is industrial use. Property and property rights acquired as a result of the project acquisition reflect no severance damage to the remainder property. There are no special benefits attributable to the after condition of the remainder parcel as a result of the completed project.</p>
<b>Separate Entity / Part Acquired</b>	The appraiser must consider the part taken as a potential separate entity and independent stand-alone parcel. Based on the size, shape, and utility of the acquisition, the part acquired has no potential as a separate entity.