

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

II. CLASSES AT THE UNIVERSITY OF WISCONSIN--MADISON

C. Business 526: Property Development and Management

3. Assorted Examples of Student Work (Spring,
1972, and Undated Examples)

LIBRARY LEARNING CENTER
OF THE
UNIVERSITY OF WISCONSIN
GREEN BAY

98

Bill Carlson
Slide Presentation
Commercial Property Devel.
and Management
Prof. Graaskamp
Spring Semester-1972

INTRODUCTION TO CAMPUS

Slide 1

The University of Wisconsin - Green Bay is located on 1000 acres of rolling plains bordered by the waters of Green Bay.

Slide 2

Efforts have been made to keep the land in its natural state. Earthy materials have been used so that one can have the feeling that the buildings can return to the earth.

Slide 3

The planners have used a concentric form of development for the campus. Using the theme of an old village square, the Library Learning Center forms the center of the plan with four theme colleges placed at right angles around it. These colleges are bounded by a tree belt with parking pods and student housing located on the other side. A circulation drive surrounds this area. On the perimeter of this drive, the planners have located athletic fields and married student housing.

Slide 4

The comprehensive plan for the campus was developed by an architectural firm with input from the university staff. A separate program was written for each building and one for each room in that building.

Slide 5

As one moves out from the Library Learning Center in any direction the first building is below grade, (The Surge Building) the second building can be no more than two stories high, and the third building can be no more than three stories high. This allows the library to be seen from any building on campus.

Slide 6

Land has been excavated in certain areas around the underground building to allow some natural lighting. This is a pedestrian bridge on the plaza level.

Slide 7

Two different methods of pedestrian transportation have been provided between buildings by the architect. First of all, exterior walkways have been provided on the plaza level.

Slide 8

All buildings are also interconnected with interior pedestrian passageways below grade level.

LIBRARY LEARNING CENTER

Slide 9

This eight story Library Learning Center is the physical as well as academic center of the new campus. It has a gross area of close to 200,000 square feet and cost close to \$6½ million including furnishings. At full capacity, the building will hold at least 1½ million volumes.

Slide 10

An architect's rendering shows basic features of the building. He has made use of large bulk volumes and has expressed definite verticality by letting height exceed width of elements.

Slide 11

The building is an unique architectural expression, which is sculptural and monumental. This architectural expression will not be repeated anywhere else on campus.

Slide 12

The basic floor plan is a perfect square with projecting rectangular elements in a pinwheel fashion. These elements accomodate reader stations, group study rooms, and faculty study rooms. The building is divided into twenty-five fire control zones. These are monitored in the security office at a panel that provides pinpoint location of fire. A complete smoke control system has also been installed.

Slide 13

Windows in the building have been restricted to provide optimum control of light and environmental support systems. By using architectural overhangs and sun screens to protect windows from direct rays of the sun, it is still possible to have large window areas overlooking the surrounding campus.

Slide 14

The problem of vertical transportation has been handled quite well by providing a system of open stairways and a bank of three elevators.

Slide 15

These elevators serve the first six floors of the building. A third elevator to the right of these provides direct access to the seventh and eighth floors from the first floor.

Slide 16

The first floor or surge level is the interior "main street" for pedestrian traffic and is located below grade. Library facilities occupy about half of the space on this floor with the remaining area being used for an information center, ten classrooms, and as you see here a conversation lounge.

Slide 17

This is the lobby of the second floor or "plaza" level which is located on grade and really the hub of the Library Learning Center. The clay brick floor - an architectural device that has been used throughout much of history to denote a central gathering place - will help make this area become a physical crossroad of the campus. This level features a glass enclosed study room seen to the rear of the slide which contains 200 individual learning stations equipped with a variety of educational devices including audio, video, and printed study materials. Many of the stations are equipped for closed circuit television reception of programs transmitted from the educational communications complex.

Slide 18

The next four floors make up the bulk of the library facilities. This is the main circulation desk located on the third floor.

Slide 19

These are the main stacks of circulating books located on the sixth floor..

Slide 20

Throughout the entire stack area, study areas have been provided for the student.

Slide 21

The seventh and eighth floors are presently being used for office space. Walls are of temporary, non-load-bearing construction to permit their removal for eventual library expansion. Arrangements have been made to provide appropriate offices with direct access to the computer center through a terminal network.

Slide 22

Here you see one of the administrative suites located on the eighth floor. Major office blocks are designated by a color coding system. Color guides on corridor walls indicate the general direction to each block of rooms.

Slide 23

Even though there is a minimum amount of window area, efforts have been made to provide all offices with natural light through the use of interior window walls.

by: Fred Campbell
R.E. 526

SLIDE PROJECT
of
VISTA DEL LAGO
Lake Geneva, Wisconsin

*Price, Number
of slides? Account to lake?
X*

INTRODUCTION:

I selected the site of Vista Del Lago for my study, largely because it was a converted project. It's plans called for the development of a luxury hi-rise on the site, which was at the time an old mansion estate on 14 acres, at the southwest edge of the lake. After completing the first floor of the hi-rise the developer ran into financial difficulties, and the present developer took over the partially completed project. The basic format of the project was changed to that of town-house condominiums integrated into the overall site.

The project is intended to appeal to the young affluent family from the Chicago area, interested in a combination of recreation and privacy. The site itself has 441 feet of lake frontage, the East end of the site is heavily wooded and rolling, from the middle of the site west to the lake there is a distinct slope to the land. The project when finished will have, a heated indoor pool, sauna baths, whirlpool baths, shower and locker room, a three-hole Chip and Putt golf course, tennis courts, billiards and ping pong facilities.

THE SLIDES:

#1 This shows the overall shape of the site, its relationship to the lakeshore with its boat slips and swimarea, also the placement of the various buildings and driveways can be seen. A big problem that needed careful planning to solve, was the fact that the site is long and narrow offering the best view only in one small westerly direction. The problem was to get enough buildings on the site, to make it economically feasible, yet it was desirable to preserve as much of the view for each building as possible. The result can be seen in the staggered pattern to the various buildings. This slide also shows that the parking and drives were kept to the parameters to the project, thereby isolating them from view of the living and recreation areas, and at the same time offering close access to the "back-doors" of the buildings.

#2 This shows the initial point of entry to the project at the east end of the site. The security gate-house and brick wall gives you the feeling that you are entering a separate entity and leaving the surrounding neighborhood. Such an entry point, in this case backed up by dense woods, goes a great way to establishing the project's sub-theme of secluded privacy. It seems to say "only the privileged may trickle through these gates, the great unwashed masses must stay out." Needless to say it adds greatly to the project's snob appeal.

#3 This is a view of the drive way through the wooded east end. The long drive adds to the secluded retreat theme, you almost expect to find a T.B. sanitarium or cloistered monk monastery at the end of the project's driveway. In view can also be seen the tennis courts, to their right will be the small golf course. Thus the developer used good planning by using the wooded east end of the site as both a recreation area and a buffer between the project's residential area and the main highway and outside community.

#4 This is the project's community building (presently being remodeled). It will house most of the project's indoor recreation amenities. It is the only remaining building from the site's original Mansion estate days. Architecturally it fits in with the rest of the project. It is located between the residential area and the recreational area, therefore it is hoped that it will become the social hub and common meeting area of the project.

#5 From this slide the slope towards the lake can be seen. At the right can be seen the garages (one to each resident) plus ample outdoor parking is provided for visitors. To the left can be seen the living units. This is the main entrance and back of each unit, thus it is a very functional plan in which the cars are in the back (thus out of view of the living areas) yet the

cars are still convenient to the main entrance of each building.

#6 This slide shows a closer view of the back side of the units.. Each door leads to a common hallway area which in turn leads to access to four different living units. These semi-private entrances I feel detracted from the projects as it lends and almost apartment-like feel to the living units. In a project such as this one, which emphasizes quality, semi-private entrances are not desirable. This slide also shows the basic styling format that is used through out the project, e.g. dark face brick below with a lighter colored rough sawn cedar above

#7 This is a view of the front or living areas. this side of the buildings are the most attractive and offer the best view. The balconies show good planning, they run the length of each living unit, yet they are private. The balconies all have a storage area for grills, chairs etc. this is a very usefull and well planned feature. This slide also shows how the buildings have been fitted to the slope of the land. The buildings tend to step down the slope. This design feature serves two purposes, one it give visual relief and adds to the property's visual appeal, two it maximizes potential view from each living unit, by placing each unit in front of anouther below it.

#8 This slide shows the affect of the "step" design on the view from the balconies. The developer was very much aware of the value of a good view and designed the project to take the maximum advantage of this "free" amenity.

#9 This view shows the overall form of the units. The total effect of the styling is that of a European chatet, this is accomplished by the extensive use of the dark balconies and bridge work. The area to the right is planned for a complete

landscaping. There will be a spring feed brook that falls down the slope in a series of small falls, it will be surrounded by large trees, shrubs etc. It should add greatly to the green area giving the residents something more than mere lawn to look at. Such landscaping will help establish the "Northern Wisc. refuge" theme.

#10 This is the boat slip and swim area. It also points out a real weakness in the site's shoreline. There is a very steep slope that requires the stairs to get up and down it.

#11 This slide shows yet another defect in the shore line. there is no natural beach only a very rocky surface. It very much resembles a breaker front on the ocean, not a "northern lake front". Such a lake front as shown in these past two slides will have the affect of ^egratly diminishing the potential casual use of lake by the residents.

#12 This is the building that was originally the start of the planned hi-rise. It does not distract from the property's aesthetic qualities even though it does not match the other buildings. In fact it tends to add variety to the project. It is located in the South-west corner of the site so it is not immediatly noticed.

#13-17 These slides show interior views. The inside is typical of what you'd expect in a \$70,000 home, cuboards, trim etc. are all oak. The living rooms all have gas fireplaces, plush carpeting and high cathedral ^ecieling^s in the upper units. The most distinctive design feature is the loft shown in slides #15-16. The heavy use of beams and dark trim give a rustic-country affect. #17 shows the bedroom with sliding door to the balcony. All rooms on the South side of the buildings have access to the balcony, which runs the length of the building.

CONCLUSIONS:

The project is a good example of what can be done when you integrate a project with the site so as to fully use the free amenities that the site might offer. In this case the woods serve as both a buffer for privacy and as a recreation area; the buildings were arranged and built so as to maximize the view from each unit; boat slips are provided so that the lake can be used; The total theme of the project stresses the fun you can have using the site. The project was not built on a site it was built into it. The residents of the property are definitely buying the lifestyle that the site offers, the developer knows the strong points of the site and planned the whole development around them.

Robert L. Connor, & David P. Stewart

Basically very sound report. **A**

*Student
Project
with
JAG comments*

While one might start with a picture of the property it would be best to save the ~~area~~ map for section of location.

The letter of transmittal might have defined the interest to be appraised in the property, and perhaps the purpose. In any event your waiver of responsibility should have excluded engineering factors and conformity codes as well. Finally, the American Institute would not allow two people to have equal responsibility for the appraisal. For example Mr. Connor might have signed the appraisal letter while the letter recognized the assistance given by Mr. Stewart who would not be held responsible for its methods or conclusions. The letter might have also established that the material was also confidential, not provided for court purposes, etc. in order to protect your revenue base as an appraiser.

In regard to zoning you might have mentioned that the project ~~beg~~ area began without city zoning so that you do have a bigger mix of land issues than you would find otherwise. In discussing a neighborhood you should identify the boundaries so that your statement that 50% remains to be developed or that vacancies are lower has a frame of reference.

In your limiting conditions on Page 4 you use the boiler plate referring to a property free and clear and yet the Elwood approach to income specifically anticipated assumption of a twenty year mortgage with seventeen years to run. Be careful of boiler plate!

Analyzing the economic base you might have suggested the volume of sales for both retail and wholesale to see if it was still a major rural shopping center. The traditional approach would look at population, base activities, employment, and then income per family. After these factors construction data would be appropriate, then your neighborhood data would have a very excellent frame of reference.

Your outlining of neighborhood ^{for} situs factors is excellent.

On page 19 you described ^{the} parking lot as 24 feet wide?

The windows are not thermopane but rather double by-passing slide-bys with self storing screens. Flat roofs never have asphalt shingles - but are composition builtup asphalt roofs, described as three-ply, or five-ply or twenty year guarantee, etc. Don't guess on an appraisal lest an opposing attorney destroy your credibility. Your comments on the doors do not ring true; what is a standard width? More to the point would be their fire rating and conformance with the industrial code. Was the basement concrete ~~book~~ seldom seen in Madison?

A foyer plan means efficiency rather than privacy as you infer on page 21. What is a soft tile floor?

As to the matter of age, each building has a different age which is reflected in the cost approach and therefore should be reflected on page 22. Avoid statements with an indefinite term followed by a precise figure such as "remaining economic life...is about 35 years". Be an expert. Be firm rather than right. Building cost figure was \$9 a square foot. What was identified ~~as~~ as functional depreciation because of Gardner Bakery aroma would be better classified as economic depreciation.

The use of annex for appendix always makes me uncomfortable as does Ellwood tables speckled with only one 1

The Ellwood approach in this case was appropriate for the appraiser but for the investor should have explored values if resale were made without depreciation taking place or with some appreciation in the next five years.

On values of this magnitude it would be acceptable to round your figures to the ~~XXXX~~ nearest \$1000. Considering that the income approach would be bracketed by the other two at plus or minus \$16,000 and considering that your emphasis is on the income approach, why 461. The central tendency of value would be 460,000 and if you wanted to shade to the high side to recognize speculative tendencies or the greater reliability of market comparison relative to the lower cost approach, you should have said so/ - Mr. Connors.

The same if true of your approach, Mr. Stewart I doubt that a 10% return on equity based on income assumes necessarily a "high demand for such property in the future" but rather a willingness to speculate on higher replacement costs in the future. Your reasoning is a little vague.

March 6, 1967

Mr. James A. Graaskamp
202A N. Breese Terrace
Madison, Wisconsin

Sir:

In accordance with your request, we have appraised the property known as:

The Mayfair Apartments located at 1010-18 Mayfair Ave. and situated on a part of outlot 66, Burke Assessor's Plot, located in the east $\frac{1}{2}$ of section 32, Township 8 North, Range 10 East, in the City of Madison, Dane County, Wisconsin as follows:

Commencing at the southeast corner of said section 32, thence north $1^{\circ} 19'$ east 2255.9 feet; thence north $40^{\circ} 30'$ west 413.1 feet to the point of beginning; thence south $49^{\circ} 01'$ west 371.8 feet; thence north $40^{\circ} 30'$ east 299.0 feet to the point of beginning.

After inspection of the above improved property, and based upon the facts and opinion contained in the attached report, it is the opinion of the undersigned that the present market value of the property is: \$160,000

No responsibility has been assumed for matters which are legal in nature, nor has any opinion on the title been rendered, this appraisal assuming marketable title.

We, the undersigned, do hereby certify that to the best of our knowledge and belief, the statements contained in this appraisal, and upon which the opinions expressed herein are based, are correct, subject to the limiting conditions herein set forth; also that this appraisal has been made in an ethical manner as required by the appraisal profession.

Employment in and compensation for making this report are in no way contingent upon the value reported, and we certify that we have no financial interest in the subject property.

Thank you for the privilege of serving you.

Very truly yours,


Robert L. Conner



David P. Stewart

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

1. Subject Property: 1010-18 Mayfair Ave., Madison, Wisconsin.
2. Lot is 299.0 X 371.8 feet in depth, in a good residential location. Prevailing winds from the Northwest.
3. Improvements: Two apartment buildings situated parallel to each other with a 64 car paved parking area in between. Subject also has sewer and water laterals, curb, gutter, full sidewalk, and an outdoor children's play area. Age of buildings is 2½ years.
4. Number of Units: 50 apartment units, containing 234 rooms. There are 22 one bedroom, 22 two bedroom and 6 three bedroom apartments.
5. Size of Apartment Buildings: 205' X 55' containing 26 units
203' X 55' containing 24 units
6. Assessments: Land: \$15,450 Improvements: \$300,250
Total: \$315,750
7. Taxes (1965) \$13,443. 90
8. Subject Value Indicated by the Market Approach: \$176,000
9. Subject Value Indicated by the Cost Approach: \$443,500
10. Subject Value Indicated by the Capitalization Approach: \$491,700
11. Final Value Estimate: \$460,000
12. Date of Final Value Estimate: March 6, 1967

Purpose of Appraisal

This appraisal is made for the purpose of estimating the Fair Market Value of the property located at 1010-1018 Mayfair Ave., Madison, Wisconsin as of March 5, 1967. The property is assumed to have an unencumbered fee simple title.

Market Value Definition

The term Market Value is defined as the highest price estimated in terms of money which a buyer would be warranted in paying and a seller justified in accepting, provided both parties were fully informed, and acted intelligently and voluntarily, and allowing a reasonable period of time in which to find a purchaser.

Identification of Property and Improvements

Subject property is referred to as 1010-1018 Mayfair Ave., City of Madison, Dane County, Wisconsin. The property consists of two 2 story brick structures with 24 units in the southern most building and 26 units in the northern building. The unit breakdown includes: 22 one bedroom; 6 three bedroom and 22 two bedroom apartments. Subject site has a 299.0 foot frontage and is 371.8 feet in depth. Topography is level with a few trees and bushes on the parcel.

Improvements include a paved parking lot containing 64 spaces, full curb, gutter and sidewalk, sewer and water laterals, and a well equipped childrens' play area.

Legal Description and Address

Legal description of 1010-1018 Mayfair Ave. is:

A part of outlot 66, Burke Assessor's Plot, located in the east $\frac{1}{2}$ of Sec. 32, Township 8 North, Range 10 East, in the City of Madison, Dane County, Wisconsin described as follows: Commencing at the southeast corner of said section 32, thence north $1^{\circ} 19'$ east 2255.9 feet thence north $40^{\circ} 30'$ west 413.1 feet to the point of beginning; thence south $49^{\circ} 01'$ west 371.8 feet; thence north $40^{\circ} 30'$ west 299.0 feet; thence north $49^{\circ} 01'$ east 371.8 feet; thence south $40^{\circ} 30'$ east 299.0 feet to the point of beginning.

Zoning

Zoning for subject site is R-4 (General Residence District). The purpose of such zoning is to stabilize and protect the essential characteristics of certain medium density residential areas normally located in the outlying, as well as some inlying, urban parts of the city, and to promote and encourage a suitable environment for family life where children are members of most families.

Subject property is a conditional use under the R-4 regulations. In such cases, no application for a conditional use shall be granted by the Plan Commission unless such Commission shall find that all requirements are fulfilled.

The appraisers found that height, yard, area, side and rear yard and usable open space requirements were present, thus making the Mayfair Apartments a legal conforming use under the R-4 zone. It should be noted that requirements can be found under section 28.12, Planned Residential Development - Dwellings, City of Madison.

Highest and Best Use

As indicated in neighborhood data, vacancies in the area are less than the city average. This trend is expected to be projected into the near future. Furthermore, the residential growth potential for this area is tremendous. Over 50% of a predominantly residential neighborhood remains to be developed.

In lieu of the present zoning for the parcel and being cognizant of the surrounding land uses in the immediate area, the appraiser can only conclude that the highest and best use for the subject is its present use as a multi-family residential apartment complex.

Limiting Conditions and Assumptions

The legal description furnished is assumed to be correct. It was verified by the appraiser from official records of the County of Dane, Madison, Wisconsin.

It is assumed that the fee simple title to the property is good and marketable and that there are no encumbrances which cannot be cleared through regular processes. In other words, the property has been appraised as though free and clear of mortgage indebtedness, assessments, or levies of any sort other than taxes.

No survey was made, and therefore the size of the lot and boundaries taken from records are believed to be true.

The information contained in this report was gathered from reliable sources, but ^{it} is in no sense guaranteed.

It is understood there are no deed restrictions or covenants on this property, however, there is a telephone and utilities easement of 10' that runs on 3 sides of the lot.

Sales prices for comparables are not actual but were derived on the basis of a percentage of asking prices.

Neither all or any part of this appraisal shall be given to the public without the prior consent of the author.

The fee received for this assignment is in no manner contingent upon the estimate of value reported. The appraiser has no present or future contemplated financial interest in the property being appraised.

THE NATIONAL ECONOMY

The nation is now entering its seventh consecutive year of economic growth. Economic expansion for 1966 was greater than originally anticipated; however, the money crisis that occurred in mid-year put a severe cramp on the real estate industry per se. The supply of loanable funds for both new construction and mortgages became virtually non-existent. New construction started to plummet drastically while the number of new mortgages skidded to a near halt due to the higher level of prevailing interest rates.

The forecast for 1967 is assumed to contain two distinct phases. The first half of the year should produce a markedly restrained amount of growth; while the latter half is pictured as a revival of the boom momentum experienced in 1966. This projection, while generally optimistic, will not affect the real estate industry to the same degree.

Tight money will still continue to plague the industry throughout the remainder of 1967, even though it will become increasingly

available in larger increments. Certain areas of the country will make a substantial recovery in their respective real estate markets while other regions will continue to suffer from the tight money squeeze.

In lieu of these factors, it can be concluded that the real estate industry, due to its being one of the most severely hit sectors of the economy in 1966, still has considerable distance to travel to regain the momentum it had in early 1966 prior to the money crisis.

CITY OF MADISON ANALYSIS

The City of Madison, Wisconsin in Dane County, is located in the southern half of the state and is in immediate proximity to four beautiful lakes (Mendota, Monona, Wingra, and Waubesa). These combine to create many natural, attractive, and desirable topographic features.

Average yearly precipitation is 31 inches, while summer temperatures average 70 degrees and those of winter average 20 degrees Fahrenheit. Prevailing winds are from the northwest.

In the last decade, Madison has enjoyed a sizeable growth in population and physical area. The city is progressive and its people have a spirit of civic-mindedness.

Currently the estimated population is 168,500.

The population of Madison has more than doubled since 1940 while the city area has increased almost five times. These occurrences have lowered the actual population density by almost two-thirds since 1940 as can be seen by the accompanying table:

	<u>Population</u>	<u>Square Mile Area</u>	<u>Density of Persons Per Sq. Mile</u>
1960	*126,706	39.8	3537
1950	96,056	15.8	6245
1940	75,447	8.2	9102

*These figures include the student population at the University of Wisconsin (Madison's population growth is measured by three factors: natural increase, net immigration and area annexation).

Another important factor in considering Madison's population is its youthfulness. The median age for persons residing in the

city is 25.8 years. This youth-heavy distribution is as follows:

Ages of Population - 1960

Under 5 years: 11.5%

Ages 5 - 19: 25.5%

Ages 20 - 44: 37.9%

Ages 45 - 64: 17.1%

Ages 65 + : 8%

This present accent on youth indicates future need for more housing, schools, and service facilities in the next twenty-five years.

However, there is also the important factor of population mobility to be considered. Madison has an extremely mobile population due to large numbers of students at the University, military personnel at Truax Air Base, and government workers. This mobility factor indicates that the trend in residential construction will continue to show an increase of multi-family housing over single family residential homes. It is surprising the number of multi-family units added in 1965 decreased in relation to prior years. Location becomes an all important question.

With reference to rural factors, there has been a small increase in the rural population and during the 1940-60 period, the number of farms has decreased from 5835 to 4614 with the projected farm estimate for 1975 being 3570. The small net increase in rural population and consolidation of farms have been due in large part to the increasing trend toward urbanization.

The 1960 Dane County census report classified 75% of the population as urban dwellers whereas only 38.5% were so classified in

1900. Dane County's 75% figure is comparable with the overall U.S. as 75% of the nation's 1960 population resided in urban areas. Part of the reason for this surge to the cities was the lure of higher incomes and more lucrative jobs. The current projection for Madison's 1980 population is 227,000.

To accommodate the influx of people into Madison through net in-migration, the city offers a stable, well balanced, and diversified economy that is composed of industrial manufacturing of durable and non-durable goods, city, state, and federal employment, the University of Wisconsin, wholesale and retail trade, and service industries.

Fifteen percent of the city's labor force is involved in manufacturing. The strong economic manufacturing base evolves from the expansion and growth of industries that were founded in Madison. These include durable goods - firms that manufacture furniture, lumber and wood products, primary metals (Madison Kipp Corporation), fabricated metals (Kupfer Foundry and Krueger Fabricating Company), electrical equipment (Ray-O-Vac Company), non-electrical machinery (Research Products Corporation & Gisholt Machine Company, the largest durable goods manufacturer) and transportation equipment.

Non-durable goods accounted for 61.4% of total manufacturing in 1960. These included food and kindred products (Oscar Mayer being the largest food processor with 3700 employees, in addition to Garner Bakery & Frito-Lay inc.), textiles, apparel and accessories, printing and publishing and chemicals.

Projection to 1985 for employment in durable goods is to remain stable while non-durable goods should increase moderately. Very few new firms are anticipated and the growth that does occur will be in those firms already present.

No one manufacturing firm dominates the city economy and even though Madison is not totally dependent on manufacturing, it is an important part of a diversified economy.

One third of the total Madison labor force is employed by some type of government (federal, state or local). While state government activities and employment are due to increase with the expansion of the University, the role of Federal employment is unstable at this time pending the fate of the Truax Air Base which is scheduled to phase out by 1968. Other federal agencies in the city include the Post Office and the U.S. Armed Forces Institute. These two should experience moderate increases in the future number of people employed.

Madison is the center of a wholesale and retail trade area that encompasses more than 400,000 persons in a nine county area of southwestern Wisconsin. From the period 1950-60 both retailing and wholesaling have enjoyed a sizeable increase in volume.

Since 1960, 750,000 square feet of retailing^{space} have been added to the city's retail capability. These facilities include the Hilldale Shopping Center, Arlan's Dept. Store, Treasure Island and Topps.

However, both retailing and wholesaling categories can be characterized as being relatively small in size with reference to firm-employee ratio, but in employment size and dollar volume they

important elements of the Madison area economy. (Each of the 161 wholesale establishments employ an average of 17.7 employees and the 466 retail establishments have an average of 13.1 employees per firm.)

Growth of the finance, insurance and real estate sectors have outpaced the general growth of the Madison economy. ^{Three new city banks opened their doors in 1966 alone.} Bank deposits have increased 38 million dollars in the last two years, thus indicating the healthy area business environment. ~~There are~~ 2,000 people engaged in the insurance field with seven firms having their home offices here. Thus, Madison is rapidly becoming a leading Midwestern financial community and an important insurance center.

The services sector has been paced by the various medical facilities in the area with the University of Wisconsin Medical Center and ten other surrounding hospitals accounting for most of the activity. The University Hospital is the fourth largest cancer research center in the United States. There are also 3,126 hospital beds in Madison.

A marked increase in the city's hotel and motel industry has been noted as more conventions are held here and an increasing number of tourists frequent the area each year.

In the transportation and communication fields there has been a relative 2.8% employment decrease in the transportation sector due to the decline in railroad transportation usage, while public utilities and telephone services have shown a marked increase and are expected to post moderate employment increases in the future. The same employment stability also applies to suburban transit and motor

freight in the area and future outlook for these are for moderate employment increases.

In construction and trades industries the city has 227 construction firms, averaging eleven employees each. Building activity has been relatively high since 1959 with 1963 being the peak year in residential building.

AREA CONSTRUCTION INFORMATION

Nineteen-hundred-sixty-four was the fourth straight year in which the number of dwelling units represented by new multi-family structures exceeded the number of single family structures. The reason for the excess of multi-family units over the single family residences relates to the composition of the population and its mobility. (Most of the occupants of apartments in the multi-family dwellings are students, young married couples and single working people). However, the trend was reversed in 1965 and 1966 with the construction of more single-family homes.

In a recent FHA survey of Madison real estate, the vacancy rate of all rental units was 7.1%. For units renting for \$80.00 and under per month there was a 1.6% vacancy rate, in the units renting for \$120-130 per month a 10.4% vacancy rate, whereas units renting for \$140.- \$150.00 per month showed a 3.8% vacancy rate.

Total dollar volume represented by building permits has averaged more than 2.7 million annually since 1952. Rapid expansion occurred from 1960-63 when dollar volume advanced from 23 million to more than 40 million in 1963.

This did not include the building activity of the university and the state which is currently 25 million dollars annually.

An interesting note also, is that even though there has been an increased volume of building, employment has not increased proportionately, thus pointing to Madison's dynamic economic growth, while at the same time adding strength and stability to its economic base.

MADISON'S LABOR FORCE

The overall labor force is channeled into a well balanced and diversified economy thus yielding a minor ratio of unemployment. The following is a five year employment comparison of Dane County:

DANE COUNTY EMPLOYMENT

	<u>Total Work Force</u>	<u>Total Employed</u>	<u>Total Unemployed</u>	<u>Percent Unemployed</u>
Jan. 1960	94,790	91,745	3045	3.2%
Jan. 1965	106,800	103,500	3300	3.1%

In 1960, the city labor force constituted 55,352 workers with 922 unemployed. In addition, 39% of all workers are women, due to the large number of clerical jobs available.

The sectors of Madison employment are further broken down as follows:

- a. 62.3% of all workers were privately employed
- b. 31% were government employed
- c. 6.3% were self-employed
- d. .4% were unpaid family workers

Eighty-nine percent of the Madison labor force works in the city, and fifty-nine percent of these people use an automobile as their primary mode of transportation in getting to work.

The high level of employment can be attributed to Madison's balanced economic base. This diversified economic base has been credited with Madison's strength in being unaffected by radical changes in production rates and unemployment. The national unemployment rate has fluctuated between 6 and 7 percent, but Madison's rate has been consistently less than 3 percent. ~~this~~^{has} enabled the city to maintain a high employment level in the face of national recessionary trends due to having various amounts of workers in the small and varied industries, and a reliance on the growing service industries such as government, administration, finance, real estate, medical and education.

NEIGHBORHOOD DATA

The Mayfair Apartments are located on the East Side of Madison and are situated in an area that is predominantly single family residential. Other uses include duplexes, multi family, commercial and industrial. The land use pattern is somewhat mixed in character on the far east side. Residential accommodations are predominantly one-story single family structures although older two and three story structures are scattered throughout the area. Commercial developments are found mainly on the major traffic arteries. Some of the community's major employers, such as Oscar Mayer, Gardner Baking, Madison Kipp, Ray-O-Vac, and Swift and Company are also located in this area.

Following is a list of pertinent socio-economic data for 1966 relating to area E-6 in which the Mayfair apartments are located. A map delineating area E-6 is shown in ANNEX H.

- (1) Land-use distribution in the E-6 area is as follows:

(in acres)

residential	-	900 acres
commercial	-	200 acres
industrial	-	400 acres
public	-	100 acres
vacant (open)	-	2300 acres
streets	-	<u>100</u> acres
Total		4000 acres

These figures show a tremendous residential growth potential with more than 50% of the area undeveloped.

- (2) Since 1963, 644 dwelling units have been added to area II.

The overall vacancy rate has shown a decrease of 1.3%.

Since 1963, the 1965 vacancy rate for this area* has been 6.3% while the Madison average is 7.1%.

*Area II is where the subject is located).

- (3) Area II had 162 dwelling units under construction in 1965 and 124 units proposed. This indicates movement of people into the area.
- (4) There have been no new apartment additions to the immediate area. Since there are only a few apartments presently existing and with the area in the process of developing, it would seem that there would be a demand for apartment units, especially for 2 and 3 bedroom units to attract families.
- (5) Education level in area E-6 was under 11 years completed.

This, however, does not include population under 25 years of age which is especially significant where the university students are located.

- (6) Family income in the area ranges from \$6,000 - 6,999 which is well within the city median of \$6,799.
- (7) Less than 10% of the people 14 years of age and above are separated, widowed or divorced. This provides a good measure of stability of home and family life. The City average is 9.7%.
- (8) More than 80% of the homes in the neighborhood are \$15,000 or less in value with 20% ranging from 15-20 thousand dollars in value.
- (9) Area E-6 has had more than 70% of its housing built after 1940. In 1960, Madison, as a whole, had 59% of its housing stock built before 1940. This signifies that this area contains structures that are newer and in better condition than in many parts of the city.
- (10) Little or no deterioration or dilapidation can be detected in area E-6. This fortifies the statement that the structures are relatively new and ⁱⁿ well kept condition.

The neighborhood area shows average education, income and stability, and a trend of growth. Because the area has few apartment units, a low vacancy rate, and an increasing population, it would seem that the subject site, the Mayfair Apartments, would be in demand and should bring a premium price in the apartment rental market.

SUBJECT SITE INFORMATION

The following are locational and situs relationships for the area:

- (1) Proximity to good shopping centers is close. Truax Plaza is within walking distance. Other shopping centers in the area are Arlans, Fiore, Northgate, and Madison East Shopping Center.
- (2) Distance to the downtown area is a fifteen minute drive. East Washington Ave. provides a straight linkage to the square.
- (3) Schools, parks and churches are all found within a reasonable distance from the subject site. A grade school and park are within walking distance whereas the other linkages are within 10-15 minutes by auto.
- (4) Public transportation is adequate with the city transit serving East Washington and Fair Oaks Ave. The Madison Airport is within five minutes driving time.
- (5) Access into the main traffic ^{flow} is poor as the Truax Plaza parking lot is the primary entrance. The exit onto East Washington is difficult particularly during the rush hours.
- (6) Aesthetically, the subject site is poorly located with the back end of Gardners' Bakery and the Truax Plaza Shopping Center surrounding the property. Access into the subject site is unappealing and inconvenient.
- (7) The proximity to the freeway and main highway provides fast service for tenants to move about from one end of Madison to another. This is a convenience to people who

live a great distance from work or for salesmen who might be going out of town every day.

Following is a chart indicating the important linkages and distances from the subject apartments.

IMPORTANT NEIGHBORHOOD AND AREA LINKAGES

SCHOOLS

Hawthorne Grade School $\frac{1}{2}$ block,
adjacent to subject
St. Johns Lutheran Grade School
15 minutes by auto
Madison East High School
5 minutes by auto
University of Wisconsin
20 minutes by auto
Edgewood College 30 minutes by auto

PARKS

Reindahl Park 6 blocks
Warner Park 5 mins by auto
Burrows Park " " "
Tenney Park " " "
Olbrich Park 10 mins by auto

SHOPPING CENTERS

Truax Plaza $1\frac{1}{2}$ blocks
Northgate 5 minutes by auto
Arlans 7 minutes by auto
Northport-Troy Drive Shopping Area
5 minutes by auto
Madison East Shopping Center
11 minutes by auto
Capitol Square Central Business
District - 17 minutes by auto

CHURCHES

St. Bernards Catholic Church
5 minutes by Auto
East Side Evangelical Lutheran
Church - 5 minutes by auto
Good Shepherd Wesleyan Methodist
Church - 8 minutes by auto
Parkside Presbyterian Church
4 minutes by auto
East Madison Baptist Church
8 minutes by auto

OTHER LINKAGES

Madison Municipal Airport - 5 minutes by auto
Cherokee Country Club - 10 minutes by auto
Monona Golf Course - 12 minutes by auto
Fire Station (Northport and Sherman Ave.) - 10 minutes
by vehicle.