

SUMMARY OF VALUE CONCLUSIONS

Truax Landfill Property Warehouses Camp Woodchuck

Question No.	Comment	Value
1. Warehouses. "As Is." Occupied.	Maximum due County.	\$301,500
2. Warehouses. Cold Storage. Unoccupied.	Additional \$76,000 of value belongs to City. Created by City's action.	\$377,500
3. Highest and Best Use.	Demolish, relocate tenants. Subdivide and resell the land. Additional \$110,500 of value belongs to City. Created by City's action.	\$412,000
4. Camp Woodchuck.	Land Value.	\$4,000/acre
	Bunker and Buildings:	
	-Cost to demolish	(\$275,000)
	-Contributory value if retained	\$123,000

**CITY OF MADISON
INTERDEPARTMENTAL
CORRESPONDENCE**

TO: Jim Voss, City Attorney's Office
FROM: Jeff Ekola, Real Estate Section *JJE*
DATE: October 26, 1994
SUBJECT: Former Truax Landfill Property - Warehouses and Camp Woodchuck

The six County-owned warehouses located in the pink shaded portion in the attached map of the former Truax landfill property (Exhibit A) were inspected on September 20, 1994, by a team from the City's Inspection Unit. The team was led by Pete Blossom. The purpose of the inspection is described in the second paragraph of my August 11, 1994, memo to you. Per your request, the buildings and munitions bunkers that comprise the principal improvements of Camp Woodchuck were also inspected. A copy of Peter Blossom's report is attached as Exhibit B.

In the August 11 memo I stated that, because the warehouses are not investment grade property, the income approach is not the best tool for valuing the property. Nevertheless, the warehouses are being used as income property, and I concluded that the income approach is still the best way to measure their contributory value because it is the best way to address all of the aspects about the warehouses that impact on value.

Land:

I made a closer examination of the area comprising the pink shaded area. Following is a revised estimate of the area involved in the whole parcel and in the different component parcels.

Description	Square Feet	Acres	Value
Total pink shaded area (including the old streets for which vacation was never completed-see Exhibit A)	984,000	22.6	\$395,500
Land needed for new streets	149,374	3.4	\$59,500
Net acres available for replatting (22.6-3.4=19.2)	834,626	19.2	\$336,000
Land needed for warehouses (not including street right-of-way)	305,250	7.0	\$122,500
Excess land over warehouses (22.6-(3.4+7.0)=12.2)	529,376	12.2	\$213,500

In the August 11 memo I estimated the land value in an unsubdivided state at \$17,500 to \$22,000 per acre. The present plat, First Addition to Truax Air Park West, that includes the pink shaded area is a dysfunctional layout given the proposed property allocation for the landfill remediation project. It should be replatted to locate the street to either the east or west side of the pink shaded area. The values listed above are based on \$17,500 per acre as unplatted acreage.

Warehouses:

Analysis of the six warehouses was focused on three questions. Camp Woodchuck was addressed separately as the fourth question.

1. If the City took title to the warehouses and kept the existing usage and tenancies unchanged, what costs would be incurred to bring the warehouses "up to a condition suitable for City ownership," taking both the City's building code requirements and the Americans with Disabilities Act (ADA) requirements into account; what is the estimated contributory value of the six warehouses under these conditions; and what is the estimated value of the whole property under these conditions?
2. What other reasonable use might be made of the six warehouses; what would be the immediate cost to create that use; what is the estimated contributory value of the six warehouses under these conditions; and what is the estimated value of the whole property under these conditions?
3. Is there a higher and better use for the property than keeping the warehouses; and what is the estimated value for that use?
4. What is the estimated contributory value of the Camp Woodchuck land, buildings, and bunkers?

Question No. 1

In Peter Blossom's report the first number for each warehouse is the estimated minimum cost to bring the respective warehouse "up to a condition suitable for City ownership." The amounts and the total are listed as follows:

Warehouse	Repair Cost
1919 Nelson	\$50,000
1825 Nelson	60,000
1619 Nelson	18,000
1526 Holmberg	18,500
1606 Holmberg	28,000
1826 Holmberg	<u>52,000</u>
	\$226,500

Each warehouse is approximately 48' x 194' = 9,312 square feet. The tenants interviewed pay all expenses, except structural repairs, and pay rent of \$2.00 per square foot per year. There are no extended leases. All tenants are on a month-to-month basis. The \$2.00 per square foot rent is in line with market rents for comparable space. However, since there are no leases, there is no dependable, contractual income stream to value. Technically, there should be a discount made, or a higher vacancy rate used, to offset the lessor's risk of a potentially unstable income stream. Since I do not know the operating history of the warehouses under the County's management, and in order to give the County the benefit of the doubt, I used a typical vacancy rate of 10%. Based on the \$2.00 per square foot price, the total annual rent would be 9,312 square feet x \$2.00 x 6 = \$111,744. From this potential gross annual rent, expenses need to be deducted under the following set of assumptions to arrive at a typical net annual income that has a duration of 10 years and that can be capitalized into a present value.

Assumptions:

1. The buildings are WWII vintage. Assume a remaining economic life of 10 years maximum.
2. Vacancy and credit loss of 10% of potential gross income.
3. Management and overhead costs of 10% of effective gross income.
4. Routine structural repairs of \$3,000 per building ($\$3,000 \times 6 = \$18,000$).
5. Reserves for major structural work of \$2,000 per building ($\$2,000 \times 6 = \$12,000$).
6. Reserves needed to be set aside each year to accumulate a \$100,000 fund for demolition of all 6 buildings at the end of 10 years. Assume that the City can invest funds at 7% per annum (FV = \$100,000; n = 10 years; i = 7%; payment = \$7,238 per year).
7. Treat the \$226,000 immediate repair cost as the initial investment required to be able to receive the annual cash flow. No tenants would be required to move; therefore, no relocations costs would be involved.
8. Capitalization rate: assume a 7% safe rate + 4% risk rate for total of 11%.

Computation:

Potential gross income		\$111,744
Less 10% vacancy and credit loss		<u>11,175</u>
Effective gross		\$100,569
Less expenses		
- Management and overhead	10,057	
- Routine structural repairs	18,000	
- Major work reserves	12,000	
- Demolition reserves	<u>7,238</u>	
		<u>47,295</u>
Annual net operating income		\$53,274

What is the contributory value of the warehouses under the conditions of Question No 1 if:

Net operating income stays the same for 10 years at \$53,274:
- initial cash outflow of \$226,000
- 10 years of cash inflows at \$53,274 level
- Overall cap rate of 11%
Present value = \$87,743
Round to \$88,000

Since the tenancies are all month to month, and since any improvement in net operating income depends on the management skill of the buyer, the financial reward of any improvement belongs to the buyer and not the seller. There is no justification to project an increasing income stream because it would reward the seller for work not done by the seller. Therefore, the contributory value of the warehouses under Question No. 1 is estimated at \$88,000.

The warehouses occupy about 7.0 acres. Road access to serve them is about 3.4 acres. This leaves approximately 12.2 acres of excess land as shown on page 1. The excess land value estimated at \$17,500 per acre is \$213,500.

Question No. 1 Summary

Warehouses:	\$ 88,000
Excess Land:	<u>213,500</u>
Total:	\$301,500

Question No. 2

I asked the team to consider what, in their opinion, would be the most effective use of the six warehouses if the City were to take title to them and keep them. The team's conclusion was that the warehouses should be gutted and used as "unoccupied, unheated, cold storage only." This would involve terminating the tenancies of about four (perhaps more) businesses that conduct occupied business operations out of several of the warehouses. This may or may not require relocation assistance payments, but assuming that it would, relocation assistance would probably be an initial cost to the City of roughly \$100,000 to \$150,000 total. However, ongoing management, overhead, and structural repair costs should be less.

In Peter Blossom's report the second number for each warehouse is the estimated cost to physically gut the inside improvements and convert all the warehouses to unoccupied, cold storage only. The amounts and the total are listed as follows:

Warehouse	Repair Cost
1919 Nelson	\$5,000
1825 Nelson	8,000
1619 Nelson	9,000
1526 Holmberg	6,000
1606 Holmberg	10,000
1826 Holmberg	<u>9,000</u>
	\$47,000

Each warehouse is approximately 48' x 194' = 9,312 square feet. The rent would remain the same as in Question No. 1. This is based on a review of warehouse rents and on the discussion I had with a tenant that uses one of the subject warehouses strictly as unoccupied cold storage. The tenant stated that \$2.00 per square foot was reasonable, but the tenant would relocate if the rent were raised. Each tenant would be responsible for all expenses such as electricity and leasehold improvements desired. The City would be responsible for structural repairs and replacements as in Question No. 1. Therefore, the potential gross annual rent would also be the same at \$111,744. From this potential gross annual rent, expenses need to be deducted under the following set of assumptions to arrive at a typical net annual income that has a duration of 10 years and that can be capitalized into a present value.

Assumptions:

1. The buildings are WWII vintage. Assume a remaining economic life of 10 years maximum.

2. Vacancy and credit loss of 10% of potential gross income. Long term vacancy should be less, but initial vacancy would be higher to allow for time to do the renovation and find new tenants where necessary.
3. Management and overhead costs of 8% of effective gross income.
4. Routine structural repairs of \$2,000 per building ($\$2,000 \times 6 = \$12,000$).
5. Reserves for major structural work of \$2,000 per building ($\$2,000 \times 6 = \$12,000$).
6. Reserves needed to be set aside each year to accumulate a \$100,000 fund for demolition of all 6 buildings at the end of 10 years. Assume that the City can invest funds at 7% per annum (FV = \$100,000; n = 10 years; i = 7%; payment = \$7,238 per year).
7. Treat the \$47,000 immediate gutting cost, plus the \$150,000 relocation costs as the initial investment required to be able to receive the annual cash flow ($\$47,000 + \$150,000 = \$197,000$).
8. Capitalization rate: assume a 7% safe rate + 4% risk rate for total of 11%.

Computation:

Potential gross income		\$111,744
Less 10% vacancy and credit loss		<u>11,175</u>
Effective gross		\$100,569
Less expenses		
- Management and overhead	8,046	
- Routine structural repairs	12,000	
- Major work reserves	12,000	
- Demolition reserves	<u>7,238</u>	
		<u>39,284</u>
Annual net operating income		\$61,285

What is the contributory value of the warehouses under the conditions of Question No 1 if:

- Net operating income stays the same for 10 years at \$61,285:
 - initial cash outflow of \$197,000
 - 10 years of cash inflows at \$61,285 level
 - Overall cap rate of 11%
- Present value = \$163,922
 Round to \$164,000

The same comments made in Question No. 1 about any increase in the cash flows, or any improved stability of the cash flows, apply to Question No. 2. Future improvement in net operating income would again be from actions by the buyer, not the seller. Actually, conversion of all of the warehouses to unoccupied, cold storage is a value-added action by the buyer. The increase in value of No. 2 over No. 1 would not be the result of the seller's actions. The seller is only entitled to the value of the warehouses in their "as is" conditions. Therefore, the increased value found in Question No. 2 should not be viewed as belonging to the seller. The increased value of No. 2 over No. 1 of \$76,000 belongs to the buyer because the buyer's actions would have created it.

Question No. 2 Summary:

Warehouses:	\$164,000
Excess Land:	<u>213,500</u>
Total:	\$377,500

Question No. 3

Question No. 3, by asking if there is a higher and better use of the property than keeping the warehouses, is essentially addressing what is the highest and best use of the land viewed as vacant and available.

At first glance it appears that the existing use carries a higher value than the land viewed as vacant because of demolition costs and assumed relocation expenses. I have been using a land value of \$17,500 per acre in the report which is the lower figure that I used in my August 11 memo – the range being \$17,500 to \$22,000 per acre. If one examines the costs of making the land vacant, and available, the calculation is as follows:

Land, Costs Items	At \$17,500/acre	At \$22,000/acre
22.6 acres, vacant:	\$ 395,500	\$ 497,200
- less cost to demolish the warehouses	- 100,000	- 100,000
- less relocation expenses to relocate all tenants, say \$200,000	<u>- 200,000</u>	<u>- 200,000</u>
Net Value:	\$ 95,500	\$ 197,200

NOTE: Technically the City should already have an "equity interest" in the land for approximately 3.4 acres which is the area of the dedicated street right-of-way. The latest approved and recorded plat, First Addition to Truax Air Park West, would have required dedication of the right-of-way for the unconstructed street shown in the plat. The actual status of street rights-of-way is unclear as explained in Larry Nelson's memo to Peter Drahm and Roger Goodwin dated March 11, 1994, and attached as Exhibit D.

Initially it would appear that the cost of achieving a vacant property would be too great when compared to the values arrived at for the property as improved as estimated in Questions 1 and 2 which are \$301,500 and \$377,000 respectively.

However, if the land were vacant, the owner should be in a position to develop the land in one manner or another. In Exhibit C attached, I have proposed one layout by which the land could be developed. I selected this proposal as one which would be easiest for a public entity, such as the City, to accomplish because the City does not typically act as the developer. The layout calls for the creation of a four lot certified survey map. Lots 1, 2, and 3 are proposed because they could be created and sold immediately without any development hard cost. They already have improved street frontage and Lots 1 and 3 have particularly good, high traffic visibility. Lot 4 was created with the intent that it could be sold to a developer who could then plat the parcel into approximately a twelve lot subdivision. In the CSM approval process, all existing street right-of-way in Lot 4 would be vacated and a new street right-of-way would be dedicated along the far west side of Lot 4 where maximum advantage could be taken of the underground utilities that are already in place.

As to zoning, it would seem in the City's best interest to permit usage compatible with highest and best use of the land. It is interesting to note that all the office and business uses that have been developed along International Lane and Anderson Street exist in M-1 zoned land. The subject land is also zoned M-1 now.

Following is the value analysis of the proposed CSM. I used the word "retail" in this context to refer to the sale of a ready-to-use lot to a user buyer and the word "wholesale" to refer to the sale of undeveloped land to a developer. The developer pursues value-added actions and approvals so that, if the developer is successful, the undeveloped land is subdivided and the platted lots are sold at "retail."

Gross Sales Potential:			
Lot	Approximate Size	Price/sq. ft	Value
Sell Retail			
1	65,750 sq. ft or 1.5 ac plus possible vacated street	\$3.00	\$198,000
2	29,250 sq. ft or .7 ac	\$2.75	\$81,000
3	133,500 sq. ft or 3.1 ac	\$1.75	\$234,000
Total of Lots 1-3			\$513,000
Sell Wholesale			
4	735,700 or 16.9 ac. Net plattable (less dedicated street): 585,300 sq. ft or 13.4 ac.	\$17,500	\$296,000
Total of Lots 1-4			\$809,000
Expenses:			
Demolition		\$100,000	
Relocation		200,000	
Survey		10,000	
Staff time (5% of gross)		40,000	
Miscellaneous		50,000	
			400,000
Net Proceeds:			\$409,000

If calculated over time, the sellout period would be relatively short, say 2 years, so assume cash inflows of \$404,500 per year. All costs, except staff time at \$20,000 per year, would occur in the first year so assume cash outflows of \$380,000 in year one and \$20,000 in year two. Assume a rate of return needed of 9% (7% safe rate plus 2% risk rate). Netted cash flows are as follows:

Year	In	Out	Net
1	\$404,500	\$380,000	\$ 24,500
2	<u>404,500</u>	<u>20,000</u>	<u>384,500</u>
	\$809,000	\$400,000	\$409,000

Present value for year 1:	\$ 24,500
Present value for year 2: (discounted at 9% per year for 2 years)	335,837
Total present Value:	<u>\$360,337</u>
Round to	\$360,000

Not accounted for to this point is the fact that the City, by selling the land to private parties, would be creating new real property tax base where none existed before. Assuming that a developer could plat Lot 4 into about 12 lots at a value of \$75,000, this would create a tax base for just the land at retail of \$1,410,000 (Lots 1-3 retail \$513,000 plus 12 platted lots at \$75,000 per lot is \$900,000; total is \$1,413,000). The City's portion of the millage is 10.1 mils per \$1,000 of assessed value for 1993 which is the current tax year. Therefore the annual property tax revenue available to the City after the subdivided parcels have been created and sold, say in about five years, would be approximately \$14,271 ($\$1,413,000 \div 1000 \times 10.1$ mils per \$1,000 assessed value). Lot purchasers would, of course, begin to construct their buildings on the lots which would provide more new real property tax base. But, for purposes of this illustration, assume that no buildings are constructed before the end of ten years (the same time period as the remaining economic life of the six warehouses) and assume, further, that the value of the lots remains flat for the years five through ten. What is the present value of \$14,271 of tax revenue received in years 5-10 (years 1-4, cash flow is zero; years 5-10, cash flow is \$14,271 per year)? Discount the cash flows at a safe rate of 7% per annum. The calculation indicates the present value to be \$51,895. Round to \$52,000.

One should also note that the mechanism for assessing and collecting tax revenue already exists whereas the burden of managing six warehouses may not be an additional responsibility which the City would want to assume.

Question No. 3 Summary

Present value of lots sales revenue:	\$360,000
Present value of property tax revenue:	<u>52,000</u>
Total:	\$412,000

Conclusions Regarding Question Nos. 1-3

<u>Question No.</u>	<u>Value Conclusion</u>
1	\$301,500
2	\$377,500
3	\$412,000

In dealings with the County, the contributory value of their ownership is limited to the "as is" value estimate in Question No. 1 - \$301,500. Question No. 2 demonstrates how the value of the warehouses might be increased by better management of the property, but that \$76,000 increase in value would belong to the City because the City would have created it. Question No. 3 demonstrates that the highest and best use of the County's property is to demolish the warehouses and convert the land to private ownership. The additional value of \$110,500 of No. 3 over No. 1 would also belong to the City because the City would have created it.

I would caution the user of this information that the accuracy of the stated land areas is subject to verification by an actual plat of survey prepared by a registered land surveyor. I calculated the areas using City Assessors Office's maps and City Engineering Division's maps and rounded the

calculations to the nearest tenth acre, but the stated areas must not be taken as more than estimates of size. If greater accuracy is required the property must be surveyed.

Question No. 4

Question No. 4 addresses the contributory value of the various components of Camp Woodchuck: land, buildings and bunkers. See Exhibit E for a sketch map of the property layout and building dimensions.

Land:

The east boundary of the proposed landfill lot passes through the two principle buildings of Camp Woodchuck (Building No's. 3241 and 3243). The east line needs to be relocated either to the west about 150 feet to exclude the buildings at a practical distance or to the east about 290 feet to include all of Camp Woodchuck. Since the land involved is unplatted acreage, it can be valued on a per acre basis. Given the nature of the land and its location compared to the higher and more visible subject property on the west and north sides of the proposed landfill lot, it would carry a lesser value per acre. As useable upland, the value of the Camp Woodchuck land is estimated at \$10,000 per acre. However, when one examines the 100 year flood elevation line on Sheet No. 4 of the plat of the First Addition to Truax Air Park West, one finds that a major portion of the Camp Woodchuck land is below the 100 year flood elevation line. All of the buildings in Camp Woodchuck, except the 36 bunkers, are also in the flood plain. The existence of the flood plain further restricts the market value of the land. Flood plain land typically sells for about 25% of the adjacent upland value which, in this case, would be about \$2,500 per acre. Since not all the land is in the flood plain, I estimated an average, across-the-board, value for the Camp Woodchuck land at \$4,000 per acre. Therefore, whichever way the east line of the proposed landfill lot is relocated, the dollar value of the area either gained or lost can be valued at \$4,000 per acre. Richard Stephenson, U. S. Army staff person, stated that the total acreage involved in Camp Woodchuck is about 25 acres. He can be reached by phone at 242-3370. Colonel Andy Miller, U. S. Army, is the officer in charge of Camp Woodchuck. He expressed concern that the Army's leasehold interests not be overlooked in the negotiations between the City and the County. He can be reached by phone at 242-3350.

Buildings and Bunkers:

Bunkers: The main bunkers constitute a very expensive, special purpose structure. If demolition is required, it would be expensive because of the amount of reinforced concrete involved. The bunkers were designed to protect missiles and munitions against enemy bombardment. They are unused now except to store some items like large, off-road vehicles tires. When the bunkers were in normal use, they were lighted and dehumidified. The tight, heavy metal doors and the massive concrete overlay make the Quonset-shaped interiors rather humid. Each unit has roughly 184 square feet of interior floor space. The metal doors, jams and metal interior need to be sandblasted and repainted to prevent further deterioration. There is also another larger, isolated bunker, roughly 24 feet by 36 feet, located in the 110 foot by 160 foot fenced area south of the Gate House which I refer to as the south bunker.

If the bunkers are to be demolished, demolition costs are estimated at \$150,000 to \$200,000. This should be firmed up with an opinion furnished by a local contractor experienced in concrete demolition work.

If the bunkers are to be retained, the contributory value of the structures "as is" is estimated at \$1,000 per unit or \$36,000 for the main bunkers, plus \$4,000 for the south bunker or \$40,000 total.

Buildings: The three buildings on the Camp Woodchuck property are referred to as:

- The Gate House. Building No. 3240
- Building No. 3243 (on plans), 3242 (on bldg.). I referred to it as the North Building.
- Building No. 3241. I referred to it as the South Building.

All these building are constructed with concrete block. They were built in the early 1960s and are in a good state of repair, although the Gate House needs refurbishing. Colonel Miller has indicated that the Army plans to abandon the facility in about 18 months. Therefore, no relocation costs are assumed to be necessary.

If these three buildings are to be demolished the estimated demolition costs would be about \$75,000. This allows about \$25,000 for removal of asbestos and \$50,000 for demolition of the buildings, concrete slabs, fuel tanks, and clean-up.

If the buildings are to be retained, they could be converted into occupied, commercial use as office/warehouse facilities; or they could be used as unoccupied, cold storage. However, conversion of the North and South buildings to unoccupied, cold storage would be impractical because half of each building is a one story office with eight foot ceilings. These two buildings are not functional as just warehouses. The Gate House, being only 1,341 square feet in size, is the least useful as a stand-alone facility for office/warehouse use, although it could complement the needs of someone who is primarily interested in the North and South Buildings and requires more office space. It has very limited usefulness as an unoccupied, cold storage facility because it is too small, has no truck dock or truck door, and has only an eight foot ceiling height.

Peter Blossom's report in Exhibit B estimated the costs to bring the buildings "up to a condition suitable for City ownership" or to gut them for unoccupied, cold storage:

<u>Building</u>	<u>For Occupied Office/Warehouse</u>	<u>For Unoccupied, Cold Storage</u>
Gate House, No. 3240	\$29,000	\$3,000 (n/a)*
North. Bldg. No. 3243	32,000	3,000 (n/a)*
South. Bldg. No. 3241	<u>28,000</u> (n/a)*	<u>3,500</u>
Total	\$89,000	\$9,500

*Note: n/a = not an applicable use as explained in paragraph above.

Based on cost new to construct similar buildings (about \$80-\$90 per square foot) and what older buildings tend to sell for (about \$15-\$20 per square foot), I estimated the "as is" value of the three buildings as follows:

<u>Building</u>	<u>Size (sq.ft)</u>	x	<u>Value/sq. ft</u>	=	<u>"As is" Value</u>	<u>Rounded</u>
Gate House	1,314		\$5.00		\$ 6,570	\$ 7,000
North. Bldg. No. 3243	3,952		18.00		71,136	72,000
South. Bldg. No. 3241	3,952		16.00	63,232		
plus canopy	1,200		3.00	<u>3,600</u>		
				→	\$66,832	<u>67,000</u>
						\$146,000

Contributory Value of the Three Buildings:

<u>Building</u>	<u>"As is" Value</u>	-	<u>Less P.B.'s Cost</u>	=	<u>Contributory Value</u>
Gate House					
occupied	\$7,000		\$29,000		(n/a)*
unoccupied	7,000		3,000		\$4,000
North. Bldg. No. 3243					
occupied	72,000		32,000		\$40,000
unoccupied	(n/a)*		(n/a)*		(n/a)*
South. Bldg. No. 3241					
occupied	67,000		28,000		39,000
unoccupied	(n/a)*		(n/a)*		(n/a)*
			Total		<u>\$83,000</u>

*Note: n/a = not an applicable use.

The cost of bringing the Gate House "up to a condition suitable for City ownership" is economically not practical. At best, it has value only as a marginal, cold storage building, but it is not well suited for that use either. If it is retained, it should only be given a nominal value, say \$4,000. Both the North Building and the South Building could be brought "up to a condition suitable for City ownership" as occupied office/warehouse facilities. The buildings are best suited for commercial use. Therefore, the unoccupied, cold storage use was viewed as not applicable.

Question No. 4 Summary

Land: Valued at \$4,000 per acre. Any increase or decrease to the proposed landfill lot for Camp Woodchuck land should be based on the unit value of \$4,000 per acre.

Bunkers:		(-)	(+)
Demolition Costs:		\$200,000	
Contributory Value if Retained:			\$ 40,000
Buildings:			
Demolition Costs:		\$ 75,000	
Contributory Value if Retained:			<u>\$ 83,000</u>
Totals:		<u>\$275,000</u>	<u>\$123,000</u>

EXHIBITS

- A Map of project area shaded in pink. 1 page
- B Peter Blossom's cost estimates memo dated October 4, 1994.
4 pages
- C Proposed Certified Survey Map. 1 page
- D Larry Nelson's memo dated March 11, 1994. 1 page
- E Camp Woodchuck layout map, buildings, and bunkers sketches.
4 pages
- F Tax Parcel map with area calculations. 1 page
- G Aerial photo - 1990 flight. 1 page
- H Master Plan. Truax Air Park West. 1 page
- I Copy of plat: First Addition to Truax Air Park West. 5 pages

CITY OF MADISON
INTERDEPARTMENTAL
CORRESPONDENCE

Date: October 4, 1994

To: Jeff Ekola, CED Unit
From: Peter Blossom, Inspection Unit
Subject: FORMER TRUAX LANDFILL

Inspection Unit staff have inspected the warehouse buildings on Nelson Street and Holmberg Street and the buildings at Camp Woodchuck. We listed items needing attention and estimated the cost to address them. The estimates are very rough, as the inspections were not extensive and actual designs have not been developed to address the items listed.

I have listed two cost estimates. The first one is to ^{bring}~~bring~~ the buildings up to a condition suitable for City ownership, while maintaining commercial and/or warehouse tenancy. The second one is to use all the buildings for cold storage warehousing tenancy only. The estimates are as follows.

1919 Nelson	Commercial/Warehouse	\$50,000
	Cold Storage Only	5,000
1825 Nelson	Commercial/Warehouse	60,000
	Cold Storage Only	8,000
1619 Nelson	Commercial/Warehouse	18,000
	Cold Storage Only	9,000
1526 Holmberg	Commercial/Warehouse	18,500
	Cold Storage Only	6,000
1606 Holmberg	Commercial/Warehouse	28,000
	Cold Storage Only	10,000
1826 Holmberg	Commercial/Warehouse	52,000
	Cold Storage Only	9,000
<u>Camp Woodchuck</u>		
Assembly ^{South.} Building No. 3241	Commercial/Warehouse	28,000
	Cold Storage Only	3,500
Accountability ^{North.} Building No. 3243	Commercial/Warehouse	32,000
	Cold Storage Only	3,000
Gate House	Commercial/Warehouse	29,000
	Cold Storage Only	3,000

Exhibit "B"

The warehouse buildings are not well suited to commercial use (i.e. office and factory). For those buildings that do not presently have restrooms, I did not estimate the cost to add them. I do not know if water and sewer utilities are extended to them.

The buildings at Camp Woodchuck are best suited for some sort of commercial use, rather than using them for cold storage. Most of the cost associated with these buildings are to make them accessible.

I have not addressed the bunkers. The electrical is not in use at the bunkers, but power is live to the service panel. It may cost \$200 to permanently shut off the power to the bunkers.



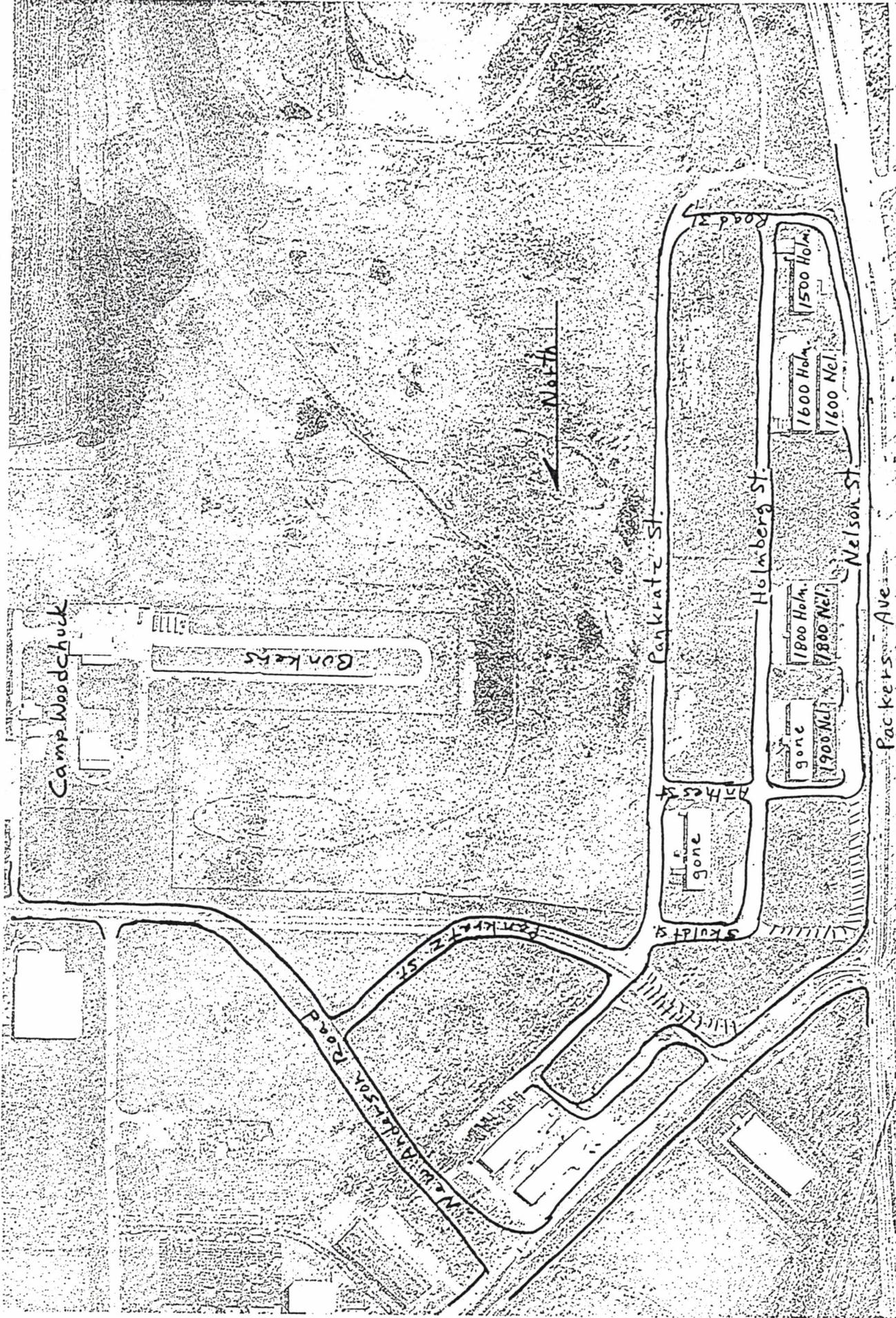
Peter Blossom
City Architect

Truax Warehouses
to Be Inspected

1900 Nelson Street
1800 Holmberg Street
1800 Nelson Street
1600 Holmberg Street
1600 Nelson Street
1500 Holmberg Street

Bunkers to Be Inspected

Camp Woodchuck
2621 Anderson Street



Camp Woodchuck

Packers

M. W. Anderson Road
Pankratz St

Pankratz St

Holmberg St

Nelson St

Packers Ave

Road 31

Anthes St

Skold St

gone

gone

1800 Holm.

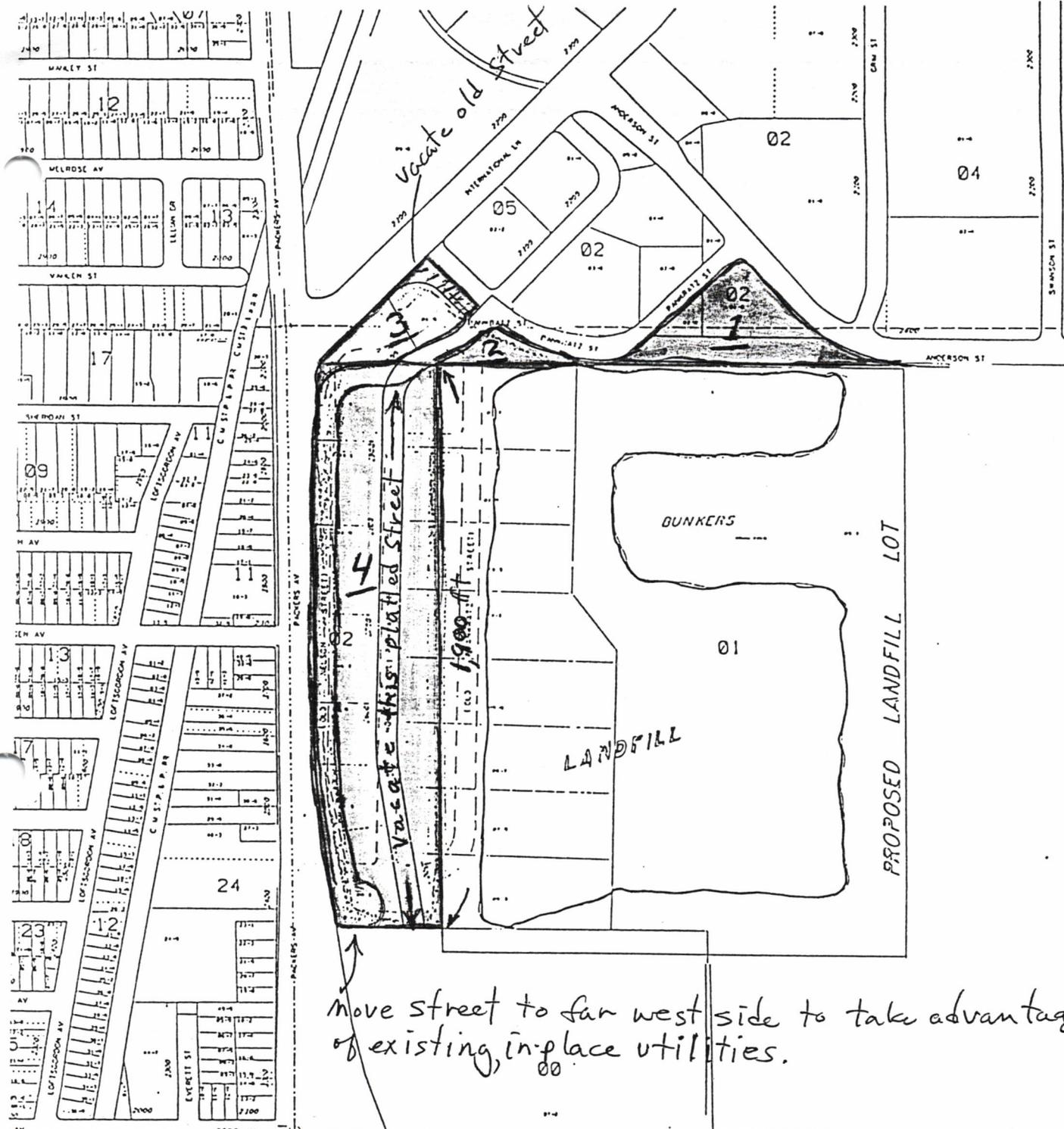
1800 Nel.

1600 Holm.

1600 Nel.

1750 Holm.

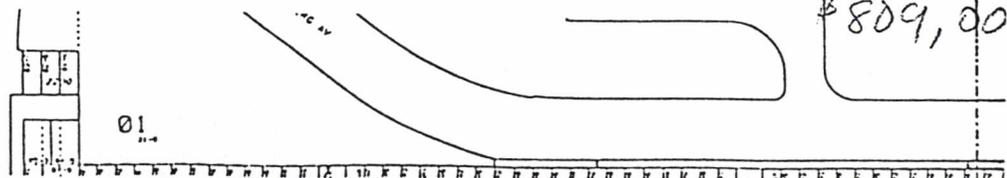
North



move street to far west side to take advantage of existing, in-place utilities.

Exhibit C

Proposed Four Lot CSM				
Lot 1	65,750 Φ	1.5 ac	$\$ 3.00$	$\$ 198,00$
Lot 2	29,250 Φ	.7 ac.	2.75	81,00
Lot 3	133,500 Φ	3.1 ac.	1.75	234,00
Lot 4	735,700 Φ	16.9 ac.	17,500/ac	296,00
				$\$ 809,00$





CITY OF MADISON
INTER-DEPARTMENTAL
CORRESPONDENCE

Date: March 11, 1994

To: Peter Drahn, Airport Director; and Roger Goodwin, Streets Superintendent

From: Larry D. Nelson, City Engineer

Subject: Vacation of Skuldt Street, Homburg Street, Anthes Street, and Pankratz Street
Right-of-ways and All of Nelson Street

On November 15, 1983, the Common Council adopted a resolution vacating all of Skuldt Street, Anthes Street, Pankratz Street, and all of the Nelson Road right-of-way. In the subsequent plat, the name of Pankratz Street was assigned to Homburg Street. Dane County entered into an agreement with the City of Madison to proceed to reconstruct Pankratz Street in the new location. In order to maintain the vacated right-of-ways prior to the completion of Dane County's construction, easements were prepared to allow the City to maintain the vacated streets. However, those easements were apparently never executed by Dane County.

As a result of vacation, the Street Division of the City of Madison ceased maintenance and snow plowing operations on these streets. Early this year, I received a call from Al Schumacher of the Street Division - East questioning if the Street Division had to plow the vacated streets. I contacted Chuck Peterson of the Airport and Chuck and I agreed to research our respective records to determine if the easement had ever been transferred.

I reviewed the records with regards to the Truax Air Park West - First Addition Plat and the street vacation records of the City's Real Estate Division. We have also tried to determine if there was a recorded document with the Dane County Register of Deeds Office.

We have been unable to obtain any record that indicates that Dane County granted the City easements over Anthes Street, Homburg Street, Nelson Street, Old Pankratz Street, or Skuldt Street. Therefore, we conclude that the plowing of those vacated streets are the responsibility of Dane County, the owner of the Truax Air Park.

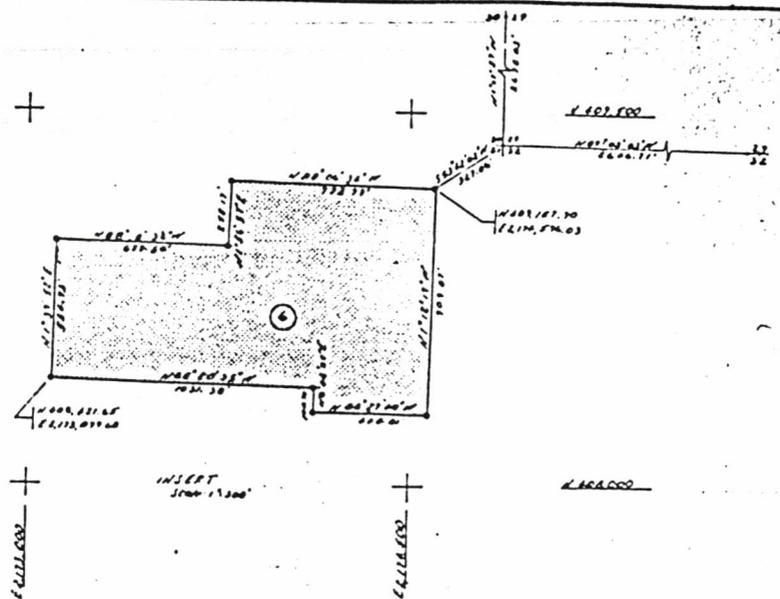
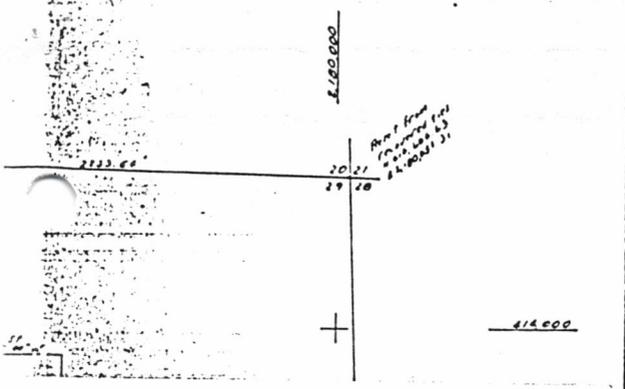
If there is additional information regarding this issue, we would be happy to review it.


Larry D. Nelson, P.E.
City Engineer

LDN:mah

cc: Al Schumacher, Streets Division, East
Don Marx, Real Estate Supervisor
Bob Coon, City Engineering

Exhibit "D"

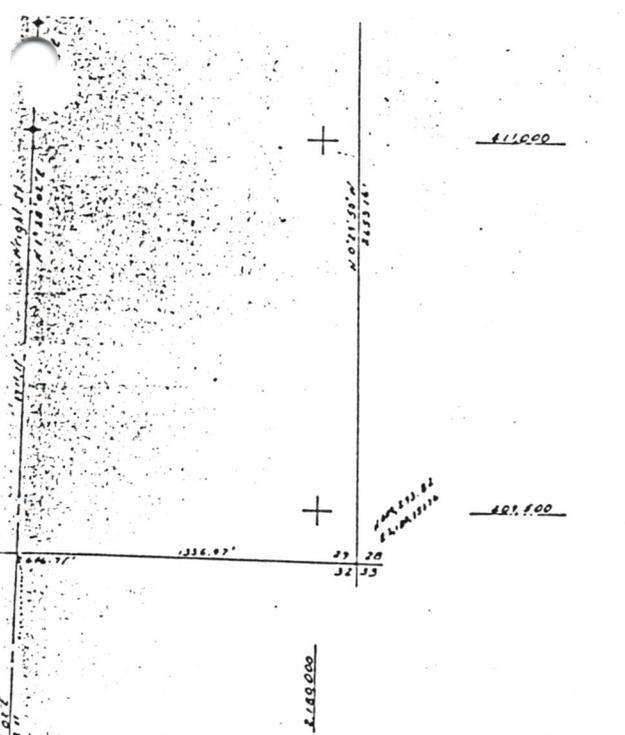


Camp Woodchuck
Boundary
Description

SUMMARY OF TRUAK FIELD REAL ESTATE				
Parcel	Type of Interest	Acres ANG	Acres Army MG	Total Acres
2	Leased	56.16	14.74	70.90
3	Leased	3.36	-	3.36
4	Leased	.18	3.72	3.90
6	Leased	-	24.11	24.11
8	Leased	4.78	7.00	11.78
9	Leased	3.16	-	3.16
A	Fee Owned	7.05	-	7.05
B	Fee Owned	11.03	-	11.03
C	Fee Owned	-	10.83	10.83
D	Fee Owned	3.60	-	3.60
Mitchell St	Leased/Fee	1.06	-	1.06
Becker St	Fee Owned	1.06	-	1.06
Pearson St	Leased/Fee	2.10	-	2.10
TACAM	Fee Owned	.14	-	.14
TOTALS		93.68	60.40	154.08

NOTES:

1. Parcels 1, 5, & 7 were deleted from the lease in 1984.
2. The streets listed above were vacated by the City of Madison in 1983 by quitclaim deed and thus become the property of the adjacent property owners.
3. The TACAM site is not shown on the above map.



LEGEND

LAND ON ANG LICENSE

LAND ON ARMY NAT GUARD PERMIT



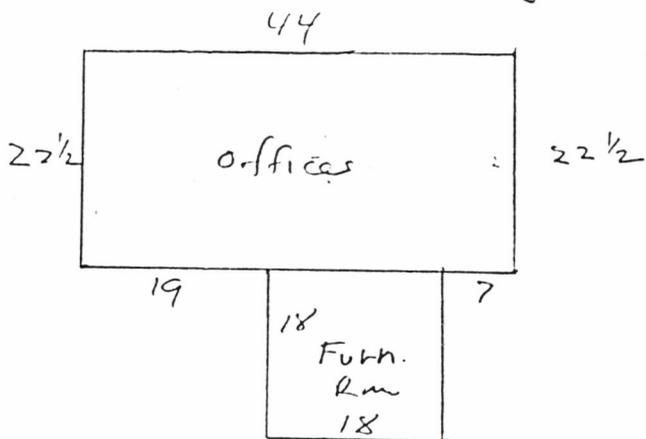
THIS PLAN ACCOMPANIES CONTRACT NO. _____
MODIFICATION NO. _____

DATE	14/3/83	DESCRIPTION	LICENSE CLINGS	NGN	ADM
REVISIONS					
U. S. ARMY ENGINEER DISTRICT, OMAHA CORPS OF ENGINEERS OMAHA, NEBRASKA					
DESIGNED BY:		Plot of Survey Real Estate Parcels TRUAK ANG BASE Madison, Miss.			
DRAWN BY:	SK				
CHECKED BY:					
DATE:					
APPROVED:		APPROVER:		DATE:	
DATE:		CHIEF ENGINEERING DIVISION:		SCALE AS SHOWN:	SPEL NO.
APPROVER:		DATE:		DATE:	

14172

Camp Woodchuck Buildings
2621 Anderson Street

Gate House, Building No. 3240

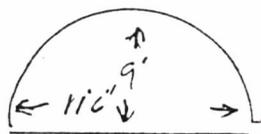
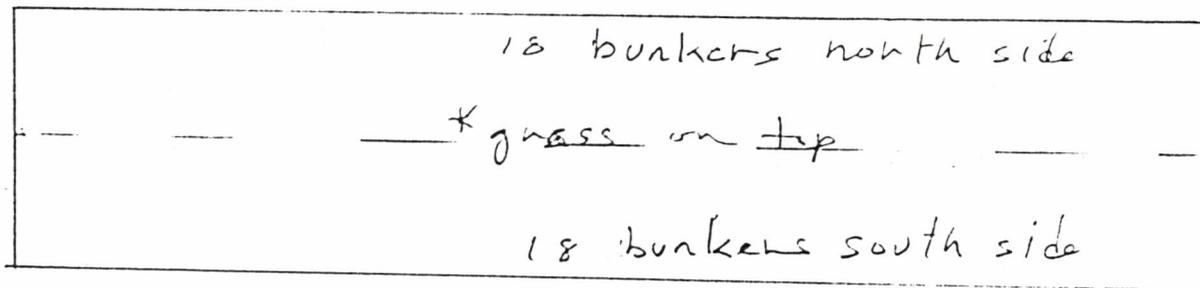


Offices = 990^{sq}
Furnace Rm: 324^{sq}
Total 1314^{sq}

South Bunker

Size is estimated at roughly 24' x 36'. This is an older, unused structure. It is also encased in concrete and covered with vegetation.

Missile & Munitions Storage Bunkers:

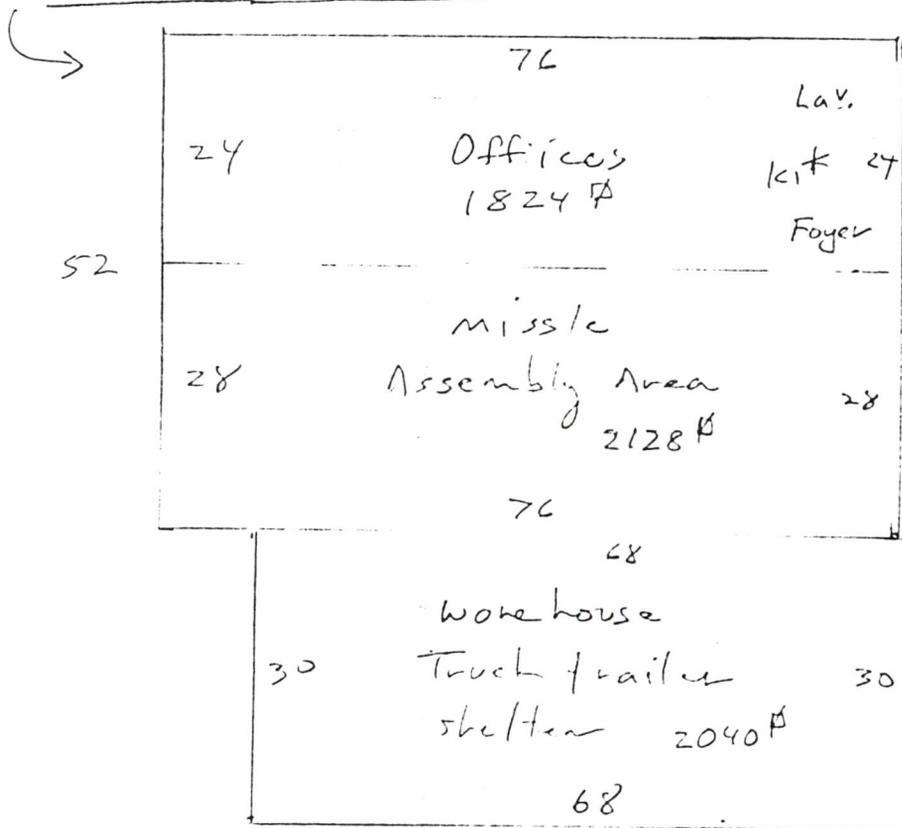


typical unit
9' x 11'6" x 16' ± depth

* A heavy layer of reinforced concrete overlays the entire 36 bunker complex which is sufficiently strong to permit heavy vehicles to drive over the top.

Camp Woodchuck Buildings

North Bldg # 3243 All Buildings Slab on Grade



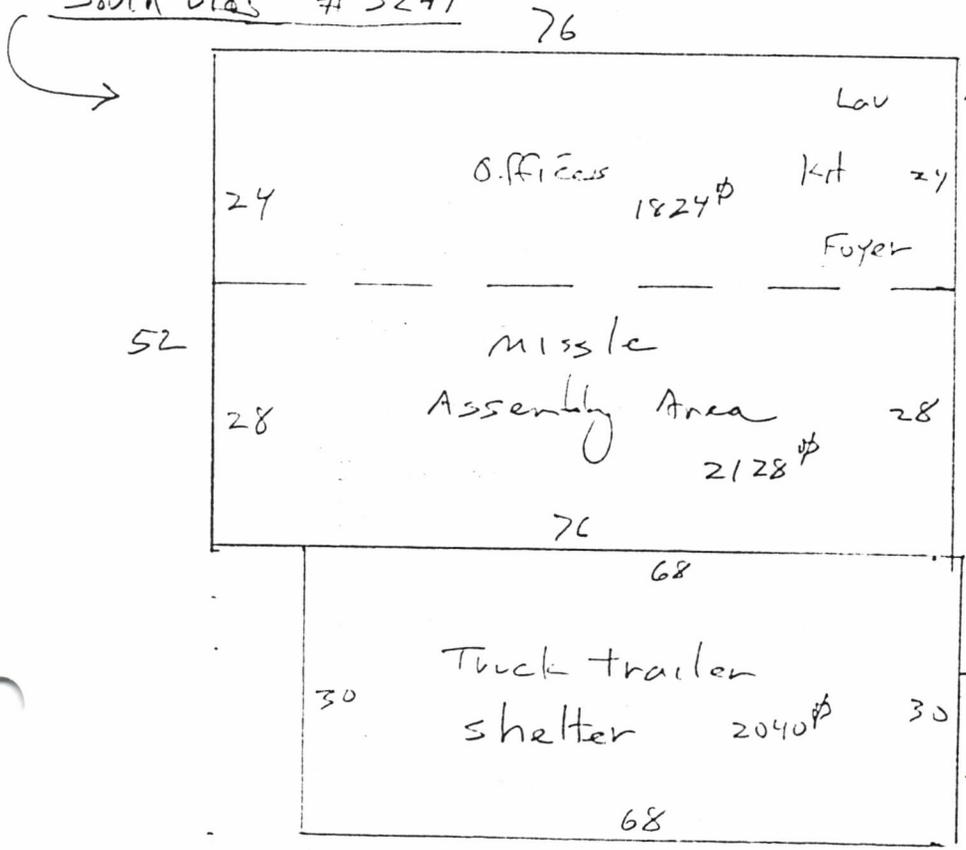
North Building
Concrete Block
 Offices: 1824 sq ft
 Assembly: 2128 sq ft
 Total: 3952 sq ft

Metal
 warehouse: 2040 sq ft

South Building
concrete Block
 Offices: 1824 sq ft
 Assembly: 2128 sq ft
 Total: 3952 sq ft

30
 Metal
 canopy 40
 1200 sq ft

South Bldg # 3241



Metal
 warehouse: 2040 sq ft

$$\frac{370 + 400}{2} \cdot 260 = 100,100 = 2.3$$

$$400 \cdot 1640 = 656,000 = 15.1$$

$$\left(\frac{30 \cdot 260}{2} \right) = 3,900 = .1$$

$$\left(\frac{60 \cdot 550}{2} \right) = 16,500 = .4$$

$$735,700 \quad 16.9$$

$$\frac{280 \cdot 370}{2}$$

$$\frac{130 \cdot 450}{2}$$

Total area

Sq. ft	acres
735,700	16.9
114,800	2.6
133,500	3.1
984,000	22.6

Land needed for Warchouses

$$\frac{150 + 220}{2} \cdot 1650 =$$

$$305,250 \text{ sq. ft}$$

$$7.0 \text{ acres}$$

Streets

$$70' \text{ cul de sac} = 15,394$$

$$66 \times 2030' = 133,980$$

$$149,374 \text{ sq. ft}$$

$$3.4 \text{ acres}$$

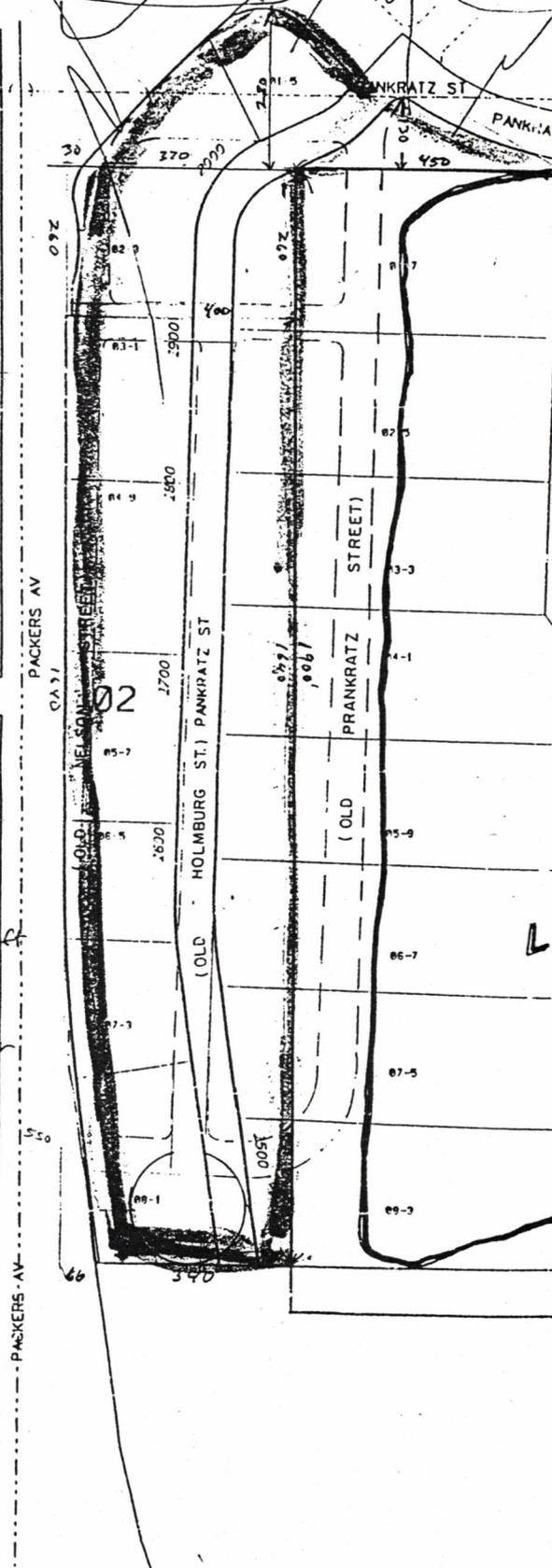
Excess Land over Warchouses

$$22.6$$

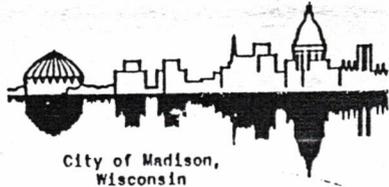
$$- 7.0 \text{ wh.}$$

$$- 3.4 \text{ rd.}$$

$$12.2$$



150) : 114,800 2.6 acres

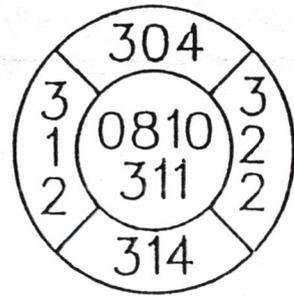


City of Madison,
Wisconsin

$$\frac{350 \cdot 720}{2} = 126,000 \text{ ft}^2 = 2.9 \text{ acres}$$

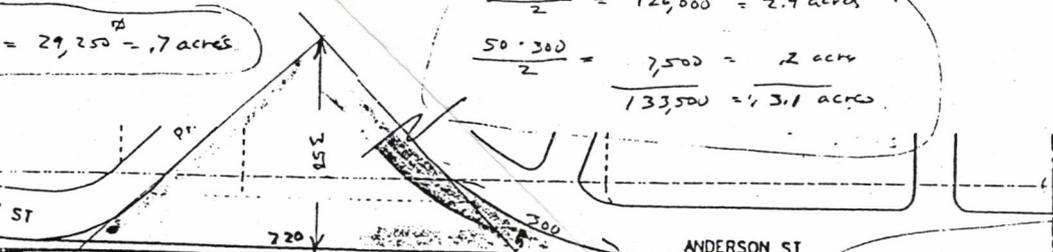
$$\frac{50 \cdot 300}{2} = 7,500 = .2 \text{ acres}$$

$$133,500 = 3.1 \text{ acres}$$



REVISED

= 29,250 = .7 acres



ANDERSON ST

Area outside of the Proposed Landfill Lot

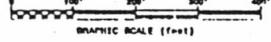
$$290 \times 720 = 208,800 \text{ ft}^2$$

$$110 \times 166 = 17,600$$

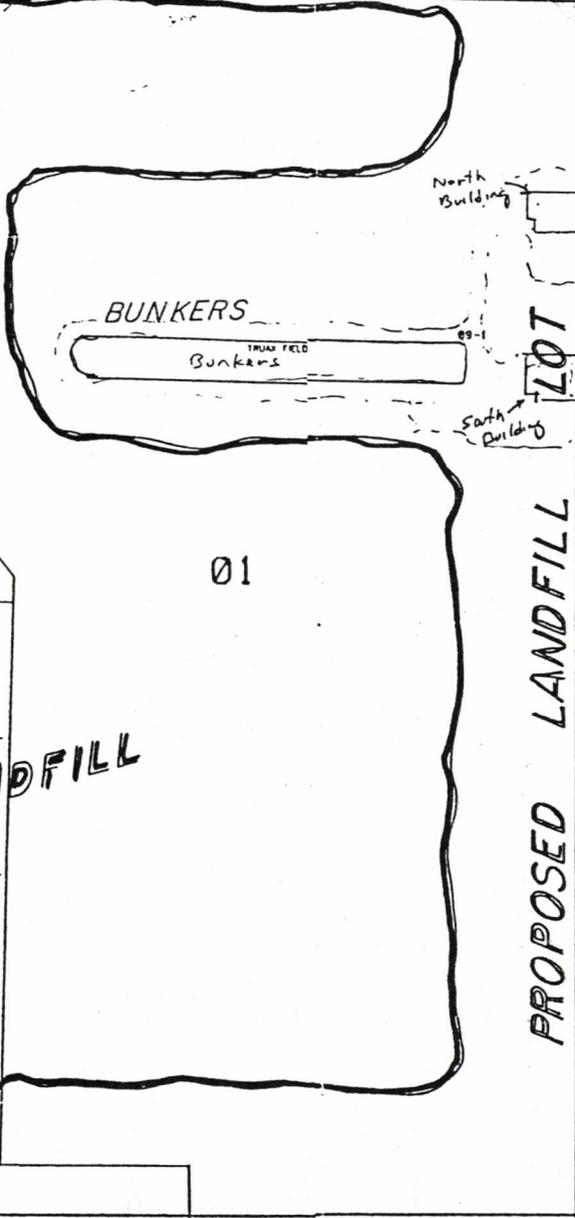
$$226,400 \text{ ft}^2$$

Acres: 5.2

SCALE: 1" = 200'



17-MAR-1994



PROPOSED LANDFILL LOT

LANDFILL