

Findings-of-Facts of the September 2019 Sale of Little Red School Property

A Report to Brunswick Town Board and Residents

Prepared by ad hoc committee of Brunswick residents for the purposes of

- 1) Researching the events and process used by ECASD and City of Eau Claire for sale of Little Red
- 2) Providing the information to the Brunswick Town Board and the public transparency.

Respectfully submitted by Karen Voss, Sue Smith, and Doug Carlson 11/12/2019

Contents	Page #
I BACKGROUND	3
II CONCERNS EXPRESSED BY RESIDENTS	3
III GOALS OF ADHOC RESEARCH COMMITTEE	3
IV EXPLORING JUSTIFIABLE REASONS AND OPPORTUNITY TO TRY TO INTERVENE IN SALE	3
V ADDRESSING LACK OF TRANSPARENCY & COMMUNICATION	4
A ANNEXATION	4
BTHE SALE PROCESS	5
VI SUMMARY/CONCLUSIONS/OPINIONS	5
VII APPENDICES	6
A APPENDIX- TOWN OF BRUNSWICK LETTER OF OBJECTION TO ECASD 10-9-2019	6
B APPENDIX : LITTLE RED HISTORICAL TIMELINE	8
C APPENDIX : 2005 LITTLE RED CERTIFIED SURVEY MAP	10
D APPENDIX-CITY OPEN RECORDS ANNEXATION/PROPERTY TRANSFER EMAILS SUMMARY	11
E APPENDIX-ECASD OPEN RECORDS BUYER COMMUNICATIONS SUMMARY	12
F APPENDIX – HIGHLIGHTS FROM 2018 NORBY 71 PAGE APPRAISAL	13

I. BACKGROUND

It was first discovered by the Town of Brunswick Board and the public on September 7th 2019, via the Leader-Telegram newspaper, that the Eau Claire Area School District (ECASD), would be discussing selling the Little Red School building and 32 acre property at their next Board meeting Monday September 10th. At that Board meeting, attended by several Brunswick Residents and the Town Board Chairman who all spoke in opposition to approving the sale at this time, the School Board did indeed vote to proceed to sell the property to two entities that had submitted unsolicited offers.

At the Town of Brunswick regular monthly Board meeting of Tuesday September 11th, as a separate discussion amongst the approximately 20 residents attending, much concern was expressed and numerous questions arose regarding the sale and the process used. The next day three residents held an ad hoc committee meeting, deciding to research information and finding of facts relating to the sale process and its history.

What follows is a 3 page <u>summary</u> of the information gathered. The Appendices include more details.

II. CONCERNS EXPRESSED BY RESIDENTS

At the Brunswick 9/11/19 meeting, concerns discussed by the residents mostly fell into 3 categories:

- 1. Lack of transparency and communication by the ECASD in the Little Red property sale and by the City of Eau Claire in the Annexation.
- 2. ECASD's lack of putting the property up for sale in a public bidding/offering process, to assure that everyone had an opportunity to bid, and to assure the maximum bid was received.
- 3. ECASD's lack of consideration for existing and future school overcrowding and a likely future need for property on the south side of Eau Claire for another elementary school.

III. GOALS OF ADHOC RESEARCH COMMITTEE

The ad hoc committee defined two goals:

- 1. Determine whether there is justifiable reason, and opportunity, to try to intervene in the ECASD sale process.
- 2. Gather all the facts relating to the sale and annexation of the Little Red Property, providing those discoveries to the Town Board and the Public.

IV. EXPLORING JUSTIFIABLE REASONS AND OPPORTUNITY TO TRY TO INTERVENE IN SALE

To determine if there would be enough time before the sale closed to attempt to intervene in the sale, the committee requested from ECASD a list of the activities and dates that would be leading up to the Closing, and received the following information in mid-September, showing the sale would be complete in mid-October:

September 29: Buyers' inspection and environmental assessment contingencies expire;

- October 4: Buyers' map of property contingency expires the buyers have engaged a surveyor to prepare a certified survey map of the property to carve out the two parcels;
- October 9: Martinek-Jereczek's financing and appraisal contingencies expire;
- October 15: Closing.

To determine whether there were justifiable legal reasons to try to intervene, the Brunswick Town Board decided at their 9/10/2019 Board meeting to have Town Attorney Hibbard investigate whether the ECASB had violated any statutes with the process they used, including not notifying the Town or the Public in advance of the sale. Attorney Hibbard investigated and concluded that:

- The Town has no standing to contest the annexation by anyone (S.66.0217)
- There are no conditions attached to the "donation" sale of land by the original land owners to EC for Little Red, and even if there were, they expired 40 years after the sale (sales in1955 and 1975).
- There are no statutes that regulate the disposal of school district property.

Therefore, there were not justifiable reasons, legally, to try to intervene in the sale, even though there would have been several weeks to attempt it.

V. ADDRESSING LACK OF TRANSPARENCY & COMMUNICATION

Due to the lack of transparency and communication to the town of Brunswick and to the Public by the ECASD and the City of Eau Claire, the committee did research to find the facts relating to the sale of Little Red, including Filing Open Records Requests as follows:

- 1. ANNEXATION: Open Records Request was sent to the City of Eau Claire for all internal and external communications regarding the Annexation of Little Red property. Within a few days, the City provided pdfs of 212 related e-mails, and a summary is included in the Appendices.
- SALE PROCESS: Open Records Request was sent to the ECASD for all communication with
 prospective buyers, since Little Red was closed. A copy of the Appraisal that was done was also
 requested, as was a copy of the Purchase agreements/sales contracts. ECASD denied access to
 ALL records, until after the Closing, claiming "competitive reasons". Records were finally
 received 10-15-2019.

A. ANNEXATION

Having received and reviewed the City of Eau Claire 212 email documents and other resources relating to the Annexation of the Little Red property, the high level summary is:

• It had been discovered in mid-2018, that the ownership of Little Red property had accidentally remained with the City of Eau Claire when the ECASD took over ownership/operation of the school system in 1982 (Leader Telegram article, May 31, 2019). In September 2018 the ECASD asked the City to correct that ownership oversight and transfer the title for Little Red to them, via a Quit Claim Deed.

During the City review process, they agreed to do the property transfer but decided they first
wanted to "Annex" the property into the City, because they still owned it, it was inside the
"Sewered District" plans (sewer not yet extended), it was inside the "Extraterritorial
Jurisdiction" zoning, and the City believes future developments near the City are more
environmentally sound when they are on City sewer services. By annexing the property, the
City zoning/development rules apply.

B. THE SALE PROCESS

Having finally received on 10/15/2019 the ECASD District documents relating to the sale, and using related history in Board minutes and newspapers, the timeline summary is as follows (a more full historical timeline is in the Appendices):

- The adjoining homeowner buyer first approached the School district in 2016, to buy some acres, and made their first offer in April 2018.
- ECASD had an Appraisal done in June 2018, by J. C. Norby, for the whole property (\$375,000) and for just 17 acres in the flood plain (\$70,000).
- The UA Local 434 buyer first approached the School District in the summer of 2019, to buy the buildings and some of the acreage around the building.
- Negotiations/discussions occurred separately with each buyer during July and August 2019.
- The school board voted 9/9/2019 to proceed with the two sales, in spite of several residents appearing at that meeting and objecting, asking for delay and an open bidding process

Note that future growth needs for a school expansion on the south side is not addressed in this document (it may be addressed in a separate future document).

VI. SUMMARY/CONCLUSIONS/OPINIONS

From the information gathered, it is concluded/offered:

- 1) ECASD and the City of Eau Claire acted legally, even though no public notification or communication occurred with the Town. Therefore the Town of Brunswick has no legal recourse to try to intervene in the Annexation or sale.
- 2) It remains disappointing that neither the City nor the ECASD used common courtesy to communicate with the Town or public during the annexation and sale processes. There was a missed opportunity to engage with the Community and the Town Board, to explore how the property might be best utilized for all stakeholders.
- 3) Without additional appraisals, it is not known whether the sale achieved the highest sales price that it could. Receiving a single offer for the building that was well above the Appraisal should have raised a red flag and caused the School Board to open up the bidding process.
- 4) It was recommended that the Town of Brunswick submit a letter of complaint to ECASD, stating the Town's disappointment in the lack of transparency and communication. Such a letter was created/signed, and delivered to ECASD, and is in the Appendices of this document.

VII. APPENDICES

A. APPENDIX- TOWN OF BRUNSWICK LETTER OF OBJECTION TO ECASD 10-9-2019

October 9, 2019

Dr. Eric Torres, ECASD Board President Eau Claire Area School District 500 Main Street Eau Claire, WI 54701

Mr. Torres,

The Town of Brunswick objects to the opaque process the ECASD Board used in the sale of the Little Red School property. We object to the lack of transparency in the process, the decision of the Board to conduct the sale in secrecy, not opening it up for public and development bids, and the failure of the Board to demonstrate that the sale of the property was accounted for in plans to address the existing and future overcrowding in Eau Claire's south side schools.

Transparency:

City Council and School Board meeting minutes, along with the City's open records materials, reveal that the School District asked the City to transfer ownership of Little Red land to ECASD over a year ago. The District pursued this request multiple times into 2019, while the City began planning the annexation of the Little Red property to the City. City Council minutes record that the Little Red land was annexed by the City on June 11 and title transfer to ECASD was approved on June 25. Neither the annexation nor title transfer appeared in the June, July or August School Board minutes. While there was no *legal requirement* that the School Board engage in open communication with the Town during this process, the Town Board feels strongly that the School Board's failure to do so has eroded what could have been an open working relationship with the Town Board.

The School Board received an unsolicited offer to buy the Little Red School property. We do not know when this offer first came to the School Board, nor do we know anything about how the transaction progressed. On September 10, Brunswick citizen Karen Voss made an open records request to the School Board. Ten days later, Atty. Strutz, representing the School District, responded that "until the two transactions are completed on October 15, the District cannot treat them as a "done deal." The argument is that the public interest in withholding the records outweighs the interest in disclosing the records because the School District received an offer to buy. Because ECASD did not have an "asking price" advertised, an aspect of competition was built into the process, and there are competitive reasons for withholding communications regarding the sale. This argument was used to withhold ALL records related to the sale. The appraised value of the property is publicly known as are the purchase offer amounts. How can all communications related to the sale, including the Appraisal (paid for by the School District), be **completely** withheld because of competitive reasons? Further, in a follow up letter received from Atty. Strutz, he states "Both of the offers to purchase that are at issue in this case contain provisions expressly *requiring the buyers to keep the terms of the offers confidential.*"

Lack of public opportunity for purchase of property:

When the ECASD received unsolicited interest in buying Little Red, they had several choices, but they didn't consider them all, only choosing to negotiate a deal with the two inquiring buyers, without keeping the public informed. ECASD could have told the buyers that involving the community and looking at all the options was important. ECASD could have followed the sales process used by the Town of Brunswick and Eau Claire County,

notifying the public that the property was for sale, thereby getting a wide range of offers, and not excluding anyone. Better yet, especially since the City was Annexing the property, they could have openly partnered with the Town of Brunswick and the City of Eau Claire, using the City's development process, whereby they announce a property is available for development. With a date-certain ending, perhaps a 3-6-month window, ECASD might have received multiple proposals, all of which would be open for public comment. Proposals coming in could include the original inquirers, and a range of creative ideas, from developers, the public, the Town of Brunswick, and possibly even from the School Board's own Demographics Committee. This would have been an all-inclusive process and may well have achieved a higher sales price for this unique property.

The property is unique – it is a mile from the City boundary and within the City's Sewer Service Area and their 3-mile extra-territorial boundary. It has over ¼ mile of frontage on State Hwy 37 and about 15,000 vehicles pass by each day. Examples abound on how the property could be utilized/developed, to the benefit of the community. Proposals might have included a multi-use facility, housing several businesses such as a day care, business offices, coffee shop, bakery, or gas station – or many other possibilities. The Town of Brunswick could have purchased it for use as a new Town Hall, Community Center, and a larger Brunswick Township Fire base station. An open and collaborative process would have found the "highest and best use" of the property, resulting in a higher sales price. Where was the Board's collaborative and visionary spirit? The Board's thinking was very narrow, short-sighted, and certainly not inclusive or transparent.

Inadequate analysis of options for addressing overcrowding on the south side of the ECASD

There is public concern from both City and Township residents about the current overcrowding of schools on the south side of Eau Claire. There is no evidence that the Board has undertaken any evaluation of how the Little Red property might or might not have played into addressing the District needs for greater capacity on the south side. Questions raised include whether the District will need to purchase other land for expansion in upcoming years, and if so, how would that cost compare to utilizing the Little Red land. ECASD should have completed an analysis to articulate a clear rationale for why Little Red could or couldn't cost-effectively serve the needs of our growing south side student population. Instead, the Board made a reactive decision based on an offer to buy. Two members of the School Board opposed sale of Little Red at the September 9th School Board meeting, expressing concern that the Demo and Trends Committee has not done enough investigation into how the Little Red property fits into future capacity needs. If there is a future referendum for funding expansion on the south side of Eau Claire, this question will surely be asked.

In closing, the Brunswick Town Board unanimously expresses its deep dissatisfaction with the ECASD's opaque, exclusionary and inadequately justified sale of the Little Red School Property. The process lacked any effort at inter-governmental collaboration and entirely ignored the longstanding connection and sense of community that Little Red School contributed to the Township for decades.

Sincerely,

Gordon Steinhauer Dr. Martin Voss, M.D. Douglas Carlson
Town of Brunswick Board Chair Community Populative Communi

Town of Brunswick Board Chair Community Representative Community Representative

c. Dr. Mary Anne Hardebeck, Superintendent

B. APPENDIX: LITTLE RED HISTORICAL TIMELINE

Date	Event	Documentation
1955	Deed for Little Red Land	Copy of Deed
1975	Deed for Little Red Land	Copy of Deed
	Note: All stipulations on donated land expire in	
	40 years. (2015)	
1982	ECASD separated their land from the City of Eau	L-T article 6/1/19 (from Ron Powers)
	Claire, but Little Red land was overlooked.	
1983	LRS Nature Area (LRSNA) proposal completed	Karen – Little Red Files
1984	ECASD approved development of LRSNA	Karen – Little Red Files
9/1984	Dedication of Little Red School Nature Area	Karen-Little Red files
4/1985	WAEE WI Earthguard award for LRSNA	Karen-Little Red files
1999	Approximately \$750K spent on renovations &	Amount not confirmed
	expansion of Little Red (Library, media center)	
09/24/07	Little Red Committee formed to look at building's	WEAU archives
	future	
1/21/2008	School Board votes to close Little Red at the end	WEAU archives
	of the 2008 school year with 4 recommendations.	
June,	Little Red School is closed.	
2008		
4/21/16	Sara Martrinek initiates inquiry regarding	p. 126 of PDF of Open Records from
	purchase of Little Red floodplain acres	ECASD
1/8/2018	INDE concept for use of Little Red approved for	180319 V1 article,
	further study by School Board	1/8/18 ECASD Board Minutes
April &	Sara Martinek asks ECASD for their response to	Appears repeatedly on pages 1-59 of
May 2018	her offer	PDF of Open Records from ECASD
Early 2019	INDE redirects focus to other possible venues	5/6/19 ECASD Board minutes
5/28/19	First Reading Annexation	City Council Minutes 5/28/19
6/11/2019	Annexation of LR to City of EC	City Council Minutes 6/11/19
6/25/2019	Authorizing City Manager to transfer LR property	City Council Minutes 6/25/19
	to ECASD	
<i>After 6/25</i>	ECASD acceptance of title	Not found in ECASD board minutes nor
		Open Records response of ECASD
6/26/19	ECASD responds to Sara Martinek: No decision	Appears repeatedly on pages 1-59 of
	regarding sale of land; however ECASD also	PDF of Open Records from ECASD
	proposes conditions of sale that include reserving	
	access to property for educational purposes.	
7/9/19	FIRST open records communication from ECASD-	p. 113 of PDF of Open records from
	Weld Riley to Boos of UA Local 434 regarding	ECASD
	appraisal results of LR land.	
8/2/19	Letter of intent from UA Local 434 to ECASD with	p. 89 of PDF Open records from ECASD

	proposal to buy.	
8/15/19	Letter from Russel Boos of UA Local 434 to ECASD listing past donations Local 434 has made to ECASD (\$5K annually since 2005 and Varsity advertising.	p. 87 of PDF of Open records from ECASD
Data	Frank	Decumentation
Date	ECASD informs Local 434 they will enter into	Documentation Onen records from ECASD
8/20/19	negotiations to sell. ECASD requests that negotiations be kept confidential until closure.	Open records from ECASD
8/21/19	Offer to purchase from Martinek-Jereczk to ECASD. This purchase offer does <u>not contain any of the educational use provisions that were discussed in the 7/9/19 letter from ECASD to Martinek.</u>	p. 60-71 & 71-81 of PDF of Open records from ECASD
8/26/19	ECASD-prepared offers to purchase to both Martinek- Jereczek and Local Union 434.	p. 83 of PDF of Open records from ECASD
9/9/19	School Board approves proceeding with sale.	9/9/19 ECASD Board meeting
	ECASD under contract to sell LRS property to two	9/13/19 Email from Hardebeck to Sue
	buyers subject to satisfaction or waiver of certain	Smith
	buyer contingencies.	
9/10/19	Open Records Request (ORR) sent to ECASD	Letter from Karen Voss
9/12/19	Addendum to ORR to Meta Miske (Admin Asst.)	Email confirmation to Karen Voss
	requesting next steps and timeline & appraisals	
9/16/19	Open Records Request to Terry Weld, City	Letter from Karen Voss
	Council	
9/18/19	Email to Meta requesting status update of OR status, Bd minutes, Demo Trends & Facilities Committee recommendations.	Email from Meta includes minutes.
9/19/19	Letter from Atty. Sven Strutz, WeldRiley, denies ORR until Oct. 15	Letter from WeldRiley
9/23/19	Received City's Open Records report	Files
9/27/19	Response to Strutz letter sent via email	Karen email
9/29/19	Buyers' inspection and environmental	9/13/19 email from Mary Ann
	assessment contingencies expire	Hardebeck
10/4/19	Buyers' map of property contingency expires –	9/13/19 email from Mary Ann
	the buyers have engaged a surveyor to prepare a	Hardebeck
	certified survey map of the property to carve out	
	the two parcels	
10/9/19	Martinek-Jereczek's financing and appraisal	9/13/19 email from Mary Ann
	contingencies expire	Hardebeck
10/15/19	Closing on sale of Little Red School property	9/13/19 email from Mary Ann
		Hardebeck

MARY L KAISER EAU CLAIRE COUNTY REGISTER OF DEEDS EAU CLAIRE, WI

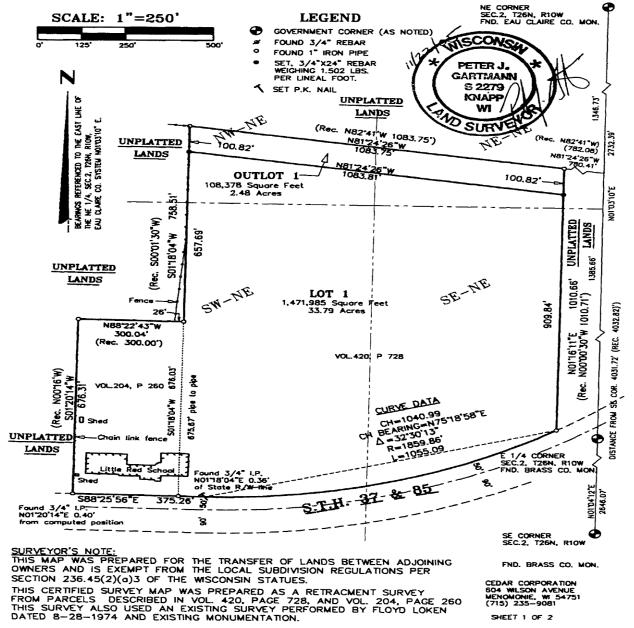
RECORDED ON 12/06/2005 10:56AM

13.00

REC FEE: TRANS FEE: EXEMPT #:

PAGES: 2

CERTIFIED SURVEY MAP NO. 2355 13 23 VOLUME __, PAGE _ LOCATED IN THE NW 1/4 OF THE NE 1/4, NE 1/4 OF THE NE 1/4. SW 1/4 OF THE NE 1/4, SE 1/4 OF THE NE 1/4, SECTION 2, TOWNSHIP 26 NORTH, RANGE 10 WEST, TOWN OF BRUNSWICK, EAU CLAIRE COUNTY, WISCONSIN (BEING ALL OF VOLUME 420, PAGE 728 & VOLUME 204, PAGE 260.)



D. APPENDIX-CITY OPEN RECORDS ANNEXATION/PROPERTY TRANSFER EMAILS SUMMARY

SUMMARY OF REVIEW OF CITY-PROVIDED 212 DOCUMENTS FOR OPEN RECORDS REQUEST REGARDING LITTLE RED ANNEXATION 10-3-2019 Doug Carlson

9/19/18 ECASD Beardsley (Weld Riley) asks Hoffer (City-Legal) for assist to clean up title 10/25/18 Beardsley/Oneil sends Hoffer Quit Claim Deed, presumably asking for sign off 11/08/18 Community Development is receptive to last communication?? Some kind of great news. References last week letter from Hoffer.

12/14/18 Beardsley asks Hoffer: regarding City's Contemplation of Annexation of the Property: Please advise whether the City has made a decision of whether it will pursue annexation of the Little Red School property. During our discussion, you advised that the City was considering adding annexation as a contingency to signing the proposed deed, and that a decision would be made by this week. Given the fact that the Little Red School property is not serviced by City utilities (e.g. sewer and water) and the property is not (even remotely) close to the City's boundary, I am interested on the City's rationale to annex the property.

2/27/2019 Beardsley complains to Hoffer about length of time & poor communication. Reiterates title history error. "As set forth in my October 25th letter, joint ownership of the property is the result of an error or oversight by the City / School District when ECASD changed to a unified school district in the early 1980's. Therefore, the City's interest in the property was transferred by operation of law to ECASD in 1982, and the City appearing as an owner on title is merely a title issue that needs to be corrected. Naturally, the simplest and most efficient way would be for the City to quit claim its interest in the property to ECASD."

2/27/19 Hoffer tells Beardsley to work with Peters

3/13/19 Peters tells Beardsley he talked to Hardebeck, Steve Nick or Doug Hoffer will get back to him 3/19/19 Nick (City Legal) tells Beardsley:School Board to vote April 1st whether to join City Petition to Annex; (They did vote to join the annexation petition, with no discussion at mtg)

3/19/19 Nick and Beardsley Thread: City wants annexation prior to transfer. Nick agrees to Bearsdley provided Quit Claim Deed process. Hardebeck has no objection to Annexation, but says Board needs to agree. References to City legal authority to annex since in Sewer Service area, but not contiguous to City. References the City Rationale for Annexation ... at least partially because of City strategy that annexes land within the SSA for more environmentally sound development of utilities.

April/May - Lots of general preparation/process etc for Annexation to go to Plan Commission/Council, including document called "Annexation Ordinance".

5/31/19 Interesting that Andrew Dowd of Leader Telegram communicated about the proposed Annexation. Emails continued on 6/4, but content not viewable

6/3/19 Plan Commission reviews proposed Annexation and approves

6/11/19 City Council approves Annexation

6/25/19 City Council approves transfer of LR to ECASD

June-Aug 2019- Clean up of Annexation, development of files, documentation, etc etc ... lots of work

E. APPENDIX-ECASD OPEN RECORDS BUYER COMMUNICATIONS SUMMARY

Summary of Open Records Communications with Buyers –Karen Voss 10-15-2019

4/21/16 – Sara Martinek initiates inquiry regarding purchase of the floodplain acres of Little Red. (p.126 of pdf)

4/16/18 Martinek to Johnson (ECASD) – inquiring about review of offer. Response: Will be discussed in closed session on 5/7/18. (this email appears repeatedly on pages 1-59 of the pdf)

6/26/19 – email from Abigail Johnson ECASD to Martinek: School Board hasn't made a decision either way regarding selling the land. (this email appears repeatedly on pages 1-59 of the pdf)

7/9/19 – Letter from ECASD-WeldRiley to Martinek with info regarding ECASD appraisal results, potential post-closing conditions including: (P. 113 of pdf)

"If ECASD were to sell the Property, ECASD may be interested in the following post-closing conditions: (i) a reservation for itself, its employees, agents, pupils, invitees, and representatives of an ingress, egress, and use easement over the Property for educational purposes; and (ii) a covenant to maintain the Property in its current condition (e.g. restriction from improving the Property, such as the construction of structures, buildings, driveways, or landscaping), unless as required by federal, state, or local law, regulation, statute, or ordinance. The subdivision of the ..."

7/9/19 – Letter from ECASD-WeldRiley to Boos of UA Local 434 with info regarding ECASD appraisal results and asking for acreage UA Local 434 is interested in buying. (p.117 of pdf)

7/17/19 – two alternative offers to buy from Martinek realtor to ECASD

8/2/19 – Letter of intent from UA Local 434 to ECASD to purchase, with proposal. (p.89 of pdf) 8/15/19: Russell Boos (UA Local 434 email to ECASD – listing past donations Local 434 has made to ECASD. (\$5,000 annually since 2005 for grad party, & advertising at varsity sports since 2017) (p.87 of PDF):

Hi Abby & Grant,

I just wanted to touch base with you and share some of the involvement Local 434 has with the ECASD .

We have 107 Local 434 members living in the Eau Claire School District many of which have children attending school and many who have graduated from one of the Eau Claire High Schools. Local 434 has been donating to EC graduation party and senior lock in's since 2005 in the amount of \$5,000.

Local 434 started advertising in 2017 during Eau Claire's varsity sports games to try to get students interested in the Apprenticeship programs we offer. I have attached a script of the advertisement.

I don't know if any of this is beneficial, but feel free to use any of this info while meeting with the school board.

8/20/19 – ECASD (Beardsley-WeldRiley) informed UA Local 434 they will enter into negotiations to sell. ECASD requested that negotiations be kept confidential for joint ECASD-UA Local 434 joint announcement at closure.

8/21/19 – Offer to purchase from Martinek-Jereczek to ECASD (p.<u>60-71 of pdf</u>) This purchase offer does <u>not contain any of the educational use provisions that were discussed in the 7/9/19 letter from ECASD to Martinek.</u>

8/21/19 – Offer to purchase from United Association of Plumbers & Steamfitters Local Union 434 to ECASD (p.71-81 of pdf)

8/26/19 – ECASD-prepared offers to purchase (Beardsley-WeldRiley) to both Martinek-Jereczek and to UA 434. Note - both contain confidentiality provision. (p.83 of pdf)

F. APPENDIX – HIGHLIGHTS FROM 2018 NORBY 71 PAGE APPRAISAL

Page 19

Summary:

Based on the above discussion, and the fact that the subject currently is vacant, possible uses of the building could include office, and other institutional uses under the heading of Personal Services which includes schools, daycares, or churches. Other possible uses would include health care, dance and martial arts, health club and service agencies. The building could be used for one or more of these functions and various individual spaces due to the size of the building. Considerable renovation would be necessary for any of the above uses.

Page 45

Although considered the Income Capitalization Approach was omitted due to the lack of pertinent data regarding market rents which would result in credible and reliable results. In addition, it is most likely the subject will be an owner occupied property.

Page 46

CORRELATION OF VALUE OPINIONS:

Valuation by Cost Approach	No Estimate
Valuation by Sales Comparison Approach	\$375,000
Valuation by Income Capitalization Approach	No Estimate

For just the 17 acre piece:

Page 53

Highest and Best Use Analysis as Vacant:

The subject would have a Highest and Best Use as recreational land, or assemblage to an adjoining parcel. Due to the fact that it is located in a flood plain, it cannot be utilized, or have a Highest and Best Use, for any improvement. The impact of this will be discussed further in the valuation process.

Page 62

The overall market value of the subject's hypothetical 17 acre vacant parcel in the flood plain is calculated as follows:

Market Value/No				Market
Flood Plain	-	Discount	=	Value
\$137,700	-	50%	=	\$68,850
Round to				\$70,000

The estimated market value of the 17 acre vacant parcel located in the flood plain is stated at \$70,000.