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APPRAISAL REPORT FOR
11331 S Michigan Ave

LOCATED AT
11331 S Michigan Ave,
Chicago,
Cook County, IL, 60628

AS OF
November 2, 2022

PREPARED FOR
Ms. Cynthia Garza
Department of Planning and
Development
121 N LaSalle Street
Chicago, IL 60602

PREPARED BY
Praedium Valuation Group
3847 N. Lincoln, 2nd Floor
Chicago, Illinois 60613
File Name: C000927

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Appraisals • Consulting • Expert Witness

3847 N Lincoln Ave, Ste. 2
Chicago Illinois, 60613

www.pvgchicago.com

773-665-8361
Fax: 773-665-8342
info@pvgchicago.com

November 15, 2022

Ms. Cynthia Garza
Department of Planning and Development
121 N LaSalle Street
Chicago, IL 60602

Re: Appraisal Report
11331 S Michigan Ave, Chicago,
Cook County, IL, 60628

File Name: C000927

Dear Ms. Garza:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is a masonry constructed, two story building that was formerly the Roseland Theatre building. It had been repurposed and adapted to a mixed-use building at some point in the past. There are now two storefronts and office units above. We were not permitted access to the interior of the building and we are not aware of the use for the rear of the building, that would have contained the seating, stage and backstage. Since we were not allowed to inspect the interior of the building, we are therefore not aware of the condition of the interior. From exterior indications, the interior of the front portion of the subject property appears to be in fair condition and may be habitable if interior finish is completed. From the exterior of the building, the rear portion of the building appears to need a complete renovation before it can be occupied.

Please reference page 5 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, and highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment. However, another member of this appraisal firm performed an appraisal of the subject with an effective date of May 2021.

Ms. Garza
Department of Planning and Development
November 15, 2022
Page 2

This report was prepared in conformance with FIRREA and USPAP appraisal guidelines as well as those of the Appraisal Institute. Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 47). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- This appraisal is based on the extraordinary assumption that the interior of the front of the building is in habitable condition but interior finishes are not completed. If this is not the case, we reserve the right to alter our opinion of value. Use of this extraordinary assumption may have affected assignment results.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Current “As Is” Market Value:

The “As Is” market value of the Fee Simple estate of the property, as of November 2, 2022, is:


\$130,000
One Hundred Thirty Thousand Dollars

The market exposure time preceding November 2, 2022 would have been 6 to 12 months and the estimated marketing period as of November 2, 2022 is 6 to 12 months.

Respectfully submitted,
Praedium Valuation Group



Elizabeth Gulis, MAI
Illinois Certified General Real Estate Appraiser
License No. 553.002269
License Expires: September 30, 2023



Sam Salvi
Illinois Certified General Real Estate Appraiser
License No. 553.001101
License Expires: September 30, 2023

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SUBJECT PHOTOS



SUBJECT: LOOKING NORTHEAST



SUBJECT: LOOKING NORTHWEST



SOUTH ALONG S MICHIGAN AVENUE



NORTH ALONG MICHIGAN AVENUE

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

GENERAL

Subject: 11331 S Michigan Ave, Chicago,
Cook County, IL, 60628

The subject is a masonry constructed, two story building that was formerly the Roseland Theatre building. It had been repurposed and adapted to a mixed-use building at some point in the past. There are now two storefronts and office units above. We were not permitted access to the interior of the building and we are not aware of the use for the rear of the building, that would have contained the seating, stage and backstage. Since we were not allowed to inspect the interior of the building, we are therefore not aware of the condition of the interior. From exterior indications, the interior of the front portion of the subject property appears to be in fair condition and may habitable if interior finish is completed. From the exterior of the building, the rear portion of the building appears to need a complete renovation before it can be occupied.

Owner: Candace Prof

Tax Identification: 25-22-112-008

Date of Report: November 15, 2022

Intended Use: The intended use is for city planning purposes.

Intended User(s): The intended user(s) is/are the City of Chicago.

Sale History: The subject property has not been sold in the past three years.

PROPERTY

Land:

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
25-22-112-008	0.31	13,677	0.31	13,677	Level	Rectangular

Improvements:

Building Summary

Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
11331 S Michigan Ave.	1913	Fair	2.0	15,300	15,300	3

Zoning:	B3-2, Community Shopping District
Highest and Best Use of the Site:	Hold for future mixed-use development
Highest and Best Use as Improved:	For continued use of the improvements
Hypothetical Conditions:	There are no hypothetical conditions for this appraisal.
Extraordinary Assumption):	This appraisal is based on the extraordinary assumption that the interior of the front of the building is in habitable condition but interior finishes are not completed. If this is not the case, we reserve the right to alter our opinion of value. Use of this extraordinary assumption may have affected assignment results.

VALUE INDICATIONS

Reconciled Values:

<u>Premise:</u>	<i>“As Is”</i>
<u>Value Type:</u>	Market Value
<u>Property Rights:</u>	Fee Simple
<u>Effective Dates:</u>	November 2, 2022
<u>Cost Approach:</u>	Not Applicable
<u>Sales Comparison Approach:</u>	\$130,000
<u>Income Capitalization Approach:</u>	Not Applicable
Value Conclusions:	\$130,000

SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Cynthia Garza, at Department of Planning and Development. The problem to be solved is to estimate the current 'As Is' market value for possible acquisition.

The definition of market value used in this appraisal is found in *The Dictionary of Real Estate Appraisal, 6th edition* (Chicago: Appraisal Institute, 2015), and the same definition can also be found in the Code of Federal Regulations; "12 CFR, part 34, subpart C-Appraisal 34.42 (g).

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

The intended use is for city planning purposes. This appraisal is intended for the use of the City of Chicago.

SCOPE OF WORK

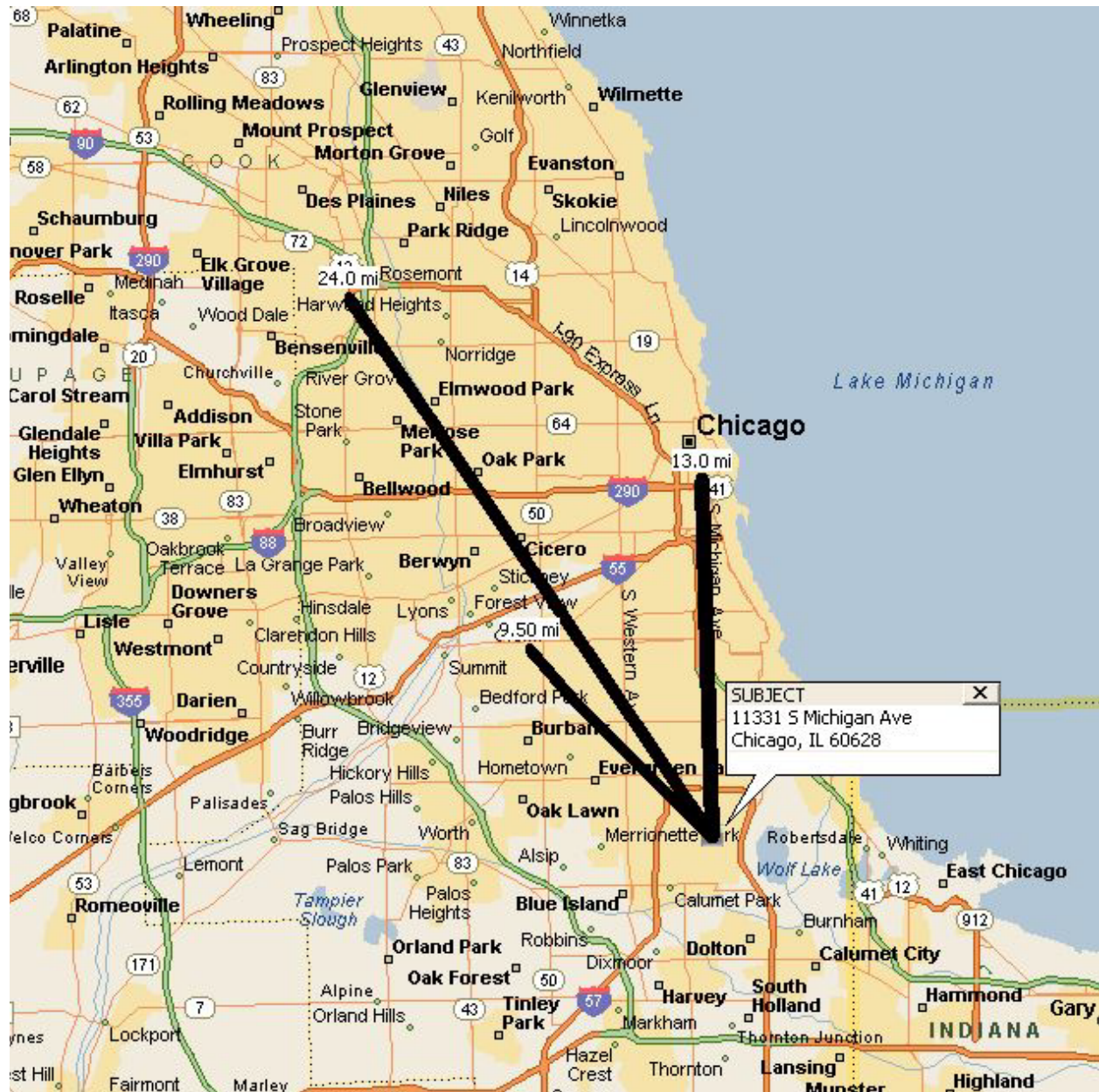
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the Assessor's parcel numbers, legal description, and common street addresses.
Inspection:	A complete exterior inspection of the subject property has been made, and photographs taken. An interior inspection was not permitted.
Market Area and Analysis of Market Conditions:	An analysis of market conditions has been made.
Highest and Best Use Analysis:	An as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
<u>Valuation Analyses</u>	
Cost Approach:	A cost approach was not applied as buyers and sellers do not typically use this approach to value in their investment decisions. Also, the age of the building makes depreciation difficult to measure.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Capitalization Approach:	An Income Capitalization Approach was not applied as the subject is not capable to generate any income in its current 'as-is' condition.
Hypothetical Conditions:	<ul style="list-style-type: none">There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- This appraisal is based on the extraordinary assumption that the interior of the front of the building is in habitable condition but interior finishes are not completed. If this is not the case, we reserve the right to alter our opinion of value. Use of this extraordinary assumption may have affected assignment results.

MARKET AREA ANALYSIS

Location Map – Metro Area



The subject is located in the city of Chicago, approximately 13.0 miles south of the Loop, 24.0 miles southeast of O'Hare Airport, and 9.5 miles southeast of Midway Airport.

Market Area Location

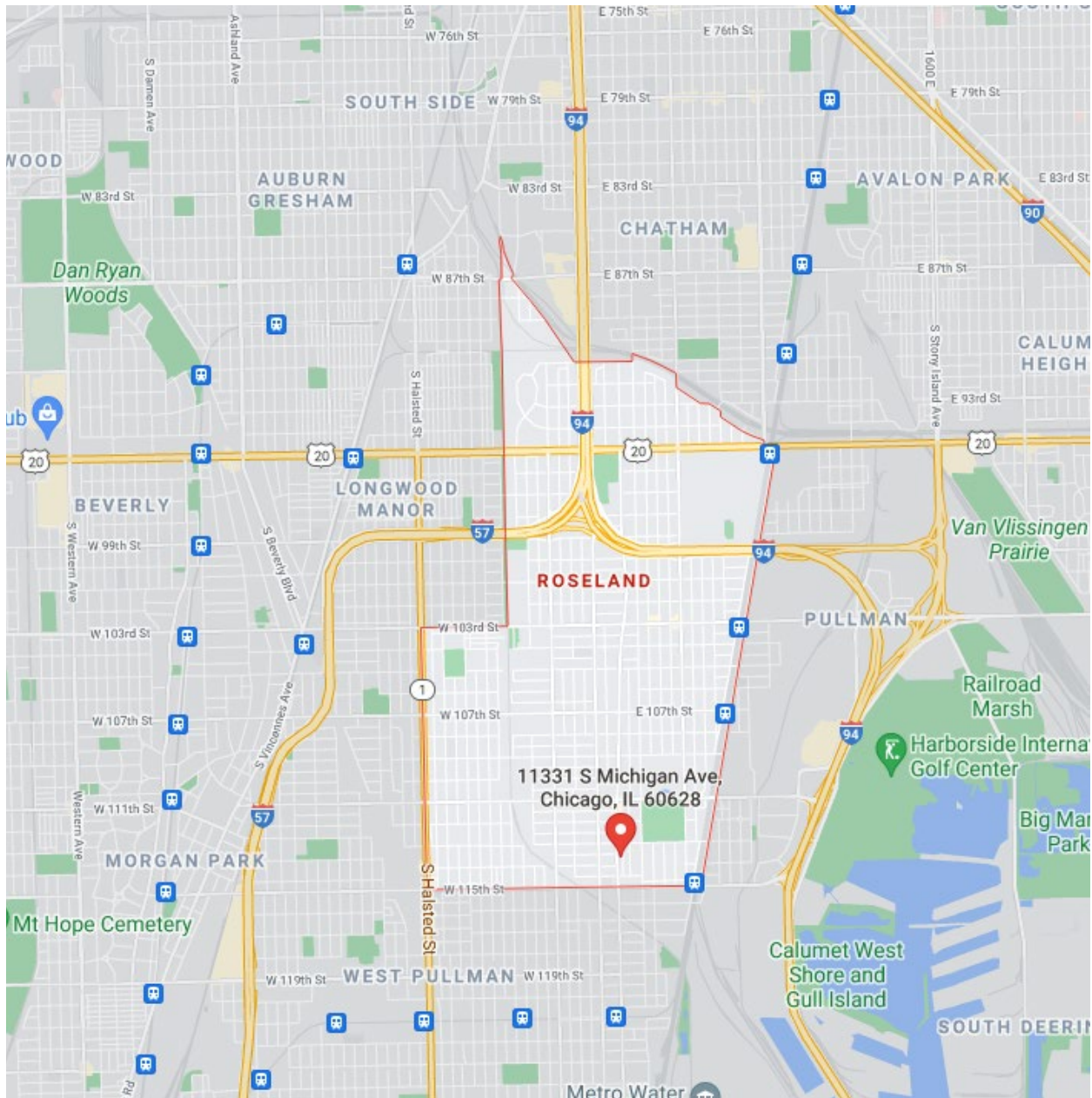
The subject is located in the city of Chicago, approximately 13.0 miles south of the Loop, 24.0 miles southeast of O’Hare Airport, and 9.5 miles southeast of Midway Airport. The major employers in the Chicago market area are as follows:

CHICAGO AREA MAJOR EMPLOYERS 2020

Top Employers – Chicago	Local Employees
1. U.S. Government	52,357
2. Chicago Public Schools	38,637
3. City of Chicago	30,928
4. Advocate Aurora Health	26,335
5. Cook County	22,074
6. Northwestern Memorial Healthcare	21,999
7. University of Chicago	18,732
8. Walmart Inc.	16,711
9. Amazon.com Inc.	16,610
10. Amita Health	14,282
<i>Source: Crain’s Chicago Business</i>	

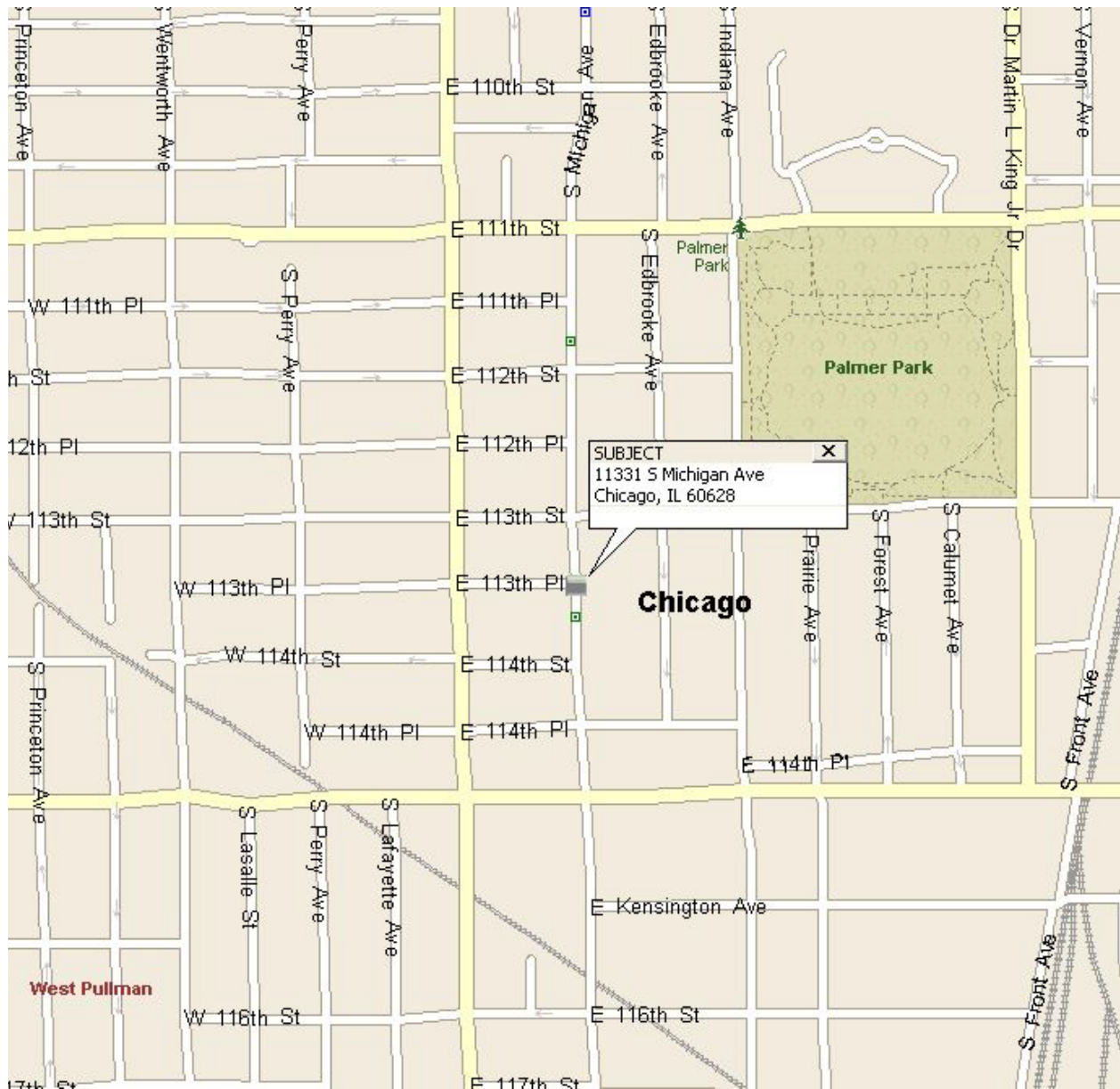
The nation’s unemployment rate as of August 2022 was 3.7%, according to the Bureau of Labor Statistics. The Illinois unemployment rate as of August 2022 was 4.5%, and the Chicago metro area rate was 5.0%. Unemployment increased considerably after the onset of the pandemic in February of 2020 due to the onset of the Covid pandemic, but has since decreased.

Community Map




The subject is located within Chicago’s Roseland community, roughly one half-mile northwest of the Metra’s “Kensington” station along the Metra Electric (ME) line, and 2.6 miles northeast of the Metra’s “115th Street” station along the Rock Island (RI) line. The subject has proximate expressway access 1.2 miles northeast to I-94 and 2.1 miles west to I-57. Several bus routes are located in proximity to the subject along arterial roadways (i.e. Michigan, 115th, Martin Luther King, etc.).

Neighborhood Map



Population Trends

The following chart details household income and population within one half-mile, one-mile, and three-mile radii of the subject property:



Demographic and Income Comparison Profile			
	11331 S Michigan Ave, Chicago, Illinois, 60628 3		Prepared by Esri
	11331 S Michigan Ave, Chicago, Illinois, 60628		Latitude: 41.68796
	Rings: 0.5, 1, 3 mile radii		Longitude: -87.62058
	0.5 miles	1 mile	3 miles
Census 2010 Summary			
Population	7,872	28,423	143,027
Households	2,597	9,446	50,068
Families	1,780	6,392	35,057
Average Household Size	2.98	2.98	2.83
Owner Occupied Housing Units	909	4,366	29,944
Renter Occupied Housing Units	1,687	5,080	20,125
Median Age	32.2	34.5	37.2
Census 2020 Summary			
Population	6,375	23,623	129,761
Households	2,584	9,188	50,222
Average Household Size	2.45	2.56	2.56
2022 Summary			
Population	6,419	23,337	128,319
Households	2,575	9,146	49,997
Families	1,721	6,030	34,334
Average Household Size	2.47	2.54	2.55
Owner Occupied Housing Units	1,054	4,350	29,536
Renter Occupied Housing Units	1,521	4,796	20,461
Median Age	34.1	36.8	39.3
Median Household Income	\$37,232	\$42,690	\$51,429
Average Household Income	\$55,008	\$61,491	\$72,748
2027 Summary			
Population	6,242	22,633	124,653
Households	2,524	8,951	48,964
Families	1,685	5,893	33,589
Average Household Size	2.45	2.52	2.52
Owner Occupied Housing Units	1,069	4,421	29,601
Renter Occupied Housing Units	1,455	4,530	19,363
Median Age	36.0	38.3	40.0
Median Household Income	\$44,016	\$50,541	\$59,805
Average Household Income	\$65,361	\$72,843	\$85,708
Trends: 2022-2027 Annual Rate			
Population	-0.56%	-0.61%	-0.58%
Households	-0.40%	-0.43%	-0.42%
Families	-0.42%	-0.46%	-0.44%
Owner Households	0.28%	0.32%	0.04%
Median Household Income	3.40%	3.43%	3.06%

The populations of the radii cited above are expected to decrease minimally between 2022 and 2027. This population trend is consistent with a market in the stabilization phase of the neighborhood life cycle.

Household Income

The 2022 median household income within a one half-mile radius of the subject property was \$37,232, while household incomes were higher at \$42,690 and \$51,429 for the one-mile and three-mile radii, respectively. As of the most recently available census data, the median household income for the city of Chicago was \$62,097 (as of 2020) and the median household income for the Chicago Metropolitan Area was \$75,379 (as of 2019). The median income in the subject's immediate area is below the median for the city. Median household incomes within each of the aforementioned rings of the subject are expected to increase by roughly 3.06% to 3.43% per year through 2027.

Housing Trends

For-Sale Housing

The subject property is located in the Roseland community. The housing stock consists primarily of single-family, detached and 2-4 unit properties, with a small portion of attached properties. Median selling prices over the last three years for these housing types in the subject's market area follow.

MLS 8049: ROSELAND								
Property	10/1/2019-9/30/2020		10/1/2020-9/30/2021		10/1/2021-9/30/2022		% Change	% Change
Type	#Units	Med. Price	#Units	Med. Price	#Units	Med. Price	Prior Year	Most Recent Yr.
Detached	338	\$124,000	406	\$148,750	426	\$177,000	20.0%	19.0%
Attached	8	\$72,500	12	\$120,500	8	\$123,675	66.2%	2.6%
2-4 Unit	43	\$130,000	53	\$162,000	61	\$204,000	24.6%	25.9%

Median sale prices for detached and 2-4 unit properties, which make up the majority of the market area, have increased over the past two years. Sales volume for attached properties remains too minimal to be reflective of the market area as a whole. Sales volume for detached and 2-4 unit properties has increased from two years prior. Median sale prices for detached properties are below the median for the City of Chicago as a whole, which was reported to be \$355,000 as of year-end 2021. Overall, this area's for-sale residential market is considered to be increasing. As interest rates continue to increase, the market is expected to be adversely impacted.

Market Area Summary

The market conditions in which a property exists will change over the life of an asset. Generally a neighborhood passes through four stages, briefly described as follows:

- Growth, during which time the neighborhood is establishing and gaining public favor and acceptance.
- Stability, which is a static period evidenced by a lack of available land for continued new development.
- Decline, during which time shifting neighborhood use patterns result in a secondary location.
- Redevelopment, which results in a removal of or renovation of outdated improvements and construction of more modern improvements.

Overall, the subject's Roseland location indicates stable demographic trends and a for-sale housing market trending upward. Due to the preceding, the subject's location remains in the stability phase of the market life cycle.

PROPERTY DESCRIPTION

Site

SITE						
Location:	The subject is located on the east side of S Michigan Ave, just south of E 113th St, in the Roseland community of Chicago					
Current Use of the Property:	Mixed use commercial property with office and retail and perhaps some storage areas.					
Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
25-22-112-008	0.31	13,677	0.31	13,677	Level	Rectangular

Site Size:	Total: 0.31 acres; 13,677 square feet Usable: 0.31 acres; 13,677 square feet All of the subject's lot is usable.
Shape:	The subject site is rectangular
Frontage/Access:	The subject property has Average access with frontage as follows: <ul style="list-style-type: none"> • Primary - S Michigan Ave: 86.04 feet <p>The site has an average depth of 159.75 feet.</p>
Visibility:	Unobstructed and average
Topography:	The subject has a gentle downward sloping topography from west to east.
Soil Conditions:	The soil conditions at the subject are thought to be typical of the region and adequate to support development.
Utilities:	Electricity: The site is served by public electricity. Sewer: City sewer Water: City water Natural Gas: The site is served by a public gas company Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements:	<ul style="list-style-type: none"> • Overhead street lighting • Concrete sidewalks • Concrete curb and gutter system

Flood Zone: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.

FEMA Map Number: 17031C0655J

FEMA Map Date: August 19, 2008

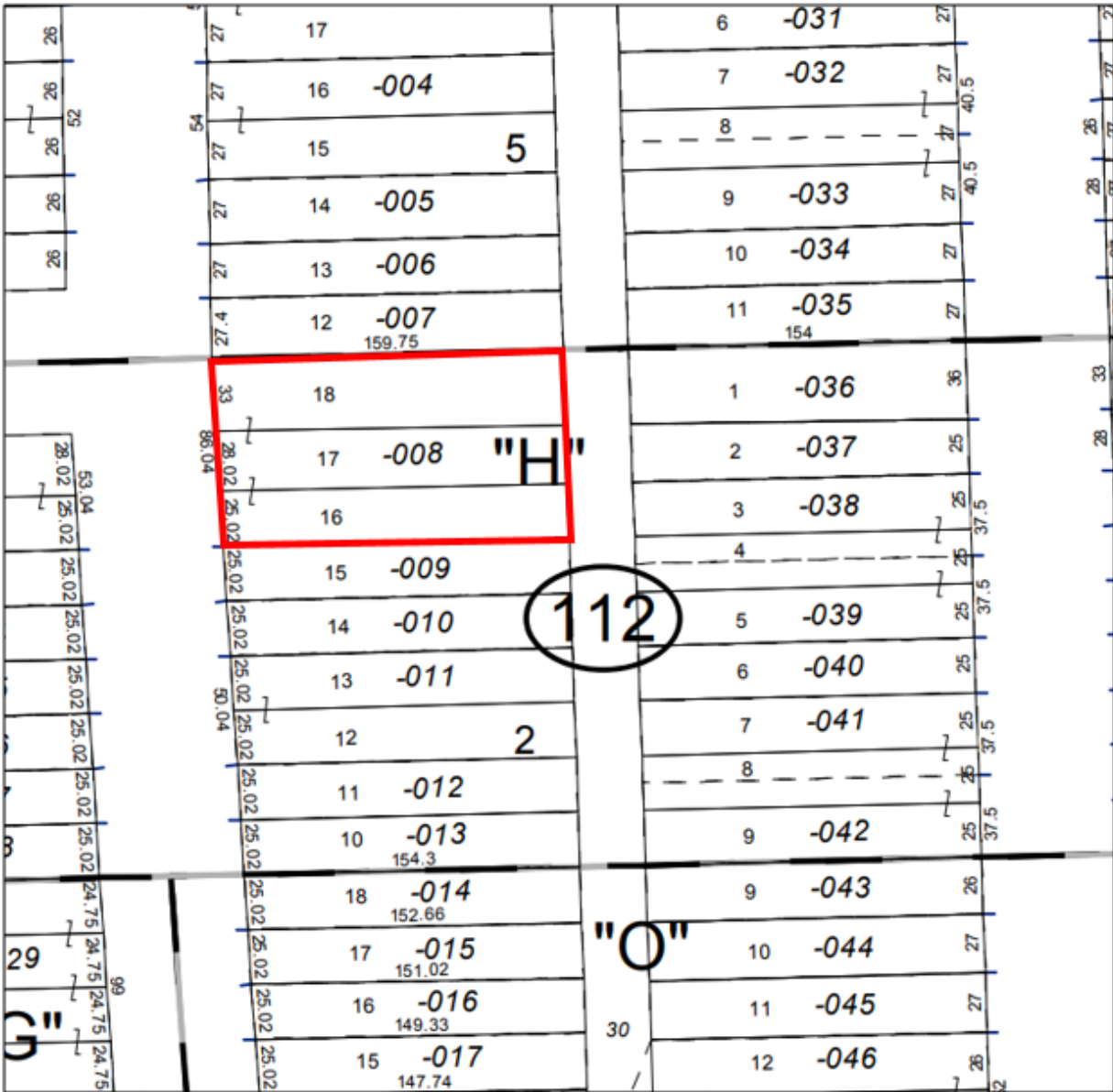
The subject is outside the 500 year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.

Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Encumbrance / Easements: There no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

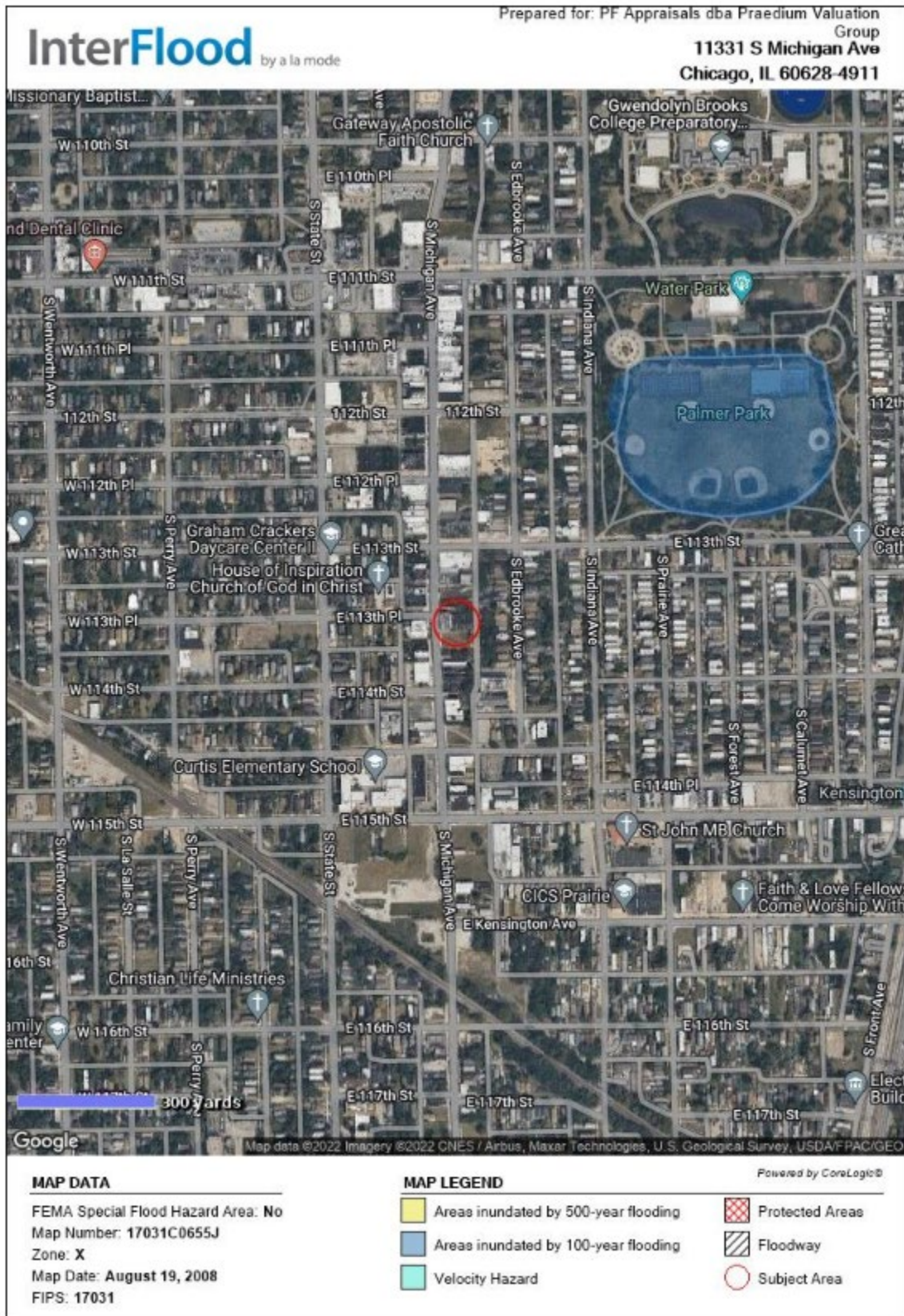
Site Comments: The site has below average and typical utility due to its sloping topography and mid-block location. There is no measurable demand for new construction mixed-use or new residential units in the subject's immediate area.

Tax Map



Note: Subject outlined in red above

Flood Map



Wetlands Map



Based on a review of the National Wetlands Inventory Maps on the US Fish and Wildlife Service website, the subject site does not contain any mapped wetlands. These are preliminary maps based on dated aerial imagery, and are not a final determination. Persons intending to engage in activities involving modifications within or adjacent to wetland areas should seek the advice of appropriate federal, state, or local agencies concerning specified agency regulatory programs and proprietary jurisdictions that may affect such activities.

Improvements

IMPROVEMENTS DESCRIPTION

Property Type: Free Standing Building

Overview: The subject is a masonry constructed, two story building that was formerly the Roseland Theatre building. It had been repurposed and adapted to a mixed-use building at some point in the past. There are now two storefronts and office units above. We are not aware of the use of the rear of the building, that would have contained the seating, stage and backstage.

Building Summary

Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
11331 S Michigan Ave.	1913	Fair	2.0	15,300	15,300	3

GENERAL

Building Identification: 11331 S Michigan Ave.

Construction: Class C

Construction Quality: Average

Year Built: 1913

Renovations: N/A

Effective Age: 40 years

Remaining Useful Life: 10

Condition: Fair

Appeal/Appearance: Average

Areas, Ratios & Numbers:
Number of Stories: 2.00
Gross Building Area: 15,300
Number of Units: 3
Gross Rentable Area: 15,300
Building Efficiency Ratio: 100.0%

FOUNDATION, FRAME & EXTERIOR

Foundation: Poured concrete slab

Basement/Sublevels;
Type: N/A;
N/A

Structural Frame:	Masonry Frame
Exterior:	Masonry
Windows:	Commercial plate glass
Roof/Cover:	Flat / Tear off assumed

INTERIOR

Interior Layout:	N/A
Floor Cover:	N/A
Walls:	N/A
Ceilings & Ceiling Height:	N/A N/A
Lighting:	N/A
Restrooms:	N/A

MECHANICAL SYSTEMS

Heating:	N/A
Cooling:	None
Electrical:	N/A
Plumbing Condition:	N/A
Sprinkler:	N/A
Elevators:	0
Security:	Deadbolt locks

PARKING

Parking Type and Number of Spaces:	No on-site parking; 0
------------------------------------	--------------------------

PROPERTY ANALYSIS

Design & Functional Utility:	The subject is a masonry constructed, two story building that was formerly the Roseland Theatre building. It had been repurposed and adapted to a mixed-use building at some point in the past. There are now two storefronts and office units above. We are not aware of the use of the rear of the building, that would have contained the seating, stage and backstage.
Deferred Maintenance:	Significant interior neglect in the rear section of the building.
Capital Improvements:	None

Americans With Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 48.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 48.

Other Photos



REAR ALLEY AND EAST ELEVATION FACING NORTH



REAR ALLEY FACING SOUTH

ASSESSMENT AND TAXES

REAL ESTATE ASSESSMENT AND TAXES	
Taxing Authority:	Cook County
Assessment Year:	2021 Assessor Certified
Tax Identification:	25-22-112-008
ASSESSED VALUES	

Taxes are payable in arrears in two installments. The first installment is an estimated bill based on the prior year's tax rate and assessed value. The second installment is then adjusted to reflect changes in assessed valuation or tax rates for that year. Taxes for 2020 are payable in 2021.

	Tax Year 2021	Tax Year 2020	Tax Year 2019	% Change 2020 - 2021	% Change 2019 - 2020
Land Value	\$30,773	\$30,773	\$30,773	0.0%	0.0%
Building Value	\$215,473	\$136,810	\$136,810	57.5%	0.0%
Total Assessed Value	\$246,246	\$167,583	\$167,583	46.9%	0.0%
Property Tax Rate	N/A	8.371	8.271	N/A	1.2%
Property Taxes	N/A	\$45,219	\$40,418	N/A	11.9%
Property Taxes Per SF	N/A	\$2.96	\$2.64	N/A	11.9%

The subject's 2020 tax load (payable in 2021) was \$45,219, or \$2.96 psf an increase of 11.9% from 2019. The subject's 2020 assessed value was \$246,246, a 46.9% increase from 2020 after remaining the same from 2019.

The subject is classified as a 5-92 building; two or three story building containing part or all retail and/or commercial space

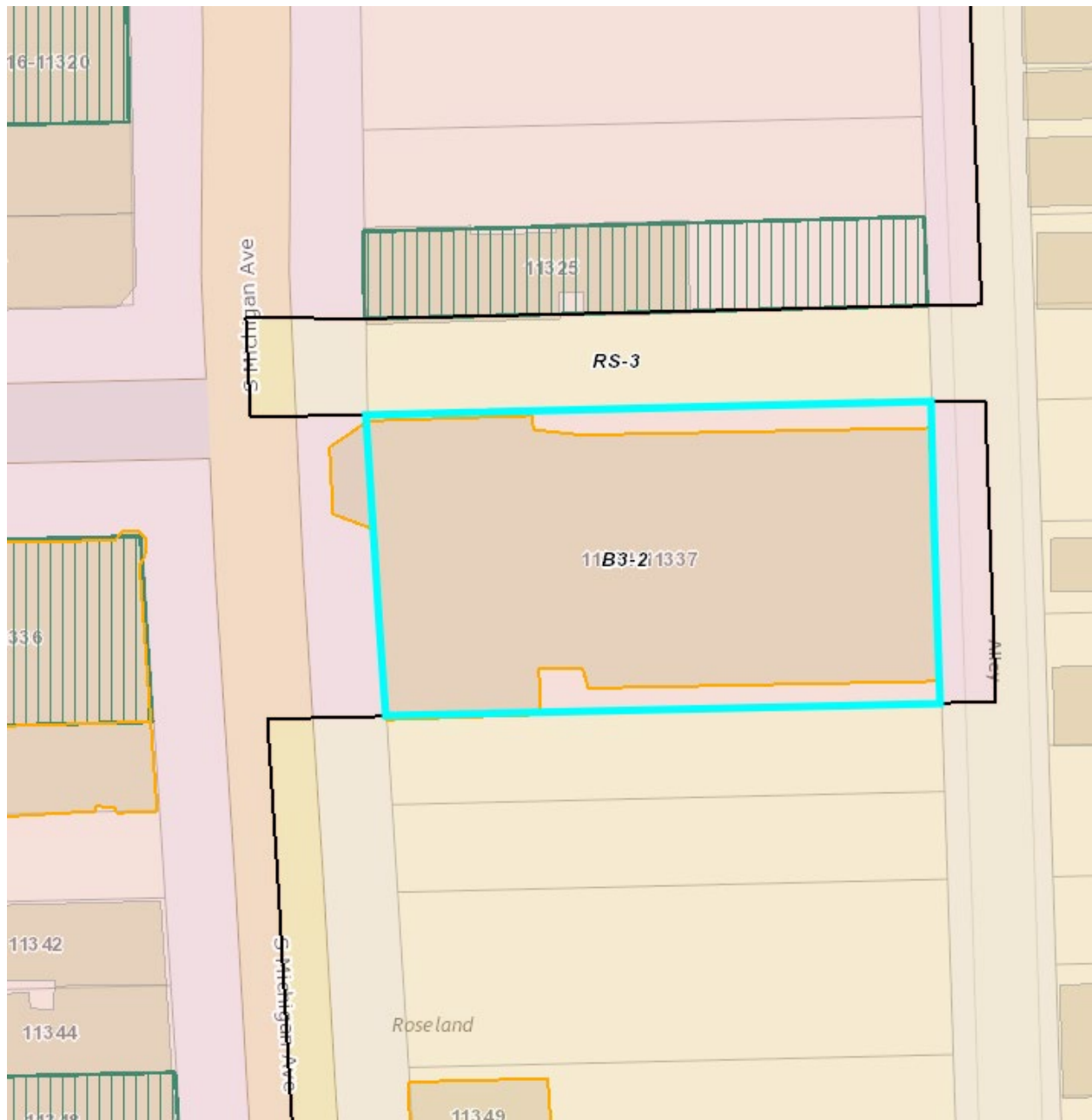
ZONING

The subject is zoned B3-2, Community Shopping District by the City of Chicago.

ZONING SUMMARY	
Current Zoning:	B3-2, Community Shopping District
Uses Permitted:	Various residential, public and civic and commercial uses, including the following:
	<u>Residential:</u> Ground-floor dwelling units are not permitted, and multi-unit (3+ units) buildings require special approval.
	<u>Public and Civic:</u> colleges and universities; cultural exhibits and libraries; day care.
	<u>Commercial:</u> artist work/sales space; business equipment sales and service; limited restaurant; small entertainment venue; financial services; general retail sales; office; medical; etc.
Special Permitted Uses:	A variety of uses, including the following: community/group homes, skilled nursing, lodge/private club, etc. These are permitted via special use approval only.
Minimum Lot Size:	Minimum lot area per dwelling unit: Dwelling units: 1,000 SF, Efficiency units: 700 SF, SRO units: 700 SF <i>Transit-Oriented Development (TOD) – Dwelling: 300 SF, Efficiency: 200 SF, SRO: 135 SF</i> Off-street parking, height limits, dwelling unit sizes and lot configuration may work to limit density more than the above standards.
Maximum FAR:	2.2:1
Yard Req.:	
Front:	No front setback is required in B or C districts, except on B- or C-zoned lots abutting R-zoned lots that have lot frontage on the same street. The required front setback in those cases must equal at least 50% of the front yard that exists on the abutting R-zoned lot. If the abutting R-zoned lot is vacant, the 50% must be calculated on the basis of the abutting lot's required front setback.
Side:	No side setbacks are required in B and C districts, except when B- or C- zoned property abuts R-zoned property, in which case the side setback required for a residential use on the R- zoned lot applies.
Rear:	For floors with dwelling units, min. setback of 30 ft. This does not apply to existing buildings where there is a change of use or interior alterations and where there are no additions to the existing structure which are proposed within the rear setback.
Maximum Height:	Lot frontage of <u>25 feet or less:</u> 47 feet; <u>25-50 feet:</u> 50 feet; <u>50-100+:</u> 50 feet <i>TOD district allows for bonuses (see full Zoning Ordinance for discussion)</i>
Dwellings	
Avg. Unit Size:	The gross residential floor area developed on a lot divided by the total number of dwelling units on such lot \geq 500 SF.
Max. No. of Efficiency Units:	Maximum number of efficiency units is as follows (with exceptions for SROs and elderly housing): Dash 1: 10% of total units
Building Wall Separation:	These standards apply to courtyard buildings, buildings with car courts, or other developments when dwelling units face or are adjacent to one another.
	<u>Front & rear walls.</u> A front wall facing the subject's interior side property line must be setback from such line at least 12 feet, or in the case of a rear wall, at least 10% of the lot width or 12 feet, whichever is less. Also, when a front or rear wall of a dwelling unit faces the front or rear wall of another dwelling unit located on the same zoning lot, the minimum required separation between such walls is as follows: For dash 1 through dash 3, it is 30 feet. For dash 5, it is 26 feet.
	<u>End Walls Facing Front or Rear Walls.</u> When the end wall of a dwelling unit faces the front wall or rear wall of a dwelling unit located on the same zoning lot, the minimum required separation between such walls is 20 feet.
Parking Requirements:	Per Section 17-10-207-C (for Multi-Unit): 1 space per unit Per Section 17-10-207-M (for Eating/Drinking Establishments): None for first 4,000 sf, then 2.5 spaces/1,000 sf.
Source: Chicago Zoning Ordinance	

The subject has no off-street parking. The subject is a legal, non-conforming use.

ZONING MAP



The subject is zoned B3-2, Community Shopping District by the City of Chicago.

Note: Subject outlined in blue above

HIGHEST AND BEST USE

Land is appraised as if vacant and available for development to its Highest and Best Use, and the appraisal of improvements is based on their actual contribution to the site.

Highest and Best Use may be defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and Best Use – “As If Vacant”

1. **Legally Permissible:** Private restrictions, zoning, building codes and other regulations establish use that are legally permitted. As indicated in the zoning section of this report, the subject is zoned B3-2, Community Shopping District. The current zoning primarily allows for commercial or mixed-use development. There are no known deed restrictions preventing development of the site in accordance with the existing B3-2 zoning requirements.
2. **Physically Possible:** Factors such as the size, shape, terrain, accessibility of land and the risk of natural disasters such as floods or earthquakes affect the use to which vacant land can be used. In the case of the subject, the site is adequate in terms of size, frontage, terrain and depth to accommodate most types of developments permitted by the subject’s B3-2 zoning or any future zoning.
3. **Financially Feasible:** Uses that meet the first two criteria include a mixed-use retail and residential development. Our review of the area indicated that there is ample vacant land inventory that some developers are holding for future development opportunities. A brief survey of land sales in the area suggests that current levels of demand in the area do not justify development on a speculative basis at this time. In addition, commercial development on a build-to-suit basis is also considered questionable.
4. **Maximally Productive:** Of the financially feasible uses, the one creating the highest present land value is the most profitable use of the site as if vacant. Under current economic conditions, the most probable use would be to hold for future development until a mixed-use development with storefront commercial unit(s) and dwelling unit(s) above is financially feasible. The most probable buyer of the subject would be an investor or developer for future land development purposes.
5. In conclusion, the Highest and Best Use of the site, as if vacant and ready for development, is: Hold for future mixed-use development

Highest and Best Use – “As Improved”

The subject is a masonry constructed, two story building that was formerly the Roseland Theatre building. It had been repurposed and adapted to a mixed-use building at some point in the past. There are now two storefronts and office units above. We are not aware of the use of the rear of the building, that would have contained the seating, stage and backstage. The subject is a legal, non-conforming use.

Three options exist for the improvements:

1. Raze the improvements and redevelop the site
2. Renovate or significantly alter the improvements
3. Leave the improvements “as is” with the exception of curing any deferred maintenance

The subject’s improvements are in Fair condition with minimal remaining utility, but they add value to the subject’s site. Therefore, the Highest and Best Use of the subject property “as improved” is: For continued use of the improvements until re-development is economically supported.

VALUATION METHODOLOGY

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Capitalization Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is based on the principle that a prudent buyer would not pay more for a property than the cost of obtaining a similar site and having similar improvements constructed on the site. The land and the improvements are separately valued. The land is valued based on sales of comparable sites, adjusting their sale prices for differences indicated by the market. The replacement cost new of the improvements is estimated, and then adjusted for depreciation. The depreciated value of the improvements is then added to the value of the land to arrive at an estimate of value for the subject by the Cost Approach. The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ \hline = \text{Value} \end{array}$$

Sales Comparison Approach

The Sales Comparison Approach is based on the principle that a prudent buyer would not pay more to purchase a property than it would cost to purchase a similar alternative property. The first step in this approach is to collect sale prices (or asking prices) for properties that are comparable to the subject. These sales are then analyzed using common units of comparison, such as price per square foot, price per dwelling unit, or price per acre, depending on the property type. The unit prices that are derived are then adjusted for differences between the comparable sales and the subject. An adjusted unit price is applied to the subject, resulting in an estimate of value by the Sales Comparison Approach.

Income Capitalization Approach

The Income Capitalization Approach is based on the principle that a prudent buyer will pay no more for an income-producing property than the value of the projected income capitalized (or discounted) to a current lump-sum value at a given rate of return. This approach forecasts a gross income for the subject, which is reduced to a net income by deducting a vacancy allowance and reasonable expenses. The net income is then capitalized (or discounted) based on a rate that is required in the market, taking into account the perceived risks and benefits that would apply to owning the subject property. The capitalization process results in an estimate of value by the Income Capitalization Approach.

Final Reconciliation

The appraisal process concludes with the final reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed because buyers and sellers do not typically use this approach to value in their investment decisions. Also, the age of the building makes depreciation difficult to measure.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject is not capable to generate any income in its current 'as-is' condition.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparables

The comparable sales are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and/or verified by a party to the transaction or by public record.

Market Comparable Data Summary

Comp	Address	GBA	Year Built	Price	Price Per SF
Comp	City	Land To Building Ratio	Condition	Date	Adequacy
Subject	11331 S Michigan Ave	15,300	1913	N/A	N/A
Subject	Chicago	0.89	Fair	N/A	No on-site parking
1	11338 S Michigan Ave	4,365	1903	\$32,250	\$7.39
	Chicago	0.72	Poor	6/11/2019	No on-site parking
2	11127 S Michigan Ave	7,174	1896	\$62,000	\$8.64
2	Chicago	0.87	Poor/Shell	44,050	None
3	10658 S Michigan Ave	19,968	1924	\$223,500	\$11.19
	Chicago	0.30	Fair	11/8/2019	No on-site parking
4	12345 S Halsted St.	14,256	1988	\$250,000	\$17.54
4	Chicago	1.50	Fair	11/20/2020	2.46 spaces/1,000 sf
5	11109 S Michigan Ave.	11,400	1892	\$199,000	\$17.46
	Chicago	0.52	Average	9/26/2022	No on-site parking

Comparable 1



Transaction

ID	7937	Date	6/11/2019
Address	11338 S Michigan Ave	Price	\$32,250
City	Chicago	Price Per SF	\$7.39
State	IL	Transaction Type	Closed Sale
Tax ID	25-22-110-023	Financing	N/A
Grantor	Equity Trust Company	Property Rights	Fee Simple
Grantee	Atati Adjovi Drlati	Days on Market	205
		Verification	CoStar, MLS

Site

Acres	0.1	Topography	Level
Land SF	3,127	Flood Zone	X
Shape	Rectangular	Encumbrance or	N/A
Utilities	All to site	Environmental Issues	N/A

Improvements & Financial Data

GBA	4,365	Parking Adequacy	No on-site parking
No. of Stories	2	Land To Building Ratio	0.72
Year Built	1903		
Construction	Masonry		
Condition	Poor		

Comments

The comparable is the sale of a two story, brick mixed-use building that is divided into three units. One retail unit on the ground floor and two apartments above.

Comparable 2



Transaction

ID	7943	Date	8/7/2020
Address	11127 S Michigan Ave	Price	\$62,000
City	Chicago	Price Per SF	\$8.64
State	IL	Transaction Type	Closed Sale
Tax ID	25-22-102-011	Financing	N/A
Grantor	JBS Property LLC	Property Rights	Fee Simple
Grantee	Parks Shanequa		

Verification CoStar, GIS

Site

Acres	0.1	Topography	Level
Land SF	6,250	Flood Zone	X
Shape	Rectangular	Encumbrance or	N/A
Utilities	All to site	Environmental Issues	N/A

Improvements & Financial Data

GBA	7,174	Parking Adequacy	None
No. of Stories	2	Land To Building Ratio	0.87
Year Built	1896		
Construction	Masonry		
Condition	Poor/Shell		
Parking Adequacy	None		

Comments

The comparable is the sale of a gutted mixed-use building that contains 7,000 square feet with 4,000 on the ground floor and 3,000 on the second floor.

Comparable 3



Transaction

ID	7938	Date	11/8/2019
Address	10658 S Michigan Ave	Price	\$223,500
City	Chicago	Price Per SF	\$11.19
State	IL	Transaction Type	Closed Sale
Tax ID	25-15-119-070	Financing	N/A
Grantor	National Loan Investors	Property Rights	Fee Simple
Grantee	Gala Enterprises LLC	Days on Market	NA
		Verification	CoStar, MLS

Site

Acres	0.1	Topography	Level
Land SF	6,023	Flood Zone	X
Shape	Rectangular	Encumbrance or	N/A
Utilities	All to site	Environmental Issues	N/A

Improvements & Financial Data

GBA	19,968	Parking Adequacy	No on-site parking
No. of Stories	3	Land To Building Ratio	0.30
Year Built	1924		
Construction	Masonry		
Condition	Fair		
Parking Adequacy	No on-site parking		

Comments

The comparable is the sale of a vintage brick, corner, mixed-use building. Four retail units on the ground floor and 14 apartments on floors 2-3. Only six apartments are occupied. The rest need work.

Comparable 4



Transaction

ID	10123	Date	11/20/2020
Address	12345 S Halsted St.	Price	\$250,000
City	Chicago	Price Per SF	\$17.54
State	IL	Transaction Type	Closed Sale
Tax ID	25-28-300-020	Financing	Conventional
Grantor	Johnnie E Hill	Property Rights	Fee Simple
Grantee	Benford Protection Group	Days on Market	42
Book/Page or Reference	2021-18247	Verification	MRED, CoStar, CCRD

Site

Acres	0.5	Topography	Level
Land SF	21,344	Zoning	B3-5
Road Frontage	Corner	Flood Zone	X
Shape	Rectangular	Encumbrance or	None reported
Utilities	All to site	Environmental Issues	None reported

Improvements & Financial Data

GBA	14,256	Parking Adequacy	2.46 spaces/1,000 sf
No. of Stories	1	Land To Building Ratio	1.50
Year Built	1988		
Construction	Masonry		
Condition	Fair		
Parking Adequacy	2.46 spaces/1,000 sf		

Comments

This is the sale of a one-story, commercial building of masonry construction. The building was formerly a bowling alley which was being converted for retail use at the time of sale. The selling broker, Mr. Moses Hall stated that the building was partially rehabbed at the time of sale with studs in place for new interior partitions. The property includes on-site parking for 35 cars.

Comparable 5



Transaction

ID	10126	Date	9/26/2022
Address	11109 S Michigan Ave.	Price	\$199,000
City	Chicago	Price Per SF	\$17.46
State	IL	Transaction Type	Pending Contract
Tax ID	25-22-102-006	Financing	N/A
Grantor	Chang Young Sook	Property Rights	Fee Simple
Grantee	Not yet public	Days on Market	380
Book/Page or Reference	Not yet public	Verification	MRED, CoStar, Selling
Book/Page or Reference	Not yet public		

Site

Acres	0.1	Topography	Level
Land SF	5,875	Zoning	B1-3
Road Frontage	Interior	Flood Zone	X
Shape	Rectangular	Encumbrance or	None reported
Utilities	All to site	Environmental Issues	None reported

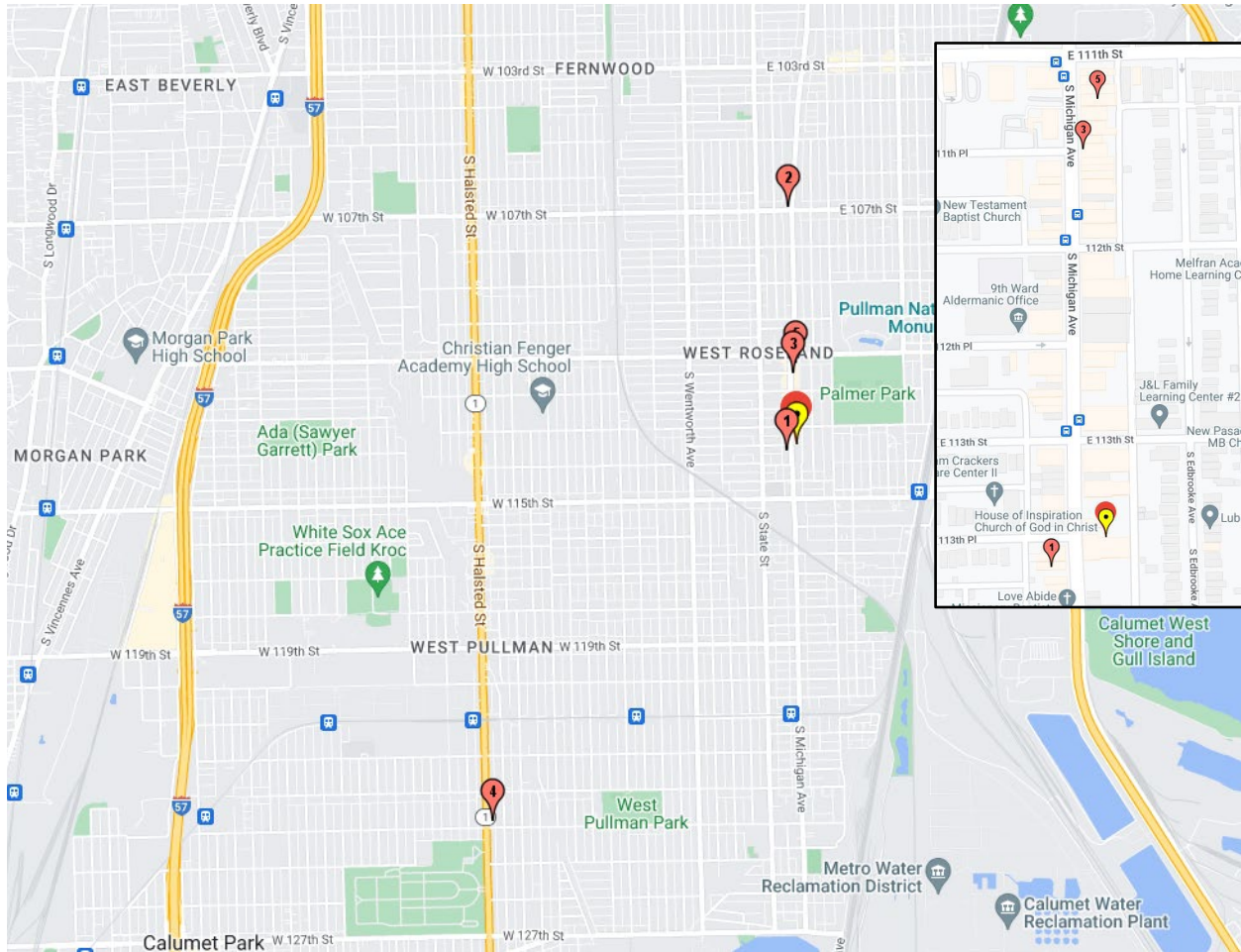
Improvements & Financial Data

GBA	11,400	Parking Adequacy	No on-site parking
No. of Stories	1	Land To Building Ratio	0.52
Year Built	1892	Cap Rate	NA
Construction	Masonry		
Condition	Average		
Parking Adequacy	No on-site parking		

Comments

This is the pending sale of a one-story, single tenant, retail storefront building. The selling broker, Ms. Adrienne Han stated that the ground floor has a 14-foot ceiling height and a finished basement that is part of the retail space with 9-foot ceiling heights. The interior is improved as a clothing and shoe store.

Comparables Map



*Insert map shows subject relative to Comps 1, 3 and 5.

Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analysis Grid			Comp 1		Comp 2		Comp 3		Comp 4		Comp 5	
Address	11331 S Michigan Ave		11338 S Michigan		11127 S Michigan		10658 S Michigan		12345 S Halsted St.		11109 S Michigan	
City	Chicago		Chicago		Chicago		Chicago		Chicago		Chicago	
State	IL		IL		IL		IL		IL		IL	
Date	11/2/2022		6/11/2019		8/7/2020		11/8/2019		11/20/2020		9/26/2022	
Price	N/A		\$32,250		\$62,000		\$223,500		\$250,000		\$199,000	
GBA	15,300		4,365		7,174		19,968		14,256		11,400	
GBA Unit Price	N/A		\$7.39		\$8.64		\$11.19		\$17.54		\$17.46	
Transaction Adjustments												
Property Rights	Leased Fee		Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional		N/A	0.0%	N/A	0.0%	N/A	0.0%	Conventional	0.0%	N/A	0.0%
Conditions of Sale	Cash		Normal	0.0%	Normal	0.0%	Normal	0.0%	Arm's Length	0.0%	Pending Sale	-10.0%
Adjusted GBA Unit Price			\$7.39		\$8.64		\$11.19		\$17.54		\$15.71	
Market Trends Through	11/2/2022	2.0%	7.0%		4.5%		6.1%		3.9%		0.0%	
Adjusted GBA Unit Price			\$7.90		\$9.03		\$11.87		\$18.23		\$15.71	
Location			Similar		Similar		Superior		Superior		Similar	
% Adjustment			0%		0%		-5%		-10%		0%	
\$ Adjustment			\$0.00		\$0.00		-\$0.59		-\$1.82		\$0.00	
Condition	Fair		Poor		Poor/Shell		Fair		Fair		Average	
% Adjustment			5%		5%		0%		0%		-10%	
\$ Adjustment			\$0.40		\$0.45		\$0.00		\$0.00		-\$1.57	
Year Built	1913		1903		1896		1924		1945		1892	
% Adjustment			0%		0%		0%		0%		0%	
\$ Adjustment			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
GBA	15,300		4,365		7,174		19,968		14,256		11,400	
% Adjustment			-12%		-7%		0%		0%		0%	
\$ Adjustment			-\$0.95		-\$0.63		\$0.00		\$0.00		\$0.00	
Road Frontage	Interior		Interior		Corner		Interior		Corner		Interior	
% Adjustment			0%		-5%		0%		-5%		0%	
\$ Adjustment			\$0.00		-\$0.45		\$0.00		-\$0.91		\$0.00	
Land To Building Ratio	0.89		0.72		0.87		0.30		1.50		0.52	
Parking Adequacy	No on-site parking		None		None		No on-site parking		2.46 spaces/1,000 sf		No on-site parking	
% Adjustment			0%		0%		5%		-10%		0%	
\$ Adjustment			\$0.00		\$0.00		\$0.59		-\$1.82		\$0.00	
No. of Stories	2		2		2		3		1		1+ basement	
% Adjustment			0%		0%		0%		-10%		0%	
\$ Adjustment			\$0.00		\$0.00		\$0.00		-\$1.82		\$0.00	
Unit Mix	50% Retail/50% Office		50%Ret./50%Res		50%Ret/50%Off.		25%Ret/75%Res.		100% Retail		100% Retail	
% Adjustment			-10%		0%		-20%		0%		0%	
\$ Adjustment			-\$0.79		\$0.00		-\$2.37		\$0.00		\$0.00	
Adjusted GBA Unit Price			\$6.56		\$8.40		\$9.50		\$11.85		\$14.14	
Net Adjustments			-17.0%		-7.0%		-20.0%		-35.0%		-10.0%	
Gross Adjustments			27.0%		17.0%		30.0%		35.0%		10.0%	

Comparable Sale Adjustments

Property Rights

When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights, less than all of the real property rights, or even another property or properties. Before the price of a comparable sale property can be used in sales comparison analysis, the appraiser first must ensure that the sale price of the comparable property applies to the property rights that are similar to those being appraised.

The subject has been valued on a fee simple basis. Based on our research, all of the property interests of the Comps are fee simple or leased fee at market rental rates; therefore, no additional adjustments are required for property rights conveyed.

Financing

The availability of financing affects both the supply of real estate and property values. In most cases, the cost and availability of financing have an inverse relationship; high interest rates and other costs usually are accompanied by a decline in the demand for credit. The adjustment for financing considers the differences in financing terms between the subject property and the comparable sales.

None of the exchanges indicated that unusual financing factors were employed that affected the sales price. The comparable sales are cash, are conventionally financed at market rates, or involve at terms equivalent to cash and therefore need no adjustments.

Conditions of Sale

If a comparable sale reflects unusual situations, we make appropriate adjustments for the motivations of the buyer and the seller, or for atypical conditions of sale. Situations requiring adjustment may include 1031 tax exchanges, assemblies, condemnation, sales between related parties, pending divorce, partnership dissolution and financial problems. Even an arm's-length transaction can reflect atypical motivations due to unusual tax considerations, lack of exposure on the open market, or complex eminent domain proceedings.

Comparables 1 through 4 appear to have no unusual sale conditions and no significant adjustments apply. Comp 5 is adjusted downward for its pending status. Final contract prices are typically negotiated below asking prices.

Economic Trends

Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of value require adjustments for any differences that affect their values. Adjustments for market conditions are made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time. If market conditions have not changed, no adjustment is required even though considerable time may have elapsed.

As indicated in the Market Area Analysis section of this report, as of the effective date of the appraisal, the subject's location indicated a for-sale housing market that was trending upward. Comparables 1 through 4 were adjusted upward 2% per annum from their respective dates of closing. Sale 5 is a pending sale which does not receive an adjustment for this factor.

Location

The subject is located in the Roseland community of Chicago. The subject is located in an area of high vacancy and mixed commercial conformity. Sales 1, 2 and 5 are in similar locations along Michigan Avenue within two blocks of the subject. These sales require no adjustment for location. Sale 4 is in a superior location along Halsted Street, a more heavily travelled traffic artery. Sale 4 is adjusted downward for this factor. Sale 3 is in a superior location farther north of the subject in a superior commercial area. Therefore, Sale 3 is also adjusted downward for location.

Physical Condition

The subject property is assumed to be in fair condition as of the effective date of appraisal. The front portion is reported to be habitable with only interior finishing necessary for potential retail and office tenants. The rear portion is reported to be in disrepair and is not suitable for occupancy. Comparables 3 and 4 are in similar condition and were not adjusted. Comparables 1 and 2 are both in poor condition and were adjusted upward. Comparable 5 was in superior condition and was adjusted downward.

Age/Year Built

The subject was constructed in 1913. The comparables were all constructed between 1892 and 1945 and no adjustment was required.

Size or Gross Building Area

Size adjustments are necessary when there are significant differences in building sizes. There is usually an inverse relationship between unit value and size with smaller buildings selling for a higher unit of value than larger buildings. The subject is 15,300 square feet. The comparables were adjusted accordingly to the subject.

Road Frontage

The subject has an interior location within its block which is similar to Sales 1, 3 and 5. These sales are not adjusted for this factor. Sales 2 and 4 have superior corner locations and are adjusted downward accordingly.

Land to Building Ratio/Parking

Adjustments are made based on differences between the subject and comp's land to building ratio and a percentage of the estimated land values in the area. The subject has no on-site parking and a land to building ratio of 0.89 to 1. Sale 3 has a low enough ratio to warrant an upward adjustment while Sale 4 has superior on-site parking and a higher land to building ratio and is adjusted downward. The remaining comparables were considered similar and unadjusted for these factors.

Number of Stories

Single-story buildings are generally superior to multi-story configurations due to superior street exposure and access. Sale 4 is given a downward adjustment for its single-story construction. Sale 5 is also a one-story building. However, half of its rentable area is inferior below grade space which is offsetting and no adjustment is made. The remaining sales are similar multi-story buildings are not adjusted.

Unit Mix

The subject is all retail and office with no residential component. This is inferior to properties with residential units on upper floors which are easier to lease compared to second floor office or retail space which depends on walk in traffic. Comparables 2, 4 and 5 have similar unit mixes of retail/office or all retail use and were not adjusted. Comparables 1 and 3 have superior unit mixes, which include residential units and were adjusted downward.

Sales Comparison Approach Conclusion

The adjusted values of the comparable properties range from \$6.56 to \$14.14 psf; the average is \$10.09 psf. All of the value indications have been considered. In the final analysis the most weight was given to Comps 1 and 2, as these comparables are in closest proximity to the subject. Comps 1 and 2 have an adjusted average selling price of \$7.48 psf. Therefore, our final reconciled market value of indication for the subject property is in-between the average of all of the Comps (\$10.09 psf) and Comps 1 and 2 (\$7.48 psf), or say \$8.75 per square foot of gross building area.

“As Is” Indicated Market Value – Fee Simple

Indicated Value per GBA: \$8.75
Subject Size: 15,300
Indicated Value: \$133,875
Rounded: \$130,000

One Hundred Thirty Thousand Dollars

FINAL RECONCILIATION

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior, and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

<i>Cost Approach:</i>	Not Applicable
<i>Sales Comparison</i>	\$130,000
<i>Income Capitalization Approach:</i>	Not Applicable

Cost Approach

The cost approach is most reliable for special purpose properties and for properties that are new or relatively new.

A **cost analysis** was considered and was not developed because buyers and sellers do not typically use this approach to value in their investment decisions. Also, the age of the building makes depreciation difficult to measure.

Sales Comparison Approach

In the sales comparison approach, the value is directly estimated from sales in the market, and adjusted for the many differences between the sale properties and subject. The sales comparison approach is direct, easy to understand and it shows what investors are really paying for properties in the marketplace.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type. Therefore, this approach was the only approach deemed applicable and given all consideration.

Income Capitalization Approach – Direct Capitalization

The income capitalization approach is weighed more heavily when a property is purchased for its income producing attributes. The Income Capitalization Approach seeks to value a property based on the future monetary benefits it may produce.

An **income analysis** was considered and was not developed because the subject is not capable to generate any income in its current 'as-is' condition.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of November 2, 2022, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s):	Fee Simple – As Is
Value Conclusion(s)	\$130,000
Effective Date(s)	November 2, 2022

CERTIFICATION STATEMENT

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment. However, another member of this appraisal firm performed an appraisal of the subject with an effective date of May 2021.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Sam Salvi has made an exterior inspection of the property that is the subject of this report. Elizabeth Gulis, MAI, has not made a personal inspection of the property. No one else provided significant real property appraisal assistance to the person(s) signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Elizabeth Gulis, MAI, has completed the continuing education program of the Appraisal Institute.



Elizabeth Gulis, MAI
Illinois Certified General Real Estate Appraiser
License No. 553.002269



Sam Salvi
Illinois Certified General Real Estate Appraiser
License No. 553.001101

ADDENDA

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Praedium Valuation Group. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Appraisals' regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Praedium Valuation Group has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Appraiser Competency

The appraiser(s) of this report have the necessary and required education, knowledge and experience to provide a reliable and credible valuation of the subject property. The appraiser has not performed any services related to the subject property in the last three years.

Appraiser Qualifications

PRAEDIUM VALUATION GROUP

Appraisals • Consulting • Expert Witness

ELIZABETH GULIS, MAI

EDUCATION

The University of Michigan—Ann Arbor, MI (1984-1988)
Bachelor of Business Administration

Commercial Appraisal Coursework (Appraisal Institute)

General Appraiser Income Approach I

General Appraiser Income Approach II

Appraiser Sales Comparison Approach

General Appraiser Site Valuation & Cost Approach

Advanced Income Capitalization

Quantitative Analysis

Statistics, Modeling and Finance

General Appraiser Market Analysis Highest & Best Use General

General Report Writing and Case Studies

Advanced Market Analysis and Highest & Best Use

Advanced Concepts & Case Studies

General Appraiser Report Writing & Case Studies

LICENSES, CERTIFICATIONS & AFFILIATIONS

- Illinois Certified General Real Estate Appraiser
- Member, MRED, Midwest Real Estate Data
- Designated Member of the Appraisal Institute (MAI)

APPRAISAL EXPERIENCE—PROPERTY TYPES

Commercial

Apartment Buildings (5+ Units)
Retail Buildings & Strip Centers
Industrial Buildings
New Construction
Rent Survey

Mixed Use Buildings
Office Buildings
Parking Garage Buildings
Broken Condominiums

Vacant Land
Retail and Office Condominiums
De-Conversions
House of Worship

Residential

Detached Single Family Houses
Condominiums
Small Income (2-4 Units) Properties

Cooperatives
Vacant Land
Relocation

New Construction

PROFESSIONAL EXPERIENCE

Praedium Valuation Group, Chicago, IL (2005 - present)

Senior Commercial Real Estate Appraiser (2012 –present)

- Value Types: Market, Bulk Sale Value, Disposition, Liquidation, As Is, As Complete, As Stabilized, Diminution in Value
- Proficient in WinTotal and Narrative1 software
- Appraisal Review

Certified Residential Real Estate Appraiser (2005-2012)

- Appraised residential real estate specializing in downtown Chicago neighborhoods and high-value properties.

3847 N. Lincoln Ave, Suite 2 Chicago IL 60613 Phone: 773-665-8361 Fax: 773-665-8342

PRAEDIUM VALUATION GROUP

Appraisals • Consulting • Expert Witness

SAMUEL SALVI

EDUCATION

University of Michigan, Ann Arbor, MI
Bachelor of Arts

LICENSES, CERTIFICATIONS & AFFILIATIONS

- Illinois Certified General Appraiser
- Member, Costar
- Member, MRED

APPRAISAL EXPERIENCE – PROPERTY TYPES

Industrial Properties	Office Buildings
Medical Buildings	Mixed-Use Properties
Retail Properties	Restaurants
Shopping Centers	Vacant Land
Apartment Buildings	Multi-Family Buildings

PROFESSIONAL EXPERIENCE

Praedium Valuation Group, Chicago, IL (1994- Present)

RJ Schmitt Valuation Group, LLC, Lake in the Hills, IL

Commercial Real Estate Appraiser

- Value Types: Market, Bulk Sale, Disposition, Liquidation, As Is, As Complete, As Stabilized
- Proficient in Narrative1 software
- Appraise Commercial properties throughout the Chicagoland area

Engagement Letter



DEPARTMENT OF PLANNING AND DEVELOPMENT
CITY OF CHICAGO

October 12, 2022

Joe Wallace
PF Appraisal
3847 N. Lincoln Ave. Suite 2
Chicago, IL 60613

RE: 11331 S. Michigan Ave. (ISW Roseland Theater)

Dear Mr. Wallace:

Please consider this letter your formal authorization to provide us with a Complete, Summary appraisal report for the following PIN(s):

PERMANENT INDEX NUMBERS

25-22-112-008-0000

- * Multiple PINs to be valued as a single consolidated parcel.
- * No conditions – Appraise to Highest and Best use under existing zoning.

The due date of Wednesday, November 16, 2022, has been set for completion of this assignment and delivery to our office.

Should you have any questions or comments, please contact Michael Penicnak at (312) 742-1337 or Cynthia Garza at (312)-744-6216.

Thank you for giving this matter your prompt attention.

Sincerely,

Cynthia Garza
Sr. Land Acquisition/Disposition Officer

121 NORTH LASALLE STREET, ROOM 1000, CHICAGO, ILLINOIS 60602

**CITY OF CHICAGO
BLANKET RELEASE**

Original (Department)

Furnish the supplies and/or services described below in conformance with conditions set forth herein and in your offer

RELEASE DATE	PURCHASE ORDER	RELEASE NUMBER	SPECIFICATION NUMBER	VENDOR NUMBER	SITE NAME	DELIVERY DATE	PAGE NUM
10/11/2022	76223	145	245659	50060761	A (EFT XX2821)		1

DELIVER TO: 54-054

054-4034 LAND SALES PROGRAMS
121 N. LASALLE ST. 10TH FL.

Chicago, IL 60602

ORDERED FROM:

PF APPRAISALS, INC DBA PRAEDIUM VALUATION GROUP
3847 NORTH LINCOLN AVENUE
SUITE #2

CHICAGO, IL 60613

DELIVERY CHARGES to be PREPAID
TITLE TO PASS ON DELIVERY

CONTACT: 312-744-6275

PO DESCRIPTION: NON-TARGET MARKET MASTER TASK ORDER CONTRACT; REAL ESTATE SERVICES FOR VARIOUS SCOPE CATEGORIES: CATEGORY 1: APPRAISAL SERVICES

BLANKET RELEASE

THIS SIGNED RELEASE IS YOUR AUTHORITY TO FURNISH THE SPECIFIED SUPPLIES AND /OR SERVICES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BLANKET AGREEMENT NUMBER: 76223

THIS PURCHASE IS FOR DEPARTMENT: 54 - DEPT OF PLANNING & DEVELOPMENT

SUBMIT THE ORIGINAL INVOICE TO: 054-4034 LAND SALES PROGRAMS
121 N. LASALLE ST. 10TH FL.
Chicago, IL 60602

PO Line	Ship Line	COMMODITY INFORMATION	QUANTITY	UOM	UNIT COST	TOTAL COST							
		94815 NON-TARGET MARKET REAL ESTATE APPRAISALSERVICES	2,625.00	USD	1.00	2,625.00							
ISW ROSELAND THEATER - 11331 S MICHIGAN PIN# 25-22-112-008-0000 TASK#76223-54-TSK-00128													
		Dist	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	TOTAL COST
		1	022	0100	0544034	0141	220141	0000	00000000	000000	00000	0000	2,625.00
SHIPMENT TOTAL:												2,625.00	
RELEASE TOTAL:												2,625.00	

APPROVAL:

SIGNATURE _____ DATE _____ SIGNATURE _____ DATE _____

Payment on this order will be made upon receipt of an original vendor invoice form referencing this order and associated Receipt(s). Submit the original invoice to the Office of the City Comptroller, Invoice Intake Division, 33 N. LaSalle, Room 700, Chicago, IL 60602.
Mark all packages and papers with the purchase number. Any deliveries containing overshipments will be reflected unless otherwise authorized in this purchase.
This purchase is subject to the City of Chicago General Conditions for Supplies, Work, or Professional Consulting Services; Special Conditions, Disclosure Ownership, Acceptance Page, as applicable, which are attached hereto or incorporated herein by reference.