



**PRAEDIUM**  
VALUATION GROUP

Appraisals • Consulting • Expert Witness

**APPRAISAL REPORT FOR**  
Vacant Land

**LOCATED AT**  
11339-43 South Michigan Ave  
Chicago,  
Cook County, Illinois

**AS OF**  
October 24, 2022

**PREPARED FOR**  
Cynthia Garza  
City of Chicago  
Department of Planning and  
Development  
City Hall, Room 1000  
121 N. LaSalle Street  
Chicago, IL 60602

**PREPARED BY**  
Praedium Valuation Group  
3847 N. Lincoln, 2nd Floor  
Chicago, Illinois 60613

# PRAEDIUM VALUATION GROUP

Appraisals • Consulting • Expert Witness

3847 N. Lincoln Ave 2<sup>nd</sup> Floor  
Chicago  
IL, 60613

www.pvgchicago.com

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

October 24, 2022

Cynthia Garza  
City of Chicago  
Department of Planning and Development  
City Hall, Room 1000  
121 N. LaSalle Street  
Chicago, IL 60602

RE: 11339-43 South Michigan Avenue, Chicago, IL  
P.I.N.'s: 25-22-112-009-0000, -010-0000, & -011-0000

Cynthia Garza:

At your request we have prepared the accompanying appraisal report of the above-referenced property. The report accompanying this letter is an estimate of the "As Is" market value of the subject site under its highest and best use assuming rezoning to B3-2: Community Shopping District as of October 24, 2022.

Briefly described the subject property consists of (3) adjacent vacant lots with a total approximate 15,462 square feet of land located on the east side of Michigan Ave, approximately 0.30 miles south of the intersection of 111<sup>th</sup> St & Michigan Ave, having a common address of 11339-43 South Michigan Avenue in Chicago, IL.

We have analyzed the subject property using the Sales Comparison Approach to value. We transmit herewith three (3) copies of our summary appraisal report, prepared in accordance with the Uniform Standards of Professional Appraisal Practice. The following report summarizes the reasoning and analysis upon which our conclusions are based.

Respectfully submitted,



Elizabeth Gulis, MAI  
Praedium Valuation Group, Inc.  
Certified General Real Estate Appraiser  
Illinois License No. 553.002269; Expires 9/30/23



Karen L. Wallace  
Praedium Valuation Group, Inc.  
Certified Residential Real Estate Appraiser  
Illinois License No. 156.003794; Expires 9/30/23

## TABLE OF CONTENTS

<b>SUMMARY OF FACTS &amp; CONCLUSIONS</b>	<b>1</b>
<b>PHOTOGRAPHS</b>	<b>2</b>
<b>IDENTIFICATION OF THE PROPERTY</b>	<b>4</b>
<b>LEGAL DESCRIPTION</b>	<b>4</b>
<b>PURPOSE OF THE APPRAISAL</b>	<b>4</b>
<b>MARKET VALUE</b>	<b>4</b>
<b>PROPERTY RIGHTS APPRAISED</b>	<b>5</b>
<b>SCOPE OF THE APPRAISAL</b>	<b>5</b>
<b>INTENDED USE OF THE APPRAISAL</b>	<b>6</b>
<b>INTENDED USERS</b>	<b>6</b>
<b>INSPECTION DATE</b>	<b>6</b>
<b>SALE HISTORY OF THE SUBJECT PROPERTY</b>	<b>6</b>
<b>DATE OF VALUATION</b>	<b>6</b>
<b>EXPOSURE AND MARKETING TIME</b>	<b>7</b>
<b>IMMEDIATE AREA DATA</b>	<b>7</b>
<b>ZONING</b>	<b>8</b>
<b>ZONING MAPS</b>	<b>8</b>
<b>CHICAGO METROPOLITAN MAP</b>	<b>10</b>
<b>NEIGHBORHOOD MAP</b>	<b>11</b>
<b>SITE DATA</b>	<b>12</b>
<b>HIGHEST AND BEST USE</b>	<b>14</b>
<b>APPROACHES TO VALUE</b>	<b>16</b>
<b>APPRAISAL METHODOLOGY</b>	<b>17</b>
<b>SALES COMPARISON APPROACH</b>	<b>17</b>
<b>VALUE CONCLUSION</b>	<b>25</b>
<b>APPRAISAL CERTIFICATE</b>	<b>26</b>
<b>GENERAL ASSUMPTIONS AND LIMITING CONDITIONS</b>	<b>28</b>
<b>PROFESSIONAL QUALIFICATIONS</b>	<b>30</b>
<b>ENGAGEMENT LETTER</b>	<b>32</b>

## **SUMMARY OF FACTS & CONCLUSIONS**

Property Type:	Vacant Land
Address:	11339-43 South Michigan Avenue Chicago, IL
Site Data:	15,462 square feet of land area more or less
Zoning:	B3-2: Community Shopping District
Frontage:	100.08 Feet
Depth:	154.5 Feet
Highest and Best Use:	The “As Is” highest and best use of the site, assuming rezoning to B3-2: Community Shopping District, is for commercial use in conformance with the site’s zoning classification.
Permanent Index Numbers:	25-22-112-009-0000, -010-0000, & -011-0000
Purpose of Appraisal:	To estimate the “As Is” market value of the site under its highest and best use, subject to the contingent and limiting conditions contained herein.
Valuation Date:	October 24, 2022

### **Value Conclusion**

“As Is” Market Value                      \$38,655

**PHOTOGRAPHS**



*View of Subject Property Facing East*



*View of Subject Property Facing West*



*View of Michigan Avenue Facing North*



*View of Michigan Avenue Facing South*

## **IDENTIFICATION OF THE PROPERTY**

The subject property is located on the east side of Michigan Avenue, approximately 0.30 miles south of the intersection of 111<sup>th</sup> Street & Michigan Avenue, and has a common address of 11339-43 South Michigan Avenue, Chicago, Illinois. The subject property consists of (3) adjacent vacant parcels of land with a total of 100.08 feet of frontage along Michigan Avenue, containing a total calculated area of approximately 15,462 square feet and is identified by Cook County Permanent Index Numbers: 25-22-112-009-0000, -010-0000, & -011-0000.

## **LEGAL DESCRIPTION**

Lots 12, 13, 14, and 15 in Block 2 Kionka's Subdivision of Lot 1 & 2 in Subdivision of Lot 3 in Assessor's Division of the West ½ of the Northwest ¼ of Section 22, Township 37 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

## **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to estimate the "As Is" market value of the subject property under its highest and best use, assuming rezoning to B3-2: Community Shopping District, subject to the contingent and limiting conditions expressed in this report.

## **MARKET VALUE**

The definition of market value used in this appraisal is found in *The Dictionary of Real Estate Appraisal, 6<sup>th</sup> edition* (Chicago: Appraisal Institute, 2015):

*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.

## **PROPERTY RIGHTS APPRAISED**

The property rights appraised consist of the fee simple interest.

The Appraisal of Real Estate, 14<sup>th</sup> Edition, published by the Appraisal Institute, defines fee simple estate as follows:

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

## **SCOPE OF THE APPRAISAL**

The scope of work in this assignment included the following:

- Conference with a representative of the Department of Planning and Development identifying the appraisal problem to be addressed in the assignment
- Inspection of the subject property
- Inspection of the subject's immediate area
- Review of the subject's zoning and assessment data
- Determine the "As Is" highest and best use of the subject property
- Research and analysis of relevant market data from various information sources
- Analysis of the subject property by the applicable approach to value
- Estimation of the market value of the subject real estate
- Submittal of a complete summary appraisal reporting our findings, reasoning and conclusion of the market value of the subject property



## **INTENDED USE OF THE APPRAISAL**

The intended use of this appraisal report is to assist the client with internal decisions regarding the potential disposition/negotiated sale of the subject property.

## **INTENDED USERS**

This report is intended for use only by the City of Chicago Department of Planning and Development and other authorized departments of the City. Use of this report by others is not intended.

## **INSPECTION DATE**

Karen Wallace conducted an inspection of the subject property on October 24, 2022.

## **HYPOTHETICAL CONDITION**

We have been requested to value the property "As Is" under its highest and best use assuming rezoning to B3-2: Community Shopping District.

## **SALE HISTORY OF THE SUBJECT PROPERTY**

According to the Standards of Professional Appraisal Practice of the Appraisal Institute and U.S.P.A.P., appraisers are required to report and analyze any sale transactions of the subject property during the past three years, or any listing or pending sale transactions of the subject property.

We are not aware of any transfer or sale of the subject during the three-year period prior to the date of valuation. Also, we are not aware of the property being currently offered for sale or that it is under any contract for purchase.

## **DATE OF VALUATION**

October 24, 2022

## **EXPOSURE AND MARKETING TIME**

As part of our analyses, we have reviewed market data containing reported marketing times for vacant land properties that have recently sold in the subject's market area. As a result of our review and analysis of this data, we would anticipate a 6 to 18 month exposure time (prior to the date of value) and a 6 to 18 month marketing period (following the date of value) under current market conditions.

## **IMMEDIATE AREA DATA**

The subject property is located approximately 14 miles south of downtown Chicago in the Roseland neighborhood of Chicago. It is located on the east side of Michigan Avenue, approximately 0.30 miles south of the intersection of 111<sup>th</sup> Street & Michigan Avenue and has a common address of 11339-43 South Michigan Avenue. Michigan Avenue, in the subject's immediate neighborhood, is a secondary north/south arterial street that consists of mainly older 100+ year old brick 1-story commercial buildings, or multi-story mixed use commercial buildings. Many of these commercial buildings are vacant and the buildings appear to be distressed, in fair condition.

Interstate 94 is located approximately 1 mile east of the subject property, and Interstate 57 is located approximately 2 miles west of the subject property. The Metra Commuter Train – Kensington/115<sup>th</sup> Street Station – is located approximately ½ mile southeast of the subject site, and there is a CTA Commuter Bus Stop located within walking distance along Michigan Avenue. Development located in the immediate vicinity of the subject site consists primarily of older residential and small income properties, as well as apartment buildings, schools, and churches. Palmer Park, a Chicago Park District Public Park, and Gwendolyn Brooks College Preparatory High School are located nearby.

The subject site is adjoined by:

To the north – a 100+ year old brick 2-story commercial building that appears to be distressed/vacant;

To the south – a 100+ year old brick 2-story commercial building that appears to be distressed/vacant;

To the east – a public alley followed by a 90-year old brick multi-unit building facing Edbrooke Avenue; and

To the west – an older brick 2-story mixed use building located across on the west side of Michigan Avenue that appears to be distressed/vacant.

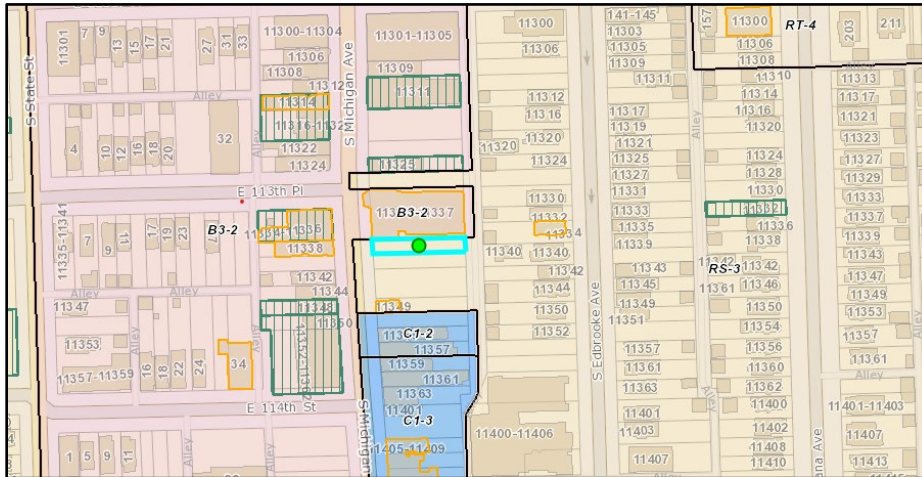
All amenities and infrastructure are available to the subject property including all public and private utilities as well as police and fire protection and public transportation.

## ZONING

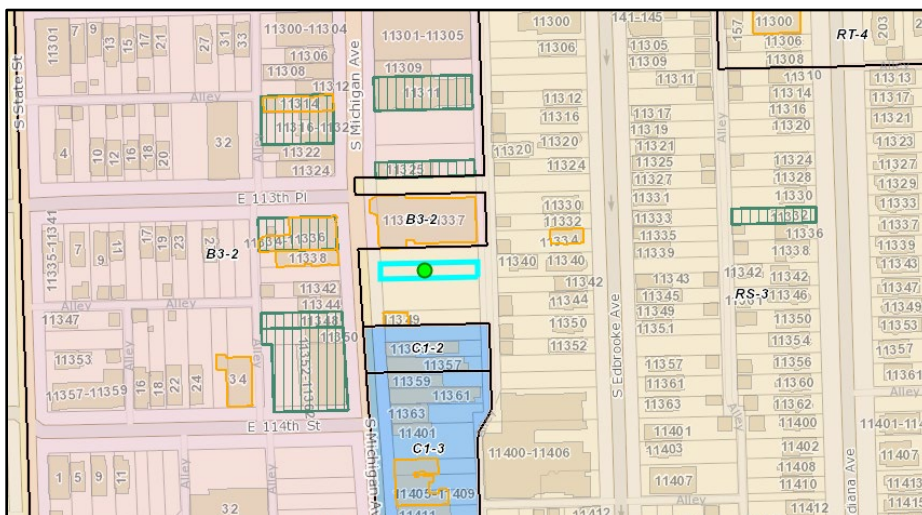
The subject property is currently zoned RS-3, Residential Single Unit Detached Housing by the City of Chicago. The subject is being appraised under the hypothetical condition that the subject will be rezoned to B3-2: Community Shopping District. Reference should be made to the Chicago Zoning Ordinance for the complete requirements of this classification. Please see the following zoning map for the property's location and zoning.

## ZONING MAPS

25-22-112-009-0000



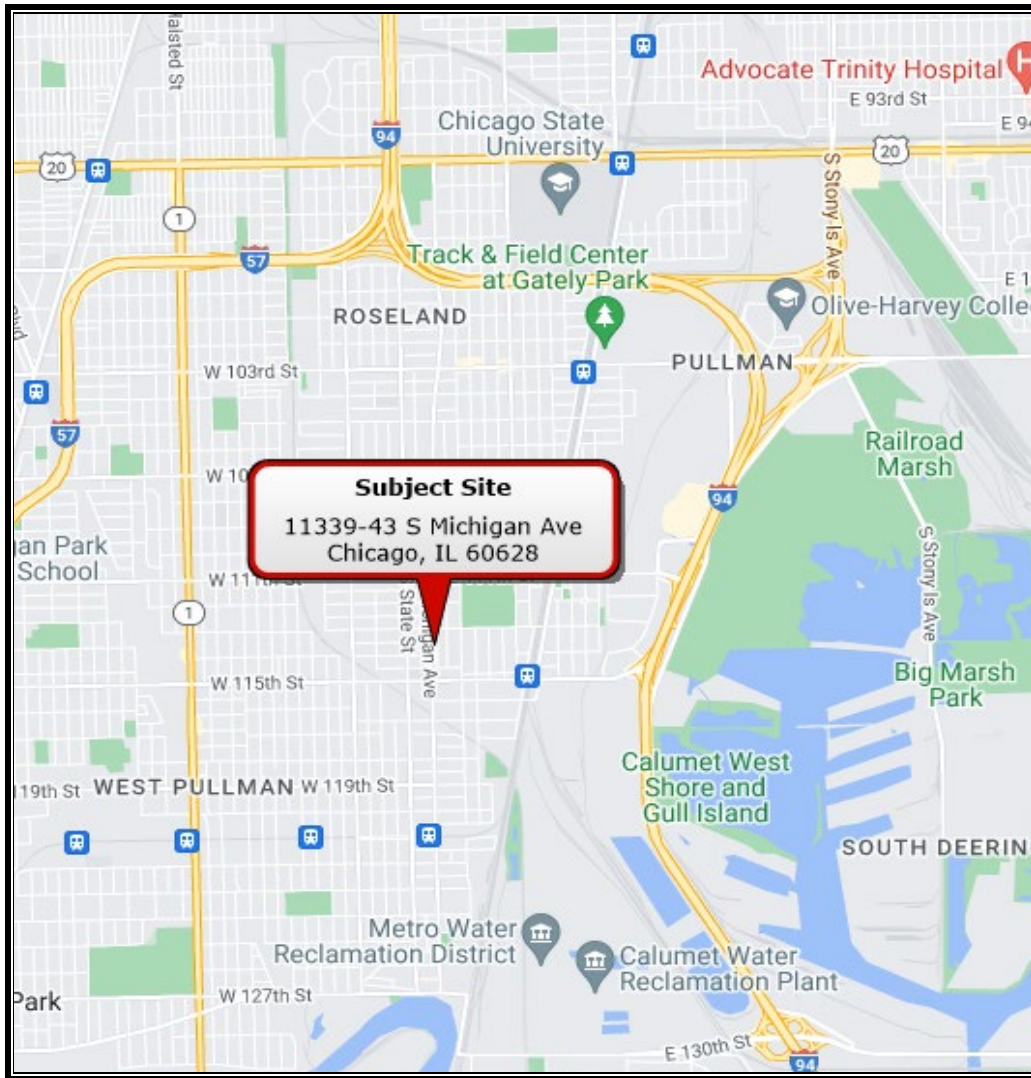
25-22-112-010-0000







**NEIGHBORHOOD MAP**



## **SITE DATA**

The subject property is a rectangular shaped parcel of vacant land located on the east side of Michigan Avenue. The lot slopes downward to the east. This was considered to have a neutral impact on market value and marketability. We were not provided with a survey of the subject property site dimensions, frontages and areas were calculated based on our analysis of public records and review of Sidwell Maps and aerial maps relating to the subject property.

Address: 11339-43 South Michigan Avenue  
Chicago, IL

PIN: 25-22-112-009-0000, -010-0000, & -011-0000

Size: 15,462 square feet more or less

Zoning: B3-2: Community Shopping District

Utilities: Municipal water and sewer, electric and gas all are available to the site.

Topography: Level and at the grade of the adjoining properties.

Flood Plain: According to FIRM Map the subject property is located in an area designated Zone X, an area determined to be outside 500-year flood plain.

Access: From Michigan Avenue on the west and a public alley on the east.

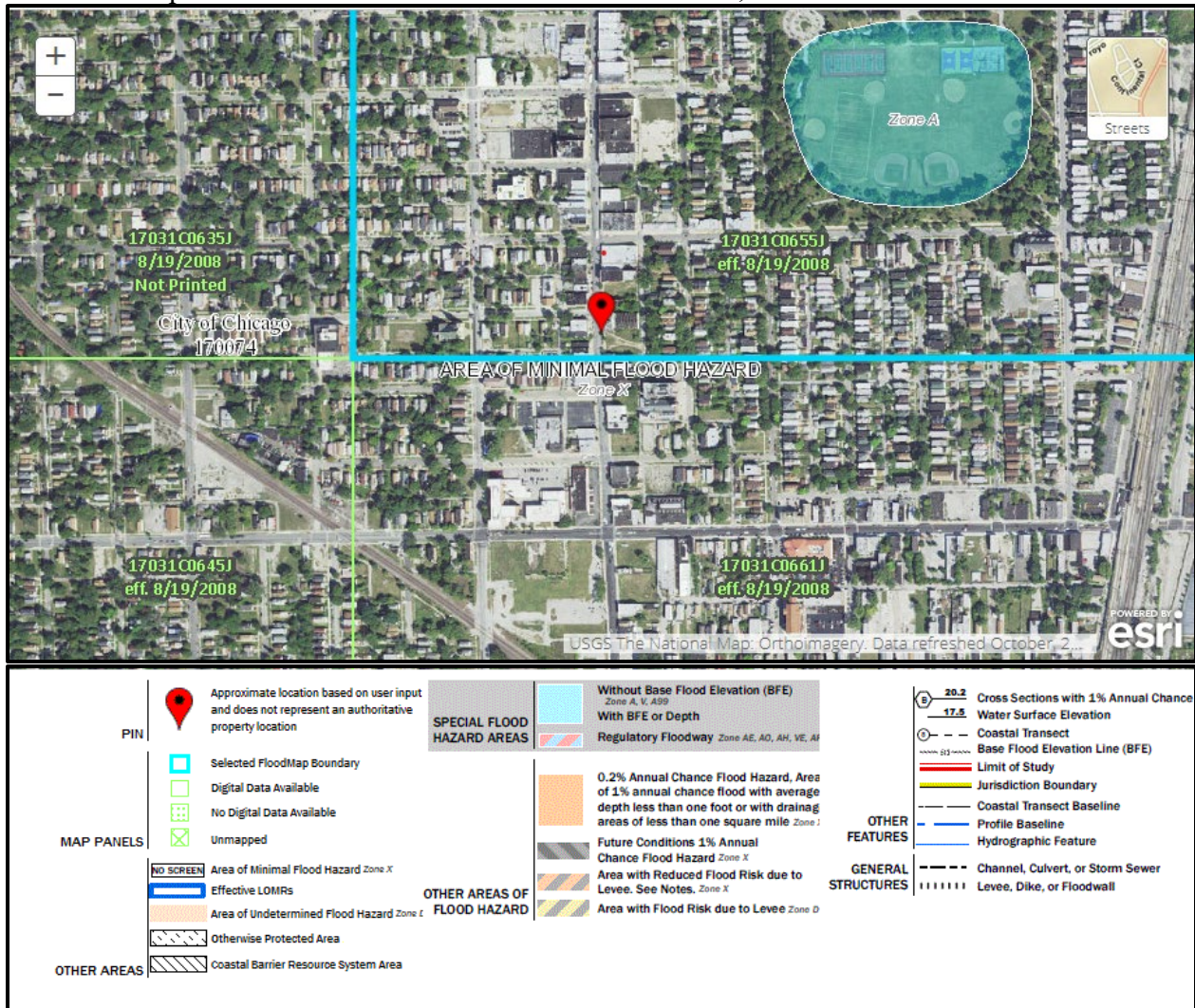
Shape: Rectangular

Frontage: 100.08 Feet

Depth: 154.5 Feet

# FLOOD MAP

The flood map for the selected area is number **17031C0655J**, effective on **08/19/2008**.



<b>PIN</b>	Approximate location based on user input and does not represent an authoritative property location	<b>SPECIAL FLOOD HAZARD AREAS</b>	Without Base Flood Elevation (BFE) <i>Zone A, V, A99</i>	With BFE or Depth	Regulatory Floodway <i>Zone AE, AO, AH, VE, AF</i>	<b>20.2</b> Cross Sections with 1% Annual Chance Water Surface Elevation	<b>17.5</b> Coastal Transect Base Flood Elevation Line (BFE)
<b>MAP PANELS</b>	Selected FloodMap Boundary	0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with draining areas of less than one square mile <i>Zone I</i>	Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i>	Area with Reduced Flood Risk due to Levee. See Notes, <i>Zone X</i>	Area with Flood Risk due to Levee <i>Zone D</i>	Limit of Study	Jurisdiction Boundary
	Digital Data Available	<b>OTHER AREAS OF FLOOD HAZARD</b>	Area with Reduced Flood Risk due to Levee. See Notes, <i>Zone X</i>	Area with Flood Risk due to Levee <i>Zone D</i>		Coastal Transect Baseline	Profile Baseline
	No Digital Data Available	Area of Minimal Flood Hazard <i>Zone X</i>				Hydrographic Feature	
	Unmapped	Effective LOMRs				Channel, Culvert, or Storm Sewer	Levee, Dike, or Floodwall
<b>OTHER AREAS</b>	Area of Undetermined Flood Hazard <i>Zone I</i>	Otherwise Protected Area					
	Coastal Barrier Resource System Area						



## **HIGHEST AND BEST USE**

Highest and Best Use is defined in the Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, as follows:

*The reasonably probable and legal use of vacant land or an 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 legally permissible, physically possible, financial feasibility, and maximum productivity.*

In estimating Highest and Best Use, there are essentially four stages of analysis:

1. Possible Uses: Uses which it is physically possible to put on the site in question.
2. Legal Use: Uses permitted by zoning and deed restrictions on the site in question.
3. Feasible Use: Possible and permissible uses which will produce a net return to the owner of the site.
4. Highest and Best Use: Among the feasible uses, that use will produce the highest net return or highest present worth.

According to *The Appraisal of Real Estate*, Twelfth Edition, the tests of physical possibility and legal permissibility must be applied before the remaining tests of financial feasibility and maximum productivity. The highest and best use of a property is concluded after the four criteria have been applied and various alternative uses have been eliminated. The remaining use that fulfills all four criteria is the highest and best use.

The analysis of highest and best use involves one element for an unimproved property: the analysis of the site as if vacant and available for development. For an analysis of the highest and best use of an improved property, two elements are normally considered: the analysis of the site as if vacant and available for development, and the analysis of the property as a whole, including the existing improvements.

Highest and Best Use of land or site as though vacant and Highest and Best Use of property as improved is defined by the *Dictionary of Real Estate Appraisal*, 4<sup>th</sup> Edition, as follows:

Highest and Best Use of land or site as though vacant: *“among all reasonable alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”*

Highest and Best Use of property as improved: *“the use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement could more than offset the cost of demolishing the existing building and constructing a new one.”*

In this instance, the concept of Highest and Best Use is applicable to the subject land as vacant.

### Highest and Best Use of the Subject Property

The subject site has approximately 100.08 feet of frontage along Michigan Avenue; contains a total calculated area of approximately 15,462 square feet and is located within an area zoned RS-3: Residential Single Unit Detached Housing by the City of Chicago. However, the subject is located on a north/south arterial street and according to the City of Chicago zoning website, the majority of the subject’s block has commercial zoning. The subject site is adjacent to commercial buildings on the north, south, east, and west sides.

In determining the highest and best use of the subject site, we have considered its size, frontage, adjoining uses as well as its location, surrounding uses and development in the immediate vicinity of the subject property.

Based on our analysis of the legal, physical, and feasibility factors affecting highest and best use, it is our opinion that the “As Is” highest and best use of the subject property as vacant on the date of value would be for a zoning change from RS-3: Residential Single Unit Detached Housing to B3-2: Community Shopping District, and to leave the site vacant until economic conditions improve to the point where new development in conformance with the site’s B3-2: Community Shopping District requirements is feasible.

## APPROACHES TO VALUE

Three traditional approaches to value have been evolved by the real estate appraisal profession over many years. These three approaches are known as the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. All three of these approaches to value were considered in our analysis; as explained below, we used 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.

### 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 income multipliers, 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 projects 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.

### Reconciliation

In the reconciliation process, the strengths and weaknesses of each approach are analyzed. The reconciliation considers the applicability of each approach to the subject's property type, and then further analyzes the availability and reliability of the comparable market data used for each approach. Based on this analysis, the indications of value from the three approaches are given varying weights and are reconciled into a final estimate of value.

## **APPRAISAL METHODOLOGY**

Since the subject property consists of a vacant site and since market data was available for vacant commercial zoned parcels in the vicinity of the subject, the Cost and Income Approaches to value were not utilized in the valuation of the subject property. Therefore, only the Sales Comparison Approach has been employed in evaluating the subject.

The purpose of this appraisal is to estimate the “As Is” market value of the subject property under its highest and best use assuming rezoning to B3-2: Community Shopping District.

## **SALES COMPARISON APPROACH**

The basic premise of the sales comparison approach is that well-informed buyers will not pay more for a property than it would cost to purchase an equally desirable substitute property. The sales comparison approach is thus a process of identifying properties that are similar to the subject and comparing them to it. The comparison takes into account all of the relevant market factors that affect sale prices, including physical characteristics of the properties, supply and demand, and external influences.

The procedures used to estimate the subject’s value in this approach were:

1. The identification and gathering of information on sales of properties that are comparable to the subject in date of sale, property type, utility, size, location, and other physical characteristics.
2. Verification of the information gathered.
3. Selection of a unit of comparison, which in this case was the price per square foot of land area.
4. Comparison of the sales to the subject and qualitative adjustment of their sale prices due to differences in such factors as sale date, size, location and physical characteristics.
5. Application of the unit of comparison to arrive at a value indication.

The reliability of this approach depends on:

- the availability of recent sales of comparable properties
- the quality and quantity of the information gathered regarding the sales
- the absence of unusual conditions that could influence sale price

The comparable sales used in this report meet these requirements, and the sales comparison approach is considered a valid approach for the subject.

## **Land Sale 1**

Location: 1 W 103<sup>rd</sup> Street  
Chicago, Illinois

Sale Date: February 08, 2021

Land Size: 20,047 Square Feet

Site Frontage: 159.1 Feet

Site Depth: 126 Feet

Shape: Rectangular

Situs: Corner site

Sale Price: \$230,000

Unit Sale Price: \$11.47 per square foot of land area

Grantor: Seven Star Properties LLC

Grantee: One West Properties LLC

Document #: CCRD #2105604060/MLS #10942438

P.I.N: 25-16-202-075-0000

Zoning: C2-1: Motor Vehicle Related Commercial District

Utilities: Municipal water and sewer, electric and gas all are available to the site.

Comments: This sale property is located approximately 1.3 miles northwest of the subject site.

## **Land Sale 2**

Location:	12730 South Halsted Street Chicago, Illinois
Sale Date:	December 28, 2020
Land Size:	29,191 Square Feet
Site Frontage:	249.76 Feet
Site Depth:	~116.88 Feet
Shape:	Roughly Rectangular
Situs:	Corner site
Sale Price:	\$160,000
Unit Sale Price:	\$5.48 per square foot of land area
Grantor:	Christ Spiritual Way of Truth
Grantee:	Musa Mohmmad
Document #:	CCRD #2021.42081/MLS #10878539
P.I.N:	25-32-205-035-0000
Zoning:	B3-1: Community Shopping District
Utilities:	Municipal water and sewer, electric and gas all are available to the site.
Comments:	This sale property is located approximately 2-miles southwest of the subject site.

### **Land Sale 3**

Location: 10538 South Halsted Street  
Chicago, Illinois

Sale Date: August 03, 2021

Land Size: 2,793 Square Feet

Site Frontage: 25 Feet

Site Depth: 111.7 Feet

Shape: Rectangular

Situs: Inside site

Sale Price: \$10,000

Unit Sale Price: \$3.58 per square foot of land area

Grantor: East Lake Management & Development Corporation

Grantee: Dwayne Wade

Document #: CCRD #2121622047/MLS#10995898

P.I.N: 25-17-222-039-0000

Zoning: B3-1: Community Shopping District

Utilities: Municipal water and sewer, electric and gas all are available to the site.

Comments: This sale property is located approximately 1.5 miles northwest of the subject site.

#### **Land Sale 4**

Location: 11943 S Michigan Ave  
Chicago, Illinois

Sale Date: January 22, 2021

Land Size: 15,625 Square Feet

Site Frontage: 125 Feet

Site Depth: 125 Feet

Shape: Rectangular

Situs: Inside site

Sale Price: \$25,000

Unit Sale Price: \$1.60 per square foot of land area

Grantor: Benjamin Munoz

Grantee: Placido Patino

Document #: CCRD #2108547047/MLS #10321961

P.I.N: 25-27-103-002-0000, 25-27-103-003-0000, 25-27-103-004-0000, 25-27-103-005-0000, & 25-27-103-006-0000

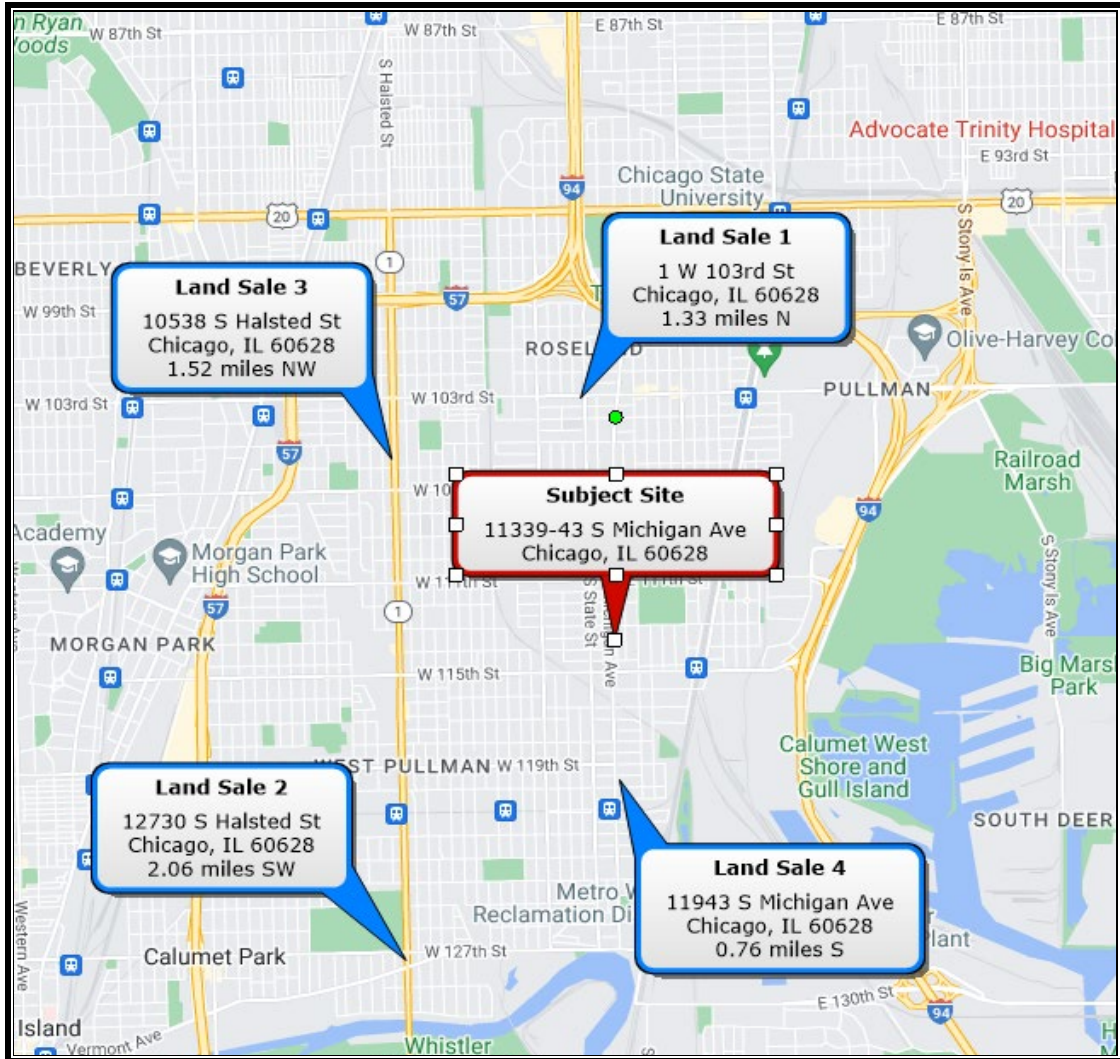
Zoning: B1-1: Neighborhood Shopping District

Utilities: Municipal water and sewer, electric and gas all are available to the site.

Comments: This list property is located approximately 6 blocks south of the subject site.



## LAND SALE LOCATION MAP



## SUMMARY OF COMPARABLE SALES

Closed	Location	Sale Date	Size (SF)	Frontage (LF)	Depth (LF)	Zoning	Sale Price	Sale Price SF
1.	1 West 103 <sup>rd</sup> Street Chicago, IL	02/21	20,047	159.1	126	C2-1	\$230,000	\$11.47
2.	12730 S Halsted Street Chicago, IL	12/20	29,191	249.76	116.88	B3-1	\$160,000	\$5.48
3.	10538 S Halsted Street Chicago, IL	08/21	2,793	25	111.7	B3-1	\$10,000	\$3.58
4.	11943 S Michigan Avenue Chicago, IL	01/21	15,625	125	125	B1-1	\$25,000	\$1.60
Subject	11339-43 S Michigan Ave Chicago, IL	-----	15,462	100.08	154.5	B3-2	-----	-----

### Analysis of Sales Data

The preceding sales are considered to be representative of the prices paid for vacant commercial zoned parcels in the area of the subject site. Sales 1-4 were compared to the subject and adjustments were made, where necessary, for conditions of sale (cash or special financing) and date of sale (time), location, as well as differences in physical characteristics including size, shape, zoning, availability of utilities, etc. As indicated in the above chart, the closed sales range in unit sale price from \$1.60 to \$11.47 per square foot of land area.

### Conditions of Sale

Sales 1, 2, and 3 were reported to be cash (or equivalent) arms-length transactions and no adjustments were considered necessary for this factor. Sale 4 was sold privately and was not listed on the public market. No adjustment was considered necessary for this factor.

### Market Conditions

Sales 1-4 occurred within the 24 months prior to the date of this valuation, in a stable market, and were not adjusted for date of sale.

### Location

The subject site was an inside site located on Michigan Avenue, a secondary north/south arterial street with a below average commercial/retail location in the subject's market. Sale 4 was also located on Michigan Ave, approximately 6 blocks south of the subject site, and was considered to have a similar locational appeal.

Sale 1 was located at the southwest corner of 103<sup>rd</sup> Street & State Street. 103<sup>rd</sup> Street is a primary east/west arterial street with a good commercial/retail location in the subject's market. A large

downward adjustment was made to Sale 1 for having a superior commercial location. It is also a corner location which requires further downward adjustment.

Sale 2 and Sale 3 were located on Halsted Street, a primary north/south arterial street with a good commercial/retail location in the subject's market. A large downward adjustment was made to Sales 2 and 3 for having a superior commercial location. Sale 2 was also adjusted downward for having a corner location.

### Size

The size adjustment reflects the general tendency for smaller properties to command higher unit prices than comparable larger properties, although a site too small may have less utility to the market than a larger site, all other factors being equal.

The subject site had a site frontage of 100.08 feet. Sales 1, 2, and 4 had a site frontage of 159.1 feet, 249.76 feet, and 125 feet respectively. Sales 1, 2, and 4 were adjusted downward for site frontage as a typical developer in the subject's market would be willing to pay more for a parcel of land with a larger site frontage/greater utility. Sale 3 had a site frontage of 25 feet; a large upward adjustment was made to Sale 3 for site frontage.

The typical site depth in the subject's market was 125 feet. The subject had a site depth of 154.5 feet, larger than typical for the subject's market. The subject's additional depth from 125 feet to 154.5 feet was considered to have a diminished market value.

Sales 1-4 had a site depth of 126 feet, 116.88 feet, 111.7 feet, and 125 feet respectively, smaller than the subject site but more typical for the subject's market. Sales 1-4 smaller/more typical depth commands a higher unit price when compared to the subject's depth, thus Sales 1-4 were adjusted downward for site depth.

### Shape

The subject is rectangular in shape, as are Sales 1-4. Thus, no adjustment for shape was considered warranted for Sales 1-4.

### Zoning

The subject site is zoned B3-2 and has a maximum FAR (Floor Area Ratio) of 2.2. Sales 1-4 are zoned C2-1, B3-1, B3-1, and B1-1 respectively, and have a maximum FAR of 1.2, an inferior zoning classification. Sales 1-4 were adjusted upward for this factor.

### Utilities

The subject site has all municipal and public utilities including water, sewer, natural gas, electric and telephone are available to the subject site. All of the sales have the same utilities as the subject property. As a result, none of the sale sales require any adjustment for this factor.

## Conclusion

Sales 1-4 were considered and given weight in the final estimate of market value. Because Sale 4 sold via a private sale, Sale 4 was given the least weight. Based on our review and analysis of the comparable market data, and after taking into consideration those factors considered appropriate, it is our opinion that the “As Is” market value of the subject property as of the value date, at its highest and best use, in fee simple title, free and clear of all encumbrances, and assuming that the site is clean and free of any environmental factors that could possibly affect value, is \$38,655. This is equal to a unit value of approximately \$2.50 per square foot of land area as follows:

$$15,462 \text{ square feet @ } \$2.50 \text{ per square foot} = \$38,655$$

## VALUE CONCLUSION

After careful consideration of the facts and data relevant to the value of the subject property as defined in this report and subject to the limiting conditions of this report, it is our opinion that the value indication for the subject property is as follows:

Estimated “As Is” Market Value of the subject property under its  
highest and best use, as of October 24, 2022 \$38,655

## APPRAISAL CERTIFICATE

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 future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- 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 estimate, 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 (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Elizabeth Gulis, MAI, has not made an inspection of the subject property. Karen Wallace has made an inspection of the subject property.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

- 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  
Praedium Valuation Group, Inc.  
Certified General Real Estate Appraiser  
Illinois License No. 553.002269; Expires 9/30/23*



*Karen L. Wallace  
Praedium Valuation Group, Inc.  
Certified Residential Real Estate Appraiser  
Illinois License No. 156.003794; Expires 9/30/23*

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in the body of the report.
3. Responsible ownership and competent property management are assumed.
4. Any information provided by others is believed to be reliable, but no warranty is given as to its accuracy.
5. All engineering studies, to the extent they have been provided, are assumed to be correct. Any plot plans or illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the subject property.

The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.

The appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. Any separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report does not carry with it the right of commercial publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be attendance in court with reference to the subject property unless arrangements have been made previously.
4. Any opinions of value provided in this report apply to the entire property, and any proration or division of the total into fractional interests by other experts does not imply any agreement or responsibility for such prorations or divisions by the appraiser.
5. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA might reveal a lack of compliance with one or more requirements of the act. Since the appraiser has no direct evidence relating to this issue, compliance with the requirements of the ADA was not considered in estimating the value of the property.



## PROFESSIONAL QUALIFICATIONS

### KAREN WALLACE

#### EDUCATION

##### **Northwestern University, Evanston, IL (1995-2000)**

Bachelor of Science in Education

##### **Appraisal Coursework**

Principles and Fundamental Concepts of R.E. Appraisal  
Applications and Methods of R.E. Appraisal  
USPAP-Standards of Professional Practice  
Report Writing and Valuation Analysis  
Case Studies in Real Estate Valuation  
Scope of Work  
Appraising REO and Foreclosure Properties

Appraising FHA Today  
Appraisal Review  
USPAP 2007  
USPAP 2009  
New Fannie Mae 1004 Form MC  
Current Issues in Appraising

#### LICENSES, CERTIFICATIONS & AFFILIATIONS

- Illinois Certified Residential Real Estate Appraiser
- FHA-Certified Appraiser
- Certified Relocation Appraiser, Employee Relocation Council
- Member, MRED, Midwest Real Estate Data

#### APPRAISAL EXPERIENCE

Detached Single Family Houses  
Condominium Conversions  
New Construction  
Small Income (2-4 Unit) Properties

Condominiums  
Cooperatives  
Townhouses  
Vacant Land

Lofts  
Historic/Landmark Buildings  
Waterfront Properties

Mortgage Underwriting  
Tax Appeal

Appraisal Review  
Bankruptcy

Relocation  
Estate Planning

#### PROFESSIONAL EXPERIENCE

##### **Praedium Valuation Group, Incorporated, Chicago, IL (2003 - present)**

##### *Certified Real Estate Appraiser*

- Appraise residential real estate including single family houses, condominiums, multi-unit buildings, and vacant land.
- Conduct appraisals for mortgage lending, relocation, divorce, and tax appeal.
- Specialize in south City of Chicago neighborhoods and south suburbs.
- Proficient in WinTotal software.

# 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

**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: 11339-11343 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**

25-22-112-009 thru 011-0000

- \* **Multiple PINs to be valued as a single, consolidated parcel.**
- \* **Highest and Best Use assuming rezoning to B3-2.**

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,

A handwritten signature in blue ink that reads "Cynthia Garza".

Cynthia Garza  
Sr Land Acquisition/Disposition Officer

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