



**AMERICAN  
MANAGEMENT GROUP**

A PROPERTY MANAGEMENT FIRM

October 4, 2023

City of Appleton  
Board of Review  
100 North Appleton Street  
Appleton, WI 54911

Dear Board of Review:

As support for our request to have our assessment increased no more than the appraisal we have submitted of \$1,320,000.00, we have supplied three charts relative to the building we are appealing at 3305-3315 North Ballard Road, support data from an additional building we own at 3301 North Ballard Road, and data provided by the City Assessor relative to a 2-year-old sale in the same neighborhood.

In the case of the property we are appealing at 3305-3315 North Ballard Road, our appraisal amount is at \$1,320,000.00. Our building size is 14,600 square feet with net operating income of \$109,600. This is \$7.50 per square foot on a net basis. Our appraisal value per square foot is \$90.00.

There are numerous reasons for this including the fact we have multiple tenants which require the landlord to spend more money on building maintenance, etc. The difficulty of the current market relative to office space means we haven't been able to raise our rents since the Covid situation started keeping many office workers at home. Our project consists of six tenants which are all local businesses which typically do not pay as much rent as national tenants.

The project next door, which we also own, is appraised at \$109 per square foot. This property consists of only two tenants with longer-term leases. In order to secure these two tenants, we made additional tenant improvements which were included in the negotiated rents. This building has net operating income of \$8.77 per square foot.

The building the City Assessor used as a comparable consists of four tenants; however, several are national tenants. Since we have no data provided other than the cost per square foot, I am presuming this national tenant probably pays more rent than we have been able to secure in our properties.

In summary, these multi-tenant properties are generally sold as investment properties, not owner-occupied buildings. These properties operate similar to bonds. The better the credit, the more value. As interest rates increase, values decline. As interest rates decrease, values increase. We are in a market of declining values. Last, terms of bonds generally increase values as do terms of leases. All of our leases are relatively short terms; 2 to 5 years. We have not been provided with any lease terms used as the comparable provided by the City Assessor.

I would certainly ask you to not increase the value at all above the current appraisal. I did not object to the value of 3301 North Ballard Road which I probably should have done. Realistically, that value should be no more than the appraisal.

Thank you for allowing us to participate in the appeal process.

Sincerely,

AMERICAN MANAGEMENT GROUP, INC.

A handwritten signature in black ink, appearing to read "Steve Winter", written in a cursive style.

Steve Winter, CCIM  
Vice President

Enclosure

**3305-3315 North Ballard Road**

Appraisal	\$1,320,000
Size	14,600 square feet
Net Operating Income	\$109,600
Building Valuation Per Square Foot	\$90.00/sq ft
Net Income Per Square Foot of Building	\$7.50/sq ft

**3301 North Ballard Road**

Appraisal	\$1,185,000
Size	10,800 square feet
Net Operating Income	\$94,772
Building Valuation Per Square Foot	\$109/sq ft
Net Income Per Square Foot of Building	\$8.77/sq ft

**2109 East Capitol Drive**

Valuation	Provided by City Assessor ?
Size	Provided by City Assessor ?
Net Operating Income	Provided by City Assessor ?
Sales Price Per Square Foot	\$130/sq ft
Net Income Per Square Foot of Building	Provided by City Assessor ?