

**Plan Commission and Caledonia Staff  
c/o Jarmen Czuta**

Ladies & Gentlemen:

Concerning the positive affects of the Parkview expansion on the area, all factors being equal, those single-family homes (along 4½ Mile Road) will tend to be more desirable (and therefore, will tend be more valuable) than otherwise would be the case.

Another way to look at this matter, as real estate taxes go down, the value of the real estate tends to go up (all other factors being equal).

Another way to look at this matter, as the local economy becomes healthier financially, the value of the real estate tends to go up (all other factors being equal).

Attached, please find:

- The attached letter prepared by an MAI/SRA appraiser.
- Credentials of the MAI/SRA appraiser.

***Upon receipt of this email, please confirm your receipt of this email and the one attachment.***

Thank you,  
***Alf***

Alf G. McConnell

My office # : [847-491-9707](tel:847-491-9707) (a landline)  
e-fax # : [847-556-6528](tel:847-556-6528) (note: new fax #)

[alfmccconnell@gmail.com](mailto:alfmccconnell@gmail.com) (note: new email address)

Time on this email: CDT



# Qualifications

Felix Castro

CONFIDENTIAL

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## **Felix Castro, MAI, SRA, GAA, RAA**

### **Managing Member and Senior Appraiser**

#### **Summary**

Proficient in all phases of commercial real estate valuation and evaluation, including appraisal, feasibility analysis, market study, and investment analysis of industrial facilities, retail stores, strip centers, neighborhood and regional shopping centers, office buildings, apartment complexes, raw land and special-purpose properties.

#### **Experience**

##### **ValCore Appraisal LLC**

Member & Senior Appraiser 1/2016 – Present Milwaukee, WI

##### **Duff & Phelps** (Purchased American Appraisal)

Senior Associate 6/2015 – 12/2015 Milwaukee, WI

##### **American Appraisal** (Purchased by Duff & Phelps)

Associate 1/2014 – 5/2015 Milwaukee, WI

##### **L.A. Duesterbeck & Associates**

Commercial Appraiser Trainee 8/2013 – 12/2013 Janesville, WI

##### **Bussen Company**

Commercial Appraiser Trainee 2/2012 – 8/2013 Madison, WI

Mr. Castro has appraised over **\$650M** of **residential and commercial real estate**, comprising a variety of property types, including apartments/multifamily, development land, light and heavy manufacturing, office, retail, warehouse/distribution, medical, and complex/special-use properties. He has contributed to property valuations involving fee simple, leased fee, and leasehold estates.

#### **Education**

##### **University of Wisconsin-Madison**

Bachelor of Business Administration Degree: Double Major  
Real Estate & Urban Land Economics; Management and Human Resources

#### **State**

##### **Certifications**

**State of Wisconsin**, Certified General Appraiser, #2077-10 (Issued 12/2014)

**State of Wisconsin Assessor 2**, #WI41644CA (Issued 11/2018)

**State of Wisconsin**, Real Estate Broker, #57316-90 (Issued 6/2013)

**State of Texas**, Certified General Appraiser, TX1380844G (Expires 11/30/20)

**State of Virginia**, Certified General Appraiser, #4001017764 (Exp 11/30/20)

#### **Professional Affiliations & Designations**

##### **Appraisal Institute**

**MAI** Designation, awarded 8/2018

**SRA** Designation, awarded 10/2018

##### **National Association of REALTORS®**

General Accredited Appraiser (**GAA**) Designation, awarded 9/2018

Residential Accredited Appraiser (**RAA**) Designation, awarded 10/2018

##### **Wisconsin Real Estate Alumni Association (WREAA)**

##### **Commercial Association of REALTORS® Wisconsin (CARW)**

**Associates in Commercial Real Estate (ACRE)**: Graduated in 2017 with Honors



**Professional  
Development**

**Appraisal Institute**

- 7 Hour National USPAP Update Course
- 15 Hour National USPAP Equivalent Course
- Advanced Concepts & Case Studies
- Advanced Income Capitalization
- Advanced Market Analysis and Highest & Best Use
- Basic Appraisal Principles
- Basic Appraisal Procedures
- Business Practices and Ethics
- Condemnation Appraising: Principles & Applications
- FHA Appraising – Principles and Procedures
- Fundamentals of Separating Real Property, Personal Property, and Intangible Assets
- Intangible Business Assets
- General Appraiser Income Approach Part I
- General Appraiser Income Approach Part II
- General Appraiser Market Analysis and Highest & Best Use
- General Appraiser Report Writing and Case Studies
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Demonstration Report Writing
- Quantitative Analysis
- Real Estate Finance, Statistics, and Valuation Modeling
- Valuation by Comparison: Residential Analysis and Logic

**McKissock**

- Divorce and Estate Appraisals: Elements of Non-Lender Work
- Introduction to Expert Witness Testimony For Appraisers

**CCIM Institute**

- CI 101: Financial Analysis for Commercial Investment Real Estate
- CI 102: Market Analysis for Commercial Investment Real Estate

**Partial List of  
Clients**

- |                               |                                  |
|-------------------------------|----------------------------------|
| ▪ Anchor Loans                | ▪ Greenhalgh Legal Services      |
| ▪ Bank Mutual                 | ▪ J. Richard Law Offices         |
| ▪ Blackhawk Bank              | ▪ JPMorgan Chase                 |
| ▪ BMO Harris Bank             | ▪ Morgan Stanley                 |
| ▪ Crawford Tree & Landscaping | ▪ Peoples State Bank             |
| ▪ CBC National Bank           | ▪ Quicken Loans                  |
| ▪ Columbia Savings and Loan   | ▪ SoFi                           |
| ▪ Cornerstone Community Bank  | ▪ State Bank of Cross Plains     |
| ▪ CRF Small Business Loan Co. | ▪ Summit Mortgage Corporation    |
| ▪ Cross Country Mortgage      | ▪ USDA                           |
| ▪ Ditech Financial            | ▪ US Department of Housing (HUD) |
| ▪ Fortifi Bank                | ▪ United Wholesale Mortgage      |



**ValCore Appraisal LLC**  
1345 N Jefferson St, #198  
Milwaukee, WI 53202  
Val-Core.com | @ValcoreMKE  
**Real Estate Valuation and Consulting Services**

**April 29, 2019**

**Village of Caledonia Planning Commission**

c/o Mr. Jarmen Czuta

Caledonia Zoning Administrator  
Public Works & Development Services Dept.  
Racine County  
14200 Washington Ave.  
Sturtevant, WI 53177-1253

**RE: Parkview Expansion; 15.2± Acres; Village of Caledonia, Wisconsin**

**Dear Village of Caledonia Planning Commission:**

This letter has been written to provide insight into some fundamental real estate-related economic concepts, and specifically, how these concepts relate to the 15.2± acre tract of vacant land (the “subject land”) located north of the established Parkview Senior-Living Community (“the Parkview campus”), which subject land is owned by Parkview Commons, L.L.C. It is understood that the subject land needs be re-zoned for that site to be developed to its highest and best use, regardless of what that use might be. Given the subject land’s features and close proximity to the existing Parkview campus, it is reasonable to conclude that the highest and best use of the subject land is for multi-family housing devoted to the senior (55+) demographic.

As a homeowner, I can relate to the concerns that some local residents might have regarding the proposed multi-family development to be constructed just south of their residences. Though residents express logical concerns, a multi-unit senior development could actually benefit the area in the following ways.

- **Increase in property tax revenue.** The 2018 assessment, as-is, on the subject land was \$3,600, and the resulting property tax bill in 2018 was **\$74.47**. In sharp contrast, the 2018 property taxes for Parkview III were **\$ 55,478.72**. (Parkview III is the newest of the independent-living buildings on the Parkview campus and is the building that will be most similar to the proposed Parkview IV building.) Any expansion of the Parkview Senior-Living Community would increase the Village tax base, and therefore, would result in an increase in total property-tax revenues. This increase in total property-tax revenues could help support state and local governments, municipal services, and the local school district. Presumably, the Village could take advantage of such additional tax revenues to further support municipal capital costs and municipal operating expenses.

- **Decreased need for residents to own a vehicle.** The Parkview campus is located **within walking distance** of the following: Pick N' Save (grocery store), Kmart, Walgreens (prescriptions and convenience items), two banks, several food establishments, etc. The close proximity to these amenities **decreases the need to own a vehicle, as residents will sometimes walk to these establishments.** Additionally, the Parkview campus operates a **handicapped-accessible van** that I have seen first-hand transport Parkview residents to local establishments. These Parkview residents would otherwise need to take multiple vehicles to the same destination were they not living at this Parkview community.
- **Increase in area disposable income.** Adding housing units to the area will increase the area's disposable income, and as a result, could entice retailers to expand, renovate, and/or add a location to the immediate area, which, all other factors being equal, will have an overall positive impact on local real estate values. At the other extreme, without a sufficient level of disposable income in the area to maintain operations, retailers could be forced to scale back on opening new stores (or even close stores, as many national, regional, and local retailers have already done), which could have an overall negative impact on property values in the area.
- **Increase in area drainage.** Given that the subject land consists of vacant land that has never been developed, it is understood that the site has never had a proper, modern drainage system installed. As with other multi-unit developments, it is likely that during the planning and permitting phases, one requirement will be for the site to have adequate drainage, which could benefit the homes to the north of the subject. In my experience as an appraiser, I have seen that residential and commercial development lots with good drainage tend to sell at higher unit prices than lots with poor drainage.
- **Economically-sound.** The subject land is proposed to be developed with multi-family units. The first phase proposed (Parkview IV) is a three-story, 73-unit building. The principle of "economies of scale" supports that, all other factors being equal, a multi-unit building is more economically feasible on a per unit basis than detached single-family residences. This principle is because overall, the 73-unit building will require less land, less overhead, and less maintenance, than 73 individual single-family residences. For example, every individual residence would require its own parcel of land, individual driveway, roof, gutters, water heater, furnace, A/C unit, and landscaping. For example, at 0.25 acres for each single-family residence, 73 individual residences **would require 18.25 acres** which is significantly more land than the 4.033-acres of land designated for the proposed Parkview IV.

The demographics are clear: Baby Boomers are reaching retirement age in droves --- Every day, approximately 10,000 Americans reach 65 years of age. As a result, demand for senior housing has been increasing, and Southeastern Wisconsin developers (not-for-profits and for-profits) are trying to keep up with the demand. The following are a sample of recently-constructed, under-construction, and proposed senior housing developments (independent living, assisted living, and/or memory care) in Southeastern Wisconsin:

- **Presbyterian Homes Wisconsin Inc., Oconomowoc, WI.** Located at N55 W36909 Lisbon Road. This development is a \$50 million, 158-unit senior campus currently under construction. The development will feature 120 senior apartments, 20 assisted-living apartments, and 18 memory-care rooms. Construction is expected to be completed in the fall of 2019.

- **River Parkway Senior Apartments and Townhomes, Wauwatosa, WI.** Located at 6400-6442 River Parkway. This proposed 136-unit senior community will consist of a 118-unit senior apartment building and 18 two-story, three-bedroom townhome units.
- **New Perspective Senior Living, Franklin, WI.** Located at 7220 Ballpark Drive South. Ground was recently broken on this proposed 180,000± square foot senior-living community. The project is proposed to contain a mix of independent and assisted-living apartments, along with a designated memory-care facility.
- **New Perspective Senior Living, Waukesha, WI.** Located on the southeast corner of East Broadway and Les Paul Parkway. This is an approved \$30 million, 128-unit senior development. The 173,000± square-foot facility is expected to be completed in the summer of 2020 and will contain 94 independent-living and assisted-living units, as well as 34 memory-care rooms.
- **Lakewood Memory Care, Brookfield, WI.** Located at 4065 N Calhoun Road. This development is a recently-constructed 34,500±-square foot, 66±-room facility for elderly individuals in need of assistance with memory-care issues.
- **Heartis North Shore, Glendale, WI.** Located at 100 River Woods Parkway. This development is a 105±-unit, 97,000±-square foot, two-story senior apartment development that is due to open in the spring of 2019. The building features 71 assisted-living apartments and 34 memory-care rooms and contains three courtyards.
- **Heartis Village, Brookfield, WI.** Located at 16100 West Greenfield Avenue. Construction is nearly completed on this 104±-unit senior-living community that is expected to open in the fall of 2019.

In summary, I hope you find this letter helpful in making an informed decision regarding the rezoning of the vacant 15.2± acres comprising the north section of the Parkview campus.

For reference, attached please find my professional qualifications.

Respectively submitted,



**Felix Castro, MAI, SRA, GAA, RAA**  
 Wisconsin Certified General Appraiser #2077-10  
 Wisconsin Real Estate Broker #57316-90  
 ValCore Appraisal LLC  
 Managing Member and Senior Appraiser