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Shorewest Racine  
1557 S Green Bay Rd  
Racine, WI 53406  
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Redevelopment Authority of the City of Racine  
730 Washington Ave  
Racine, WI 53403

To whom it may concern: The following is our submission of intent to List with the intent to sell City owned real estate at 1526 Washington Avenue within the City of Racine.

#### MARKETING PLAN

Most commercial real estate offices offer exposure to only commercial brokers. The local real estate agents, who deal primarily, but not exclusively, in residential inventory, do not have the ability to view these listings as they do not, under cost constraints, subscribe to commercial internet services. In the case of Racine, there are approximately 300 real estate agents within the Racine County area that, in the event that a commercial property were listed with a major Milwaukee area commercial broker, would not be able to view the property's specifics or even know that such a property was actually listed for sale.

In a like fashion, most Racine offices sell primarily residential properties and do not subscribe to the commercial MLS (XCELIGENT). And thus, the listing is not available to the commercial brokers in the area.

**Shorewest does indeed present its properties on both the residential (local MLS) and commercial sites allowing our listing clients maximum exposure.**

The subject property does indeed have potential. However, at this point it is quite "raw." The structure is essentially a "white box" that still requires major expense to install plumbing, final flooring, ceiling and other probable improvements depending upon the final user.

Sales of commercial storefront properties during the past 12 months are nearly non-existent. While there are dozens of active listings for storefront properties, there has been only one sale. The property at 211 6<sup>th</sup> St sold for \$190,000. This is a 2,700 square foot building in downtown Racine in good condition. While during the past few months the "phone has started to ring" with requests for information regarding commercial real estate, a turnaround is probably several years away. Our marketing time for commercial property will not shorten in the near future.

Refer to the Addendum COMPETING LISTINGS. Note the extremely long marketing times (DAYS ON MARKET). It definitely is a buyer's market. Properties that are selling are not priced AT THE MARKET, they are priced BELOW THE MARKET.

In my opinion, based on the difficulty of selling ANY commercial property and the current unfinished condition of the subject property, I suggest an initial list price of \$169,900. In the event that activity is NIL after the first 90 days of the property being listed, I most likely will suggest a price adjustment to \$150,000. Our commission would be 6% of the sales price and we would offer a 2.4% co-broke commission payable at closing to the assisting office. Listing contract duration would be 9 months.

#### REALTY COMPANY AND PERSONAL INFORMATION

Shorewest Realty is the largest real estate seller in the State. The company has 23 branch offices and over 1000 sales agents. While it is true that a comparatively small percentage of these agents deal in commercial sales, leads are generated from the agents that primarily sell residential products. Approximately 1/3<sup>rd</sup> of my commercial sales during the past few years originated from leads generated by residential sales agents.

Shorewest devotes a huge percent of their overall marketing budget towards web-site development and currently averages 21,000 to 27,000 unique visitors per day to ShoreWest.com.

Marty Defatte has been selling residential and commercial real estate for nearly 30 years. Marty is a retired City of Racine policeman. At one time, he owned over 40 commercial and residential properties in the area. Marty is very active in local political/social activities and is an active member of the Racine Community Outpost, board of direct for Bethany Apartments, Racine Rising Stars, Root River Council and Racine Harbor Light Yacht Club.

John Ryder has been selling residential and commercial real estate for nearly 10 years. Previously, John was a Retail Consultant and was involved with attempted salvation or, if necessary, liquidation of small, medium and large sized retail organizations throughout the Country. He dealt with store location, store layout and product mix, and if necessary, field management of the stores during the liquidation process. He was frequently responsible for the liquidation of up to several hundreds of millions of dollars in liquidation dollars at a time and managing, on an ad-hoc basis, several thousand employees. John holds an Executive MBA degree from the University of Wisconsin Milwaukee.

Attached to this document you will find: Defatte-Ryder current active commercial listings, Defatte-Ryder recent commercial sales, competing listings.

Kindest Regards,

A handwritten signature in cursive script, appearing to read "Marty & John", written in dark ink.

#### DEFATTE-RYDER COMMERCIAL LISTINGS

1. 420 6<sup>TH</sup> ST, Racine. 7,000 sq ft storefront in downtown Racine. Priced at \$275,000 or for lease at \$1,800 per month
2. 2711 Lathrop Ave, Racine. 5,880 sq ft portion of 16,000 sq ft building zoned for light industrial. For lease only at \$1,600 per month
3. 2615 16<sup>th</sup> St, Racine. 1,440 sq ft storefront. Ideal for retail/service. For sale only at \$68,900
4. 3305 Washington Ave, Racine. 1,800 sq ft residential style with commercial zoning. Property currently is under contract and will close during May of this year. Listed at \$94,900
5. 1733 Douglas Ave, Racine. 2,300 sq ft freestanding building ideal for retail, service or office use. For sale only at \$129,900. Property currently being used by Image Realty.
6. 7952 Racine Ave, Norway. 1,500 sq ft freestanding building on corner location. Ideal for retail, service of office use. For sale only at \$139,900
7. 613 6<sup>th</sup> St, Racine. 2,660 sq ft storefront for sale only at \$225,000. Currently being used as an art studio/retail. Living quarters on second floor.
8. 408 Main St, Racine. 4,500 sq ft storefront currently vacant. For sale only at \$239,000. Best use is specialty retail.
9. 2514 Lathrop Ave, Racine 7,000 sq ft freestanding building currently vacant. Best use would be service/office application. Building currently owned by the FDIC.
10. 3810 Douglas Ave, Racine 28,000 sq ft freestanding building soon to be under a leasehold agreement. Property is also available for at \$469,000. Best use is service/retail application.
11. N6444 State Rd 12, Lafayette 5,000 sq ft restaurant/bar in rural location. Priced at \$750,000.

#### DEFATTE-RYDER RECENT COMMERCIAL SALES

1. 2615 16<sup>TH</sup> St, Racine. Storefront, sold for \$20,000
2. 1536 Clark St, Racine. Industrial building, sold for \$45,000
3. 3625 16<sup>th</sup> St, Racine. Free standing building: storage or service business. Sold for \$142,000.
4. 3216 Washington Ave, Racine. Retail storefront. Sold for \$150,000.
5. 1900 16<sup>th</sup> St, Racine. Freestanding corner location with parking. Sold for \$170,000.
6. 2000 Lathrop Ave, Racine. Freestanding building retail or service industry. Sold for \$435,000
7. 550 3 Mile Rd, Racine Currently under contract. Will be closing in September of this year. Currently being used as a pizza restaurant.

COMPETING LISTINGS					
ADDR	UPPER LEVEL APTS	TOT SQ FT	DAYS ON MARKET	LIST PRICE	STORIES
1327 Washington	1	1978	234	\$ 79,900	2
610 6TH	1	3327	508	\$ 135,000	2
300 6TH	1	4991	361	\$ 175,000	3
611 6TH	2	2780	221	\$ 179,900	2
613 6TH	1	2660	640	\$ 225,000	2
1503 Washington	2	7832	1051	\$ 299,000	2
314 6th St	3	24000	67	\$ 339,000	3
3305 Washington	1	1831	60	\$ 94,900	2
3208 Washington	?	6300	139	\$ 250,000	2
3205 Washington	?	4750	139	\$ 98,000	2