




Department of City Development
730 Washington Avenue, Racine, Wisconsin 53403
Phone: (262) 636-9151 FAX: (262) 636-9298

MEMORANDUM

DATE: April 8, 2009
TO: Redevelopment Authority Commissioners
FROM: Brian O'Connell, Director 
SUBJECT: Responses to reissued request for proposals for 1130 Washington Avenue

This department received three proposals for this property:

- Abdo Markethouse
- Nagra, Inc.
- Sara Investment Real Estate

Abdo Markethouse resubmitted its previous proposal. The other two are new proposals. Copies of each proposal and the reissued RFP are enclosed for your review.

Staff is also reviewing the proposals. Depending on when we can complete the review, I may schedule a special meeting of the Authority to consider the proposals. We will poll you regarding your availability for a meeting.

If you have any questions in the meantime, feel free to call me at 636 - 9478 or via e-mail at brian.oconnell@cityofracine.org.

Enclosures

C: Mayor Thomas Friedel
Ald. Jeff Coe
Ald. Michael Shields
Kristin Niemiec, RCEDC
File

ABDO MARKETHOUSE, LLC

601 Marquette Avenue South, Suite 100
Minneapolis, Minnesota 55402
p: 612.341.9148 f: 612.341.9131



April 2, 2009

Department of Development
City of Racine, Wisconsin
730 Washington Avenue
Racine, Wisconsin 53403
Attn: Kristin Niemiec

Re: Proposal for property at 1130 Washington Avenue, Racine

Kristin,

Abdo Markethouse would like to re-submit its bid for re-development of the property located at 1130 Washington Avenue in Racine. Please reference our previous submittal for consideration. If you have any further questions or need clarification or updates on material submitted please contact me directly.

Thank you,



Paul M. Abdo

Development Manager- Abdo Markethouse



ABIDO MARKETHOUSE LLC



Racine, WI
Uptown Redevelopment
Anxon Inc RFP



601 Marquette Avenue South, Suite 100
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ABDO MARKETHOUSE LLC



Cover Letter Project Description



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ABDO MARKETHOUSE, LLC

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July 17, 2008

Racine County Economic Development Corporation
2320 Renaissance Boulevard
Sturtevant, WI 53177

Re: Request for Proposal for Racine Development Opportunity

Ms Niemiec,

Enclosed you will find a response to the Request for Proposal concerning the "Uptown Development Proposal". Within the documents provided, it is my hope that the Redevelopment Authority will find that Anxon Inc. is the best choice for redeveloping the proposed area on Washington Ave.

Anxon Inc. is proposing the development of "mixed retail" as a use. Within the development, it is our plan to construct a 9,180 sf Family Dollar store with accompanying 4,900 sf of retail. We have had great success in towns similar to Racine in bringing Family Dollar as our anchor tenant and then back-filling the remaining or additional retail with other national groups such as Papa Murphy's, Subway, Quizno's, Little Caesars Pizza and or a host of local retailers.

As you will see, we have been developing with Family Dollar for over 7 years and have done 20-25 stores with them in Minnesota, Wisconsin and Colorado. This is an everyday business for us and we take pride in our ability to develop their stores quickly, efficiently and in great relationship with the cities that we develop them in.

Thank you,

Sincerely,



Paul M. Abdo

Abdo Market House, LLC



ABIDO MARKETHOUSE LLC



BUSINESS ORGANIZATION SUMMARY & PROFESSIONAL BIOGRAPHIES



601 Marquette Avenue South, Suite 100
Minneapolis, Minnesota 55402
p:612.341.9148 f:612.341.9131

ABDO MARKETHOUSE LLC

On January 1, 2007, Larry Abdo formed ABDO MARKETHOUSE, LLC, as a holding company designed to consolidate and house his many business enterprises. Prior to the formation of Abdo Markethouse, all of Mr. Abdo's businesses were owned by Mr. Abdo in his individual capacity. A single member limited liability company with Mr. Abdo as its sole member, Abdo Markethouse, LLC, replaces Mr. Abdo as the named owner of Abdo's businesses without impacting his 100% ownership of those businesses while affording the multi-business enterprise a consolidated and formalized business entity ownership structure.

The five main businesses owned and controlled by Larry Abdo through Abdo Markethouse are Anxon, Inc., Paulxo Property Management, The Nicollet Island Inn, My Burger and Gopher State Ice Company. In addition to these main businesses, Abdo Markethouse also owns a host of single-purposes entities formed as the owners of individual parcels of real property. The following is a history and summary of the Abdo Markethouse businesses together with selected biographical information and professional histories of some of its key employees.

REAL ESTATE DEVELOPMENT

The primary focus of Abdo Markethouse is real estate development, construction and property management through the cooperation of two businesses: Anxon, Inc., a general contractor and real estate development corporation founded in 1991, and Paulxo, LLC, the property management arm of Abdo Markethouse.

Anxon evolved out of earlier real estate ventures that began in 1978 with a \$50 million structural concrete restoration business serving major Minnesota companies including Dayton-Hudson Corporation (now Target Corporation), IDS and Oxford Properties. When that niche market closed, Mr. Abdo shifted focus to create a \$15 million tenant improvement business that served clients such as Trizec, Brookfield Development and US Bank.

Out of those experiences, Anxon was formed in 1991 as a general contractor and land developer. Since its formation, Anxon has developed over 150 freestanding and single and multi tenant retail spaces for national chains including Walgreen's, Starbucks, Family Dollar, Dollar General, Blockbuster Video, Gander Mountain and White Castle. In its first 16 years, Anxon has earned approximately \$250 million in real estate development experience.

As Anxon's real estate development projects expanded in size, they also expanded in geography. In addition to Minnesota, Anxon has developed properties in Arizona, California, Colorado, Indiana, Illinois, South Dakota, Texas and Wisconsin. Similarly, Anxon has expanded from commercial development into residential development. Anxon's first residential project was the restoration and development of 6Quebec, a luxury condominium/retail complex in the heart of Minneapolis' financial district.

Once projects have been constructed, Paulxo Property Management assumes responsibility for leasing, tenant management and property maintenance. Paulxo manages all properties owned by Abdo Markethouse and addresses the needs of a wide variety of commercial tenants, from small, family owned restaurants users to major corporate and franchise chains such as Starbucks and Walgreens.



FOOD SERVICE & HOSPITALITY

While real estate development is passionately pursued by Anxon and Paulxo, the balance of the Abdo Markethouse businesses reflects a personal passion of a different sort: food service and hospitality.

Larry Abdo has been operating some form of food service or hospitality enterprise since 1976. Beginning with “Pocket Pies”, a pita bread sandwich shop that he operated and expanded with his wife, Caryl, in 1976, Mr. Abdo has operated a continuous string of successful food service businesses of wide ranging sophistication, from a fair food booth at the Minnesota State Fair to a chain of major market, national fast food franchises. “Saladas”, a soup and salad bar, “Liv Naturally”, a health food restaurant and store, “Pizza by the Slice”, a shopping mall pizza shop, “Walkin’ Dog”, a downtown lunch stop, “Steep and Brew”, a suburban coffee house and four Dairy Queen/Orange Julius franchises in Virginia and Maryland are just a few of food service ventures that Mr. Abdo carries on his resume.

Currently, Mr. Abdo’s food service and hospitality passions are focused on three businesses under the Abdo Markethouse umbrella: My Burger, The Nicollet Island Inn and the Gopher State Ice Company.

My Burger, first opened in 2004, is a classic hamburger stand serving hamburgers, fries and malts. A return to simplicity is its mantra as it generates top-quality burgers from fresh ingredients, hand-dipped malts and the best French Fries you are likely to find anywhere. Following on the success of its first location in the Anxon-developed 6Quebec building in downtown Minneapolis, My Burger opened its second location in July, 2007, a free-standing summer-only hamburger stand on the shores of South center Lake in Center City, Minnesota.

A world away from My Burger in sophistication, but just as passionately pursued, is the Nicollet Island Inn. The Nicollet Island in is an historic 24-room inn and fine dining restaurant nestled on the banks of the Mississippi in the heart downtown Minneapolis. Mr. Abdo purchased the Inn in 2004 and immediately began renovations of the century-old building to enhance the already renowned restaurant while preserving its innate comfort and charm. In 2007, the restaurant celebrates its 25th anniversary and is regularly heralded as the best and most romantic fine dining establishment in the city.

The longest standing and most unique of the Abdo Markethouse businesses is the Gopher State Ice Company. In certain circles, Larry Abdo is not known as a real estate developer or a restaurateur, he is known as the “Ice Man” of the Minnesota State Fair. Since 1974, Mr. Abdo has provided ice to the vendors of the Minnesota State Fair. The enterprise has grown over the years from the simple distribution of ice to a few food booths on the fairgrounds to permanent ice house facility coordinating the shipping of truckloads of bagged ice and the hand-distribution of the product to the 400+ vendors serving the 1.5 million annual customers attending the nation’s second largest state fair. Along the way, Mr. Abdo formed and then sold an ice manufacturing company and now focuses exclusively on ice sales and distribution at the State Fair and local summer festivals.

Gopher State Ice is not the largest of the Abdo Markethouse enterprises, but, for the entrepreneurial heart that thrives at the center of the Abdo Markethouse family of businesses, it is the most fun.

ABDO MARKETHOUSE LLC

Lawrence Abdo

100% owner

ABDO MARKETHOUSE, LLC

REAL ESTATE DEVELOPMENT GROUP

HOSPITALITY GROUP



Real Estate Development
and General Contractor

PAULXO
PROPERTY MANAGEMENT

Property and leasing
manager

Nicollet Island Inn
Old world charm. New world comfort.

Fine dining restaurant and
24-room inn



Hamburger Restaurants



Ice delivery service,
Minnesota State Fair



Biographies & Professional Histories

Following is selected biographical information and professional history of the officers and key employees of Anxon, Inc.

Lawrence W. Abdo, President— Larry Abdo calls himself a serial entrepreneur. He thrives on the excitement and challenges of building enterprises that others fear to tackle. Most of his ventures that past 30 years have had roots in some aspect of construction and development, which today, brings a unique mix of experiences that makes up Abdo Markethouse, LLC, a family owned real estate development and hospitality firm based in Minneapolis.

Mr. Abdo founded Anxon, Inc., and has been the company's Owner and President since its inception in 1990. An entrepreneur with extensive experience in a wide variety of businesses, Mr. Abdo has owned and operated companies in industries as varied as stock brokerage, commercial ice manufacture and distribution, office tower parking ramp restoration and fast food (or "good food quickly").

Together with his wife Caryl, Mr. Abdo has been the owner and proprietor of the Nicollet Island Inn since 2004 and is currently developing a chain of hamburger stands under the name My Burger, the first of which sits on the skyway level of his 6Quebec residential and retail development in downtown Minneapolis. Throughout his varied career, the common thread of Mr. Abdo's entrepreneurialism has been real estate and he has a long track record of success in the purchase, development and sale of commercial, industrial and residential properties.

His unique mix experience and talents have also led him to build and nurture a strong relationship with Norte Dame University's Gigot Center for Entrepreneurial Studies. Bringing the education that comes from real-world successes and missteps to the MBA students attending his lectures, Abdo gives them a sampling of life as an entrepreneur. In addition to be a regular lecturer, he serves as a director on the advisory board of the center and is a judge for the annual McCloskey Business Plan competition

Maximilian W. Heitzmann, Executive Vice President—Mr. Heitzmann has been Vice President of Anxon since 1998. As the person primarily responsible for management of the company's development projects, Mr. Heitzmann has directed the purchase, development and sale of over 100 multi-use, build-to-suit and redevelopment projects in 10 states. Mr. Heitzmann has extensive experience in all aspects of real estate development, including site selection, financing, leasing, municipal permitting, zoning and approvals, construction management and sale.

Curt Moreno, Vice President of Construction—Mr. Moreno has been Anxon's Vice President of Construction since the company's inception in 1990. Directly responsible for oversight of each the company's construction projects, Mr. Moreno has broad experience in all areas of commercial construction. In his career, Mr. Moreno has been responsible for the construction of countless buildings of all types, from single-story, single-tenant rural structures to high-rise, multi-use, multi-phase office towers.

William Sheahan, Vice President & General Counsel--Mr. Sheahan joined Abdo Markethouse in 2006 and serves as the company's General Counsel and vice president of operations.

ABDO MARKETHOUSE LLC

Amanda Abdo Sheahan, Director of Marketing--Ms. Sheahan, Larry Abdo's eldest child, has been Director of Marketing for Abdo Markethouse since 2005. Ms. Sheahan is responsible for directing the marketing and promotion efforts of all of the Abdo Markethouse companies.

Paul Abdo, Development Manager--Paul Abdo, oldest of Larry Abdo's three sons, has been Development Manager since 2004. Paul is responsible for development of real estate projects intended to be held and maintained as part of the Abdo Markethouse real estate portfolio.

John Abdo, Chief Burger Enthusiast--Since 2006, John Abdo, second of the three Abdo sons, has been responsible for the management, development and expansion of the My Burger chain of hamburger restaurants.

Corey Abdo, Leasing Administrator-- in 2007, Corey Abdo, youngest of the Abdo sons, joined Abdo Markethouse as a leasing administrator responsible for ensuring full tenancy in all existing and future Abdo Markethouse properties.

ABDO MARKETHOUSE LLC



Developer Background Qualifications



601 Marquette Avenue South, Suite 100
Minneapolis, Minnesota 55402
p:612.341.9148 f:612.341.9131

City of Racine, WI
Uptown Development Opportunity (Washington Avenue)
Request for Information

1.0 Developer Data:

1.1 Organizational Form

Abdo Market House is a registered Limited Liability Company.

1.2 Mission Statement

Abdo Market House, LLC is Minnesota based and a family operated business that specializes in commercial and retail development as well as the restaurant and hospitality industry. It is our goal through family and close relationships with cities and communities to provide quality developments that enhance and preserve local identity.

1.3 Size of Staff

Our office is comprised of four departments

- Development- 3 personnel
- Legal- 2 personnel
- Accounting- 1 person
- Construction- 3 personnel

1.4 Contact persons

Paul Abdo- Development Manager
Office- 612.465.0864
Email- Paul@anxon.com

Curt Moreno- VP Construction
Office- 612.465.0862
Email- Curt@anxon.com

1.5 Current Developments

Walgreen's- 4
Family Dollar Stores- 3
O'Reilly Auto- 2
Hotels- 3
Office- 1
Residential- 1
Restaurants- 1

1.6 Consultants

Architect- Wilkus Architects
Civil Engineer- RHO Development Consulting

2.0 Experience:

2.1 Previous Developments

Abdo Market House/Anxon Inc has over 15 years of combined development and construction experience and has completed over 100 projects both locally and nationally. We have worked 14 states with a concentration in MN, CO and AZ.

2.2 Development Process Experience

All of our developments have required extensive entitlement, close work with DOT and municipalities.

2.3 Working Relationships within Cities

Because of the extensive entitlement and design review requirements associated with each project that we have completed it has been imperative that we work cooperatively and effectively with all neighborhood committees, community members, elected officials and staff members. The design and timely completion of our projects is a testament to our ability to cooperatively work within the development process.

3.0 Financial:

3.1 Financial capability

We have completed over 250 million dollars worth of developments with the help of our close banking relationships over the past 15 years. Please review the attached letters from 2 of our largest lenders.

3.2 Financial Planning

It is a requirement for us to provide a working financial plan and proforma to our lenders on each and every project

3.3 Financial Feasibility

As stated above, to secure proper financing from our lender, we need to demonstrate financial feasibility

4.0 Design:

- 4.1 Please see attached exhibits of our previous projects both locally and nationally.
- 4.2 Through our direction, Wilkus Architects and RHO Design will adhere to the City's design standards taking into consideration the design standards set by the City of Racine.
- 4.3 Please see attached examples of our work.
- 4.4 Please see attached examples

5.0 References:

- 5.1 Please see attached letters of recommendation.

ABDO MARKETHOUSE LLC



Site Plan



601 Marquette Avenue South, Suite 100
Minneapolis, Minnesota 55402
p:612.341.9148 f:612.341.9131



PLAN SUMMARY

ZONED B3 GENERAL BUSINESS DISTRICT

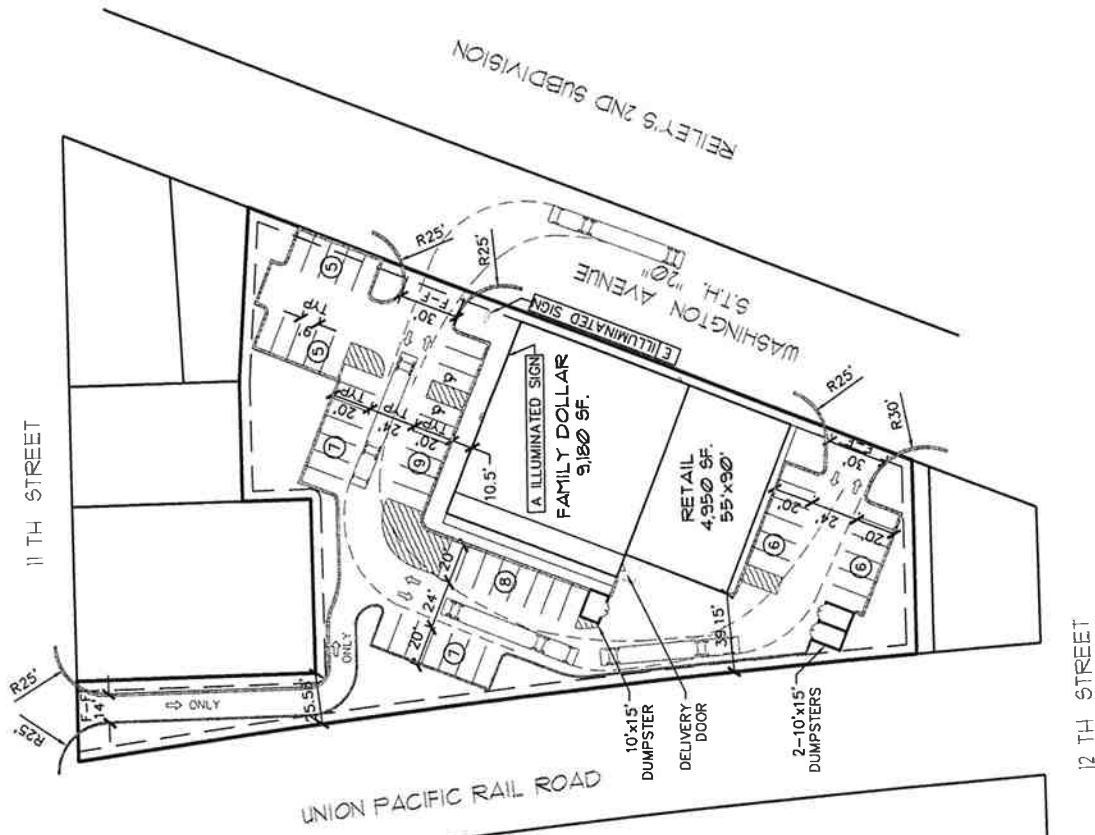
FRONT SETBACK 5'

FAMILY DOLLAR (9,180 SF.)
 REQUIRED PARKING 55 STALLS
 (6 STALLS / 1,000 GROSS FLOOR AREA)
 PROPOSED PARKING 41 STALLS

RETAIL (4,950 SF.)
 REQUIRED PARKING 30 STALLS
 (6 STALLS / 1,000 GROSS FLOOR AREA)
 PROPOSED PARKING 12 STALLS



Development Consulting



CONCEPT PLAN B
 FAMILY DOLLAR - RACINE, WI

ABDO MARKETHOUSE LLC



Conceptual Elevation



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Minneapolis, Minnesota 55402
p: 612.341.9148 f: 612.341.9131



ABDO MARKETHOUSE LLC



Proforma Estimated Value



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Minneapolis, Minnesota 55402
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**Racine
WI**

Sources of Funds

Uses of Funds

Land	\$ 70,000	
Total Land Cost	\$ 70,000	
Appraisal	\$ 2,500	
Survey & Testing	\$ 500	
Title Ins. - MRT - Title Fees	\$ 4,800	
Builder's Risk Insurance	\$ 3,000	
Development Costs	\$ 30,000	
Legal	\$ 1,500	
Origination & Other Bank Fees	\$ 11,000	
Taxes	\$ 5,000	
Architect/Civil/Survey	\$ 25,000	
Interest Reserve	\$ 20,000	
Contingency	\$ 5,000	
Total Soft Costs	\$ 108,300	
Permit	\$ 5,000	
Landscape	\$ 8,000	
Site Work	\$ 220,000	
General Construction	\$ 700,000	
GC and Fee	\$ 25,000	
Construction Contingency	\$ 10,000	
Total Hard Costs	\$ 968,000	
TOTAL USES	\$ 1,146,300	
TOTAL PROJECT COSTS	\$ 1,146,300	

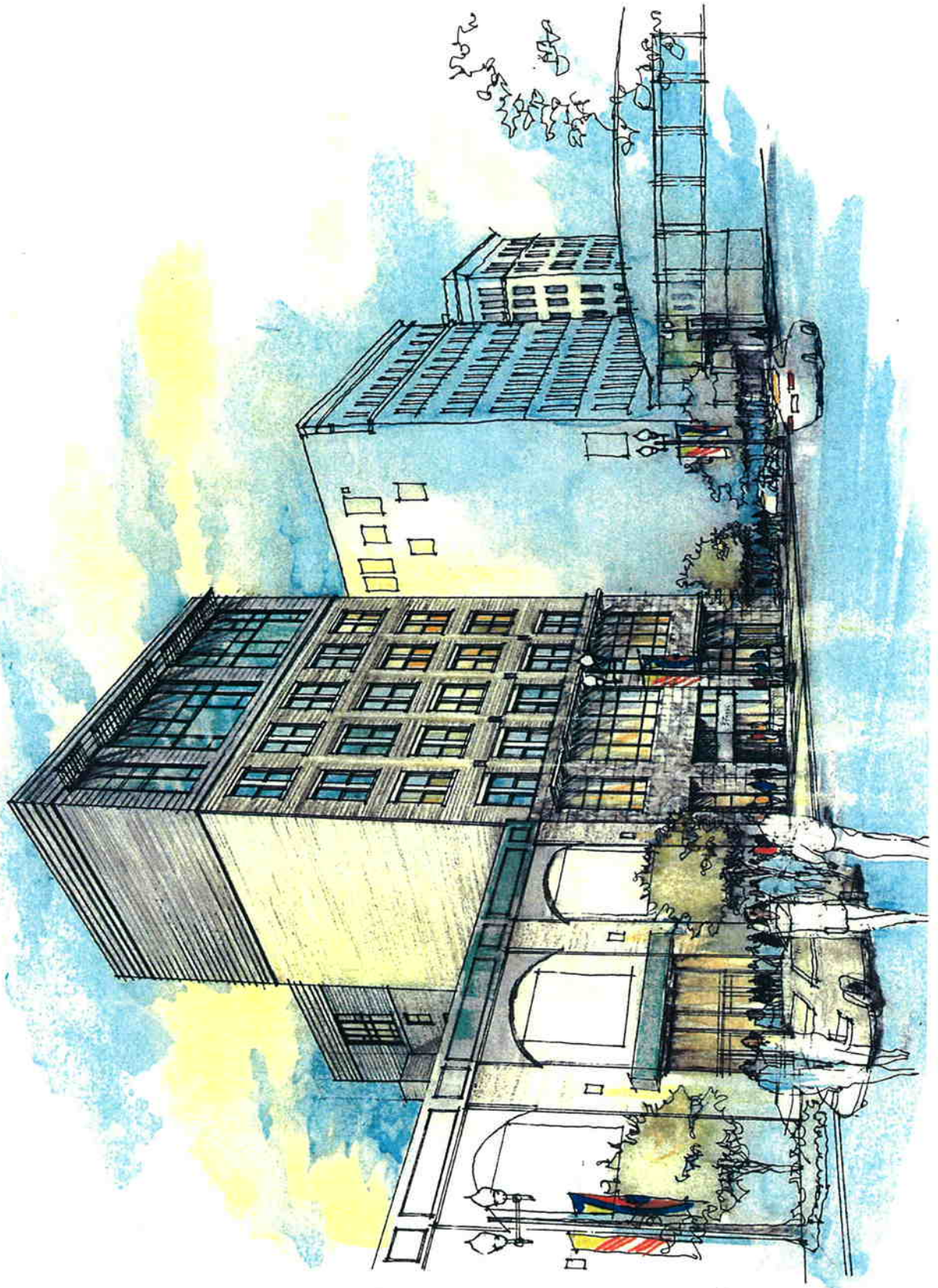
ABDO MARKETHOUSE LLC

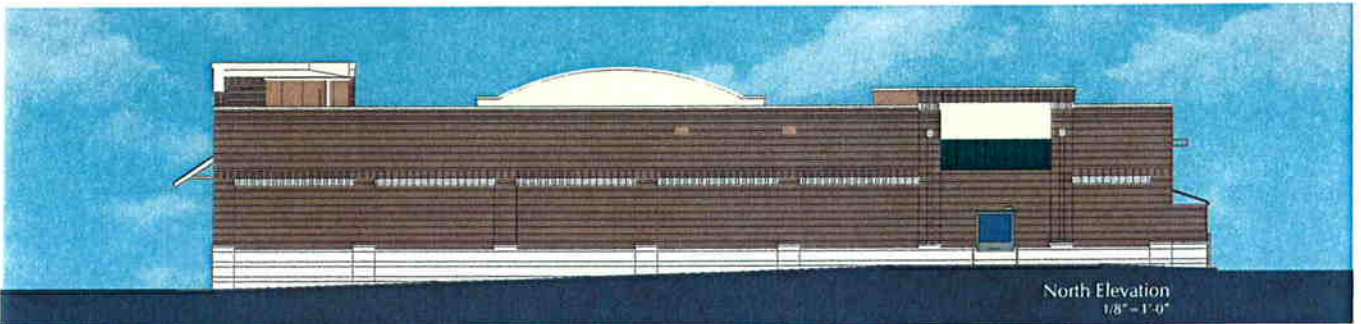


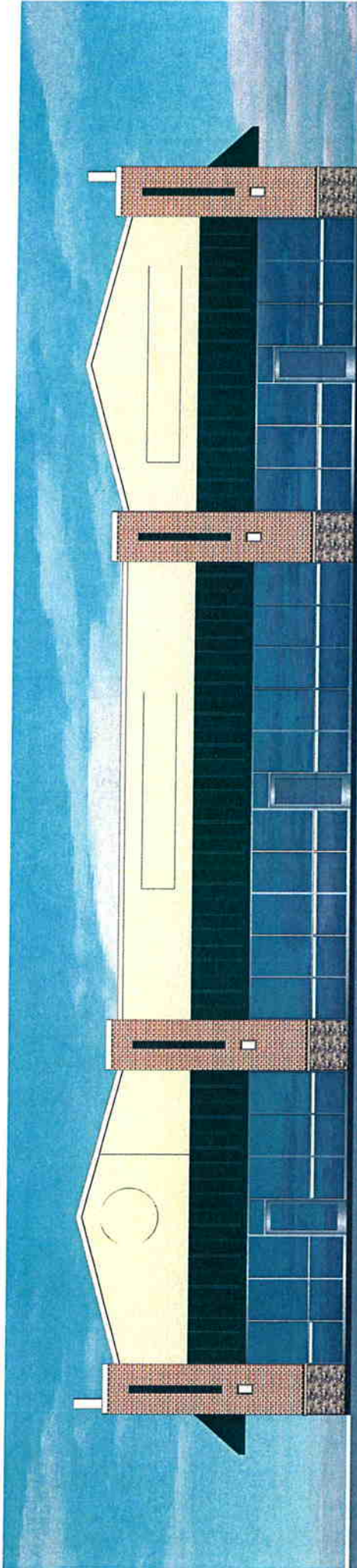
Previous Projects Past Work



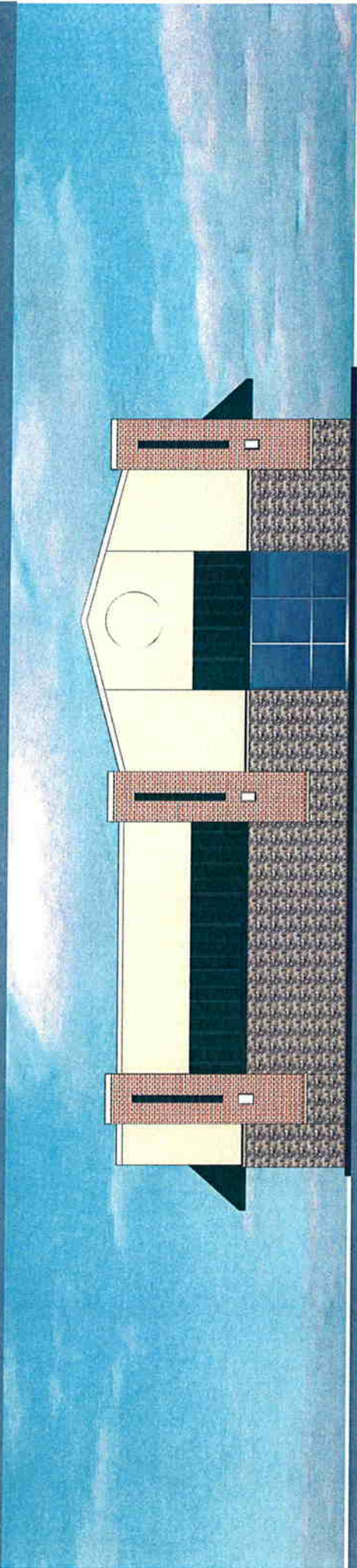
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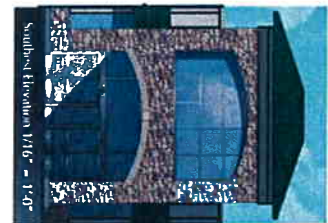
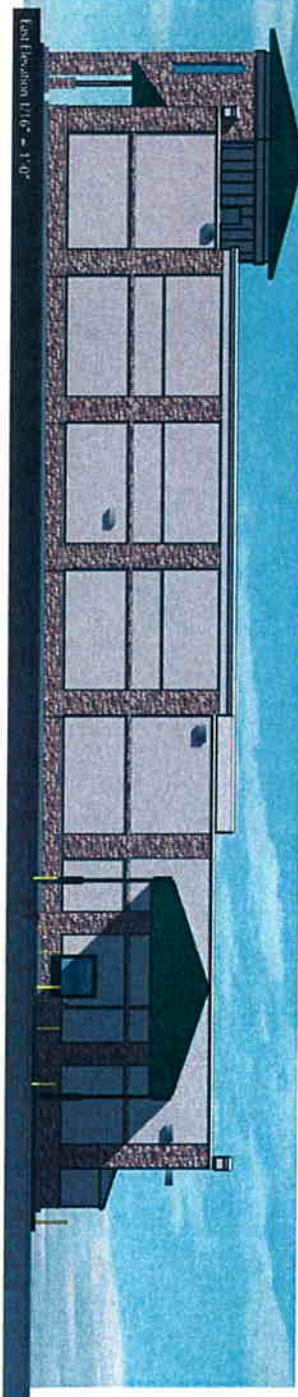
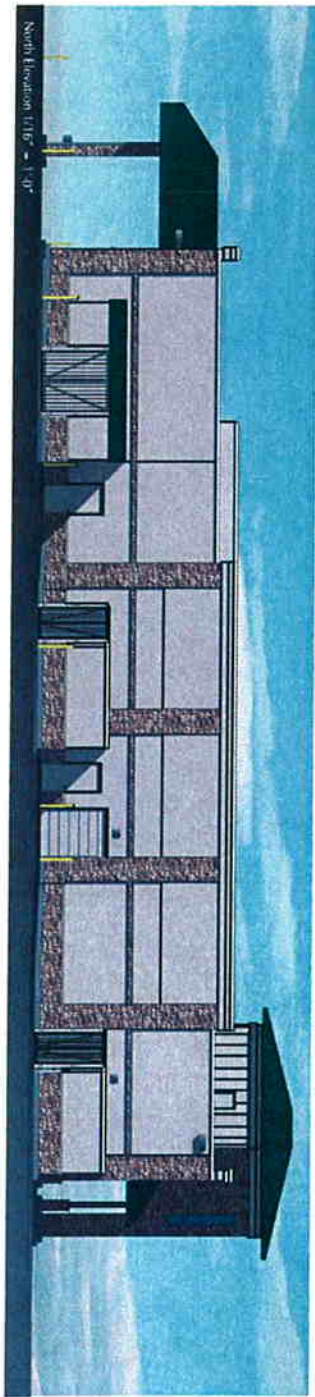
North Elevation

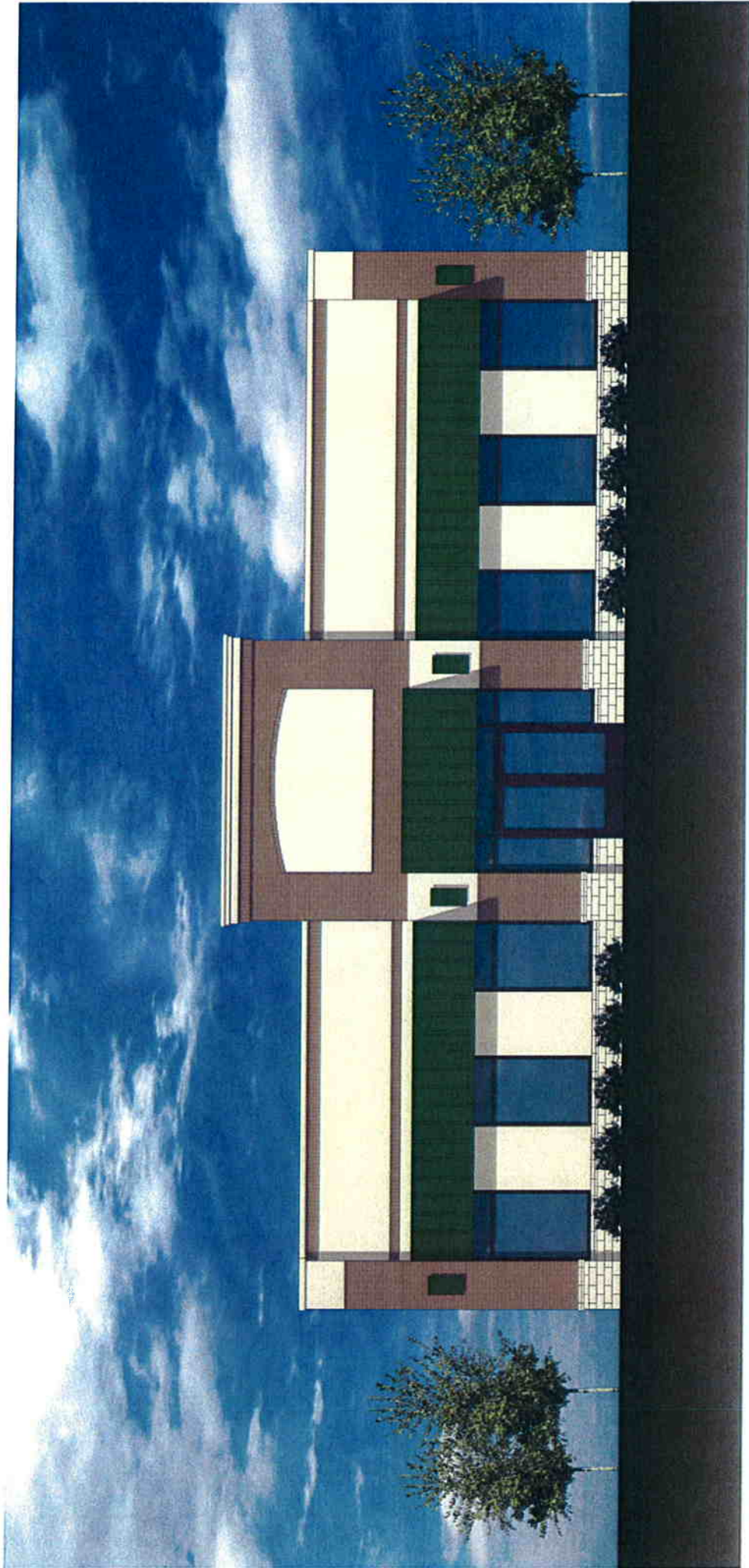


East Elevation



Exterior Elevations
Retail Building - 136th & Colorado Blvd
May 14th, 2007





Arbor Point Dentist Office
Exterior Elevation
29 March 2004

Sara Investment Real Estate LLC

Proposal for Uptown Development Opportunity
Presented to the City of Racine Redevelopment Authority
April 3, 2009



Sara Investment Real Estate
1612 N High Point Road Ste 201
Middleton, WI 53562
Ph: 608.831.2212 Fax: 608.831.2255
www.sarainvest.com

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Sara Investment Real Estate Company Profile

Who We Are

In 1997, when Eric Schwartz founded Sara Investment Real Estate, he had a vision of how innovation, opportunity and hard work could lead to a client-focused company. Twelve years later, that vision has become reality. Sara Investment Real Estate has successfully cultivated a diverse portfolio of retail, office, industrial and mixed-use properties throughout Wisconsin. Although our portfolio continues to grow, Sara remains a small company. Our 18 full-time employees form a tight-knit group that is committed to working together on each one of our projects to ensure that Eric's vision of forward-thinking, client-centered business is upheld.

What We Do

Our business is investment real estate, our strength is the commitment to build on-going, successful, one-to-one relationships with tenants, investors and business associates in which all succeed, profit and grow. With a skill for uncovering unique properties, recognizing their potential, and the ability to seize opportunity quickly, we have successfully developed an innovative niche. In today's complex real estate environment, we understand the alliance between the bricks and mortar, and our partners. We are dedicated to creating real estate solutions.

Why We're Different

We are active in the communities we serve by promoting growth and development. We listen to the concerns of citizens and local governments so that we can be active in the progress of the community. Our commitment to innovation, diversification and a pulse on current market trends keeps us on the leading edge of growth. Square foot by square foot, Sara Investment Real Estate will continue creating new opportunities for our partners. These opportunities are further supported by our in-house property management, development, construction management, leasing and asset management divisions. Unlike many real estate companies, we are able to offer a one-stop-shop for all real estate needs and in turn, provide single-point accountability to our clients.



Development Team Member Résumé



Eric Schwartz
President

In 1978, Eric Schwartz opened his first Upstairs Downstairs Deli on State Street in Madison, Wisconsin. A number of other successful ventures in the restaurant industry soon followed, and led Mr. Schwartz into his first commercial real estate purchase, a restaurant site he bought in 1988. A true entrepreneur, Mr. Schwartz discovered the challenges and rewards of real estate ownership and management, as he forged a new path for himself in the competitive and evolving real estate market.

In 1997, Mr. Schwartz had a vision of a property management company that would provide a premium, responsive service to his expanding portfolio. Initially formed as Sara Properties LLC, the company's continual growth and expanded service base gave way to Sara Investment Real Estate LLC in 2002.

Mr. Schwartz brings an innovative and dedicated approach to maintaining a diverse portfolio of commercial real estate properties. It is this innovation and a dedication to integrity that has taken Sara Investment Real Estate LLC successfully into the realm of real estate investment and development. His skill in creating opportunities has led to the completion of new retail, commercial and industrial centers in Madison and surrounding communities. Guided by his entrepreneurial spirit, Eric Schwartz has comfortably positioned Sara Investment Real Estate LLC with a select list of contractors, architects and real estate professionals to establish an innovative team that provides the best real estate solutions for each clients' specific needs.

Development Team Member Résumé



Jenny Sanders
Development and Leasing Manager

Jenny Sanders began her career in commercial real estate in June of 2003 when she joined Sara Investment Real Estate LLC. Her success has been well-documented with 4 promotions in 5 years. Jenny's latest title, Development and Leasing Manager, reflects the challenge of managing Sara's property acquisitions and sales in addition to overseeing the marketing, leasing and administrative operations. In addition, Jenny recently completed the graduate level coursework and examinations required to become a certified commercial investment member. Jenny's diverse role makes her an integral part of the daily operations of Sara Investment Real Estate.

Jenny moved to Madison in 1997 to attend the University of Wisconsin Madison. She graduated in December 2001 with a BA in Legal Studies and as a member of the Dean's List. Jenny's educational foundation was complimented by her experience as a legal assistant at a Madison based law firm. Jenny was employed at the law firm for over four years gaining invaluable experience in the legal arena.

Designations:

- 2004 - Wisconsin Real Estate Sales License
- 2006 - Wisconsin Real Estate Broker License
- 2008 - Certified Commercial Investment Member (CCIM)

Development Team Member Résumé



Dave Stone
Project Manager

Dave joined Sara Investment Real Estate LLC in December 2007 as Project Manager. He brings strong construction management and retail skills to our table.

With nine years construction management experience, serving the last four years as VP/General Manager, Dave has overseen the building of national retail centers and he has seven years retail owner/operator experience. Dave has the proven know-how to get jobs done on time and within budget while protecting owner and tenant interests. His degree in Mechanical Engineering provides a technical expertise needed to back up decisions made.

Dave's responsibilities include real estate development and construction management, from ground up site development and new building construction to customized tenant designs and build outs.

Past Project Profile: Build to Suit



- Goodwill Industries
- 1001 Progressive Pkwy, Platteville
- 12,278 Square Feet
- Completed Fall 2008



Goodwill Industries is North America's leading nonprofit organization providing education, training and career services for people with disadvantages. Last year alone, local Goodwills provided employment and training services to over 1 million people (source: goodwill.org).

After looking into the Platteville market for several years, Goodwill contacted Sara to inquire about a potential site for their new location. To begin, the development team met with Goodwill to discuss their needs and determine how Sara could help achieve those needs. Goodwill expressed that their economic viability is increased when they are located near a Wal-Mart and that architecturally, they prefer a stand-alone building as opposed to a strip center. Extensive market research was completed by the development team to assess the city of 10,000 people. This led to the construction of a building to meet the client's needs while achieving a rental rate in line with the Platteville market. The tenant took occupancy in Fall of 2008, with Sara managing the building.

Past Project Profile: New Construction



- Retail/Office Building
- 1536 South Church Street
Watertown
- 7,993 Square Feet
- Completed Spring 2004



Designed by Dorschner | Associates Inc, this retail/office building located along the Rock River consists of a curved element that follows the meander of the river intersecting a taller rectilinear volume on the orthogonal grid of the city. Clerestory glazing provides natural daylight deep within the space. The masonry exterior enclosure is accented with wood at the curved element to provide scale and warmth at the pedestrian exposure.

The building is currently occupied by Shorewest Realty and has one vacant space for lease. Because of its high traffic location and unique design, there has been plenty of expressed interested in the space.

Past Project Profile: Renovation



Before

- Office/Warehouse Space converted to Retail
- 6250 Nesbitt Road
Fitchburg
- 29,500 Square Feet
- Completed Spring 2008



After

The renovation of an existing one story, 29,500 square commercial building located along a major traffic corridor between Madison and the suburbs of Fitchburg and Verona will provide a unique combination of office/retail space for multiple tenants.

A completely new façade was designed to provide more windows and light along the front of the building. Layers of vertical planes provide a direct response to the structural framework of the existing building and give each tenant a presence within the overall composition of the building. Horizontal metal canopies provide cover for suite entrances as well as balance the vertical planes. Material and color selections are in harmony with an historic building across the street while using contemporary materials appropriate for this building type.

The interior renovation provides each tenant with ample daylight, including re-using several existing skylights, within the office/retail spaces at the front of the building. Each suite also contains a large space featuring over 25 foot high ceilings that can accommodate a wide range of uses.

The parking lot was completely renovated including the addition of numerous trees and shrubs, storm water management components, and site lighting.

Statement of Financial Condition of Developer

Sara Investment Real Estate operates under a structure in which its property portfolio is held in over 30 individual LLC's with a value in excess of \$80 million. The following financial statement is only representative of the condition of the operating company.

ASSETS (in thousands, as of 12/31/2008)

Cash	237
Receivables	578
Refundable Deposits	45
Fixed Assets	53
Other Assets	<u>1</u>
TOTAL	914

LIABILITIES

Accounts Payable	.9
Line of Credit	<u>490</u>
Total Liabilities	481

EQUITY

Equity	<u>433</u>
TOTAL	914

Organization - Sara Investment Real Estate LLC is Wisconsin limited liability company formed pursuant to Chapter 183 of the Wisconsin Statutes.

Registered AGENT and PRESIDENT is Eric M. Schwartz.

Registered OFFICE is 1612 North High Point Road, Suite 102, Middleton, WI 53562.

Nature of Operations - Sara Investment Real Estate LLC is a real estate development company offering Development, Property Management, Leasing, Lease Administration, Financial Reporting and Construction Management services.



References

“Our business has several locations, and I have found Sara Investment Real Estate one of the best companies to lease from. They have worked with us to help fulfill our needs. This allows us to fill our customers’ needs. I feel they have been one of the top reasons for our success.”

Dale Suslick, President, Affiliated Tanning, Inc.
Tenant

“Sara Investment has been invaluable to us in finding the right location. We looked at numerous locations and talked with other companies. Sara Investment stood above the others, going out of their way to help us. They listened to what we needed, offered their previous experiences with similar businesses and worked with us on pricing once we found the right building. Overall we have benefited greatly doing business with Sara Investment Real Estate.”

Lynnette Wirth, General Manager, Basics Cooperative
Tenant

“Sara Investment Real Estate has been careful to grow at a responsible rate, while continuing to offer improved systems and services to their investors and tenants. I appreciate their commitment to excellence and professionalism.”

Al L. Toon, Jr., President, AT8 Companies
Investor

“As a longtime investor, I’m extremely happy with the projects Sara Investment Real Estate has secured for me. They meet my long-term investment needs, have performed well and are personally managed by a great staff.”

Daniel Rudolph, Senior Associate Dean, Stanford Graduate School of Business
Investor



Project Schedule

1. Market Value of Project:

- A. Market Value Upon Completion of Construction- \$1,100,000.
- B. Market Value Upon Stabilization -\$1,200,000.

2. Project Schedule (assuming award of project July 1, 2009):

- A. Market Analysis: July 1, 2009 through August 1, 2009.
- B. Preparation of Construction Documents: July 1, 2009 through September 30, 2009.
- C. Operating Proforma: July 1, 2009 through September 30, 2009.
- D. Financing Application: July 1, 2009 through August 31, 2009.
- E. Assign Construction Contract: October 1, 2009.
- F. Site Preparation including Utilities: November 1, 2009 through December 31, 2009.
- G. Building Construction: November 1, 2009 through April 30, 2010.
- H. Balance of Site Work: April 1, 2010 through May 31, 2010.
- I. Lease Up Schedule: Lease up is anticipated to occur over the course of three years following completion of construction.

**Above schedule assumes project is NOT phased. Timing would be adjusted further discussions with the City and potential tenants determine that a phased project is more viable.

Project Costs

ACQUISITION

Purchase Price		\$69,500
Due Diligence & Closing Costs:		
Environmental, Survey, Inspection, etc.		\$10,000
Legal/Architect/Consulting		\$5,000
Broker	6%	\$4,122
Appraisal, Finance, Title, Closing Costs		\$5,000
Contingency/Operating Start-Up		\$5,000
Acquisition Fees	5%	\$4,900

TOTAL ACQUISITION COST **\$102,722**

DEVELOPMENT

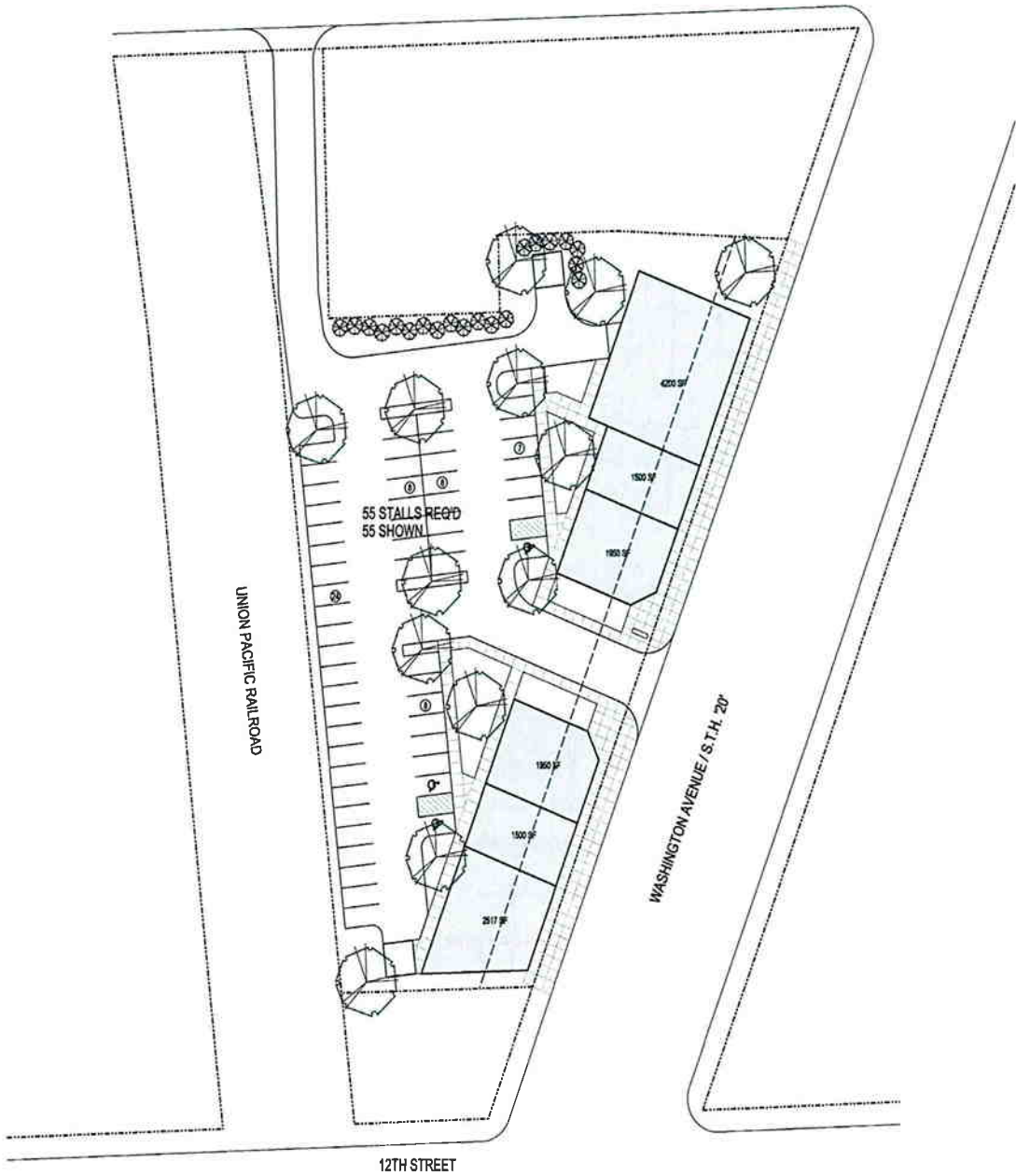
New Construction	13,617	\$85.00 psf	\$1,157,445
Architect			Incl. Above
TI Allowance	13,617	\$7.50 psf	\$102,128
Marketing			\$5,000
Parking Lot			Incl. Above
Signage			\$25,000
Contingency		10%	\$129,000
Due Diligence, Finance, Draws			\$5,000
Holding Cost Allowance			\$215,000
Lease Commissions			\$39,000
Construction Management		3%	\$42,600
General Conditions			\$2,500
Development Fees		5%	\$86,100

TOTAL DEVELOPMENT COST **\$1,808,773**



TOTAL PROJECT COST **\$1,911,495**

Site Plan



C101A

PROJECT NUMBER	
DATE	
APPROVED BY	
REVIEWED BY	
DRAWN BY	
DATE	

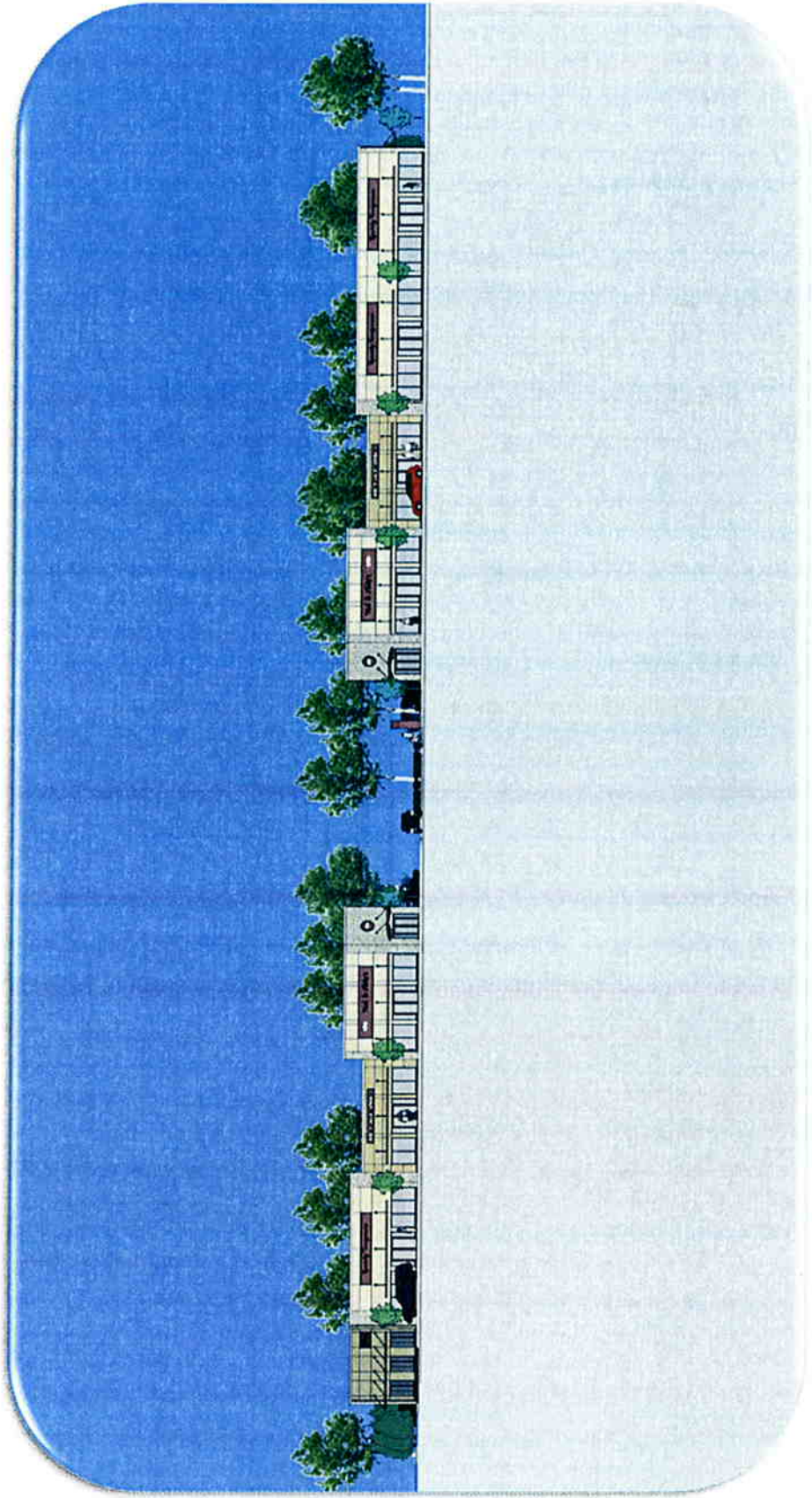
UPTOWN DEVELOPMENT
1000 BLOCK WASHINGTON AVE
SARA INVESTMENTS
RACINE, WI

Angus Young
Architecture
Engineering
Interior Design
111 South Main Street, Racine, WI 53404-4021
TEL: 262.763.2228 FAX: 262.763.4244
www.angusyoung.com

ISSUANCE	REVISION
DATE	TIME
2/20/2018	12:17:08 PM
Drawn by	ESB
Checked by	ESB
Project	Angus Young Associates, Inc., All Rights Reserved

Sara Investment
Real Estate LLC

Elevation



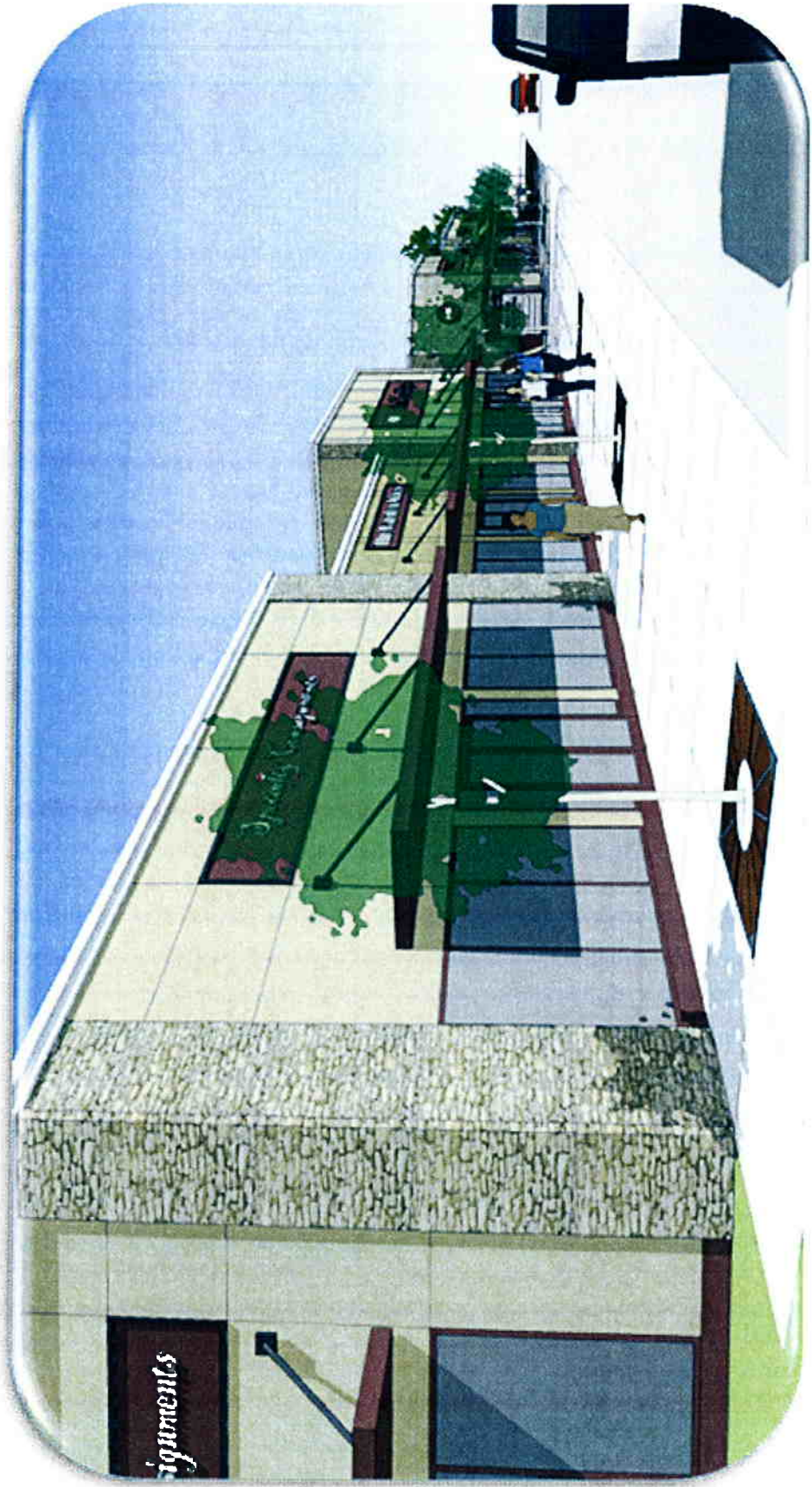
Proposed Renderings - Aerial



Proposed Renderings - Street View



Proposed Renderings - Street View



Proposed Renderings - Street View



Special Assistance Proposal

Upon being awarded this project, Sara Investment Real Estate would undertake an intensive market analysis to substantiate the assumptions utilized in the operating proforma generated for this RFP. Below is a summary of the assumptions utilized in the operating proforma and resulting financial assistance required by the City of Racine to convert this to a viable project.

Proforma Assumptions

- Land Cost of \$68,700.
- Hard construction costs of \$85/square foot based on two buildings totaling \$13,600 square feet.
- Market rental rates of \$9.00/square foot annually on a triple net basis.
- Lease up timeframe of 3 years.
- Total project cost of \$1,900,000
- 8% Cash on cash return to the investment group
- 9.5% cap rate

Based on the above proforma assumptions, there is a substantial financial “gap” for this to be a viable project. In turn, below is the assistance required from the City of Racine to help bridge this gap.

Financial Assistance Requested

- City to provide \$300,000 in TIF loans to be serviced by the increment generated in future value of the site.
- City to provide additional \$300,000 in TIF grants.
- City to finance 65% of the project at a fixed interest rate of 4% with a 30 year amortization.

Sara Investment Real Estate is willing to work with the City of Racine on other creative financing options. This could include re-structuring of the above requested financial assistance through differing allocations of TIF loans/grants, land write down, public financing or new market tax credits.

Past Project Profile: Special Financing



- Retail Strip Center
- 1260 Milton Avenue
Janesville
- 17,405 Square Feet
- Completed Fall 2006

Before



After

Total Project Cost	Total Improvements	Total TIF
\$2,181,845	\$915,395	\$160,000

Past Project Profile: Special Financing



Before

- Retail Strip Center
- 530 High Avenue, Oshkosh
- 18,602 Square Feet
- Completed Fall 2006



After

Total Project Cost	Total Improvements	Total TIF
\$2,033,900	\$1,215,400	\$463,000

Past Project Profile: Special Financing



Before

- Retail /Office Building
- 305 South Main Street
Verona
- 6,704 Square Feet
- Completed Fall 2005



After

Total Project Cost	Total Improvements	Total TIF
\$1,235,000	\$869,075	\$92,696

Past Project Profile: Special Financing



- Retail /Office Building
- 101 East Milwaukee Street
Janesville
- 43,000 Square Feet
- Renovations in Progress

Before



After

Total Project Cost	Total Improvements	Total TIF	Convertible Grant	Total TIF Grant
\$4,557,800	\$3,460,500	\$400,000	\$100,00	\$760,000

ARC Architectural Group, L.L.C.
546 State Street
Racine, Wisconsin 53402

E-mail arcgroup2@tds.net
Fax 262.637.6105
Phone 262.637.6100

Date: April 02, 2009

To: The Redevelopment Authority of Racine

c/o Kristin Niemiec, Community Development Manager
Racine County Economic Development Corporation
2320 Renaissance Boulevard
Sturtevant, Wisconsin 53177

Re: Response to Request For Proposal for new development of the contiguous parcels located at 1152, 1130, 1128, & 1116 Washington Avenue and 1309 11th Street, in the City of Racine.

Price: Nagra, Inc. proposes to pay \$ 71,000.00 Cash for the parcels.

A. Developer Experience

From 1992 through 2004, the Nagra brothers operated a Citgo Petroleum-brand truck stop, with restaurant, in Baldwin, Wisconsin (near Eau Claire); from 1992 to 1998 as leaseholder / managers, and from 1998 to 2004 as Owners.

In 1995, Nagra, Inc. a family-owned corporation, operated by two brothers began operations in the City of Racine, and in 2006 built and began operation of a second Racine location within the City of Racine:

- > Nagra Pump & Pantry, 1826 Douglas Avenue; since 1995
- > Taylor Mart, 1813 Taylor Avenue; since 2006

Both retail locations offer gasoline and a variety of Convenience Store items, and are demonstrably well-regarded within the neighborhood. Nagra's banker, petroleum supplier, and merchandise supplier may be contacted to confirm the existing operations are stable, well-run businesses.

To confirm the stability and viability of Nagra inc. you may also contact:

- > Chambers & Owen Wholesale Distributors
Attn: Rick Totem, V.P. - Sales
1733 Morse Street
Janesville, Wisconsin 53542
Phone (800) 236-3338 X-243
Fax (800) 965-9646
- > State Bank of Chilton
Milwaukee Branch
Attn: Damian Hoerth, Vice President
7155 N. 76th Street
Milwaukee, Wisconsin 53223
Phone (414) 358-9371
- > Prairie State Energy Corp.
Attn: Ken Kearns, President
215 S. Northwest Highway, Suite 201B
Barrington, Illinois 60010
(See attached letter)
Phone (847) 382-9300
Fax (847) 382-9385

B. Schedule and Costs:

- 1) Our preliminary Estimated Market Value of the project is:
 - > \$1.4 million; within 12 months, upon completion of site work , convenience store, and fuel pumps;
 - > \$ 1.7 million; within 36 months, after completion of the proposed car wash facility with one automatic bay, and two manual wash bays.

- 2) Project Schedule:
 - > A formal market analysis has not been prepared. We base our interest in and proposal for this location upon years of experience within the community operating similar facilities, knowledge of economic demand for the proposed products & services, discussions with our current petroleum suppliers, the published traffic count information, and personal investigation & comparison with existing facilities in similar neighborhoods.
 - > Nagra, Inc. proposes a two-phase development of the Washington Avenue property. The fist phase will fully develop the property, constructing the convenience store and fuel station facilities, bringing in all utilities and addressing DNR site requirements. At this time a second phase car wash facility is planned, with one fully automatic bay, and two manual wash bays, to be constructed within 24 months after the first phase becomes operational. Economic conditions and preferences to be developed in the interim - including consideration of potential preferences to be sought from the Department of City Development, will influence the final determination of this component.
 - > A Preliminary Site plan is attached to this Proposal.
 - > See attached financial information.
 - > No lease space is intended. Nagra, Inc. intends to both own and operate the entire site & facilities.
 - > We are financially prepared to initiate project design and site development without delay, upon acceptance of this Proposal by the Redevelopment Authority of Racine Pending review and negotiations (if appropriate) of the existing site environmental conditions and other due diligence items, the design and site engineering will commence; with completion expected within 60 days thereafter. Full site development and building construction is expected to be completed within seven (7) calendar months after commencement.
 - > See attached Operating Pro forma.
 - > Conceptual site & building design/construction have been prepared by ARC Architectural Group, and site survey & civil engineering will be provided by Nielsen, Madsen, Barber S.C.; both firms are well known to the City of Racine Department of City Development.
 - > Conceptual building and site design drawings are herewith provided for your review.

<u>Components</u>	<u>Area (square feet)</u>
Gross Site Area	58,530
Convenience Store	4,500
3-bay Car Wash	2,100
Pavement	34,550
Green Space (30.5 %)	17,850

3)	Cost Estimates:	Land	\$ 71,000
		<u>PHASE ONE:</u>	
		Gas Station	16,000
		&	
		Convenience	24,500
		Store	134,000
		Fuel Delivery Systems Design (by vendor)	
		Building Construction	545,000
		Building Equipment	55,000
		Tanks, Pumps, & Canopy	245,000
		Contingence @ 10%	109,500
		Permits	4,800
		REC Charge (Water Utility)	6,450
		Legal Services	3,600
			<hr/>
		PHASE ONE PRELIMINARY COST TOTAL	\$ 1,214,850
		<u>PHASE TWO:</u>	
		Car Wash	
		Final Building Design & Engineering	5,500
		Final Site Engineering	2,100
		Building & Site Construction	114,200
		Building Equipment	162,000
		Contingency @ 5%	14,200
		Permits	1,200
		REC Charge (Water Utility)	38,000
		Legal Services	1,000
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		PHASE TWO PRELIMINARY COST TOTAL	338,200
			<hr/>
		TOTAL PRELIMINARY PROJECT COST ESTIMATE	\$ 1,553,050

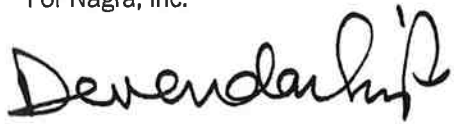
Nagra, Inc.
1130 Washington Proposal

page 4 of 4

Preparation of the Proposal was assisted by Richard Christensen AIA, ARC Architectural Group LLC.

Respectfully Submitted,

For Nagra, Inc.

A handwritten signature in black ink, appearing to read "Devendar Singh". The signature is written in a cursive, flowing style with a large initial "D".

Devendar Singh
Vice President

Encl.



1130 Washington Avenue.

RACINE, WI.

2009 - 2011 Forecast of Revenue and Expenses

	Forecast September	Forecast October	Forecast November	Forecast December	Forecast 2009	Forecast 2010	Forecast 2011
SOURCES OF REVENUE							
Gallons Pumped	80,000.00	85,000.00	85,000.00	90,000.00	340,000.00	1,263,360.00	1,326,528.00
Ave Price	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Gas Sales	168,000.00	178,500.00	178,500.00	189,000.00	714,000.00	2,653,056.00	2,785,708.80
Grocery Sales	75,000.00	75,000.00	80,000.00	80,000.00	310,000.00	1,440,000.00	1,512,000.00
Lottery	15,000.00	15,000.00	15,000.00	15,000.00	60,000.00	240,000.00	252,000.00
Phone Cards	1,699.00	1,699.00	1,699.00	1,699.00	6,796.00	27,184.00	28,543.20
Car Wash	8,000.00	8,000.00	8,000.00	8,000.00	32,000.00	128,000.00	134,400.00
ATM Commission	600.00	650.00	750.00	950.00	2,950.00	11,800.00	12,390.00
Other Commissions (Air/Vac)	250.00	250.00	250.00	250.00	1,000.00	4,000.00	4,200.00
Money Order/Check Cashing	525.00	525.00	550.00	550.00	2,150.00	8,600.00	9,030.00
Sales Tax	269,074.00	279,624.00	284,749.00	295,449.00	1,128,896.00	4,512,640.00	4,738,272.00
	2,250.00	2,250.00	2,400.00	2,400.00	9,300.00	39,600.00	41,580.00
Total Receipts	271,324.00	281,874.00	287,149.00	297,849.00	1,138,196.00	4,552,240.00	4,779,852.00
COST OF GOODS SOLD							
Gasoline	160,000.00	170,000.00	170,000.00	180,000.00	680,000.00	2,589,888.00	2,653,056.00
Grocery Purchases	52,500.00	52,500.00	56,000.00	56,000.00	217,000.00	1,080,000.00	1,149,120.00
Lottery	14,100.00	14,100.00	14,100.00	14,100.00	56,400.00	226,800.00	238,140.00
Phone Cards	1,665.02	1,665.02	1,665.02	1,665.02	6,660.08	26,640.32	27,972.34
Carwash Supplies	3,200.00	3,200.00	3,200.00	3,200.00	12,800.00	44,800.00	53,760.00
Total Cost of Goods Sold	231,465.02	241,465.02	244,965.02	254,965.02	972,860.08	3,968,128.32	4,122,048.34
EXPENSES							
Employee(s) Labor Wages	4,500.00	4,500.00	4,500.00	4,500.00	18,000.00	72,000.00	75,600.00
Advertising	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00	16,000.00	16,800.00
Credit Card Processing Fees	1,680.00	1,785.00	1,785.00	1,890.00	7,140.00	28,560.00	29,988.00
Mortgage Payment	9,000.00	9,000.00	9,000.00	9,000.00	36,000.00	144,000.00	151,200.00
Supplies	550.00	550.00	550.00	550.00	2,200.00	8,800.00	9,240.00
Utilities	3,000.00	3,000.00	3,000.00	3,000.00	12,000.00	48,000.00	50,400.00
Telephone	150.00	150.00	150.00	150.00	600.00	2,400.00	2,520.00
Taxes, Licences & Permits	4,000.00	4,000.00	4,000.00	4,000.00	16,000.00	64,000.00	67,200.00
Officers Payment	3,000.00	3,000.00	3,000.00	3,000.00	12,000.00	48,000.00	50,400.00
Insurance	500.00	500.00	500.00	500.00	2,000.00	8,000.00	8,400.00
Bad Debts	150.00	150.00	150.00	150.00	600.00	1,200.00	600.00
Total Expenses	27,530.00	27,635.00	27,635.00	27,740.00	110,540.00	440,960.00	462,348.00
Net Income	12,328.98	12,773.98	14,548.98	15,143.98	54,795.92	143,151.68	195,455.66



PRAIRIE STATE
E N E R G Y

March 27, 2009

City of Racine

Please be advised that we are the fuel supplier for the Taylor Mart Station located at 1813 Taylor Avenue in Racine. We have worked with the owners for the past four years and find them to be excellent facility operators. At their request, we have reviewed another site they wish to develop. The location is at the intersection of Washington and 12th Street. Upon our review of the site, we as an authorized Mobil fuel distributor have submitted the site to Mobil Oil Company for approval. Mobil has given us the preliminary approval to offer the Mobil brand to site when it is developed. Prairie State Energy, LLC feels strongly that this new development will be a great compliment to the other businesses in the area and will show continued growth in Racine and add jobs to the economy during and after the construction phase. As a fuel supplier and operator of gasoline and convenience store locations, we are excited about the potential in working with the store operators and the city to bring this project to full development and operation.

Please feel free to contact me if you have any questions.

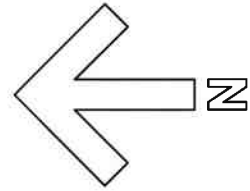
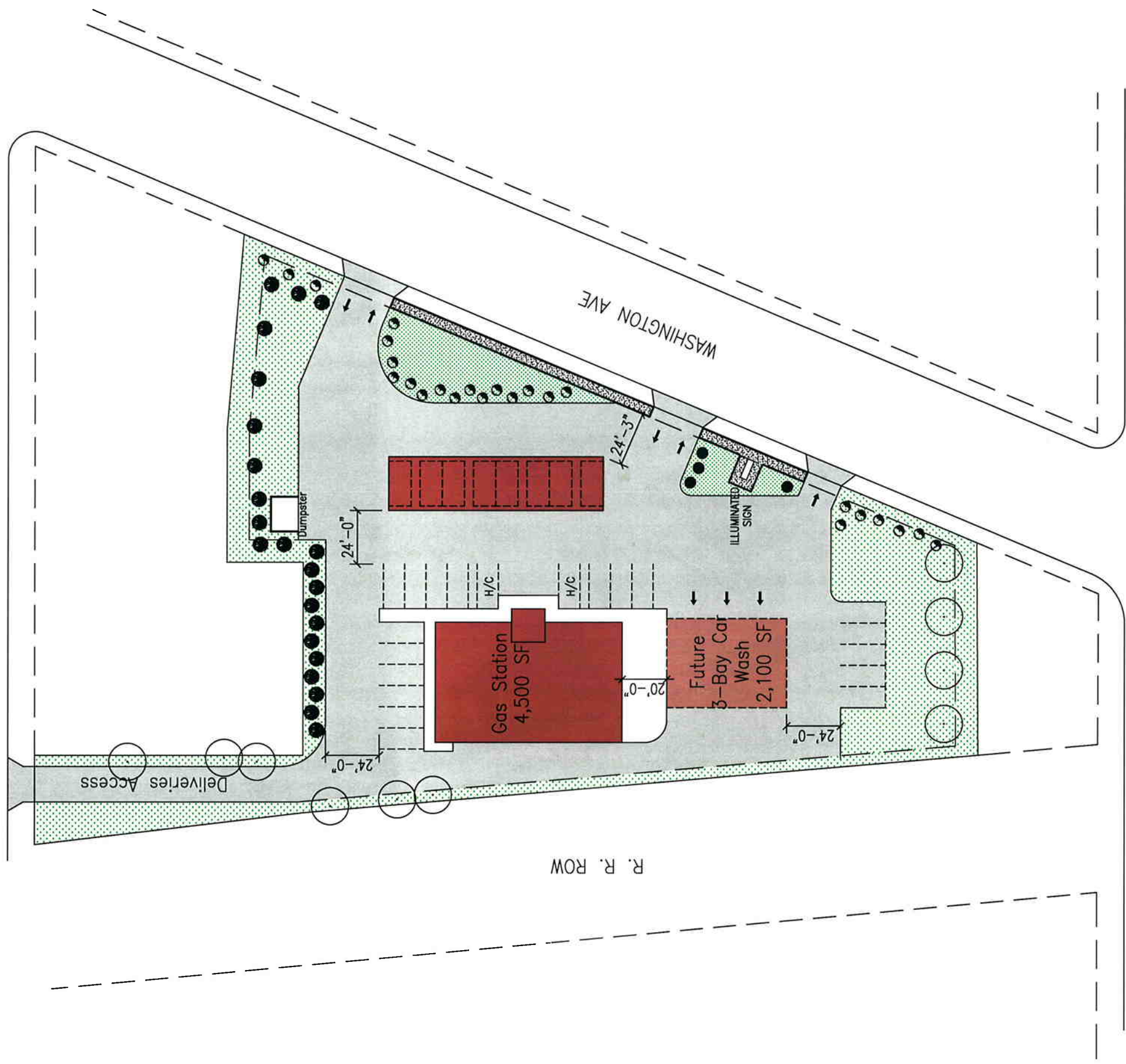
Sincerely,



Ken Kearns
President

215 S. Northwest Highway Suite 201B Barrington, Illinois 60010
Phone (847) 382-9300 Fax (847) 382-9385
1050 Carey Street Lake Geneva, WI 53147
Phone (262) 248-8304 Fax (262) 248-8352

11TH STREET



PROPOSED SITE PLAN

Proposed Gas Station & Car Wash for Nagra Inc.

1130 Washington Avenue
Racine, Wisconsin

Scale: 1" = 50'

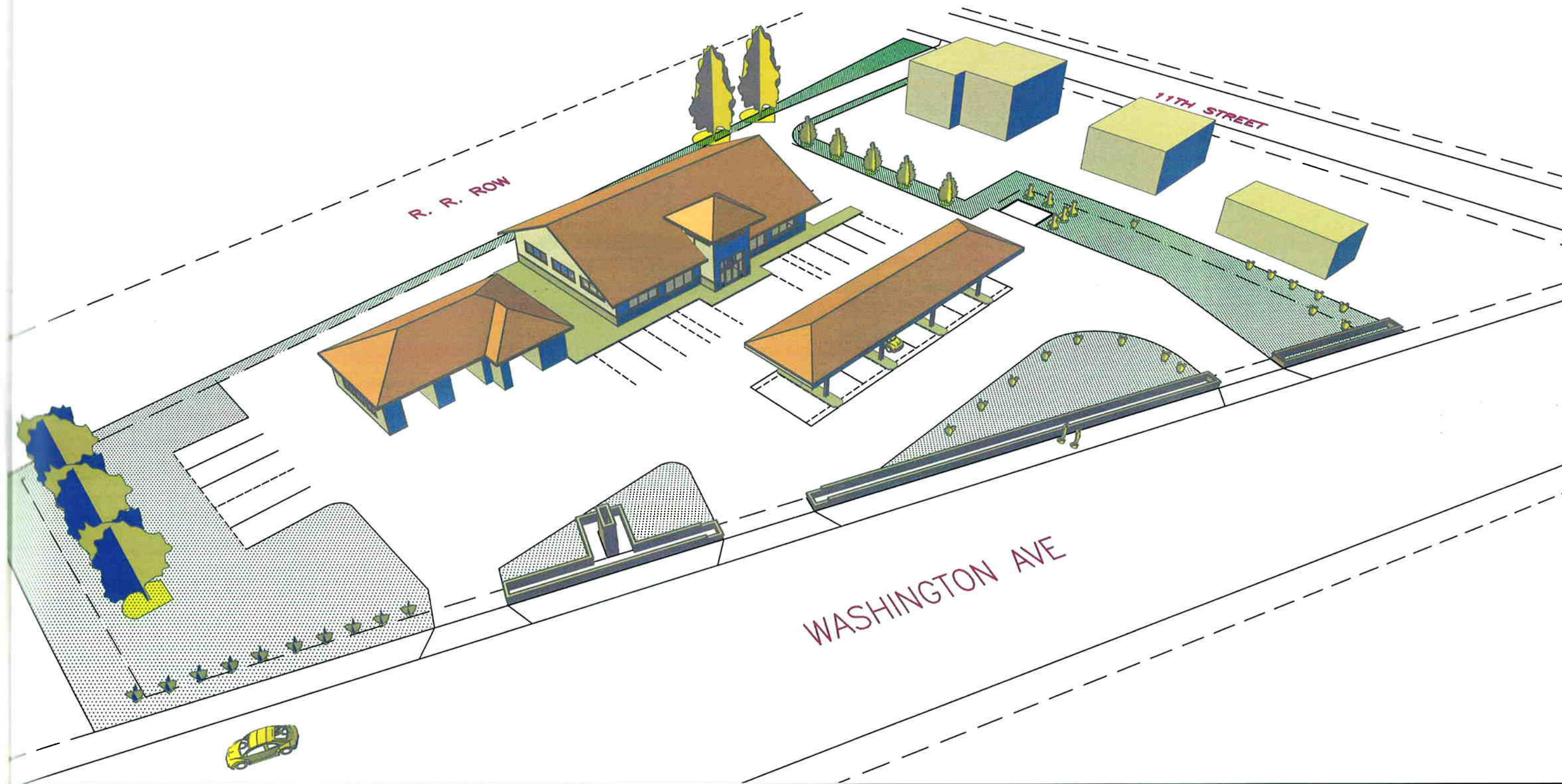
Date: 4/3/09

Drawn by: JMM

ARC Architectural Group, L.L.C.

2200 Northwestern Avenue P 262-637-6100
Racine, Wisconsin 53404 F 262-637-6105

PRINT FILE '1130 WASHINGTON SITE PLAN.DWG'



SITE PERSPECTIVE
Proposed Gas Station & Car Wash for Nagra Inc.
1130 Washington Avenue
Racine, Wisconsin

Scale: N.T.S.

Date: 4-3-09

Drawn by: JMM

ARC Architectural Group, L.L.C.
2200 Northwestern Avenue P 262-637-6100
Racine, Wisconsin 53404 F 262-637-6105

PRINT FILE 'PROPOSED MODEL.DWG'



Materials Note:

Planters: Masonry unit, split-face or burnished w/ precast coping.

Building Exterior Walls: Masonry unit base, split-face or burnished; Cement board siding & accent trim; Storefront metal framing & clear Low-E glazing.

Roofing: Asphalt architectural shingle.

PERSPECTIVE LOOKING NORTH
Proposed Gas Station & Car Wash for Nagra Inc.

1130 Washington Avenue
 Racine, Wisconsin

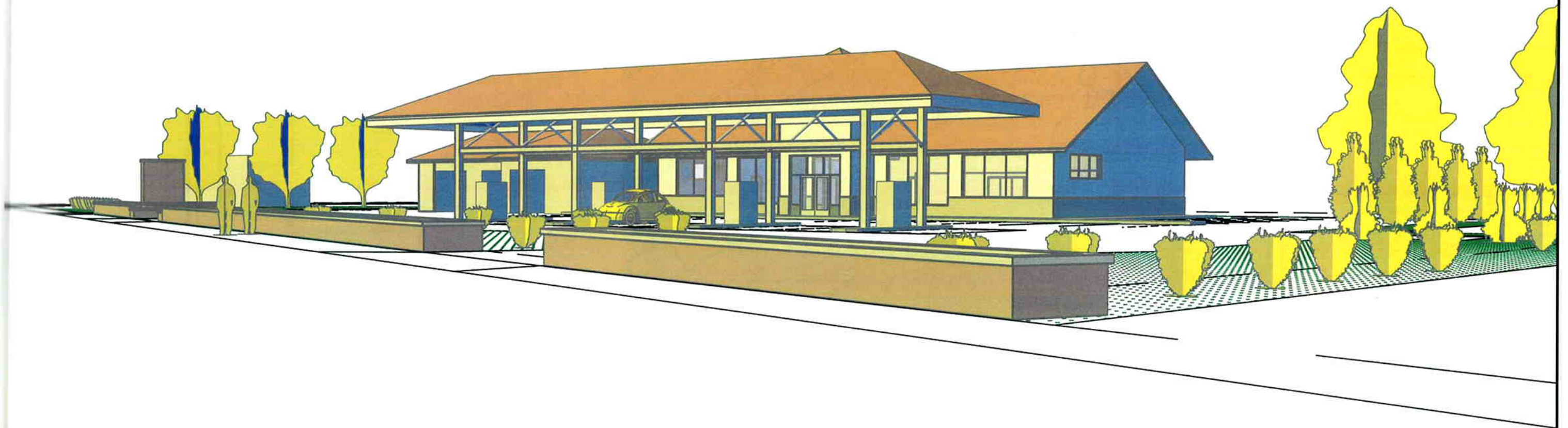
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Date: 4-3-09

Drawn by: JMM

ARC Architectural Group, L.L.C.
 2200 Northwestern Avenue P 262-637-6100
 Racine, Wisconsin 53404 F 262-637-6105

PRINT FILE 'PROPOSED MODEL.DWG'



Materials Note:

Planters: Masonry unit, split-face or burnished w/ precast coping.

Building Exterior Walls: Masonry unit base, split-face or burnished; Cement board siding & accent trim; Storefront metal framing & clear Low-E glazing.

Roofing: Asphalt architectural shingle.

PERSPECTIVE LOOKING SOUTH

Proposed Gas Station & Car Wash for Nagra Inc.

1130 Washington Avenue
Racine, Wisconsin

Scale: N.T.S.

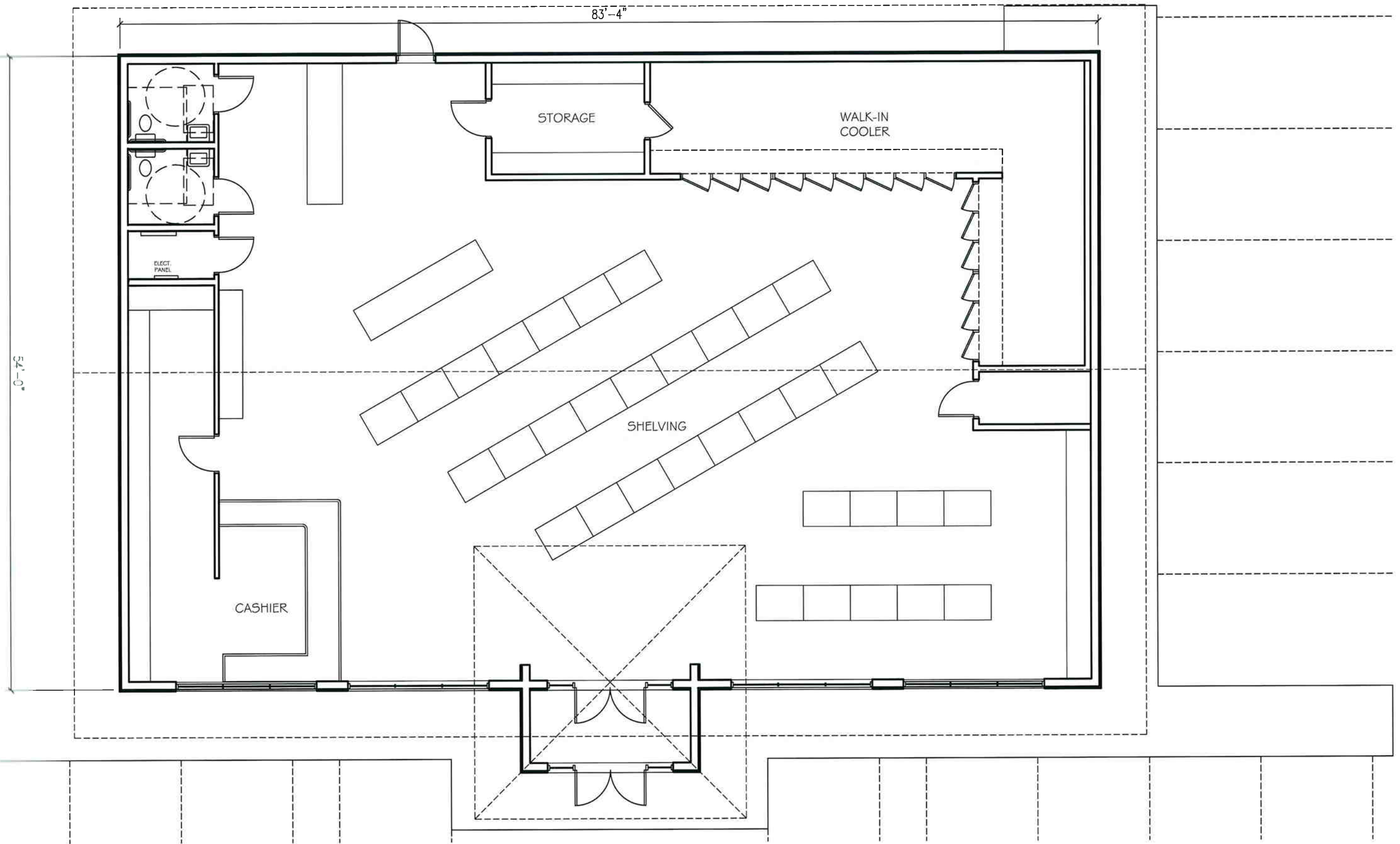
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Drawn by: JMM

ARC Architectural Group, L.L.C.

2200 Northwestern Avenue P 262-637-6100
Racine, Wisconsin 53404 F 262-637-6105

PRINT FILE 'PROPOSED MODEL.DWG'



CONCEPTUAL FLOOR PLAN
Proposed Gas Station & Car Wash for Nagra Inc.
 1130 Washington Avenue
 Racine, Wisconsin

Scale: 1/8" = 1'

Date: 4-3-09

Drawn by: JMM

ARC Architectural Group, L.L.C.
 2200 Northwestern Avenue P 262-637-6100
 Racine, Wisconsin 53404 F 262-637-6105

PRINT FILE 'PROPOSED MODEL.DWG'