



April 15, 2011

Redevelopment Authority of the City of Racine  
c/o Kristin Niemiec  
Department of City Development  
730 Washington Avenue, Room 102  
Racine, WI 53403

RE: Request for Proposal-1526 Washington Avenue, Racine, WI

Dear Ms. Niemiec:

Thank you for the opportunity to present our proposal to market 1526 Washington Avenue for the Redevelopment Authority of the City of Racine. First Weber Group Realtors, and before that, N. Christensen & Son Real Estate, Inc., is very bullish on the Racine area and feel uniquely qualified to work on your behalf to market and sell 1526 Washington Avenue. Having been a part of the Redevelopment Authority, I understand the history behind the purchase and restoration of this property and also understand the importance this project has to the future of the Uptown area. In addition, as a gateway to Downtown Racine and Racine's beautiful lakefront, I appreciate how this project's success will impact an even larger portion of our city. We are a local company, well-versed in the history and vitality of our community. We know the neighborhoods, the schools and the economic climate in Racine. We feel this is extremely important as we interact with people coming from outside of the area looking to evaluate this investment.

I have had the opportunity to walk through the property so I am familiar with the improvements made by the Redevelopment Authority to stabilize the building. I am also familiar with the fact that additional work will be needed to complete the project. The need to invest additional dollars will have an impact on the list price and ultimately the selling price. There are two other properties for sale in Racine which have been improved to a point but are awaiting a buyer to finish the restoration. Both are in the Downtown area:

410 Main Street: This 16,112 square foot building was acquired several years ago by the RDA and, much like the subject, dollars were invested to stabilize the property. The property was sold to an investor who made some additional improvements and presently the property is partially improved on the first and second floors and less so on the 3<sup>rd</sup> and 4<sup>th</sup> floors. New windows and a new roof were installed and most of the mechanical systems have been replaced. This property sold in 2007 for \$815,000. After several years of trying to lease the space, the present owner put the property up for sale for \$850,000. It is currently on the market for \$649,900 (\$40.34 per square foot) and the selling price is likely to be significantly below this price.

500 Main Street: This is the former Zahn's Building and site of the proposed Imaginarium Museum. The building contains 40,288 square feet.. The building has been gutted and partially improved. New windows and a roof were installed and an addition was put on the building to house elevators and restrooms. Some of the mechanical systems have been replaced. At one time the property was marketed for over \$2,000,000 and has been on and off the market for most of the last 5 years. Presently the property is being marketed at \$849,900 (\$21.10 per square foot).

The value of looking at these two properties is that it shows how prices have dropped over the past few years and it clearly indicates the affect overpricing a property has on marketing time. In both of these listings, marketing time is measured in years rather than days, weeks or months.

In trying to evaluate the subject property, the location is also a consideration. The Uptown area is a work in progress. While it is critical as a gateway to Racine's lakefront, many of the buildings in the area are vacant or underused and many have been allowed to deteriorate. While there are several successful businesses in Uptown (The Corner House Restaurant, Dr. Savin's Vision Clinic and D & D Vacuum) the balance of the retail stores are smaller and less successful. This economic climate will require the purchaser of 1526 Washington to have confidence in their venture and its success in the area. More importantly, it will require the buyer's lender to have the same degree of confidence. In order to generate interest in this property and to allow both the buyer and lender to gain the required confidence, I suggest the property be listed at no more than \$10.00 per square foot. That would suggest a list price of \$120,000 for this 12,000 square foot building. In my opinion, to list it any higher will result in the property languishing on the market and ultimately selling for significantly less. At this list price I would anticipate generating interest and offers. Depending on the terms of offers, I would be prepared to sell the property at a price up to 10% less than list.

First Weber Group is a leader in innovative, web-based marketing tools. We make generous use of the Internet. Through interior photos and floor plan drawings of the property, we create an electronic brochure of the property that is easily delivered to potential buyers as well as commercial brokerage companies in the area. In addition, property information is posted on Loopnet, a national commercial Internet database. We also use Co-Star and Exciligent to catch brokers and investors utilizing those Internet services. Although not used by as many commercial brokers as the above, we also submit our listings to the Metro MLS so that interested brokers in the area have information on the property. Finally, the property will have its own website that will include interior photos and information on the property and the neighborhood.

Signage will also play a major role in our marketing efforts. Due to its visible location, the property will benefit from signage that is both informative and attractive. In our signage we will include a unique PIN number for the property along with instruction as to how to "text" that number to receive an instant video and information on the building. At the same time, when someone accesses that video, we will receive a text with the party's telephone number, allowing us to contact them while they are still in front of the building to answer any questions or set an appointment to tour the interior. First Weber Group is presently the only real estate company in Wisconsin to have this service.

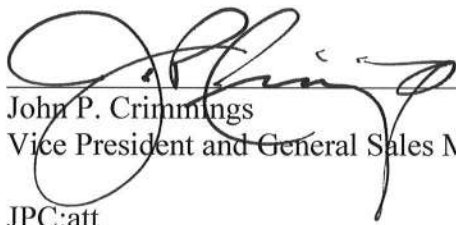
Throughout the marketing process we will keep you informed on the marketing activity and the results of those efforts. At whatever interval you choose, we will provide email marketing activity reports and measures of the interest this property is drawing from our Internet sites. We will also provide you with up to date information on competing properties so that we can stay at the forefront of the market. This is critical to keeping the property well priced and competitive.

We will require a listing period of one year. If, during that period, you are not satisfied with our marketing efforts and in us performing as promised, the contract can be terminated. Our contract will require you, as seller, to direct any interested parties contacting you directly back to First Weber Group. While we can discuss the exclusion of parties that you have negotiated with in the past, we will typically look to minimize the time allowed for those exclusions. Our commission is based on 6% of the selling price. From that commission we will pay any co-broke charges or buyer agency commissions and we typically offer to split our commissions on a 60%/40% basis with First Weber Group receiving the larger split. While I will be the lead listing agent, I will co-list the property with one or more agents in our commercial group, assuring you that several agents will be working to promote and sell your property.

Again, thank you for the opportunity to present our thoughts on the marketing and sale of 1526 Washington Avenue. To restate a previous point, we are excited about the future of the Greater Racine area and look forward to serving this market for many years to come. We take great pride in our history and in the professional real estate services we bring to the community. Our philosophy, both business and personal, is that we will continue to work to make Racine a great place to live, to work and to do business. We look forward to working with you on this exciting project.

Respectfully submitted,

FIRST WEBER GROUP REAL ESTATE

A handwritten signature in black ink, appearing to read "John P. Crimmings", is written over a horizontal line.

John P. Crimmings  
Vice President and General Sales Manager

JPC:att

## JOHN P. CRIMMINGS

John is a lifetime resident of Racine and graduated from St. Catherine's High School. He went on to graduate from Marquette University with a degree in Business Administration. John is the former President of N. Christensen & Son Real Estate in Racine. He joined that firm in May, 1977 as a salesperson and became President in 2001. In 2006, N. Christensen merged with and became part of First Weber Group Realtors. John now serves as Vice President and General Sales Manager of First Weber Southern Wisconsin LLC.

John has been involved with the marketing and sale of commercial, industrial and investment properties in Racine since 1983, when he assumed control of the Commercial Department of N. Christensen & Son Real Estate. John has been involved with numerous leasing and purchasing projects over the years and has worked with numerous clients including Dow Jones, Inc., S.C. Johnson & Son, Inc., J.I. Case Company (now CNH) and Putzmeister America, Inc. John has also served on numerous boards and associations dealing with the growth and development of Greater Racine.

## PROFESSIONAL AND CIVIC ORGANIZATIONS:

### Present Associations:

Board Member  
Board Member

Wheaton Franciscan Healthcare All Saints Foundation  
Metro MLS Board of Directors

### Former Associations:

Past President  
Past President  
Past President  
Past President  
Past President  
Past Chairperson  
Past Board Member  
Past Board Member  
Past Board Member

Racine Board of Realtors  
Racine County Economic Development Corporation  
Downtown Racine Rotary Club  
Racine Family YMCA  
Racine Community Foundation  
City of Racine Redevelopment Authority  
Racine Area Manufacturers and Commerce (RAMAC)  
Downtown Racine Corporation  
Sustainable Racine



**John P. Crimmings**  
Vice President, General Sales Manager

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