

Received

APR 30 2021

2021 City of Racine
Notice of Intent to File Objection with the Board of Review

I, Todd Shebesta, as the property owner or as **City Clerk - Racine, WI**
agent for BMC Racine LLC/Marc Racine (property owner's name) with an address of
8430 West Bryn Mawr Ave, Ste. 850 Chicago IL 60631 hereby give notice of an intent to file an objection to the assessment
for the following property 2308 S Green Bay Rd. (Parcel 23901000) for the 2021 Assessment Year in the
City of Racine.

Name: Todd Shebesta, Ryan LLC

Best contact phone number: 414-379-8133

Mailing Address: 1433 N. Water Street, Ste. 400, Milwaukee WI 53202

(date) 4-29-2021

This Notice of Intent is being filed: (place mark one)

- ☒ At least 48 hours before the board's first scheduled meeting.
☐ During the first two hours of the board's first scheduled meeting. (Please complete Section A).
☐ Prior to the end of the fifth day of the session or prior to the end of the final day of the session if the session is less than 5 days. (Please complete Section B).

Filing of this form does not relieve the objector from the requirement of timely filing a fully completed written objection on the proper form with the Clerk of the Board of Review.

SECTION A – Upon a showing of good cause, the Board of Review shall grant a waiver of the 48-hour notice of an intent to file a written or oral objection if a property owner who does not meet the notice requirement appears before the board of review during the first 2 hours of the meeting. **THE PROPERTY OWNER NOW MUST SHOW GOOD CAUSE FOR FAILURE TO MEET THE 48-HOUR NOTICE REQUIREMENT AND FILE A WRITTEN OBJECTION.** My good cause is as follows:

SECTION B – The Board of Review may waive all notice requirements and hear the objection if a property owner fails to provide written or oral notice of an intent to object 48 hours before the first scheduled meeting, and fails to request a waiver of the notice requirements during the first 2 hours of the meeting if the property owner appears before the Board at any time prior to the end of the fifth day of the session, or prior to the end of the final day of the session if the session is less than 5 days, and the property owner **FILES A WRITTEN OBJECTION AND PROVIDES EVIDENCE OF EXTRAORDINARY CIRCUMSTANCE.** Proof of my extraordinary circumstance is as follows:

A WRITTEN OBJECTION ON THE PROPER FORM MUST BE PROPERLY FILED WITH THE CLERK OF THE BOARD OF REVIEW.

Objection to Real Property Assessment

To file an appeal on your property assessment, you must provide the Board of Review (BOR) clerk written or oral notice of your intent, under state law (sec. 70.47(7)(a), Wis. Stats.). You must also complete this entire form and submit it to your municipal clerk. To review the best evidence of property value, see the Wisconsin Department Revenue's *Property Assessment Appeal Guide for Wisconsin Real Property Owners*.

Complete all sections:

Section 1: Property Owner / Agent Information

* If agent, submit written authorization (Form PA-105) with this form

Property owner name (on changed assessment notice) BMC Racine LLC/Marc Racine			Agent name (if applicable) Todd Shebesta, Ryan LLC		
Owner mailing address 8430 West Bryn Mawr Avenue, Suite 850			Agent mailing address 1433 North Water Street, Suite 400		
City Chicago	State IL	Zip 60631	City Milwaukee	State WI	Zip 53202
Owner phone () -		Email todd.shebesta@ryan.com	Owner phone (414) 379 - 8133		

Section 2: Assessment Information and Opinion of Value

Property address 2308 South Green Bay Road			Legal description or parcel no. (on changed assessment notice) Parcel #: 23901000		
City Racine	State WI	Zip 53406			
Assessment shown on notice - Total \$ 13,375,000			Your opinion of assessed value - Total \$ 10,750,000		

If this property contains non-market value class acreage, provide your opinion of the taxable value breakdown:

Statutory Class	Acre	\$ Per Acre	Full Taxable Value
Residential total market value			
Commercial total market value			
Agricultural classification: # of tillable acres	@	\$ acre use value	
# of pasture acres	@	\$ acre use value	
# of specialty acres	@	\$ acre use value	
Undeveloped classification # of acres	@	\$ acre @ 50% of market value	
Agricultural forest classification # of acres	@	\$ acre @ 50% of market value	
Forest classification # of acres	@	\$ acre @ market value	
Class 7 "Other" total market value		market value	
Managed forest land acres	@	\$ acre @ 50% of market value	
Managed forest land acres	@	\$ acre @ market value	

Section 3: Reason for Objection and Basis of Estimate

Reason(s) for your objection: (Attach additional sheets if needed) Please see attached letter and documentation	Basis for your opinion of assessed value: (Attach additional sheets if needed) Please see attached letter and documentation.
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Section 4: Other Property Information

A. Within the last 10 years, did you acquire the property? ☒ Yes ☐ No
If Yes, provide acquisition price \$ **12,500,000** Date **02- 9 - 16** ☒ Purchase ☐ Trade ☐ Gift ☐ Inheritance
(mm-dd-yyyy)

B. Within the last 10 years, did you change this property (ex: remodel, addition)? ☐ Yes ☒ No
If Yes, describe _____
Date of changes - - Cost of changes \$ _____ Does this cost include the value of all labor (including your own)? ☐ Yes ☒ No
(mm-dd-yyyy)

C. Within the last five years, was this property listed/offered for sale? ☐ Yes ☒ No
If Yes, how long was the property listed (provide dates) - - to - -
(mm-dd-yyyy) (mm-dd-yyyy)
Asking price \$ _____ List all offers received _____

D. Within the last five years, was this property appraised? ☒ Yes ☐ No
If Yes, provide: Date - - 2016 Value _____ Purpose of appraisal **Financing for purchase**
(mm-dd-yyyy)
If this property had more than one appraisal, provide the requested information for each appraisal. _____

Section 5: BOR Hearing Information

A. If you are requesting that a BOR member(s) be removed from your hearing, provide the name(s): _____
Note: This does not apply in first or second class cities.

B. Provide a reasonable estimate of the amount of time you need at the hearing **30** minutes.

Property owner or Agent signature 	Date (mm-dd-yyyy) 04 - 29 - 2021
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Request to Testify by Telephone or Submit a Sworn Written Statement at the Board of Review (BOR)

Section 70.47(8), Wis. Stats., states "...Instead of appearing in person at the hearing, the board may allow the property owner, or the property owner's representative, at the request of either person, to appear before the board, under oath, by telephone or to submit written statements, under oath, to the board. ..."

NOTE: The legal requirements of the Notice of Intent to Appear at the BOR must be satisfied and the Objection Form must be completed and submitted to the BOR as required by law prior to the Request to Testify by Telephone or Submit Sworn Written Statement form being submitted.

Municipality City of Racine	County Racine
Property owner's name BMC Racine LLC/Marc Racine	Agent name (if applicable) Todd Shebesta, Ryan LLC
Owner's mailing address 8430 West Bryn Mawr Ave. Ste 850 Chicago, IL 60631	Agent's mailing address 1433 N. Water Street, Suite 400 Milwaukee WI 53020
Owner's telephone number () <input type="checkbox"/> Land Line <input type="checkbox"/> Cell Phone	Agent's telephone number (414) 379-8133 <input type="checkbox"/> Land Line <input checked="" type="checkbox"/> Cell Phone
Owner's email address	Agent's email address todd.shebesta@ryan.com

Please provide the following information on the property and the assessment to which you are objecting. (Attach additional sheets, if necessary.)

- Property address 2308 South Green Bay Rd, Racine WI 53406
- Legal description or parcel number from the current assessment roll 23901000
- Total Property Assessment 13,375,000
- If agent, attach signed Agent Authorization form, PA-105

☒ Testify by telephone* ☐ Submit sworn written statement

Basis for request City has closed their building due to COVID.

* If the request is approved, provide the best telephone number to reach you 414-379-8133

Owner's or Agent's signature 	Date 4-29-2021
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For Board Use Only

☐ Approved ☐ Denied

Reason _____

☐ Taxpayer advised _____
Date _____



1433 N. Water Street
Suite 400
Milwaukee, WI 53202
Tel. 414.369.6645
www.ryan.com

April 30, 2021

City of Racine Board of Review
City Hall Room 106
730 Washington Ave
Racine WI 53403

RE: Regency Point
Parcel: 23901000
2308 S Green Bay Rd
2021 Real Estate Appeal

Dear Board Members:

The property owners and Ryan LLC respectfully disagree with the subject property's 2021 assessment of \$13,375,000 based on the following information:

1. **Rent Roll:** The subject property is a 163,525 square foot (SQFT) community shopping center presently 81% occupied. The main driver behind the decline in the occupancy is Bed Bath and Beyond, which occupied 23,897/sqft, vacated their location at the expiration of their lease on 1/31/2020. It is also interesting to note there have been no new tenants at this location since 2015 which is another sign of a struggling retail market.

2. **Income Statements:** Enclosed find the past three year ending operating statements which shows the decline in the revenue and Net Operating Income (NOI) in 2020. With the rise of vacancy in 2020 and little to no prospects to lease, we capitalized the 2020 NOI of \$1,079,458 at 11.38% (8.6% plus the effective tax rate) arriving at an FMV of \$9,488,910. Considering on year does not make the market, we also capitalized the three-year average NOI to arrive at an FMV of \$10,860,200.

Also please find the 2021 operating budget which shows the owners are not projecting any leasing activity in 2021 and the NOI (without expenses real estate taxes) is projected to decline further in 2021 to \$903,473.

3. **Capitalization Rate:** Our capitalization rate was culled from the 3rd Quarter RERC Real Estate Report which indicated second tier neighborhood community retail property in the Midwest were selling at 8.6% cap rates.

4. **Sale of the subject property:** The subject property sold in 2016 for \$12.5 million. At that time the property was 98% occupied compared to 1/1/2021 at 81%. Also, the NOI has dropped 18% since the purchase. Discounting the sale at 15% to account for the drop in occupancy and NOI would lead to a value of \$10,625,000.

5. **Comparable Racine property/uniformity:** See the attached listing of comparable larger retail shopping centers. You will see the subject property's assessment is more than double to their competition which puts them in a competitive disadvantage in attracting tenants.

Based on the above information, we respectfully request the property's 2021 assessment be reviewed and adjusted as follow:

Direct Income (3-year average NOI): \$10,860,200

Sale of the subject discounted: \$10,625,000

Request Assessment; \$10,750,000

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Shebesta".

Todd Shebesta, CMI
Senior Manager

Commercial Rent Roll

REPORT DATE FROM 1/1/2021 TO 1/31/2021

PROPERTY: Regency Point Shopping Center

[illegible]

1/29/2021

User: JEAN

Bonnie Management Corporation

7:25:03PM

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Commercial Rent Roll

REPORT DATE FROM 1/1/2021 TO 1/31/2021

PROPERTY: Regency Point Shopping Center

OCCUPANT NAME	UNIT REFERENCE NUMBER	SQUARE FEET	LEASE TERM		UNIT INFO BASE RENT	PRORATED BASE RENT ANNUAL	RENT PER SQ FT/YR	BASE RENT INCREASE	BASE RENT INCREASE AMOUNT	OPERATING EXPENSE		REAL ESTATE TAX		OTHER EXPENSE		GROSS RENTS	
			FROM	TO						MONTH	SQ FT/YR	MONTH	SQ FT/YR	MONTH	SQ FT/YR	TOTAL	SQ FT/YR
Harbor Freight Tools #358	6990-2380-CU	15,969	3/14/2011	12/31/2021	9,155.56	109,866.72	6.88		0.00	1,836.00	1.38	3,207.00	2.41	0.00	0.00	14,198.56	10.67
*** VACANT ***	6990-2390-CU	2,785			0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hobby Lobby	6990-2406-CU	55,000	1/13/2013	1/31/2023	21,770.83	261,249.96	4.75		0.00	3,757.00	0.82	11,046.00	2.41	0.00	0.00	36,573.83	7.98
DSW - Store #29538	6990-2410-CU	17,280	4/16/2015	1/31/2026	12,960.00	155,520.00	9.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,960.00	9.00
PROPERTY TOTALS		163,252			85,489.28	1,025,871.36	6.28			14,150.00	1.04	17,787.00	1.31	0.00	0.00	117,426.28	8.63

Total Occupied Square Feet :

132,852 81.38%

Total Vacant Square Feet :

30,400 18.62%

BMC Racine LLC dba Regency Point Shopping Center
Income Statement
For The Twelve Month Ended December 31, 2020
Prepared by Bonnie Management Corporation

	<u>CURRENT PERIOD</u>	<u>YEAR-TO-DATE</u>
REVENUE		
Base rent	\$72,529	\$964,410
Percentage rent	6,961	33,548
Rental revenues - misc.	0	0
Tenant direct - other	0	0
Tenant direct - water	0	0
CAM reserve	16,698	220,172
R/E tax reserve	17,419	229,416
R/E tax - direct bill	62,177	62,177
Reconciliation - CAM	0	872
Reconciliation - RET	0	2,921
Bad debt / vacancy credit	0	0
Total Revenue	<u>175,784</u>	<u>1,513,516</u>
Common Area Expenses		
Insurance	2,193	32,974
Utilities-electric	1,918	15,495
Utilities-water/sewer	0	5,726
Decorating - holiday	0	0
Exterior building	0	14,995
Exterminator	0	175
Fire & safety	0	2,068
Janitor/maint - contract	0	0
Landscape-contract	0	8,188
Landscape-noncontract	986	27,590
Misc repairs & maint	0	1,187
Prkg lot/sidewalk maint	1,021	23,171
Prkg lot/sidewalk repair	0	85,617
Plumbing & sewer	0	0
Repairs-electrical	0	2,609
Repairs & maint. - HVAC - CAM	0	2,898
Repairs-roof	0	6,403
Security	0	0
Snow removal	3,744	48,183
Traffic signal maint.	0	0
Trash removal	822	8,897
Total Common Area Expenses	<u>10,684</u>	<u>286,176</u>

BMC Racine LLC dba Regency Point Shopping Center
Income Statement
For The Twelve Month Ended December 31, 2020
Prepared by Bonnie Management Corporation

	<u>CURRENT PERIOD</u>	<u>YEAR-TO-DATE</u>
Tenant Billable Expenses		
Tenant direct exp-other	\$0	\$0
Tenant direct exp-water	0	0
Total Tenant Billable Expenses	<u>0</u>	<u>0</u>
General & Admin Expenses		
Advertising & marketing	695	695
Accounting / audit fees	0	8,125
Bank / trust fees	6	1,658
Engineering consultant	0	0
Lease commissions	0	0
Management fee	4,258	58,114
Miscellaneous admin exp	109	300
Property manager expense	0	0
Postage & courier	54	210
Professional fees	0	3,063
Repairs & maint. - HVAC	0	3,700
Space planner / architect	0	0
Utilities-electric-vacant	709	6,373
Utilities-gas - vacant	402	1,516
Util-water/sewer - vacant	0	5,130
Exterior building	0	2,500
Misc repairs & maint	0	111
Plumbing & sewer	0	1,090
Repairs-electrical	0	1,715
Total Common Area Expenses	<u>6,232</u>	<u>94,300</u>
Real Estate Tax Expense		
Real estate taxes	17,874	371,337
Real estate taxes - prior period	0	0
R/E tax-professional fees	0	4,606
Total Real Estate Tax Exp	<u>17,874</u>	<u>375,943</u>
Total Operating Expenses	<u>34,790</u>	<u>756,419</u>
Net Operating Income	<u>140,994</u>	<u>757,097</u>

BMC Racine LLC dba Regency Point Shopping Center
Income Statement
For The Twelve Months Ended December 31, 2019
Prepared by Bonnie Management Corporation

	<u>CURRENT PERIOD</u>	<u>YEAR-TO-DATE</u>
REVENUE		
Base rent	\$97,630	\$1,205,281
Percentage rent	0	0
Rental revenues - misc.	0	0
Tenant direct - other	0	0
Tenant direct - water	0	0
CAM reserve	20,736	248,832
R/E tax reserve	22,494	269,928
R/E tax - direct bill	113,157	113,157
Reconciliation - CAM	0	(0)
Reconciliation - RET	0	0
Bad debt / vacancy credit	0	0
Total Revenue	<u>254,016</u>	<u>1,837,198</u>
Common Area Expenses		
Insurance	3,005	33,111
Utilities-electric	2,082	16,409
Utilities-water/sewer	1,569	6,614
Decorating - holiday	0	0
Exterior building	0	0
Exterminator	0	0
Fire & safety	135	1,730
Janitor/maint - contract	0	0
Landscape-contract	0	9,997
Landscape-noncontract	1,104	2,534
Misc repairs & maint	0	420
Prkg lot/sidewalk maint	1,185	24,439
Prkg lot/sidewalk repair	0	160,298
Plumbing & sewer	0	0
Repairs-electrical	1,959	8,036
Repairs & maint. - HVAC - CAM	0	4,537
Repairs-roof	0	5,652
Security	0	0
Snow removal	9,231	82,873
Traffic signal maint.	0	0
Trash removal	809	9,675
Total Common Area Expenses	<u>21,078</u>	<u>366,325</u>

BMC Racine LLC dba Regency Point Shopping Center
Income Statement
For The Twelve Months Ended December 31, 2019
Prepared by Bonnie Management Corporation

	<u>CURRENT PERIOD</u>	<u>YEAR-TO-DATE</u>
Tenant Billable Expenses		
Tenant direct exp-other	\$0	\$0
Tenant direct exp-water	0	0
Total Tenant Billable Expenses	<u>0</u>	<u>0</u>
General & Admin Expenses		
Advertising & marketing	0	1,314
Accounting / audit fees	0	8,125
Bank / trust fees	6	145
Engineering consultant	0	0
Lease commissions	0	0
Management fee	5,858	74,778
Miscellaneous admin exp	582	769
Property manager expense	0	0
Postage & courier	0	18
Professional fees	0	1,138
Repairs & maint. - HVAC	0	9,710
Space planner / architect	0	9,674
Utilities-electric-vacant	42	675
Utilities-gas - vacant	13	591
Util-water/sewer - vacant	0	0
Misc repairs & maint	0	2,399
Plumbing & sewer	0	1,046
Total Common Area Expenses	<u>6,502</u>	<u>110,381</u>
Real Estate Tax Expense		
Real estate taxes	(11,343)	370,533
Real estate taxes - prior period	0	0
R/E tax-professional fees	0	0
Total Real Estate Tax Exp	<u>(11,343)</u>	<u>370,533</u>
Total Operating Expenses	<u>16,237</u>	<u>847,239</u>
Net Operating Income	<u>237,779</u>	<u>989,958</u>

BMC Racine LLC dba Regency Point Shopping Center
Income Statement
For The Twelve Months Ended December 31, 2018
Prepared by Bonnie Management Corporation

	<u>CURRENT PERIOD</u>	<u>YEAR-TO-DATE</u>
REVENUE		
Base rent	\$101,255	\$1,212,577
Percentage rent	0	0
Rental revenues - misc.	0	1,500
Tenant direct - other	0	0
Tenant direct - water	0	0
CAM reserve	17,114	205,371
R/E tax reserve	23,113	277,356
R/E tax - direct bill	111,781	111,781
Reconciliation - CAM	0	12,788
Reconciliation - RET	0	0
Bad debt / vacancy credit	0	0
Total Revenue	<u>253,263</u>	<u>1,821,372</u>
Common Area Expenses		
Insurance	2,740	29,438
Utilities-electric	2,812	15,382
Utilities-water/sewer	0	8,264
Decorating - holiday	0	0
Exterior building	0	8,695
Exterminator	0	0
Fire & safety	338	3,139
Janitor/maint - contract	0	0
Landscape-contract	0	9,997
Landscape-noncontract	1,104	33,307
Misc repairs & maint	0	722
Prkg lot/sidewalk maint	1,100	25,543
Prkg lot/sidewalk repair	0	101,284
Plumbing & sewer	0	0
Repairs-electrical	1,180	9,260
Repairs & maint. - HVAC - CAM	0	2,694
Repairs-roof	0	12,400
Security	0	0
Snow removal	7,645	87,071
Traffic signal maint.	0	0
Trash removal	770	8,869
Total Common Area Expenses	<u>17,689</u>	<u>356,064</u>

BMC Racine LLC dba Regency Point Shopping Center
Income Statement
For The Twelve Months Ended December 31, 2018
Prepared by Bonnie Management Corporation

	<u>CURRENT PERIOD</u>	<u>YEAR-TO-DATE</u>
Tenant Billable Expenses		
Tenant direct exp-other	\$0	\$0
Tenant direct exp-water	0	10,557
Total Tenant Billable Expenses	0	10,557
General & Admin Expenses		
Advertising & marketing	0	1,527
Accounting / audit fees	0	7,891
Asset management fee	0	0
Bank / trust fees	6	178
Engineering consultant	0	0
Lease commissions	0	0
Management fee	5,643	74,531
Miscellaneous admin exp	75	1,025
Property manager expense	0	0
Postage & courier	0	0
Professional fees	0	375
Repairs & maint. - HVAC	3,210	4,861
Space planner / architect	0	0
Utilities-electric-vacant	0	0
Utilities-gas - vacant	0	0
Util-water/sewer - vacant	0	0
Misc repairs & maint	0	0
Total Common Area Expenses	8,935	90,388
Real Estate Tax Expense		
Real estate taxes	(25,491)	366,028
Real estate taxes - prior period	0	0
R/E tax-professional fees	0	0
Total Real Estate Tax Exp	(25,491)	366,028
Total Operating Expenses	1,132	823,037
Net Operating Income	252,131	998,335

Regency Point

Income	2020	% of EGI	\$/SQFT	2019	% of EGI	\$/SQFT	2018	% of EGI	\$/SQFT	2017	% of EGI	\$/SQFT
Base Rent	\$ 964,410	63.77%	\$ 5.91	\$ 1,205,281	65.60%	\$ 7.38	\$ 1,212,577	66.57%	\$ 7.43	\$ 1,195,351	67.95%	\$ 7.32
CAM reimbursement	\$ 515,558	34.06%	\$ 3.16	\$ 631,917	34.40%	\$ 3.87	\$ 607,296	33.34%	\$ 3.72	\$ 563,703	32.05%	\$ 3.45
Other	\$ 33,548	2.22%	\$ 0.21	\$ -	0.00%	\$ -	\$ 1,500	0.08%	\$ 0.01	\$ -	0.00%	\$ -
Total Income	\$ 1,513,516	100.00%	\$ 9.27	\$ 1,837,198	100.00%	\$ 11.25	\$ 1,821,373	100.00%	\$ 11.16	\$ 1,759,054	100.00%	\$ 10.78
Expenses												
Insurance	\$ 32,974	2.18%	\$ 0.20	\$ 33,111	1.80%	\$ 0.20	\$ 29,438	1.62%	\$ 0.18	\$ 24,918	1.42%	\$ 0.15
Management Fee (MF)	\$ 58,114	3.84%	\$ 0.36	\$ 74,778	4.07%	\$ 0.46	\$ 74,531	4.09%	\$ 0.46	\$ 69,180	3.93%	\$ 0.42
CAM	\$ 231,981	15.33%	\$ 1.42	\$ 310,191	16.88%	\$ 1.90	\$ 302,980	16.63%	\$ 1.86	\$ 250,239	14.23%	\$ 1.53
Utilities	\$ 21,221	1.40%	\$ 0.13	\$ 23,023	1.25%	\$ 0.14	\$ 23,646	1.30%	\$ 0.14	\$ 22,210	1.26%	\$ 0.14
General & Administrative (less MF)	\$ 40,792	2.70%	\$ 0.25	\$ 35,603	1.94%	\$ 0.22	\$ 15,857	0.87%	\$ 0.10	\$ 16,988	0.97%	\$ 0.10
Administrative	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ 10,557	0.58%	\$ 0.06	\$ 34,476	1.96%	\$ 0.21
Replacement Reserve	\$ 48,976	3.24%	\$ 0.30	\$ 48,976	2.67%	\$ 0.30	\$ 48,976	2.69%	\$ 0.30	\$ 48,976	2.78%	\$ 0.30
Total Expenses	\$ 434,058	28.68%	\$ 2.66	\$ 525,682	28.61%	\$ 3.22	\$ 505,985	27.78%	\$ 3.10	\$ 466,986	26.55%	\$ 2.86
Net Operating Income	\$ 1,079,458	71.32%	\$ 6.61	\$ 1,311,516	71.39%	\$ 8.03	\$ 1,315,388	72.22%	\$ 8.06	\$ 1,292,068	73.45%	\$ 7.91
FMV With Cap Rate: 11.38%												
Including Effective Tax Rate	\$ 9,488,910		\$ 58.12									
Average last 3 years NOI 11.38%												
	\$ 10,860,183		\$ 66.52									
Change in NOI: -17.69%												
Occupied SQFT	132,852	81.38%		134,345	82.29%		158,242	96.93%		160,469	98.30%	
Vacant SQFT	30,400	18.62%		28,907	17.71%		5,010	3.07%		2,783	1.70%	
Total SQFT	163,252	100.00%		163,252	100.00%		163,252	100.00%		163,252	100.00%	

Regency Point
BUDGET SUMMARY BY MONTH
For the Fiscal Year 2021

ITEM	TOTAL	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
REVENUES													
Minimum Rent	\$871,679	\$72,529	\$72,529	\$72,529	\$72,529	\$72,529	\$72,529	\$72,606	\$72,606	\$72,706	\$72,706	\$72,706	\$73,174
Percentage Rent	\$60,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Tenant Direct Reimbursables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CAM / Insurance Reserve	\$169,800	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150	\$14,150
Real Estate Tax Reserve	\$213,444	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787	\$17,787
Real Estate Tax - Direct Bill	\$65,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,070
Reserve Reconciliation - Prior year CAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Reconciliation - Prior year R/E Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bad Debt / Vacancy* @ 0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUB-TOTAL - REVENUE	\$1,379,993	\$109,466	\$109,466	\$109,466	\$109,466	\$109,466	\$109,466	\$109,543	\$109,543	\$109,643	\$109,643	\$109,643	\$175,181
EXPENSES													
CAM	\$307,990	\$29,000	\$34,230	\$16,250	\$4,550	\$7,770	\$53,400	\$96,250	\$17,170	\$7,550	\$11,350	\$14,620	\$15,850
Insurance	\$26,086	\$2,158	\$2,158	\$2,158	\$2,158	\$2,158	\$2,158	\$2,158	\$2,158	\$2,158	\$2,222	\$2,222	\$2,222
Tenant Direct Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management Fees @ 4%	\$55,203	\$4,379	\$4,379	\$4,379	\$4,379	\$4,379	\$4,379	\$4,382	\$4,382	\$4,386	\$4,386	\$4,386	\$7,007
General & Admin. Expenses	\$38,265	\$1,795	\$4,495	\$2,295	\$2,220	\$10,145	\$1,845	\$2,095	\$2,545	\$1,345	\$1,095	\$1,495	\$6,895
Real Estate Taxes	\$393,308	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776	\$32,776
Real Estate Taxes - Related Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUB-TOTAL - OPERATING EXPENSES	\$820,952	\$70,107	\$78,037	\$57,957	\$46,082	\$57,227	\$94,557	\$137,660	\$59,030	\$48,214	\$51,829	\$55,499	\$64,750
OPERATING INCOME	\$559,141	\$39,359	\$31,429	\$51,609	\$63,384	\$52,239	\$14,909	(\$28,117)	\$50,513	\$61,428	\$57,814	\$54,144	\$110,431

* Please note: While this budget was prepared during the COVID-19 pandemic, we are assuming there will be no additional COVID-related government-enforced tenant closures in 2021.

+ RE Taxes \$393,308
Less Replacement Reserve: \$48,976
NOI: \$903,473

Regional Investment Criteria | Second-Tier¹ Investment Properties

	Office		Industrial			Retail			Apt	Student Housing	Hotel
	CBD	SUB	WHSE	R&D	FLEX	RGNL MALL	PWR CNTR	NEIGH/ COMM			
WEST INVESTMENT CRITERIA											
Pre-Tax Yield Rate (IRR) (%)											
Range	6.5 - 11.0	6.5 - 11.0	6.5 - 11.0	6.5 - 12.0	6.3 - 12.0	7.8 - 12.3	8.0 - 12.5	6.3 - 10.0	6.0 - 11.0	7.5 - 9.5	9.0 - 14.0
Average	8.7	9.0	8.4	8.8	8.9	9.7	9.5	8.6	7.6	8.3	11.2
Going-In Cap Rate (%)											
Range	4.5 - 9.5	4.5 - 10.5	4.5 - 9.0	4.5 - 10.5	5.5 - 10.5	5.5 - 10.5	6.0 - 10.5	5.5 - 9.0	4.5 - 7.8	5.0 - 7.0	7.5 - 11.5
Average	6.8	7.2	6.5	7.0	7.1	7.8	7.7	7.2	5.8	6.3	9.1
Terminal Cap Rate (%)											
Range	6.0 - 10.0	6.5 - 11.0	5.0 - 9.2	5.0 - 11.5	6.0 - 11.5	6.3 - 11.8	7.0 - 11.8	6.3 - 9.5	5.5 - 8.8	6.5 - 8.0	8.0 - 11.5
Average	7.5	7.8	7.2	7.8	7.9	8.6	8.6	7.8	6.5	7.1	9.7
MIDWEST INVESTMENT CRITERIA											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.0 - 15.0	7.5 - 15.0	7.0 - 12.0	7.0 - 11.0	7.0 - 11.0	6.5 - 16.0	6.5 - 12.5	6.5 - 15.0	5.0 - 15.0	5.0 - 12.0	8.5 - 14.5
Average	9.9	10.0	9.0	9.5	9.5	10.4	9.8	9.8	8.7	8.8	11.0
Going-In Cap Rate (%)											
Range	7.4 - 12.0	7.3 - 12.0	6.0 - 9.5	7.2 - 9.5	7.3 - 10.0	6.8 - 14.5	6.8 - 12.8	7.0 - 13.0	5.0 - 10.0	5.5 - 9.5	7.5 - 11.5
Average	8.5	8.5	7.7	8.4	8.4	9.1	8.7	8.6	7.1	7.5	9.3
Terminal Cap Rate (%)											
Range	7.5 - 12.0	7.7 - 11.9	6.3 - 10.0	7.2 - 10.0	7.7 - 10.5	7.5 - 15.0	7.3 - 13.5	7.5 - 13.5	6.0 - 10.0	6.0 - 10.0	8.0 - 12.3
Average	8.9	9.0	8.1	8.9	8.9	9.6	9.2	9.1	7.7	8.0	9.9
SOUTH INVESTMENT CRITERIA											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.0 - 10.7	7.5 - 11.0	6.5 - 11.0	7.3 - 12.0	7.3 - 11.5	7.0 - 13.5	7.5 - 13.0	7.0 - 12.0	6.5 - 9.3	6.5 - 9.8	8.5 - 14.0
Average	8.7	9.1	8.5	9.2	9.1	9.2	9.2	8.9	7.7	8.3	10.4
Going-In Cap Rate (%)											
Range	5.5 - 9.3	6.0 - 9.8	5.0 - 9.5	6.0 - 11.0	6.0 - 10.0	7.0 - 12.0	6.5 - 11.0	6.0 - 10.5	4.5 - 8.5	5.5 - 9.0	7.5 - 12.5
Average	7.6	7.9	7.3	8.1	7.9	8.2	8.1	7.8	6.5	7.3	9.3
Terminal Cap Rate (%)											
Range	6.0 - 9.8	6.5 - 10.8	5.5 - 10.0	6.5 - 11.5	6.5 - 10.5	7.8 - 12.5	7.0 - 11.5	6.5 - 11.0	5.3 - 9.5	6.0 - 9.0	8.0 - 13.5
Average	8.2	8.5	7.9	8.6	8.5	8.8	8.6	8.3	7.0	7.6	10.0
EAST INVESTMENT CRITERIA											
Pre-Tax Yield Rate (IRR) (%)											
Range	8.0 - 11.0	8.5 - 12.0	6.5 - 11.0	7.5 - 11.0	7.0 - 11.0	8.0 - 14.0	8.0 - 14.0	8.0 - 13.0	7.0 - 11.0	6.8 - 12.5	9.5 - 13.0
Average	9.5	9.7	8.6	9.3	9.1	10.7	10.2	10.1	8.5	9.0	11.1
Going-In Cap Rate (%)											
Range	6.0 - 9.5	5.0 - 9.5	5.0 - 9.3	5.0 - 9.5	5.0 - 9.5	6.5 - 11.0	6.5 - 10.5	6.5 - 11.0	5.0 - 8.3	5.8 - 9.0	7.0 - 11.5
Average	7.7	7.9	6.9	7.6	7.6	8.9	8.3	8.4	6.6	7.9	9.3
Terminal Cap Rate (%)											
Range	6.5 - 10.0	6.0 - 9.8	6.0 - 9.5	6.0 - 10.0	6.0 - 10.0	7.0 - 11.5	7.0 - 11.0	7.0 - 12.0	5.5 - 8.5	6.3 - 10.0	7.0 - 11.0
Average	8.4	8.5	7.5	8.2	8.2	9.4	9.0	9.0	7.3	8.4	9.5

¹ Second-tier investment properties are defined as aging, former first-tier properties, in good to average locations.A list of RERC-defined regions is located in the *RERC Scope and Methodology* section in the back of this report.

Source RERC, 3Q 2020.

County: RACINE
2308 S. GREEN BAY ROAD

RACINE, CITY OF

Grantor (Seller)

Name: R-O ASSOCIATES OF RACINE LIMITED PARTNERSHIP, A
WISCONSIN LIMITED PARTNERSHIP
Address: W228 N745 Westmound Dr. Waukesha 53186
Relationship with grantee(s):
Grantor type: Partnership
Ownership interest transferred: Full
Owner interest other note:
Grantor retains the right: None
Grantor rights other note:

Grantee (Buyer)

1 of 2

Name: BMC RACINE LLC, AN ILLINOIS LIMITED LIABILITY
COMPANY
Address: 8430 W. Bryn Mawr Ave., STE 850 Chicago Illinois 60631
Grantee type: Limited Liability Company
Grantee certification date: 03/03/2016

Recording Information

County document number: 2429474
Date recorded: 03/03/2016
Volume/jacket:
Page/Image:

Parcel

County: RACINE
Property legal description: (short - first 200 characters) Parcel 1 of Certified Survey Map No. 1255, recorded August 4, 1987 in Volume 3 of Certified Survey Maps, pages 652-657, as Document No. 1236698, being part of the Northwest 1/4 of the Southwest 1/4 an
All of parcel 276-00-00-23901-000 in the RACINE, CITY OF
Physical property address: 2308 S. GREEN BAY ROAD
Section/township/baseline/ range/meridian: 23/3/22/E
Subdivision or condo/lot or unit#/block: //
Primary residence of grantee: No

Fee Computation

Total value of real estate transferred: \$12,500,000.00
Value subject to fee: \$12,500,000.00
Transfer fee due: \$37,500.00
Transfer fee exemption number:
Personal property value excluded from total value: \$0.00
Property value exempt from local property tax: \$0.00

Tax Bill Mailing Address

Send tax bill to:

Name: BMC Racine LLC, an Illinois limited liability company
Street Address: 8430 W. Bryn Mawr Ave., STE 850
City, State Zip: Chicago, IL 60631

Transfer and Financing

Transfer type: Warranty/Condo Deed / Org Sale
Transfer type other note:
Conveyance document type: Warranty/Condo Deed
Conveyance code other note:
Conveyance date: 02/29/2016
Grantee financing: Conventional

Physical Description

Property type: Land and Buildings
Predominant use: Commercial
Lot square footage: 0
Total acres: 3.8
MFL/PFC acres: 0
Feet of water frontage: 0
Number of units: 0

Agent and Preparer

Grantor agent: R-O Associates, W228 N745 Westmound Dr., Waukesha, WI 53186
Grantee agent: BMC Racine LLC, 8430 W. Bryn Mawr Ave., STE 850, Chicago, IL 60631
Preparer name: Chicago Title

Weatherization

Subject to residential rental weatherization standards: No
Energy exclusion: W-7

System Information

Recording information added on: 03/03/2016
Document locator number: 201602039995299
Previous document number:

Municipal Assessor Information

Arm's length: 1 - Useable Sale
Primary class: 2 - Commercial
Water type: 0 - Not waterfront
Property code: 615 - Community Shopping Center

Full Legal Description

Parcel 1 of Certified Survey Map No. 1255, recorded August 4, 1987 in Volume 3 of Certified Survey Maps, pages 652-657, as Document No. 1236698, being part of the Northwest

1/4 of the Southwest 1/4 and the Southwest 1/4 of the Northwest 1/4 of Section 24 and the Northeast 1/4 of the Southeast 1/4 of Section 23, Town 3 North, Range 22 East, in the City of Racine, County of Racine, State of Wisconsin. EXCEPTING THEREFROM those lands conveyed by Quit Claim Deed recorded as Document No. 1273582.

Property Address	Property Name	Parcel Number	Age	Square Footage	2020 Assessment	2021 Assessment	% Change	\$/SQFT	Notes [Purchase Price, Date, vacancies]
2308 S Green Bay	Regency Point	081022102032	1988	164,201	\$13,375,000	\$13,375,000	0.00%	\$81.46	Purchased 2/2016 for \$12.5 million; Occupancy since decline to 81% from 98% at purchase
2211 S Green Bay	High Ridge Shopping Center	23876017	1994	261,024	\$6,800,000	\$6,800,000	0.00%	\$26.05	Home Depot and Vacant Kmart
4003 Durand	Badger Plaza	2387701	1961	151,770	\$7,196,000	\$7,245,000	0.68%	\$47.74	
3701 Durand Ave	Elmwood Plaza	23870010	1955	181,840	\$4,113,000	\$4,113,000	0.00%	\$22.62	Sold 10/2020 \$2,150,000; 55% occupied
4801 Washington Ave	Vacant Shopko	22879001	1979	100,248	\$4,500,000	\$4,500,000	0.00%	\$44.89	Under contract at \$2,850,000, listed at \$3 million
4901 Washington Ave		13132120	1979	85,806	\$3,872,000	\$3,872,000	0.00%	\$45.13	Adjacent to Shopko

QUALIFICATIONS
TODD SHEBESTA, CMI
RYAN, LLC

- Senior Manager of the Milwaukee office of Ryan, LLC. Prior to this position, I was manager of the Upper-Midwest office for CTMI, LLC for 4 years and 23 years as manager and Vice President of the Milwaukee office for Easley, McCaleb & Associates.
- Actively engaged in property tax consulting and real estate valuation since 1992.

EXPERIENCE

- Real Estate Appraiser and Property Tax Consultant, 27 years
- Appraise, appeal and negotiation of real and personal property assessments in 10 Upper-Midwest states.

PROFESSIONAL

- Licensed Wisconsin Real Estate Broker since 1994
- Certified Member for the Institute for Professional in Taxation (CMI) since 2001
- Certified Level I, II, III Indiana Assessor/Appraiser, Tax Representative

EDUCATION

- University of Wisconsin – Madison, BBA Real Estate and Finance
- IAAO Courses 101, 102, 257 Fundamentals of Industrial Valuation, 300, 400 and USPAP 151
- Appraisal Institute Course 110: Appraisal Principles
- Appraisal Institute Course 120: Appraisal Procedures
- Appraisal Institute Course 310: Basic Income Capitalization

Agent Authorization

for Property Assessment Appeals

If an agent is representing the property owner or municipality, the property owner or municipality must provide prior written authorization for the agent to represent the company or municipality when contacting the reviewing authority.

Section 1: Property Owner and Property Information

Company/property owner name BMC Racine Limited Liability Corp.			Taxation district (Check one) <input type="checkbox"/> Town <input type="checkbox"/> Village <input checked="" type="checkbox"/> City		County
Mailing address 8430 West Bryn Mawr Ave. Suite 850			Enter municipality → Racine		Racine
Street address of property 2308 S. Green Bay Rd.					
City Chicago	State IL	Zip 60631-3448	City Racine	State WI	Zip 53406
Parcel number 23901000	Phone (773) 557-7571	Email		Fax () -	

Section 2: Authorized Agent Information

Name / title Todd Shebesta, Senior Manager / Ryan Miller, Manager			Company name Ryan, LLC		
Mailing address 1433 North Water Street, Suite 400			Phone (414) 369 - 6645		Fax () -
City Milwaukee	State WI	Zip 53202	Email todd.shebesta@ryan.com / ryan.miller@ryan.com		

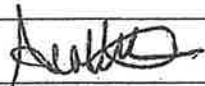
Section 3: Agent Authorization

Agent Authorized for: (check all that apply) <input checked="" type="checkbox"/> Manufacturing property assessment appeals (BOA) <input type="checkbox"/> Access to manufacturing assessment system (MAS) <input checked="" type="checkbox"/> Wisconsin Department of Revenue 70.85 appeals <input checked="" type="checkbox"/> Municipal Board of Review <input type="checkbox"/> Other _____		Enter Tax Years of Authorization _____ _____ Racine _____
Authorization expires: _____ (mm - dd - yyyy)		(unless rescinded in writing prior to expiration)
Send notices and other written communications to: (check one or both) <input checked="" type="checkbox"/> Authorized Agent <input type="checkbox"/> Property Owner		

Section 4: Agreement/Acceptance

I understand, agree and accept: <ul style="list-style-type: none"> • The assessor's office may divulge any information it may have on file concerning this property • My agent has the authority and my permission to accept a subpoena concerning this property on my behalf • I will provide all information I have that will assist in the discussion and resolution of any assessment appeal of this property • Signing this document does not relieve me of personal responsibility for timely reporting changes to my property and paying taxes, or penalties for failure to do so, as provided under Wisconsin tax law • A photocopy and/or faxed copy of this completed form has the same authority as a signed original • If signed by a corporate officer, partner, or fiduciary on behalf of the owner, I certify that I have the power to execute this Agent Authorization form 	
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Section 5: Owner Grants Authorization

Owner Sign Here	Owner name (please print) BMC Racine LLC by: BMC Advisors LLC	
	Owner signature 	
	Company or title Authorized Signatory	Date (mm-dd-yyyy) 04/07/2021