



401  
WISCONSIN  
RACINE, WI

*DOWNTOWN RACINE  
REDEVELOPMENT  
OPPORTUNITY*

**FOUNDERS 3**  
REAL ESTATE SERVICES

*CONFIDENTIAL OFFERING MEMORANDUM*

### Founders 3

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### TABLE OF CONTENTS

Executive Summary .....	04
Property Specifications .....	12
Location & Market Overview .....	14

401

WISCONSIN

Founders 3 is pleased to present the opportunity to acquire the fee simple interest in 401 Wisconsin Avenue (“401 Wisconsin” or the “Property”), a vacant commercial property located in downtown Racine. The Property consists of approximately 45,000 square feet (“SF”) across four (4) stories and is prominently situated near the main retail corridor with views of Lake Michigan. 401 Wisconsin offers investors the opportunity to acquire and repurpose an architecturally significant asset in a superior downtown location at a low-cost basis.



# INVESTMENT HIGHLIGHTS

1

## DOWNTOWN REDEVELOPMENT OPPORTUNITY

- Opportunity to Completely Reimagine the Property in Downtown Racine
- Extremely Low Basis with Potential for Local, State & National Tax Incentives
- Flexible Floor Plates for Multi-family Conversion

2

## SUPERIOR LOCATION

- Located in an Opportunity Zone
- Excellent Views of Lake Michigan
- Less than 10 miles to Interstate 94, 20 minutes to Kenosha, 38 minutes to Milwaukee

3

## EXCELLENT AMENITIES

- Existing Bowling Alley on the Lower-Level
- Ample On-Site Parking
- Walking Distance to the Marina, North Beach, Root River, Festival Park Hall, & Main Street Retail

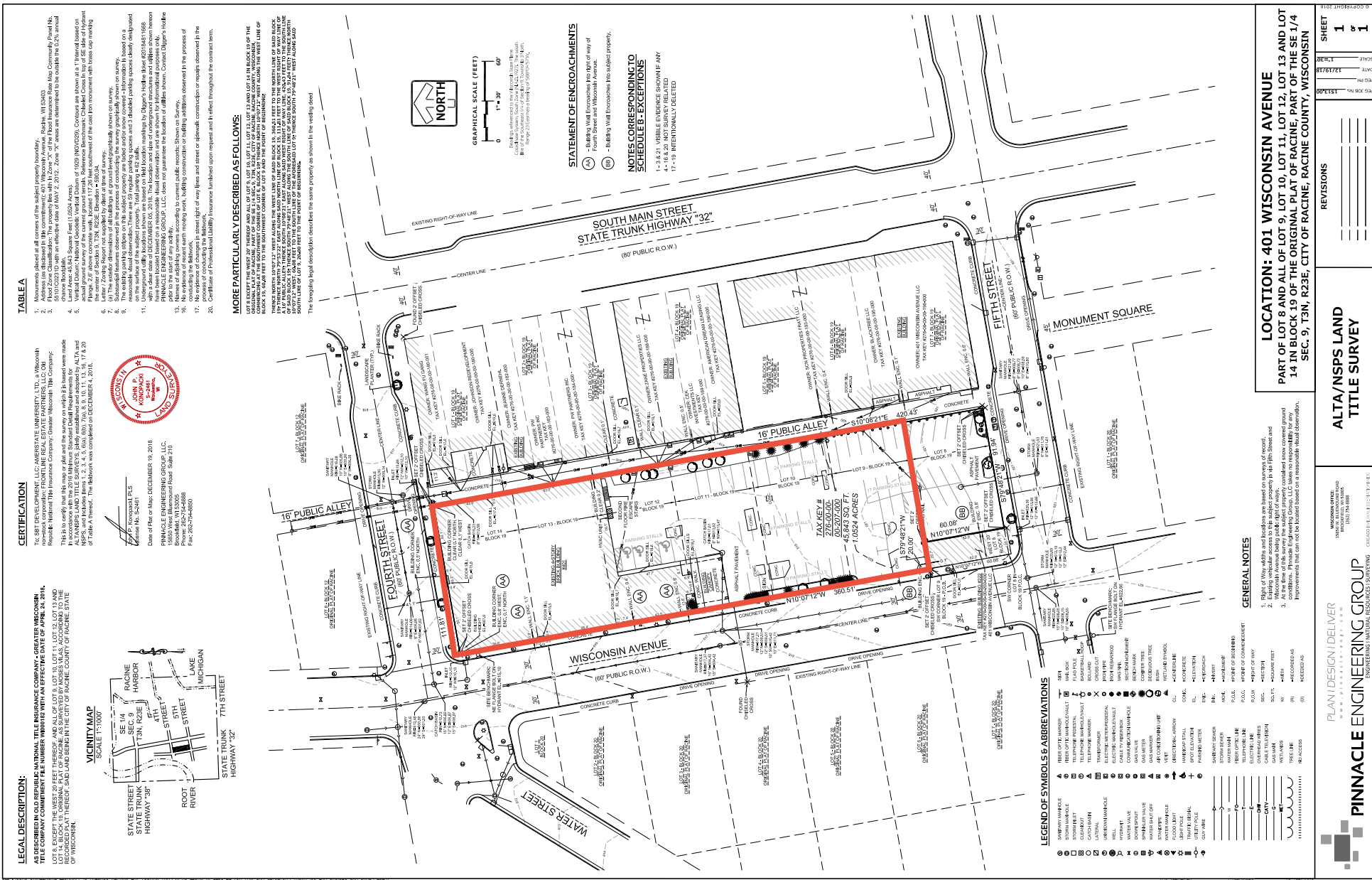
4

## COVERED CARRY COSTS

- Approximately \$31,500 of annual parking income for carry costs

**\$699,000**  
*LIST PRICE*

# PROPERTY SPECIFICATIONS



**TABLE**

1. All encroachments shown on this plan are the result of a survey conducted by the undersigned on or about the date of the survey.
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**STATEMENT OF ENCROACHMENTS**

(A) - Building Wall Encroaches Into Right of Way of South Main Street and Wisconsin Avenue.

(B) - Building Wall Encroaches Into Subject Property.

**NOTES CORRESPONDING TO SCHEDULED EXCEPTIONS**

1-3 & 21 - VERBIE EVIDENCE SHOWN IF ANY ENCROACHMENTS ARE FOUND TO BE INTENTIONALLY CREATED.

17-18 - INTENTIONALLY OBTAINED.

**MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

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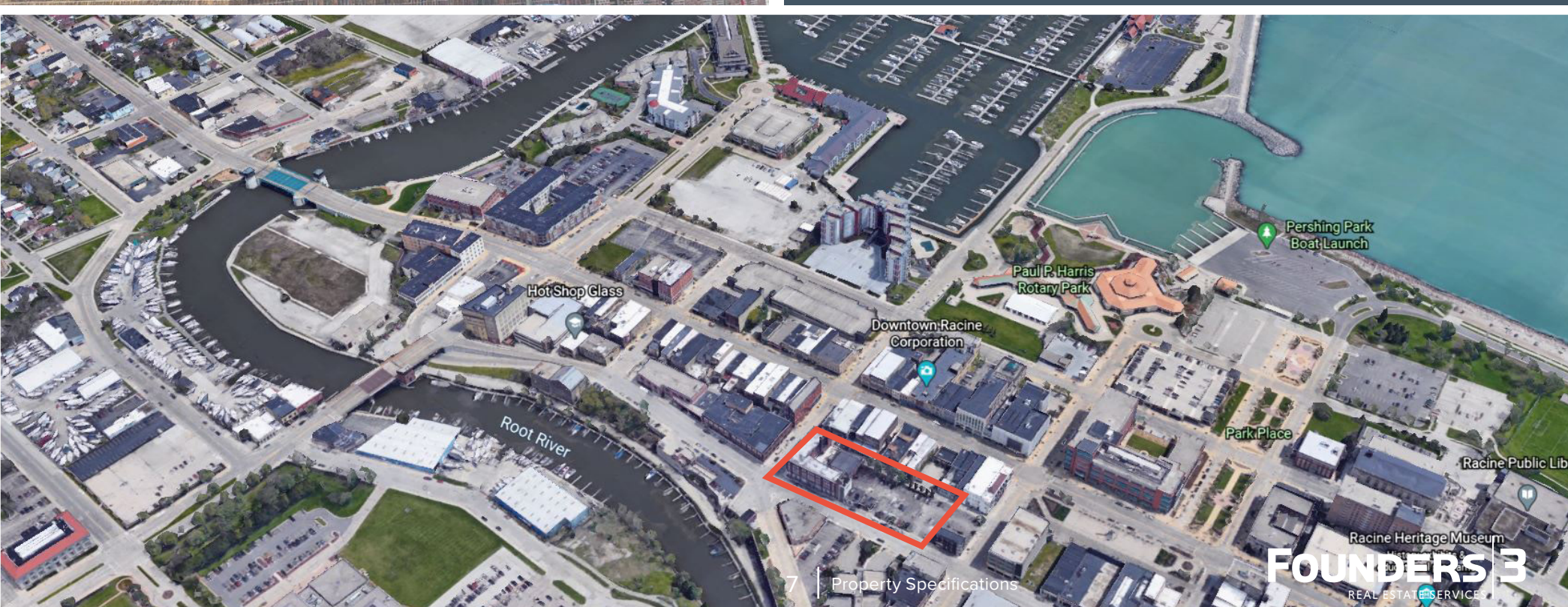
**LOCATION: 401 WISCONSIN AVENUE**  
**PART OF LOT 8 AND ALL OF LOT 9, LOT 10, LOT 11, LOT 12, LOT 13 AND LOT 14 IN BLOCK 19 OF THE ORIGINAL PLAT OF RACINE, PART OF THE SE 1/4 SEC. 9, T3N, R23E, CITY OF RACINE, RACINE COUNTY, WISCONSIN**

**ALTA/NSPS LAND TITLE SURVEY**

**PINNACLE ENGINEERING GROUP**  
 PLAN DESIGN DELIVER  
 1000 WISCONSIN AVENUE  
 RACINE, WI 53405  
 (262) 784-8888  
 WWW.PINNACLEENGINEERINGGROUP.COM

KEY PROPERTY ATTRIBUTES	
Address	401 Wisconsin Avenue
City, State	Racine, WI
Year Built	1915
Total Square Footage	45,000 SF
Stories	Four Stories
Acreage	1.05
Parking	Surface lot with 80 spaces
Parcel	276-00-00-00-207-000
Foundation	Concrete with Brick Exterior
Ceiling Height	Varies per floor
Zoning	B-4 Planned Business District

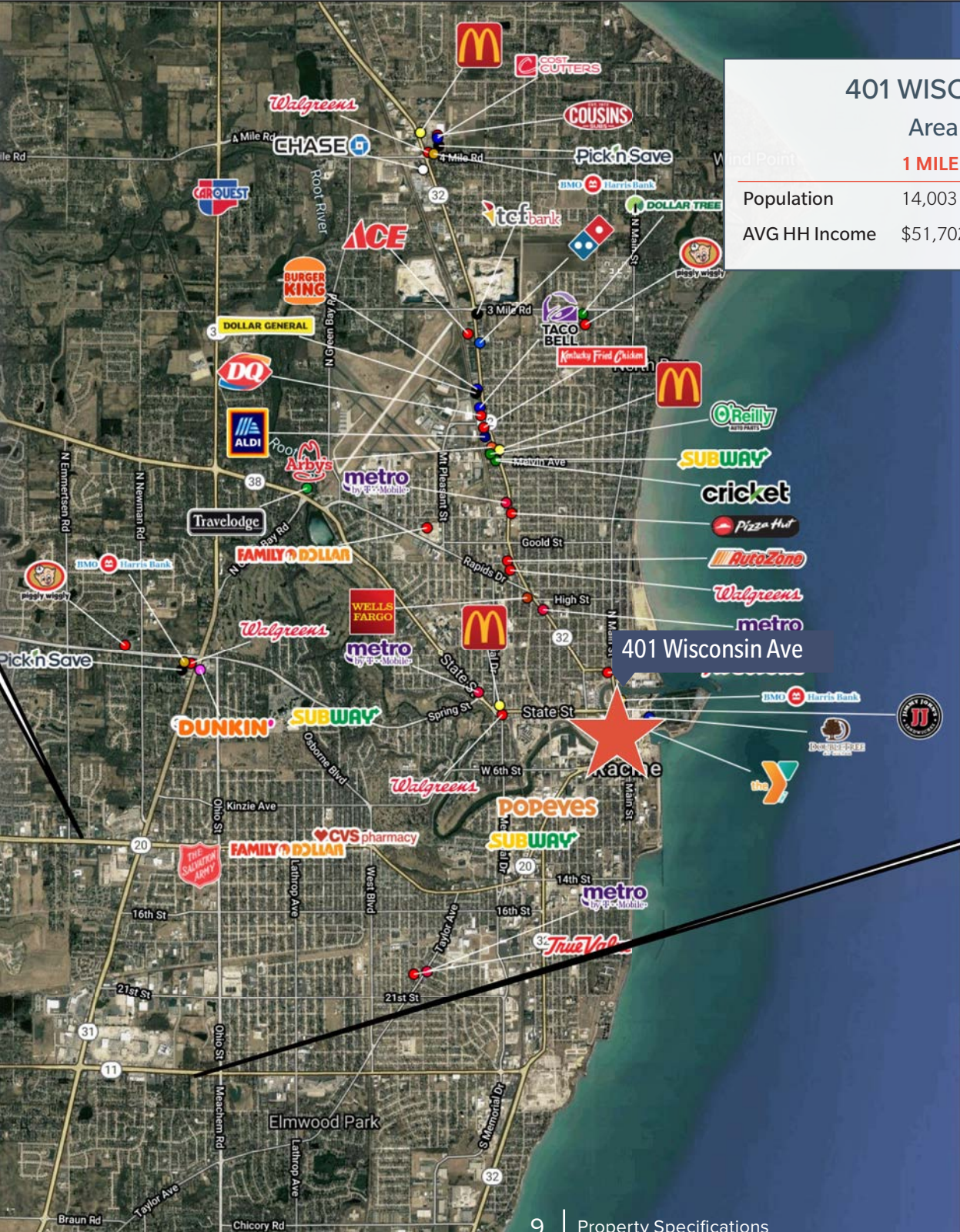
# LOCATED IN OPPORTUNITY ZONE



# OPPORTUNITY ZONES



- Pizza Hut
- Firestone
- DOLLAR TREE
- Walgreens
- maurices
- Hardees
- BR
- Subway
- Denny's
- Papa John's
- MARriott
- Associated Bank
- metro
- BURGER KING
- Clarion
- Firestone
- DOLLAR GENERAL
- Walgreens
- usbank
- tcf bank
- maurices
- Hardees
- DQ
- McDonald's
- BR
- Tanera
- DUNKIN'
- Starbucks
- Subway
- noodles
- Denny's
- KOHL'S
- Papa John's
- SportClips
- COST CUTTERS
- SUPERCUTS
- SALLY BEAUTY
- BIG LOTS!
- MONRO
- Walmart
- QUICK LANE
- MIDAS
- FIREHOUSE SUBS
- ULTA
- PAPA JOHN'S
- Chick-fil-A
- 8
- FAIRFIELD
- MARriott
- MARriott
- five BEL'W
- Associated Bank
- MATTRESS FIRM
- metro
- 9ROUND
- WINTRUST
- BURGER KING
- Hallmark
- burn boot camp
- TAKE 5
- Clarion
- CALIBER COLLISION
- POTBELLY

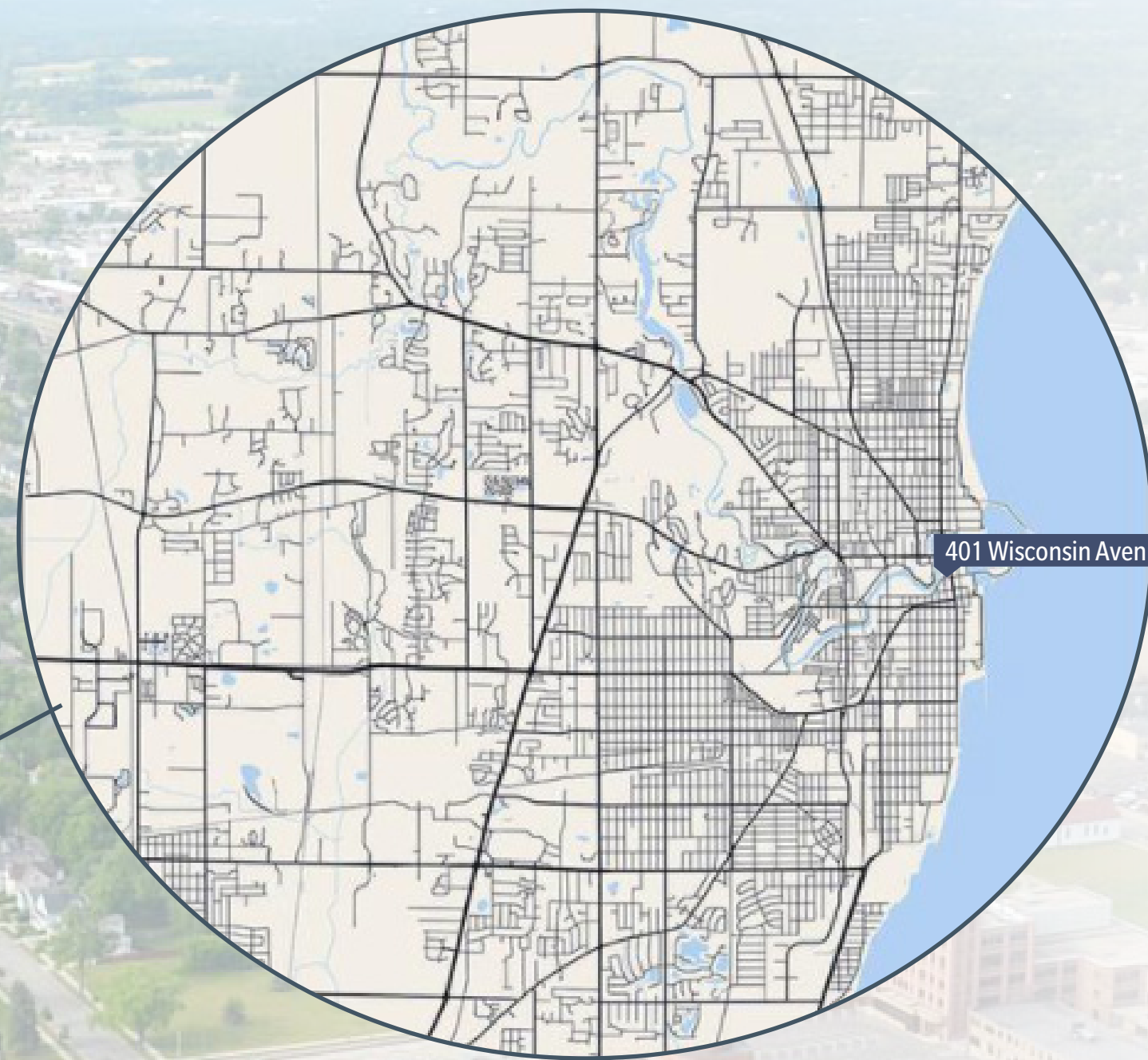


401 WISCONSIN AVENUE  
Area Demographics

	1 MILE	3 MILE	5 MILE
Population	14,003	71,644	114,354
AVG HH Income	\$51,702	\$64,173	\$73,995

- Michael's
- Petland
- Office DEPOT
- OfficeMax
- CHASE
- MEN'S WEARHOUSE
- McDonald's
- Subway
- TJ-maxx
- Applebees
- HOBBY LOBBY
- COST CUTTERS
- Great Clips
- cricket
- HARBOR FREIGHT TOOLS
- First Citizens Bank
- metro
- merco's
- Valvoline
- Durlington
- CHUCK E. CHEESE'S
- MENARDS
- Little Caesars
- NAPA
- AutoZone
- O'Reilly
- DOLLAR TREE
- FAMILY DOLLAR
- Walgreens
- BARNES & NOBLE
- petco
- PET SUPPLIES PLUS
- WELLS FARGO
- Associated Bank
- verizon
- Pick 'n Save
- CITITRENDS
- ALDI
- PLACE
- TACO BELL
- DQ
- Arby's
- BURGER KING
- JOANYTIME FITNESS
- DICK'S
- Starbucks
- QDOBA
- RED LOBSTER
- Oliver's Garden
- TEXAS
- IHOP
- target
- Walmart
- BMO
- Harris Bank
- rue21
- Bath & Body Works
- DOLLAR GENERAL
- WILD WINGS
- CHAMPS
- panduff
- jiffy lube
- popeyes
- BEST BUY
- CVS pharmacy
- Dunham's
- GNC
- Planet Fitness
- JOANN
- save a lot
- ROSS
- Party City
- AMERICAS
- Planet Fitness
- Planet Fitness
- BOB'S FURNITURE

# LOCATION & MARKET OVERVIEW





## RACINE: ON THE LAKE, ON THE RISE

On the shores of beautiful Lake Michigan, Racine is ideally situated along Interstate 94 in the fast-growing industrial corridor between Milwaukee and Chicago. Racine County celebrates its manufacturing heritage, rich farmland, beautiful beaches, and distinctive architecture. Abundant business development opportunities are available across the community in downtowns and business parks, including over 1,000 acres of development-ready land.

In the past several years, Racine has seen unprecedented growth with new development and job creation from both legacy companies and new businesses. Considering the \$870 million of investment is underway across the County, Racine is poised for continued growth.

**\$870**  
MILLION IN  
CURRENT INVESTMENTS

**196,624**  
TOTAL POPULATION

**LOW**  
**REAL ESTATE COSTS**  
AND A FAVORABLE  
TAX ENVIRONMENT

**0.4%**  
CORPORATE INCOME  
TAX RATE

**30 Minutes**  
TO MILWAUKEE AND  
GENERAL MITCHELL AIRPORT

**>1 Hour**  
FROM CHICAGO  
O'HARE

## REGIONAL INVESTMENT: FLIGHT TO WISCONSIN


The area near the Wisconsin-Illinois border has already become a major distribution center due to its location near the Chicago metropolitan area, relative tax benefits, and Wisconsin's business-friendly economic climate. In addition to Amazon's massive distribution centers in the area, companies that have either relocated or headquartered in the area include Foxconn, Haribo, Nexus Pharmaceuticals, Uline, Direct Supply, Komatsu, and many more.

<b>amazon</b>	<b>FOXCONN</b>	<b>HARIBO</b>	<b>NEXUS</b> PHARMACEUTICALS	<b>ULINE</b>
\$1 Billion	\$4.1 Billion	\$220 Million	\$250 Million	\$130 Million

# RACINE: RIDING THE REDEVELOPMENT WAVE

Racine has seen a significant inflow of redevelopment capital in the past several years. Considering major investments from Foxconn, a large presence of major employers such as SC Johnson, incredible access to Lake Michigan, City Opportunity Zones, NMTC, grants, and TIF incentives, greater Racine is poised for future growth.

Formerly the **Horlick Malted Milk Co.** and spanning nearly 16 acres, Jeffers has assembled the site for catalytic mixed-use redevelopment that could include multi-family residential, commercial, retail, light industrial, educational, and recreational uses.



The **Water Street Redevelopment Project** includes 3,500 linear square feet of shoreline along the Root river to improve water quality and establish a strong Riverwalk for the entire community.





401 Wisconsin Avenue

Set to be completed in 2022, the **Hotel Verdant** recently received its financing from the City of Racine. Dominion Properties intends to restore the former Zahn's department store and convert the 1925 building into an 80-room boutique hotel.



In early 2021, Cardinal Capital bought the vacant Porters property at 301 Sixth St. from **Porter Furniture Co.** The city-drafted financing plan for this site was built around the concept of a five-story building with 120 apartments.



Completed in Spring of 2020 by J. Jeffers & Co. for a total development cost of \$18 million, **Gold Medal Lofts** offers 72 units of high-quality affordable and market-rate housing.



Set to open in 2021, Cardinal Capital moves closer to completion on the **Ajax Apartments** - a multi-phase development that will include both affordable and market-rate housing. The building at 1500 Clark has 38 one-bed/one-bath apartments and 16 two-bed/one-bath apartments, for a total of 54 units.



# RACINE OFFICE MARKET

The Racine Office Market contains just over 5.1 million SF. Over the past year, office rents were essentially unchanged but have posted an average annual gain of 1.8% over the past three years. While 190,000 SF has delivered over the past three years (a cumulative inventory expansion of 3.8%), no new construction is currently underway. Vacancies were in line with the 10- year average as of 2021Q1.

The Racine East Office Submarket contains roughly 4.4 million SF of office space, which represents the vast majority of the market's inventory. The vacancy rate currently sits at 7.0%, which is slightly below than the 10-year average. Although annual net absorption came in at a decrease of 54,000 SF, Racine's long term growth story is positive. On average over the past five years, the submarket has posted positive net absorption of approximately 51,000 SF per year. Rents have posted an average annual gain of 1.2% over the past decade but has been static over the past year.

## OVERALL MARKET HIGHLIGHTS

<b>5,118,365 SF</b>	<b>6.2%</b>	<b>0 SF</b>
Inventory	Vacancy	Under Construction

## SUBMARKET HIGHLIGHTS

<b>4,377,677 SF</b>	<b>7.0%</b>	<b>0 SF</b>
Inventory	Vacancy	Under Construction

Source: CoStar



# RACINE MULTIFAMILY MARKET

After years of low activity, Racine's multifamily market is undergoing significant changes as new construction reaches record highs, sales activity remains elevated, and rents continue to grow despite the pandemic. Spurred by an employment boost from major developments in the greater Racine area by corporations such as Foxconn and Amazon, developers have delivered more units this year than any on record to meet the anticipated demand.

The Racine multifamily submarket contains a total of 3,809 units, which is approximately 50% of the greater Racine market. Vacancy rate in the Racine submarket has compressed moderately over the past four quarters, and at 4.8%, is slightly below the long-term average. New supply has increased over the past year, following nearly five years of relative inactivity. Development is set to continue, as roughly 140 units are underway, which will expand the existing inventory by 3.6%. Rents have increased by 2.2% over the past year and has averaged annual growth of 2.7% over the past decade.

## OVERALL MARKET HIGHLIGHTS

<b>7,755 Units</b>	<b>6.2%</b>	<b>245 Units</b>
Inventory	Vacancy	12-Month Absorption

## SUBMARKET HIGHLIGHTS

<b>3,809 Units</b>	<b>4.8%</b>	<b>137 Units</b>
Inventory	Vacancy	12-Month Absorption

Source: CoStar