


# SILVERNAIL COMMONS

2177 SILVERNAIL RD
PEWAUKEE, WISCONSIN 53072

# INVESTMENT OPPORTUNITY

MID-AMERICA®
Real Estate-Wisconsin, LLC

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## OFFERING MEMORANDUM AND LEGAL LIABILITY

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of the Potential Purchaser in considering whether to pursue negotiations to acquire Silvernail Commons in Pewaukee, Wisconsin ("The Property"). The Memorandum, prepared by Mid-America Real Estate-WI LLC (hereinafter collectively referred to as "MAREW"), contains information pertaining to the operation of The Property and does not purport to be all inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum is being delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon MAREW, The Owner or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREW or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREW and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREW; that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner or MAREW or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREW is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MAREWs or property management staff of The Property in connection with its review of The Property without prior written approval of The Owner. Any and all questions related to The Memorandum or The Property must be directed to MAREW. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum to the appropriate representative of MAREW.

## REPRESENTATION

The Potential Purchaser understands and agrees that MAREW is not representing The Potential Purchaser in this Proposed Sale. MAREW is only representing The Owner in this Proposed Sale.

## AMERICANS WITH DISABILITIES ACT

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREW is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREW can determine which attorneys or design professionals have the appropriate expertise in this area.

## HAZARDOUS MATERIALS DISCLOSURE

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREW has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

## REMEDIES

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/ or MAREW shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREW from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREW is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREW prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREW's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

# PROPERTY HIGHLIGHTS

## SUBJECT OFFERING

Mid-America Real Estate WI LLC has been retained on behalf of the owner to sell the 100% fee simple interest in Silvernail Commons, a 100.0% leased necessity-based neighborhood center located along Silvernail Road in the affluent and growing Milwaukee suburb of Pewaukee, Wisconsin. The subject offering is an attractive real estate investment based on the following attributes:

| | |
|---|---|
| Location: | 2177 Silvernail Rd<br>Pewaukee, WI 53072 |
| GLA: | 10,347 SF |
| Acreage: | 1.5 Acres |
| Tenants: | Papa Murphy's, Quick Cleaners, Suburpia Sandwiches, Mom's Kitchen, Cher Nails, Pewaukee Vapor, Ali Ali Healing |
| Occupancy: | 88.4% |
| Year Built: | 2002 |
| Parking Ratio: | 4.00 per 1,000 SF of GLA |






# KEY FEATURES

**BUSINESS CENTRIC LOCATION** – The greater Pewaukee area is centrally located in Lake Country and possesses a city-like atmosphere. WIth it being located in Waukesha County, there are plenty of thriving businesses nearby. These include Kohl's Corporation, Quad Graphics, ProHealthCare, and GE Healthcare.

**EXCELLENT ACCESSIBILITY & HIGH TRAFFIC COUNTS** – Situated on Silvernail Road (13,000 VPD), in between N Grandview Blvd (26,000 VPD) and I-94 (88,500 VPD), Silvernail Commons benefits from excellent site lines and convenient access for customers. It is shadow anchored by Good Harvest & CVS. There is high visibility to the traffic from Metro Market and quick, convenient access to I-94 east and west of the subject offering.

**SERVICE ORIENTED, LONG-TIME TENANT LINE-UP** – Silvernail Commons is leased to a complementary mix of quick service restaurants and personal care services with it being shadow-anchored by Good Harvest & CVS. The need for these uses is proven by the strong historical occupancy of Mom's Kitchen, Papa Murphys, and Cher Nails. These tenants have shown commitment to the center for over eight years. Pewaukee Vapor, a local 5-unit operator, has attributed to the center's recent leasing velocity.

**AFFLUENT GROWTH DEMOGRAPHIC PROFILE** – There are 48,547 residents within a three-mile radius of the shopping center with average household incomes of $88,027 providing a stable customer base for Silvernail Commons.

**UPSIDE OPPORTUNITY** – The center provides investors an opportunity to enhance the asset's value by converting the current in-place gross leases into NNN leases.

DEMOGRAPHIC PROFILE WITHIN A 5-MILE RADIUS:

POPULATION
111,518

AVERAGE HH INCOME
$97,099

HOUSING UNITS
29,352

MEDIAN HOME VALUE
$248,071

DAYTIME POPULATION
121,326

MEDIAN AGE
40.7

SILVERNAIL COMMONS

# LOCATION & MARKET

# LOCATION & MARKET

- Silvernail Commons is situated along Silvernail Road in Pewaukee, Waukesha County, Wisconsin. Pewaukee is part of the metro Milwaukee area and is located nineteen miles west of downtown Milwaukee. The city is known for its small-town charm, affluent lifestyle, and great school district.

- Pewaukee has benefitted from nearby Waukesha County Airport and access to I-94. Waukesha County Airport serves as a full service airport and provides 24/7 service for business and recreational flight services. It serves as Wisconsin's busiest general aviation airport. With I-94 highway nearby, auto traffic fuels the area as well.

- Silvernail Commons lies in the southwest quadrant of Pewaukee, which consists of two major retail corridors: Capitol Dr and Silvernail Rd. With Capital Dr being located in the northern part of Pewaukee, it is closeby to Pewaukee Lake. Silvernail Rd corridor is home to Silvernail Commons. These retail corridors feature strong national tenants.

- Pewaukee is 25 miles from the Milwaukee Mitchell International Airport (MKE). The airport serviced nearly 3.5 million scheduled passengers with over 93,500 scheduled operations in 2019.

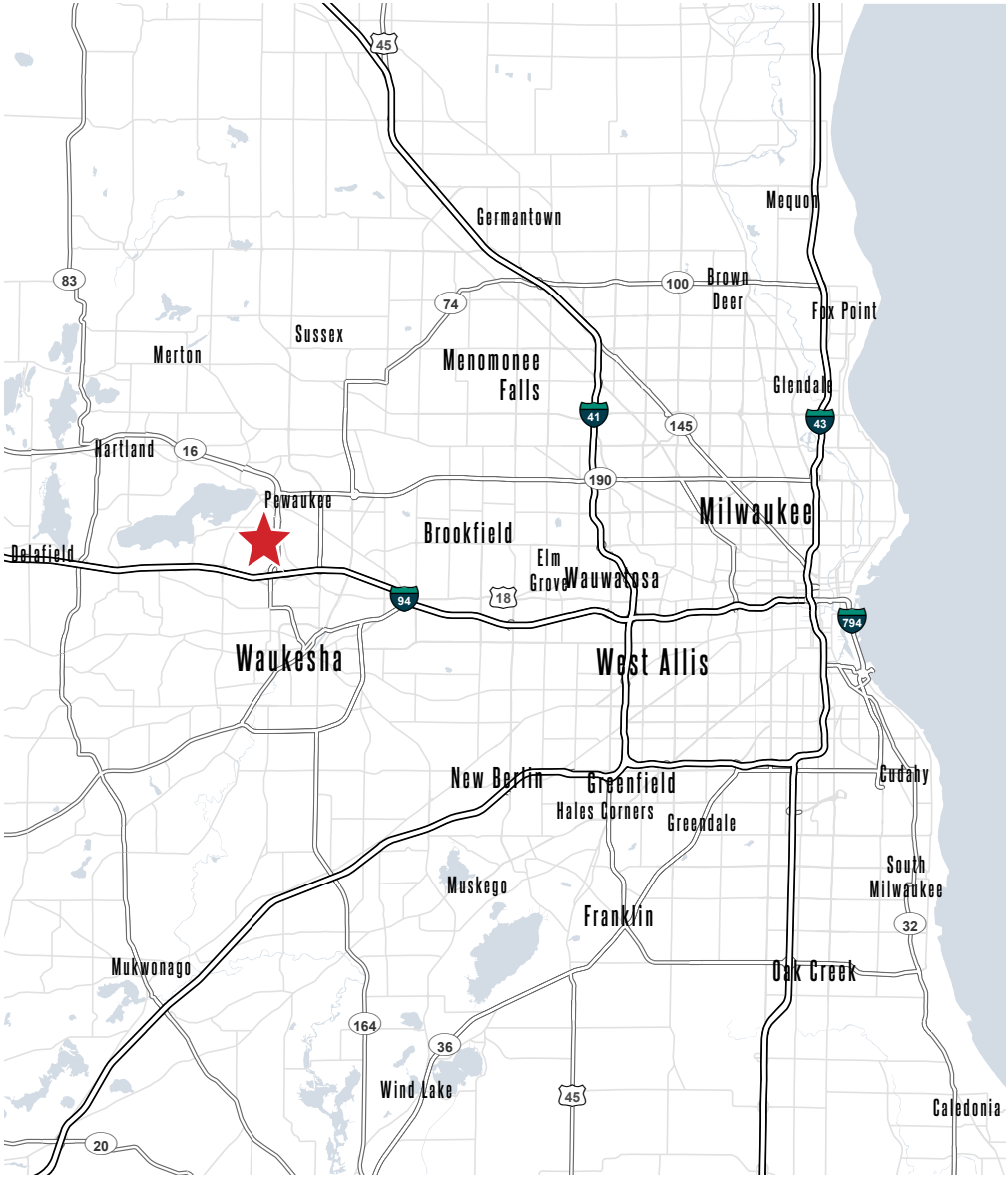
- Along Interstate 94 (west to Madison) are the popular cities of Brookfield, Waukesha, and Johnson Creek. These areas make up what is regionally coined the "Badger Interchange," where the highway runs east-west and provides access to nearby employment and cities.



# DEMOGRAPHIC PROFILE

The following table summarizes the solid middle-income growth demographic profile of the communities surrounding Silvernail Commons:

| Distance from Subject: | 1 mile | 3 miles | 5 miles |
|---|---|---|---|
| 2020 Population | 6,127 | 48,547 | 111,518 |
| Forecasted 2025 Population | 6,229 | 49,498 | 113,706 |
| % Change 2020 to 2025 | 0.33% | 0.39% | 0.39% |
| 2020 Households | 2,641 | 20,695 | 45,729 |
| Forecasted 2025 Households | 2,703 | 21,228 | 46,835 |
| % Change 2020 to 2025 | 0.47% | 0.51% | 0.48% |
| 2020 Median Home Value | $244,676 | $234,389 | $248,071 |
| 2020 Daytime Demographics | 7,363 | 55,596 | 121,326 |
| 2020 Average Household Income | $88,730 | $88,027 | $97,099 |
| 2020 Median Household Income | $75,103 | $65,531 | $71,249 |
| 2020 Per Capita Income | $37,891 | $37,451 | $39,643 |
| 2020 Median Age | 37.1 | 40.0 | 39.7 |




# PRICING

Silvernail Commons offers a purchaser the opportunity to acquire a 88.4% leased service-based neighborhood center well-located along Silvernail Road in Pewaukee, Wisconsin.

| | |
|---|---|
| Asking Price | $2,270,000 |
| In Place NOI | $147,710 |

# PEWAUKEE, WI



A young and diverse community, Pewaukee's median age of 37.3 is helpful for a community so business-centric, as Pewaukee currently employs over 7,000 people. Headquarted in Pewaukee is Harken Inc. which manufactures sailboats and yachts. Waukesha County is home to well-known businesses such as Kohl's Corporation, Generac, and GE Healthcare totaling approximately 117,100 employees, which helps to maintain a current unemployment rate in the City of Pewaukee at 3.8%.

Waukesha County Airport is the busiest general aviation ariport and lies directly adjacent to Silvernail Commons. Also nearby is General Mitchell International Airport which is the largest airport in the state and is located in Milwaukee. Given the many modes of transportation located in and near Pewaukee, it has allowed the region to become home to a number of large businesses, most notably Kohl's Corporation and Generac, all of which serve as an immediate customer base for Pewaukee. The City of Pewaukee has been very active in attracting new business and maintaining existing businesses, which has brought the attention of the development community in recent years.

In 2021, the City attracted the attention of Cornerstone Development group to redevelop 14 acres of former St.Mary's Church property into 46 ranch-style, single-family homes culminating in the creation of a new development entitled "The Glen at Pewaukee Lake". This development includes a clubhouse for residents. This vision appeals to a wide variety of residents who are looking for diferent lot sizes and amenitites.

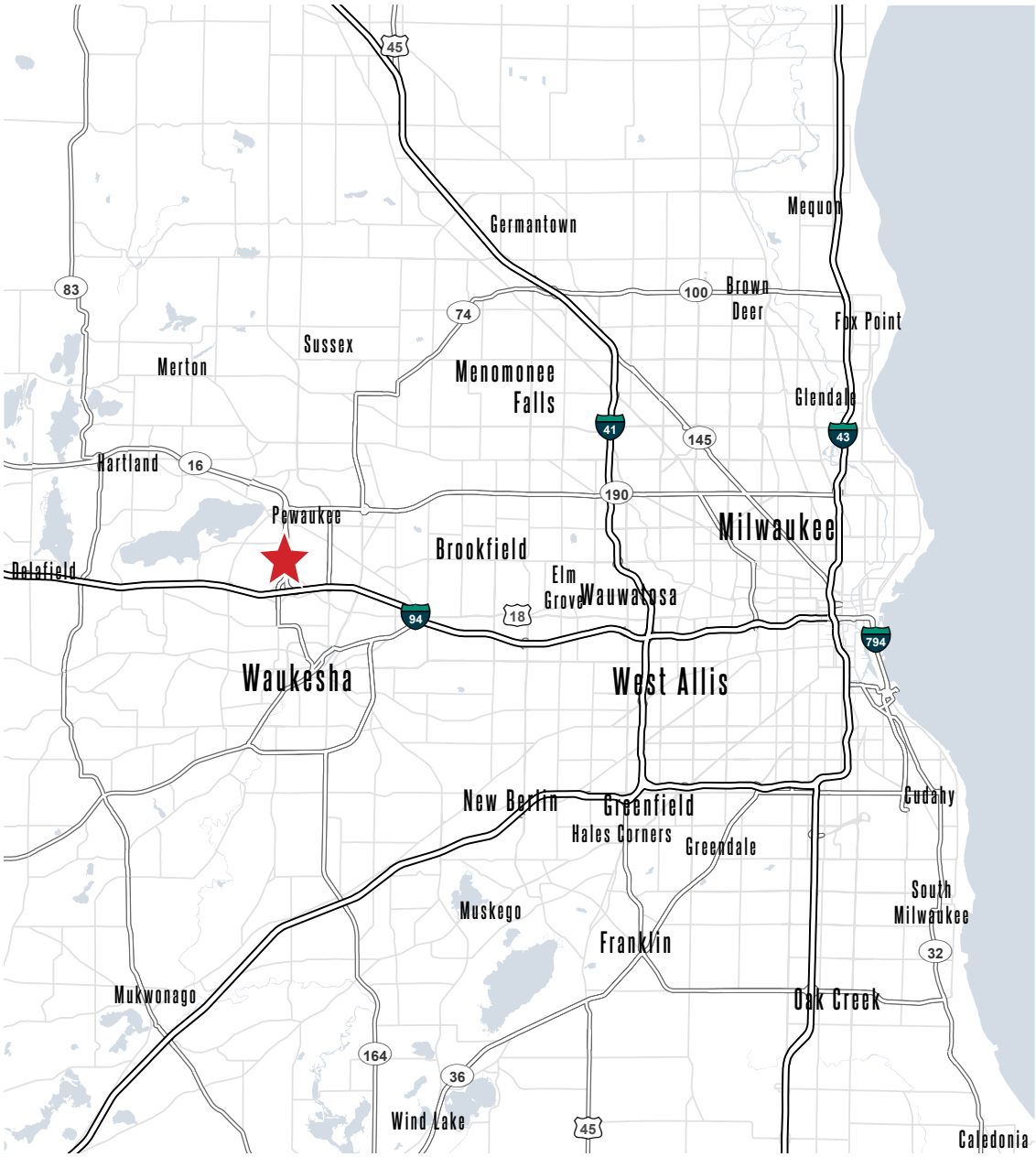
Pewaukee has attracted Amazon to its neighbordhood with a new fulfillment center in Pewaukee. In 2021, plans were approved for Amazon to have a new 152,650 warehouse fulfillment center in Pewaukee. This will be beneficial in expediteing delivery times for customers.

# PROJECT LOCATION

Silvernail Commons is located at 2177 Silvernail Road in the City of Pewaukee, Waukesha County, Wisconsin. The City of Pewaukee comprises an area of 21 square miles in central Waukesha County and lies 18 miles west from downtown Milwaukee, and 4 miles north of Waukesha. The subject property lies along Silvernail Road, which is parallel to I-94 which has a count of 79,900 VPD.

The City of Pewaukee is home to approximately 13,000 people and is positioned in the western portion of the greater Milwaukee MSA. To the northeast lie neighboring communities such as Sussex, Menomonee Falls, and Germantown. To the south is Pewaukee's sister community, Waukesha. Along Interstate 94 (west to Madison) are the popular cities of Brookfield, Waukesha, and Johnson Creek. These areas make up what is regionally coined the "Badger Interstate," where the highway runs east-west and provides access to nearby employment and cities.

The subject site, Silvernail Commons, benefits from a high-density demographic profile of nearly 20,695 households within a three-mile radius, of which there are about 12,000 owner-occupied units and 8,000 renter-occupied units. Within that same three-mile radius, the per capita income level is currently averaged at $37,451. Most of these residents utilize I-94 or State Highway 190 for their commute to and from work, which elevates the subject shopping center's position in the market, as it is situated between households and industry, resulting in a daytime population of 55,596. The surrounding population is one of the most rapidly growing in the greater Milwaukee MSA.



# NORTH FACING AERIAL



# MARKET ANALYSIS

Silvernail Commons is located along Silvernail Road, an east-west frontage road to Interstate 94. The majoirty of retail within the Silvernail trade area is located on this street. Silvernail Commons shares an open access median with the Good Harvest Market and cross access with CVS Pharmacy. Traffic can easily flow across Silvernail Road to Silvernail Plaza anchored by Roundy's Metro Market, Dollar Tree, and neighboring retail center with JoAnn Fabrics and Carpetland USA. Convenient access to Meadow Lane allows traffic to flow to other retail centers and freestanding quick service restaurants, office, hotel and residential located along Grandview Boulevard.



SILVERNAIL COMMONS

# PROPERTY DESCRIPTION

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- Originally constructed in 2002, Silvernail Commons is comprised of 10,347 square feet and situated on approximately 1.5 acres of land. The seven-tenant strip center features a dynamic tenant lineup and is shadow anchored by Good Harvest Market and CVS.
- The property includes seven  tenants ranging in size from 900 to 2,605 square feet.
- Silvernail Commons offers ample parking with 60 spaces; four of which are designated for disabled persons. When compared to the gross lease area, the center returns 4.00 per 1,000 SF.
- Access to the subject offering can be achieved from the rear off Meadow Lane, a signalized intersection at Marshview Street cross accessed with CVS Pharmacy or direct from Silvernail Road.
- Ample room for outdoor patio seating on either endcaps or in line with adequate sidewalks.
- A perpetual non-exclusive easement for ingress and egress by vehicular and pedestrian traffic exists between CVS Pharmacy and Silvernail Commons.
- There is a billback provision for repairs and maintenance of the service drives by the CVS Property.
- Use Restrictions exist pursuant to a Recorded REA for the benefit of CVS Pharmacy.

# PROPERTY FEATURES

| | |
|---|---|
| Year Built: | 2002 |
| Square Feet: | 10,347 |
| Acreage: | 1.5429 |
| Foundation: | Slab on grade |
| Floor Structure: | Concrete |
| Exterior Walls: | Masonary CMU |
| HVAC: | Individual rooftop units |
| Fire Protection: | Per Code |
| Zoning: | B-5 Community Business District |



# SITE AERIAL


Pewaukee Vapor
Ali Ali
Cher
Papa Murphy's
Quick Cleaners
Vacant
Mom's Kitchen

# REAL ESTATE TAXES

Silvernail Commons is located in Pewaukee, Waukesha County, Wisconsin. Real estate taxes in Wisconsin are billed in arrears meaning that the real estate tax bill pertaining to 2021 is due in 2022. Property tax bills are prepared and mailed generally around December 10th of each year, following the completion of the annual budget process. Real estate tax bills are then due by January 31 after mailing in December, though taxpayers have the choice of paying in full or paying in three installments. If the taxpayer chooses to pay in installments, the first installment is due January 31, the second installment is due March 31, and the third installment is due May 31.

The assessor of each taxation district determines the assessed value of taxable property. State law provides that all nonagricultural assessments must be based upon the market value of the property as of January 1. Since assessors in different taxing districts value property at different percentages of market value, it is necessary for The Department of Revenue ("DOR") to convert the assessed values, by taxing jurisdiction, to a uniform level. These uniform values are called equalized values because all the various local levels of assessment have been equalized and all non-agricultural property has been valued on an equal basis, namely 100% of market value. The equalized values are used for apportioning county property taxes, public school taxes, vocational school taxes, and for distributing property tax relief.

Silvernail Common's tax parcel number is 0974082.

A summary of historical real estate tax assessments for Silvernail Commons are as follows:

| TOTAL REAL ESTATE TAXES | Actual 2021 Payable 2022 | Actual 2020 Payable 2021 | Actual 2019 Payable 2020 |
|---|---|---|---|
| Estimated Fair Market Value | $1,890,300 | $1,737,000 | $1,728,000 |
| Assessment Rate | 87.38% | 95.05% | 99.48% |
| Assessed Valuation | $1,651,900 | $1,651,000 | $1,719,000 |
| Net Property Tax | $34,104.52 | $32,603.63 | $33,075.85 |
| First Dollar Credit | ($56.22) | ($57.01) | ($58.05) |
| Total Real Estate Taxes | $34,104.52 | $32,603.63 | $33,075.85 |
| Real Estate Taxes PSF | $3.29 | $3.15 | $3.19 |

# PLAT MAP




Mid-America Real Estate- WI, LLC and the Owner do not make any representation or warranty, express or implied, as to the accuracy or completeness of the aforementioned real estate taxes and parcel map for Silvernail Commons. All potential purchasers should perform their own due diligence.

SILVERNAIL COMMONS

# FINANCIAL INFORMATION

# CURRENT RENT ROLL

| Suite | Tenant | Square Feet | Prorata Share | Commencement Date | Expiration Date | Operating Expense | Renewal Options | Rent PSF | Rent Escalations | Step-Up Date |
|---|---|---|---|---|---|---|---|---|---|---|
| A | Pewaukee Vapor | 1,750 | 16.91% | 4/15/2021 | 7/31/2026 | $9,600 | One, 5-year | $16.50 | $17.00<br>$17.34<br>$17.69<br>$18.04<br>$18.40<br>$18.77 | 5/1/2024<br>8/1/2026-Option Period<br>8/1/2027<br>8/1/2028<br>8/1/2029<br>8/1/2030 |
| B | Ali Ali Healing | 900 | 8.70% | 8/1/2021 | 9/30/2026 | $7,875 | N/A | $19.58 | $20.00<br>$20.44<br>$20.88<br>$21.32 | 10/1/2022<br>10/1/2023<br>10/1/2024<br>10/1/2025 |
| B-1 | Cheri Nails | 900 | 8.70% | 1/1/2009 | 2/28/2023 | $0 | One, 5-year | $34.67 | $35.36<br>$36.09<br>$36.81<br>$37.55<br>$38.80<br>$39.06 | 1/1/2023<br>1/1/2024<br>1/1/2025<br>1/1/2026<br>1/1/2027<br>1/1/2028 |
| C | Papa Murphy's | 1,785 | 17.25% | 1/1/2003 | 11/30/2025 | $6,504 | N/A | $15.00 | | |
| D | Quick Cleaners | 1,200 | 11.60% | 3/1/2002 | 12/31/2024 | $0 | N/A | $25.00 | | |
| E | Vacant | 1,207 | 11.67% | N/A | N/A | N/A | N/A | N/A | | |
| F | Mom's Kitchen | 2,605 | 25.18% | 9/1/2022 | 8/31/2027 | $23,445 | Two- 5 year | $21.00 | | |
| | Square Feet Occupied | 9,140 | | 88.33 | | | | | | |
| | Square Feet Vacant | 1,207 | | 11.67% | | | | | | |
| | Total Square Feet | 10,347 | | 100.0% | | | | | | |

# FINANCIAL INFORMATION

CAM, Insurance, and Real Estate Tax Reimbursements

We have based operating expense reimbursements on the information provided in the 2022 budget financial statements provided by ownership.

Common Area Maintenance

The common area maintenance expenses for a Silvernail Commons are estimated to total $49,159 or $4.75 per square foot in FY 2022.

| EXPENSE DETAIL | FY 2022 EXPENSES | PSF |
|---|---|---|
| FIRE LIFE SAFETY | $855 | $0.09 |
| RUBBISH REMOVAL | $2,594 | $0.25 |
| SNOW PLOWING/SALT | $12,500 | $1.21 |
| UTILITIES | $16,735 | $1.62 |
| LANDSCAPING | $4,700 | $0.45 |
| GENERAL MAINTENANCE | $9,555 | $0.92 |
| OTHER REIMBURSABLE EXPENSES | $2,220 | $0.21 |
| TOTAL CAM EXPENSE | $49,159 | $4.75 |

Insurance

The insurance expense for Silvernail Commons is estimated to total $3,355 or $0.32 per square foot in FY 2022.

| EXPENSE DETAIL | FY 2021 EXPENSES | PSF |
|---|---|---|
| INSURANCE | $3,355 | $0.32 |
| TOTAL INSURANCE EXPENSE | $3,355 | $0.32 |

Real Estate Taxes

Real estate tax expenses for Silvernail Commons are estimated to total $34,256.00 or $3.31 per square foot in FY 2022.

| EXPENSE DETAIL | FY 2021 EXPENSES | PSF |
|---|---|---|
| REAL ESTATE TAXES | $34,256.00 | $3.31 |
| TOTAL REAL ESTATE TAX | $34,256.00 | $3.31 |

Management Fees

Management fees are $9,222 or $0.89 per square foot in 2022.

# FINANCIAL

Silvernail Commons offers a purchaser the opportunity to acquire a 100.0% leased necessity-based neighborhood center well-located along Silvernail Road in Pewaukee, Wisconsin.

| | |
|---|---|
| Asking Price | $2,270,000 |
| In Place NOI | $147,710 |

For more information, please contact:

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References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.