

**Prairie Oaks Retail Center  
1011 - 1057 North Edge Trail  
Verona, WI 53593**

August 7, 2020

### **Redevelopment Concept Plan**

Prairie Oaks Retail Center, LLC, has owned the Prairie Oaks Retail and Office Center located at 1057 N. Edge Trail since 2005 (the "Center"). At the time of acquisition, the occupancy rate for the Center was about 90% full. The original developer of the Center, Horizon Development Group, occupied approximately 60% of the space. The Center remained under that occupancy level until the financial crisis of 2008 and the related crash of financial markets. During and arising from that crisis, the Center lost several tenants. Of those commercial tenants who vacated, such as TDS Telephone and Classic Cleaners, which except for the crisis, were anticipated to remain at the Center for a long time. This was the first signal that the retail and office rental market was changing. Companies were downsizing and consolidating. Horizon Development also began downsizing its requirement within the Center and then completely vacated in November 2009. Overall, the aggregate tenancy dropped by more than 50% by 2010. Since that time, it has been a constant struggle to attract new tenants for the existing neighborhood-type strip mall. The demand for medium size office or retail space at the Center does not exist.

The outlook for the Center operating solely as a retail space is not positive. Included in the concept plan information is a rental brochure for the property from July 2020. The rental spaces listed for lease in the brochure have been for lease for over a year. The 3,382 sq. ft. space at 1043 N. Edge Trail has been for lease for over 5 years. In addition, there is another 1,500 sq. ft available that is not listed in the brochure. The total sq. ft. for lease now is 10,665 sq. Ft. In summary, this reflects a 34% vacancy rate.

Many of the Center tenants are on month to month leases and have been for years. They have not agreed to longer lease terms as they do not want to make that type of commitment. With the ongoing Covid 19 situation, we sadly anticipate additional vacancies to arise going forward. The commercial rental market will continue to be soft for years to come. Due to these circumstances, Prairie Oaks Retail Center, LLC is excited to announce that it believes a proactive and improved use for the property is to redevelop a portion of the parcel.

The redevelopment plan proposes to raze the building that is along the North Edge Trail side of the parcel. The commercial tenants that are now located on that side would have the option to relocate to the Cross Country Road side of the property. The Cross Country Road side of the property has higher traffic counts (5,800 vehicle per day) resulting in much better visibility and more demand for leasing than the North Edge Trail side. It is better suited for the smaller retail or service related type of businesses that may be able to survive this Covid 19 situation. In our redevelopment plan we would split up some of the larger spaces on the Cross Country Rd. side to accommodate the relocation of current tenants or for the future demand for smaller spaces. We will get a higher occupancy level in the downsized building resulting in a better income to expense ratio.

On the vacated North Edge Trail side of the property, we would raze that part of the building and create a new parcel. We would like to build a new apartment building on that portion of the new parcel.

As shown on the concept site plan, there appears to be room to build a three story 42 unit apartment building with underground parking along North Edge Trail where part of the original building would be removed. There would be a minimum of one underground space per unit. Bike parking and an area for an outdoor patio with grill stations would be incorporated into the plan. The initial concept plan consists of a unit mix of (9) studios with sleeping rooms, (21) one bedrooms, and (12) two bedroom, two bath units. The actual number of units will be determined as the development process evolves.

If our plan is approved and we can redevelop the parcel, it would be a win, win situation. The existing remaining Prairie Oaks Retail Center on Cross Country Road would be improved with a facelift and infrastructure upgrades. We would have a higher occupancy rate due to the smaller spaces created and filled from either relocating current tenants or new tenants. A new luxury apartment project on the North Edge Trail side would bring additional residents to the area and help with all commercial businesses in the neighborhood. A new luxury apartment project would also add to the City of Verona tax base.

We look forward to the approval process and working with the City of Verona to deliver a high quality luxury apartment building that will become an asset to the neighborhood. Johnson Properties has been in the apartment building development and management business for over 40 years. We will be supervising the construction of building and continuing to directly manage the project upon completion. The last apartment project developed by Johnson Properties occurred in Fitchburg in 2017 (known as The Pointe) and comprises 82 unit luxury apartment project successfully and currently occupied at a rate of 98%. Johnson Properties will apply the same passion, commitment, and management expertise in pursuit of a similar quality building in Verona.

Please feel free to contact me with any questions or comments you may have.

Thank you,

Mike Johnson  
Managing Partner  
Prairie Oaks Retail Center, LLC  
7502 Ganser Way  
Madison, WI 53719  
(608) 829-0000  
mikejmanagement@outlook.com

## THE EDGE

### Luxury Apartments

1051 North Edge Trail, Verona, WI 53562

Concept Plan - Apartment Unit Mix August 5, 2020

#### **42 Units - (9) Studios (21) One Bedrooms (12) Two Bedrooms**

##### **1st Floor – 14 Units – Walk up entry access**

Studio - w/sleeping room (3)

One Bedroom Ranch (7)

Two Bedroom / Two Bathroom Ranch (4)

##### **2nd Floor – 14 Units**

Studio - w/sleeping room (3)

One Bedroom Ranch (7)

Two Bedroom / Two Bathroom Ranch (4)

##### **3rd Floor – 14 Units**

Studio - w/sleeping room (3)

One Bedroom Ranch (7)

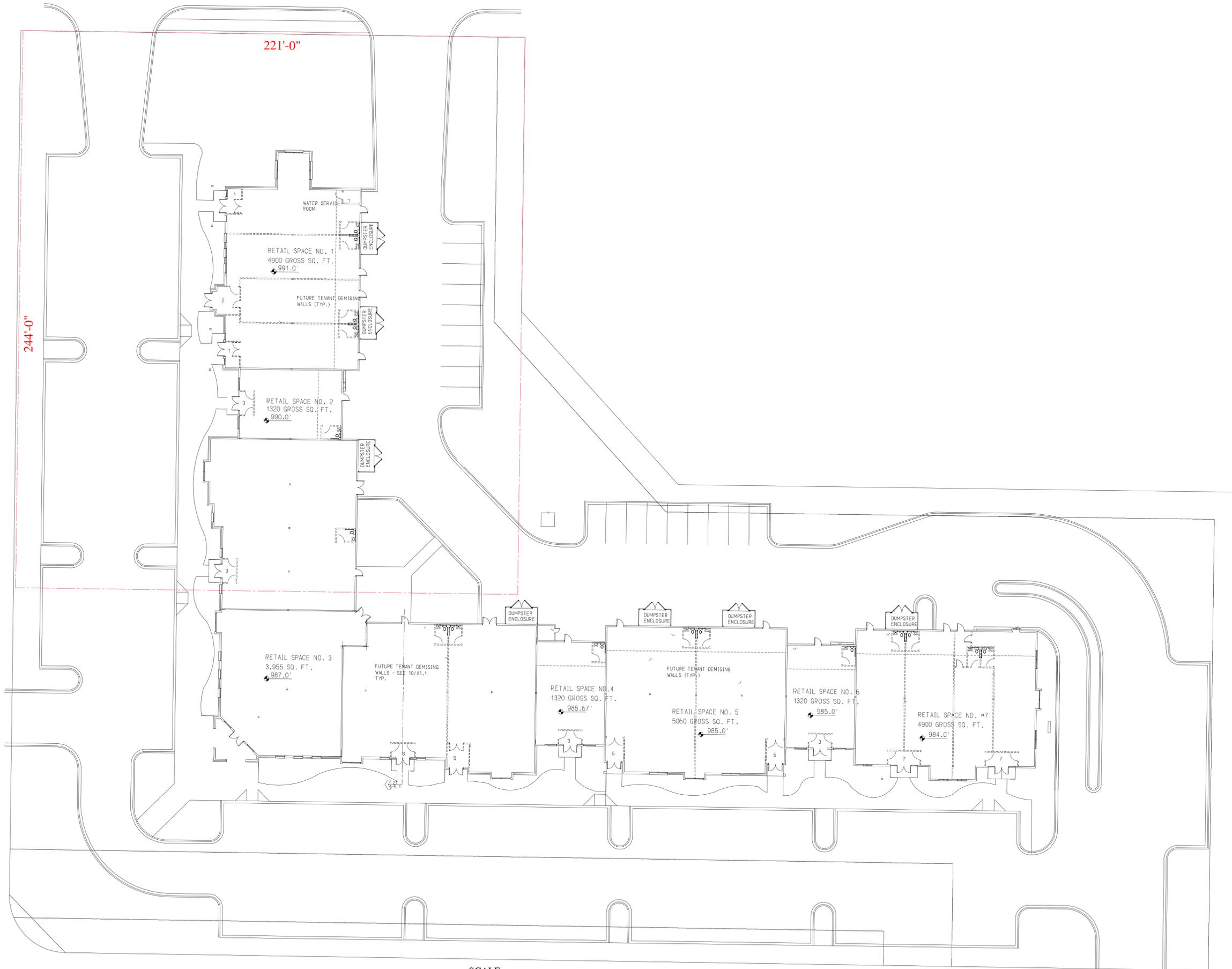
Two Bedroom / Two Bathroom Ranch (4)

\*All 3<sup>rd</sup> floor units will have vaulted ceilings with skylights.

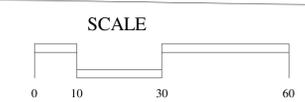
##### **Project Amenities**

- All units to have high end appliances
- Washers and dryers in every unit
- Granite counter tops
- High Efficiency HVAC Systems
- 42 Underground Parking stalls
- Patio Area with pergola, grill stations and fire pit
- Fitness room

# N Edge Trail



Site Plan



Cross County Road

Jeffery Groenier, Architect  
W125 Amidon Road  
Brooklyn, WI 53521  
608-698-3196

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Concepts  
in  
Architecture, LLC

Proposed for:  
**Johnson Properties**  
Mike Johnson

Address:

Project:  
**The Edge - Luxury Apartments**  
Address: Verona WI

Sheet Title:  
**Existing Site Plan**

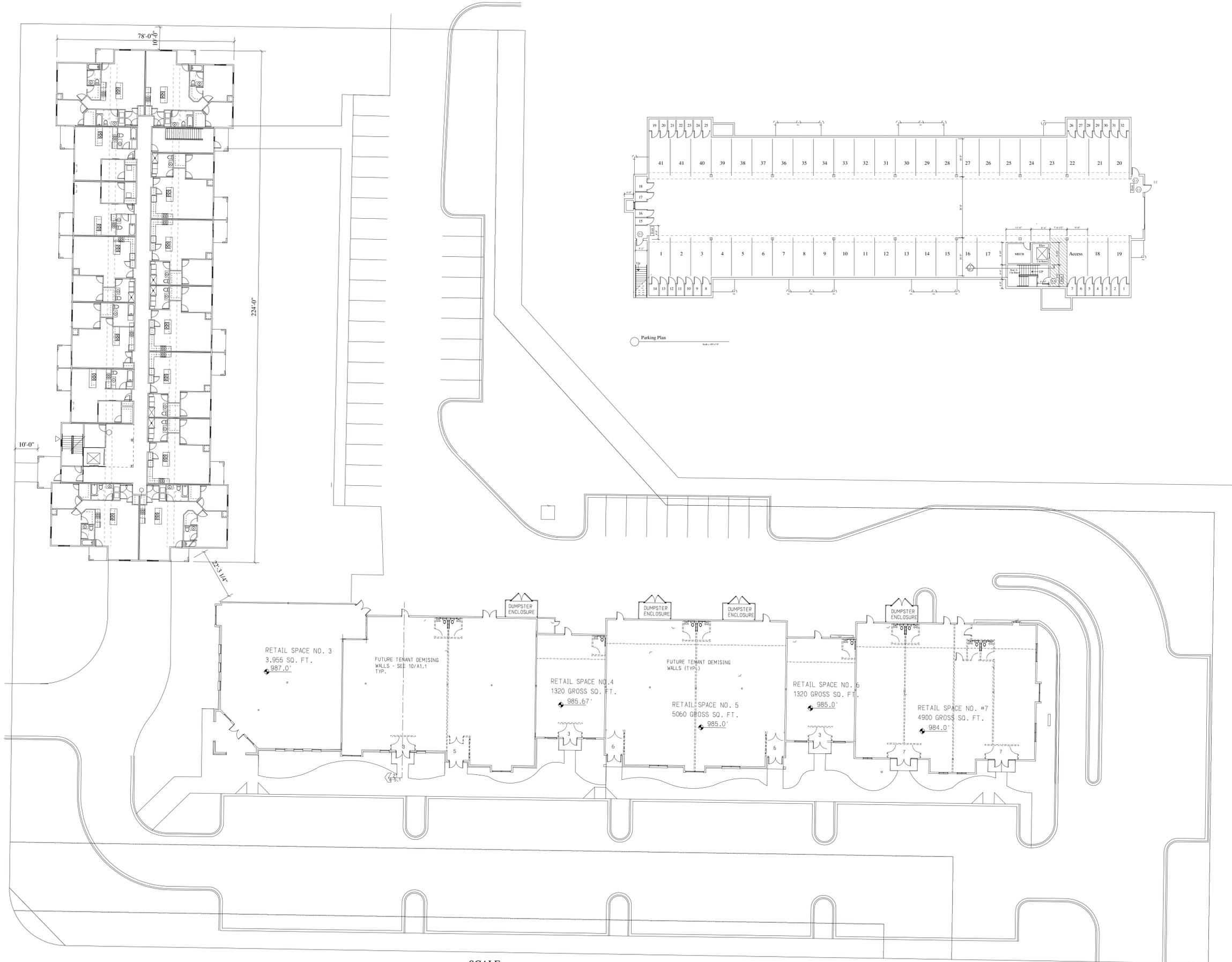
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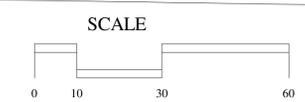
Job #: 05-01

SHEET  
**C1**

# N Edge Trail



Site Plan



Cross County Road

Jeffery Groenier, Architect  
W125 Amndon Road  
Brooklyn, WI 53521  
608-698-3196

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**Concepts**  
**CI<sup>n</sup>**  
**Architecture, LLC**

Proposed for:  
**Johnson Properties**  
**Mike Johnson**

Address:

Project:  
**The Edge - Luxury Apartments**  
Address: Verona WI

Sheet Title:  
**Site Plan**

Date: 08-05-2020  
Scale: As Noted  
Job #: 05-01

SHEET  
**C2**

# FOR LEASE

**PRAIRIE OAKS CENTER**  
1011 - 1057 North Edge Trail  
Verona, WI 53593



## Leasing Information

### Space Available:

Suite 1031: 3,605 Square Feet  
Suite 1043: 3,382 Square Feet  
Suite 1051: 1,380 Square Feet  
Suite 1057: 798 Square Feet

### Date Available:

Currently Available

### Net Base Rent:

\$11.95 per square foot leased

### Building Operating Expenses:

Tenants pay proportionate share of building real estate taxes, insurance, CAM costs. Est. expenses: \$4.50/Sq. Ft. leased.

### Other:

Tenant responsible for leased space utilities and cleaning.

## Property Profile

- Retail and office mixed-use development.
- Frontage and access on Cross Country Road.
- Traffic Counts:
  - Highway M (Main Street): 12,700 AADT
  - Cross Country Road: 5,800 AADT
- 147 Parking Stalls (4.67/1,000 Sq Ft ratio)
- Strong demographics and household income profile from surrounding residential neighborhood.
- Nearby locations include: Verona High School, Draft House, Monk's Bar & Grill, La Petite Academy

2020	Population	Households	Avg. Household Income
1 Mile	6,233	2,562	\$107,212
2 Mile	29,112	12,106	\$123,620
3 Mile	46,519	19,847	\$120,997

**For More Information  
Please Contact:**

**Ruedebusch Commercial Investments**  
4605 Dovetail Drive  
Madison, WI 53704  
[www.ruedebusch.com/brokerage](http://www.ruedebusch.com/brokerage)

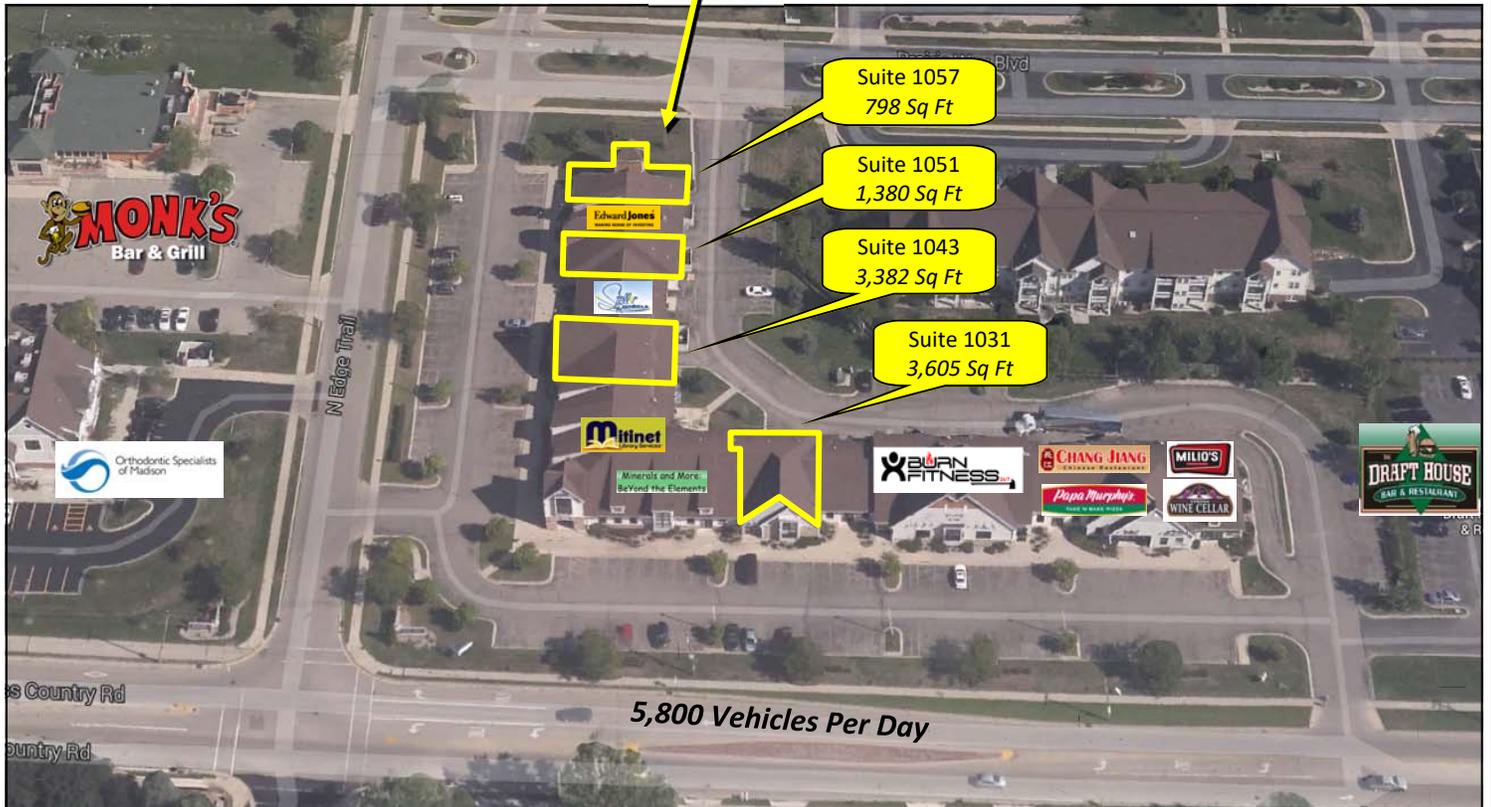
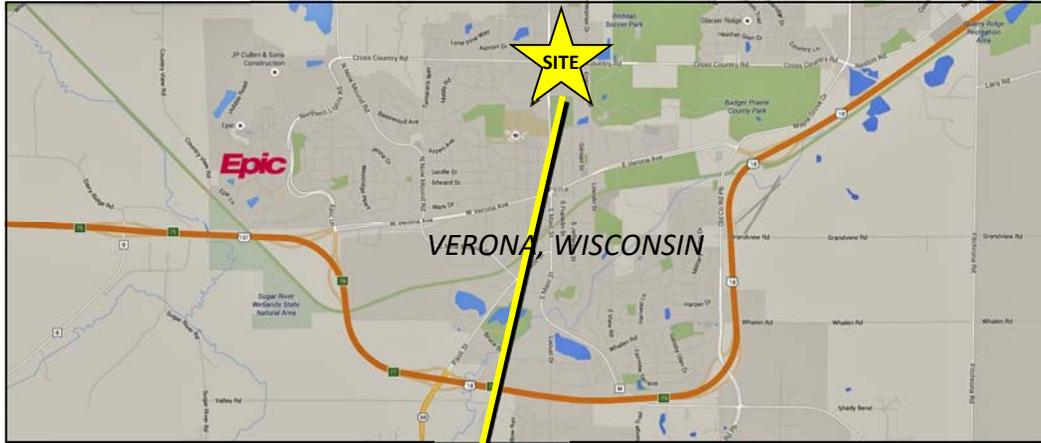
**Thomas G. Phillips, CCIM, SIOR**  
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E-mail: [tomp@ruedebusch.com](mailto:tomp@ruedebusch.com)

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## Location



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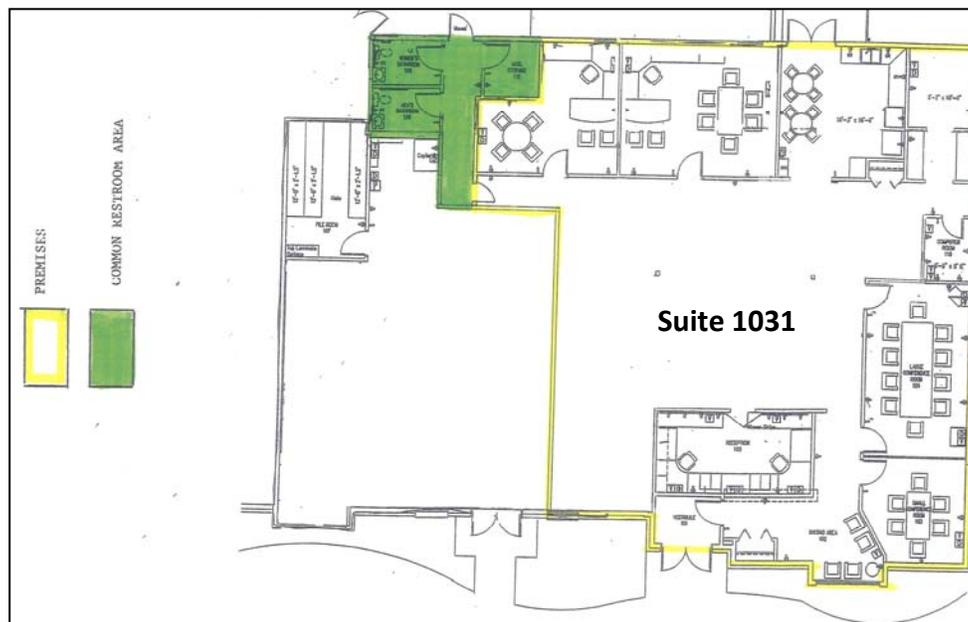
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**Suite 1031 (3,605 Sq. Ft.)**



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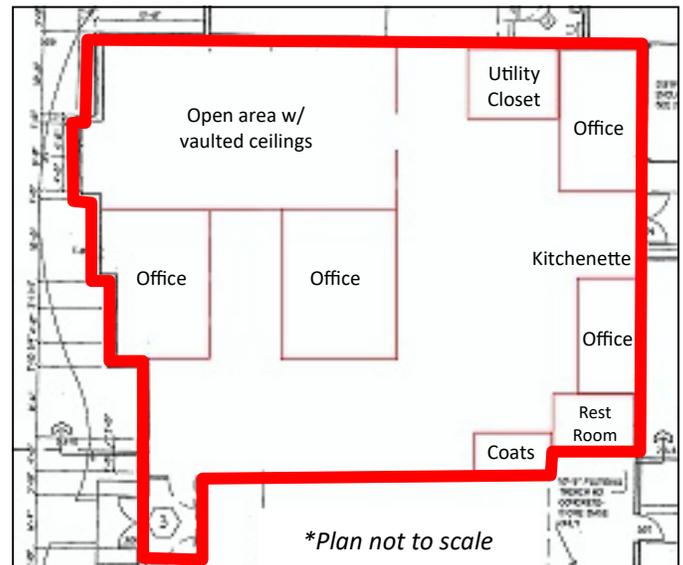
## Suite 1043 (3,382 Sq. Ft.)



*Kitchenette*



*Open area w/ vaulted ceilings*



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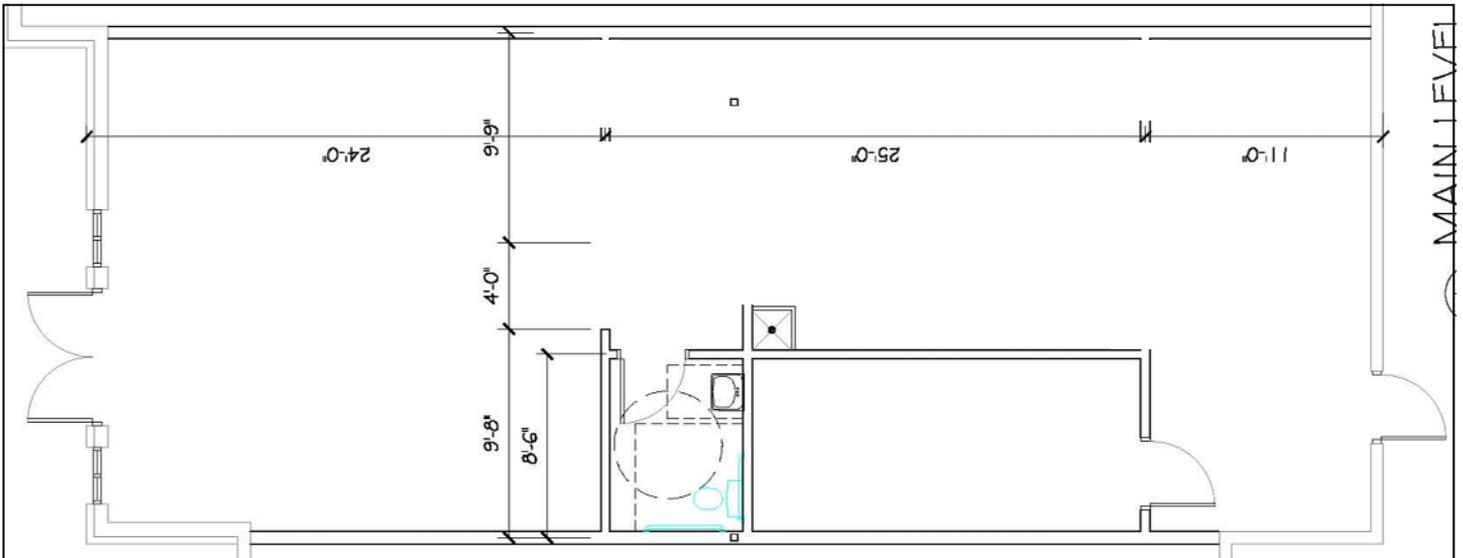
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## Suite 1051 (1,380 Sq. Ft.)



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## Suite 1057 (798 Sq. Ft.)



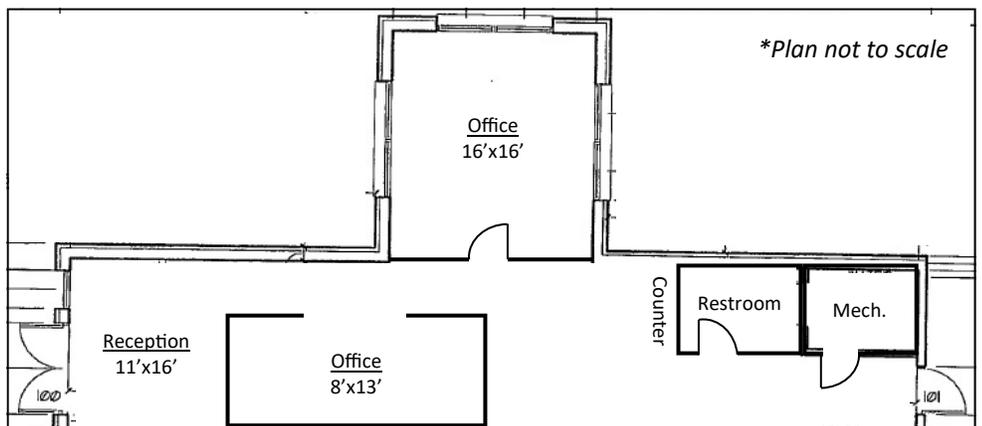
Primary Hallway



Endcap Unit



16'x16' Office



\*Plan not to scale

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**DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS**

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the  
2 following disclosure statement:

3 **DISCLOSURE TO CUSTOMERS** You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent  
4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A  
5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is  
6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the  
7 customer, the following duties:

- 8 (a) The duty to provide brokerage services to you fairly and honestly.
- 9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request  
11 it, unless disclosure of the information is prohibited by law.
- 12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the  
13 information is prohibited by law (see lines 42-51).
- 14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your  
15 confidential information or the confidential information of other parties (see lines 23-41).
- 16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.
- 17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the  
18 advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services,  
20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home  
21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a  
22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 **CONFIDENTIALITY NOTICE TO CUSTOMERS** The Firm and its Agents will keep confidential any information given to the  
24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person  
25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to  
26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the  
27 Firm is no longer providing brokerage services to you.

28 The following information is required to be disclosed by law:

- 29 1. Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).
- 30 2. Any facts known by the Firm or its Agents that contradict any information included in a written inspection  
31 report on the property or real estate that is the subject of the transaction.

32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may  
33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a  
34 later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.

35 **CONFIDENTIAL INFORMATION:** \_\_\_\_\_  
36 \_\_\_\_\_  
37 \_\_\_\_\_

38 **NON-CONFIDENTIAL INFORMATION** (the following information may be disclosed by the Firm and its Agents): \_\_\_\_\_  
39 \_\_\_\_\_  
40 \_\_\_\_\_

41 \_\_\_\_\_ (Insert information you authorize to be disclosed, such as financial qualification information.)

42 **DEFINITION OF MATERIAL ADVERSE FACTS**

43 A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such  
44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable  
45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction  
46 or affects or would affect the party's decision about the terms of such a contract or agreement.

47 An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee  
48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural  
49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information  
50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a  
51 contract or agreement made concerning the transaction.

52 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons  
53 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at  
54 <http://www.doc.wi.gov> or by telephone at 608-240-5830.

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.  
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