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January 23, 2026

Mr. David De Angelis
City Administrator
City of Lake Geneva, Wisconsin

and

Mayor and Common Council Members
City of Lake Geneva, Wisconsin

Re: Letter of Interest
"Sheridan Springs Property"

Dear City Administrator, Mayor, and Common Council Members:

Please use this letter as our formal expression of interest in pursuing the purchase of the property known as the "Sheridan Springs Property." Following up on our e-mail of Friday, January 16, 2026, we wish to reiterate our interest in the purchase of this property.

By way of introduction, I am the Executive Manager of the investment group that owns the Geneva Square Shopping Center, which as you know is directly across the street from the Sheridan Springs Property. I have been in the real estate ownership and management business for over 40 years. We have been involved with Geneva Square going back as far as 1998, and we are invested in the success of the Lake Geneva market area.

We have approximately 110 properties under management that include multi-family, office, retail, service retail, and mixed-use properties. The majority of our investors in Geneva Square are full or part-time residents in the communities around the Lake. They are very happy with our success in this market and want to be a part of the redevelopment of the Sheridan Springs Corridor.

We have an exemplary track record, and we have significant experience with new construction, including our most recent Outlot building where Summer Moon and Jersy Mike's recently opened for business. We have a high occupancy rate for our centers because we seek out uses that complement each other within each facility and market area.

We understand from Mr. De Angelis' e-mail of January 21, 2026 that the subject property has been identified as "surplus" by the Common Council, and we understand this means the property can be sold.

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What we do not understand is how or why the City of Lake Geneva would consider any interest that we, or any other party, might present to be a "secondary offer," per that same e-mail. Unless a contract has already been signed with another purchaser, wouldn't the City welcome any and all offers in an effort to secure the highest and best sale outcome for the City and its citizens?

Furthermore, in order to achieve the highest and best sale outcome for the City of Lake Geneva, wouldn't it make more sense to present the property For Sale to all interested parties through an open market process that would provide the necessary information to all, so that each interested party can prepare an informed offer?

There are two ways that offers can be made. The first way is to prepare a blind offer with no more information than what we have read in meeting minutes and articles about the property. That offer would have to be subject to numerous conditions that would allow us to gather the pertinent information about the property and then adjust the price based on the information obtained.

Alternatively, we could make an informed offer based on a Request For Proposal or Offering Memorandum from the City that sets the bidding parameters and provides key information about the property being offered For Sale. The RFP or OM would typically include the following information:

1. Legal Description of the parcel(s) being offered.
2. Appraisals of the Property
3. Environmental Reports: Phase I and Phase II
4. ALTA Survey
5. Topographical Survey
6. Geological Survey – if available
7. Current Zoning and potential zoning alternatives
8. Storm Water Retention Requirements
9. Location of nearest utility connections for water, sewer, electricity, and gas
10. The City's bid packet requirements to ensure that each bidder is presenting their development plan as a part of their offer.

With this information, serious bidders can make informed offers. In the process, the City will receive offer presentations that include various different use possibilities. Offers would come in for uses such as multi-family, senior housing, assisted living, and other residential uses. Offers would come in for commercial, retail, and mixed-use developments that would combine residential, retail, service retail, and hospitality.

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Given the current zoning is Planned Industrial, serious bidders would make their offers contingent on getting the zoning change they need to coincide with their proposed use. Any offer that is not subject to zoning relief would have to be lower to account for the risk of not getting the zoning relief they need for their contemplated use.

In exchange for the information the bidders receive to make an informed offer, the City should be requiring the bidders to present their use case for the entire property being purchased. If a bidder is not willing to develop the entire site, then why would the City sell them entire site? Especially if the price is discounted and the bidder does not present a use case for the entire property.

Through the RFP or OM process, the Common Council will become educated regarding the level of interest in the site, and the possible uses that would be contemplated. Then the Council can make an informed decision for the proposal that not only brings in the best monetary benefit from the sale, but the best long-term benefit for the citizens and consumers that will be impacted by the selected use.

In our experience, Blind Offers lead to disappointment, because the initial amount is often eye-popping; but the eventual price, after the conditions and the due diligence process have been completed, will seem less than adequate because of the high number presented initially.

We remain interested in the entire property and would welcome the opportunity to prepare a proposal for the purchase, but we would respectfully request the Common Council agree to provide the information needed to make an informed offer.

Sincerely,

SCHERMERHORN & CO.
Dan T. Schermerhorn
Daniel T. Schermerhorn, CPM
President