

*Value Add or Owner-User Retail*

## Skylark Center

1604 1ST STREET S.  
WILMAR, MN





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# The Offering

The Skylark Center is a 63,467 SF retail center positioned on a 6.64 acre parcel in Willmar's Regional Shopping District. The city of Willmar is located 95 miles west of the Twin Cities and is a west-central Minnesota shopping destination.

Skylark Center is situated along the city's main retail corridor (1st Street/Highway 71), and features abundant surface parking that can accommodate a variety of users; the current tenant roster includes a mix of medical, service, and retail tenants. An potential (5/31/2024) vacancy of 27,797 SF of street facing space creates a value-add opportunity for investors or aquisition target for larger occupiers wanting to own their real estate. The space is well suited for government offices, medical or junior box retailers. The site and building can accommodate further development such as multifamily apartments, retail outlots, or self-storage.

## INVESTMENT HIGHLIGHTS:

- Priced to Sell: \$3,500,000 / \$55.00 PSF / 11.8% Year 1 Cap Rate
- Anchored by MN Department of Health
- Ability to acquire below replacement cost
- Value-add
- Reposition and/or redevelopment opportunity
- Durable in-place rents
- Across the street from Uptown Willmar Mall (365,000 SF)
- Zoned as General Business
- Possibility of Tax Increment Financing



LOCATED IN THE  
HEART OF WILLMAR



6.64 ACRES



63,467 RENTABLE  
SQUARE FEET



500 PARKING  
SPACES



VALUE-ADD  
OPPORTUNITY

# Property Information

Location	
<b>Address</b>	1604 1st Street South Willmar, MN
<b>County</b>	Kandiyohi
<b>Parcel ID</b>	95-922-6820 95-922-6785
<b>Land Size</b>	6.64 AC
<b>Zoning</b>	GB: General Business District

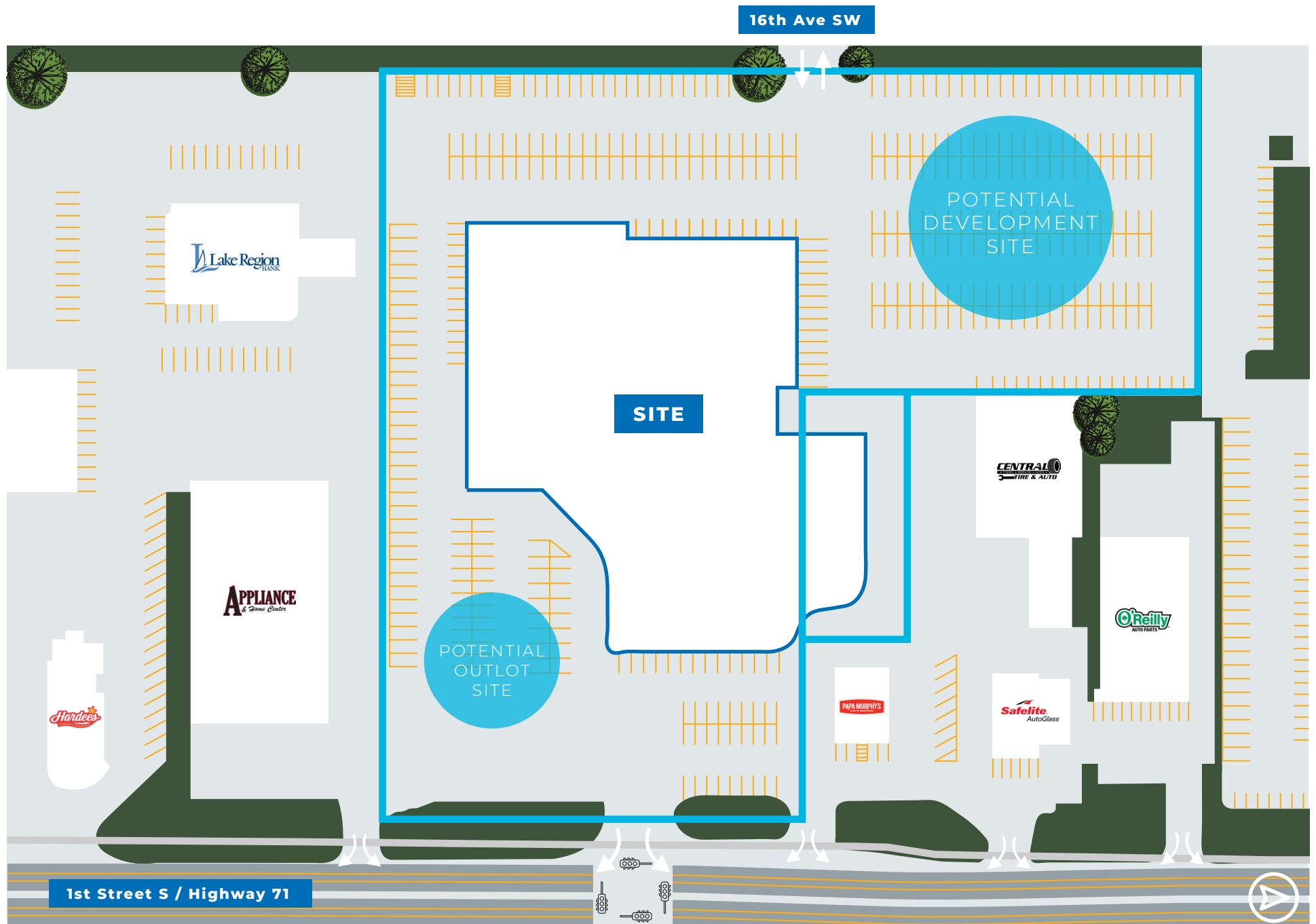
<b>Access</b>	Full access from 1st St & 16th Ave
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Building	
<b>GLA</b>	63,467 SF
<b>Year Built</b>	1965
<b>Property Type</b>	Shopping Center
<b>Property Condition</b>	Well Maintained
<b>Parking</b>	500 Spaces (7.87/1,000 SF)
<b>2023 Tax Liability</b>	\$79,212
<b>Occupancy</b>	75.2% (as of analysis)





# Site Plan



# Multiple Pathways to Success

Skylark Center is located on the main retail corridor in Willmar, across from the Uptown Willmar Mall (formerly known as Kandi Mall). Buyers can capitalize on its premier location and increase value through multiple strategies including:

1. Adding a coffee or drive-thru concept on the east side of the site
2. Multifamily or self storage development on the north side of the site
  - The city has expressed openness for Tax Incremental Financing (TIF)
3. Re-tenanting the potential Centracare vacancy (27,797 SF, 5/31/2024 exp.)
  - Retail possibilities include: brewery, sporting goods, second-hand and discount clothing stores, dollar stores
  - Self-storage
  - Office / medical office
4. Covered land play
  - Cash flow the property to lower the land basis and redevelop the entire site at a future date
5. Sell to an owner-user at premium pricing



## Zoning - GB: General Business District

### Permitted Uses

- Alterations/tailor shops
- Appliance sales and service
- Art studios, including sale of prints & supplies
- Athletic/recreation facilities
- Automobile/truck parts sales & service
- Bait & tackle stores
- Bakeries
- Banks/financial institutions
- Bicycle sales & service
- Broadcasting studios
- Carpet/floor covering stores
- Churches
- **Clothing stores**
- **Commercial day nurseries or schools**
- Computer/electronic sales & service
- Drug stores/pharmacies
- Dry cleaners
- Employment agencies
- Fabric stores
- Farm supplies sales
- Flower shops
- Funeral homes/crematoriums
- Furniture stores
- Glass sales/service
- Hair care (barbers, salons, etc.)
- Hardware stores
- Laundromats
- Liquor sales, on & off
- **Medical/dental clinics**
- Motorcycle/snowmobile/boat sales & service
- Museums
- Music stores
- Office supplies stores
- **Offices, business & professional**
- Parking
- Pet stores
- Photo processing business
- Photo studios & supplies sales
- Printing shops
- **Schools & colleges**
- Shoe stores
- Small engines sales & service
- Sporting goods stores
- Tanning parlors
- Theaters
- Tire sales & service
- Toy stores
- Veterinary clinics
- Video stores
- Welding supply stores
- Essential services & public uses

### Permitted Uses with Plan Review

- Armories, convention halls, auditoriums
- Building contractor shops
- Bus terminals
- **Businesses w/ drive-up facilities (if use permitted)**
- **Car washes**
- Department stores
- **Discount stores**
- Electrical contractors shops
- Fertilizer sales
- Fraternal/service clubs
- Hotels/motels
- Livestock feed sales
- Lumber yards (including misc. building materials)
- **Mini-storage businesses**
- Multi-business buildings & complexes (if use permitted)
- **Multiple-family dwelling units as a secondary use in a business structure**
- Nurseries, greenhouses
- Plastering/drywall contractor shops
- Plumbing/heating/air conditioning/refrigeration/ventilation contractor shops
- **Restaurants (including night clubs & fast food)**
- Roofing contractor shops
- Seasonal businesses
- Sheet metal contractor shops
- Sign structure shops
- Structures exceeding 45 feet in height (if use permitted)
- Supermarkets/grocery stores (including convenience stores w/o gas sales)
- Truck sales & service
- Water conditioning contractor shops
- Welding shops

Willmar is currently in the process of revising their zoning ordinance and based on conversations with the City Planner self-storage, multifamily, and restaurant will be recategorized as Permitted Uses in the near future.

### PARCEL MAP:





# Willmar, MN



The City of Willmar, Minnesota is located 95 miles west of the Twin Cities in Kandiyohi County and serves as the County Seat (county administrative center). Willmar has a strong and diverse employment that consists of agriculture, manufacturing/processing, healthcare, and government and education. The city continues to witness an influx of new residents which is primarily attributable to the demand for labor at the Jennie-O poultry plant.

Seven public schools, a Christian school, DREAM Technical Academy and a community/technical college offer educational opportunities for the youth and adults. Ridgewater College has an enrollment of 5,000 students and hosts many continuing education programs from Minnesota universities that enable adults to further their education while they work.

Willmar is the west-central Minnesota shopping destination and includes the Uptown Willmar Mall, several grocery stores, national, regional, and local retailers, quaint downtown shops, and many dining options.



## Demographics



### Daytime Population

1-MILE	3-MILE	5-MILE
9,812	27,577	29,263



### Median Household Income

1-MILE	3-MILE	5-MILE
\$55,899	\$57,331	\$59,516



### Population With Bachelors

1-MILE	3-MILE	5-MILE
12.5%	14.5%	15.2%



### Median Age

1-MILE	3-MILE	5-MILE
35.7	35.3	35.9

## Major Employers

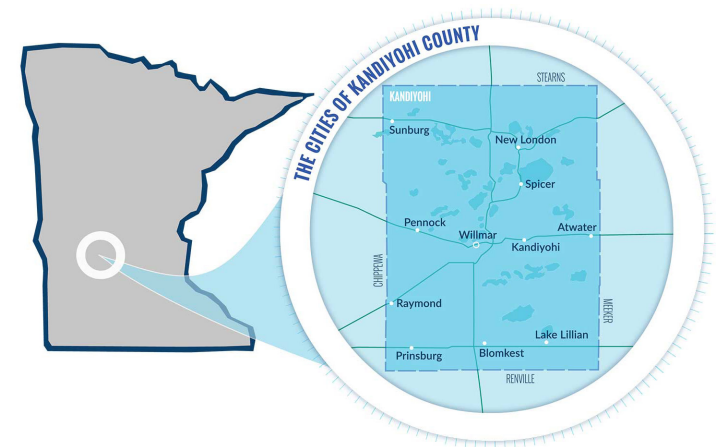
Company	Local Employees
Jennie-O	1,650
Carris Health	900
Willmar Public Schools	812
Life Science Innovations	664
Bethesda	420
Cashwise Foods	341
Ridgewater College	315
Kandiyohi County	300

# Market Highlights



The Kandiyohi County retail market contains approximately 3.2M square feet of inventory and remains relatively healthy. Over the past five-years, it has averaged 3,548 square feet of positive absorption annually, with notable recent entrants to the market being Kohl's (Fall 2019 - 40,000 SF) and Harbor Freight (Summer 2020 - 15,000 SF).

As of Q1 2023, the vacancy rate for the county stands at 5.6% indicating a tight market with limited availabilities for small and junior box retailers. The majority of the vacant space is former big box retailers, 77,500 SF and 118,000 SF, which don't compete directly with the subject property. Despite the pandemic, the market witnessed 1.9% year over year rent growth, which is likely attributable to minimal supply and strong demand.



**+3,548** 5 YR AVG. ANNUAL ABSORPTION

**1.9%** Y-O-Y RENT GROWTH

**5.6%** MARKET VACANCY RATE Q1 2023

# Confidentiality & Conditions

Equity Transwestern LLC, dba Transwestern (the “Agent”) has been engaged as the exclusive agent for the sale of Skylark Center (the “Property”), by the Owner (the “Seller”).

The Property is being offered for sale in an “as-is, where-is” condition and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this information package. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective Purchasers of the interest described herein. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller.

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corrections or errors, change of price or other terms and prior sale or withdrawal from the market without notice.

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The Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered and approved by the Seller and any conditions to the Seller’s obligations there under have been satisfied or waived.

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