

THE SOLIDARITY OF  
**500 E. CENTER STREET**  
RIVERBEE INVESTORS



**A Case Study in  
DIY Neighborhood Real Estate**

## EXECUTIVE SUMMARY

Now a vibrant touchstone of Riverwest - a diverse urban neighborhood in the City of Milwaukee - 500 E. Center Street was not always the hub of activity it is today. Purchased in 2018 by Riverbee LLC, a group of 40 local neighborhood investors with the goal to turn the property into an additive fixture, 500 E. Center Street began its new life by partnering with neighborhood entrepreneurs who created the Cream City Hostel in 2019.

Unfortunately, the onset of the Covid-19 pandemic put travel at a standstill, Cream City Hostel failed to thrive, yet Riverbee persevered - seeking alternative purposes for the building that would advance the initial goals: making 500 E. Center Street a dynamic, positive anchor in the Riverwest community.

In 2021, Once again turning to neighbors, Riverbee found a perfect match: Riverbee leased the property to 4th Dimension Sobriety (4D) - led by another Riverwest neighbor- who transformed 500 E. Center into a residential sober living facility, and a valuable addition to the fabric of Riverwest.

**4D and Riverbee diligently fundraised and, with the funds secured, 4D Purchased the building at 500 E. Center St on October 9th, 2024.**

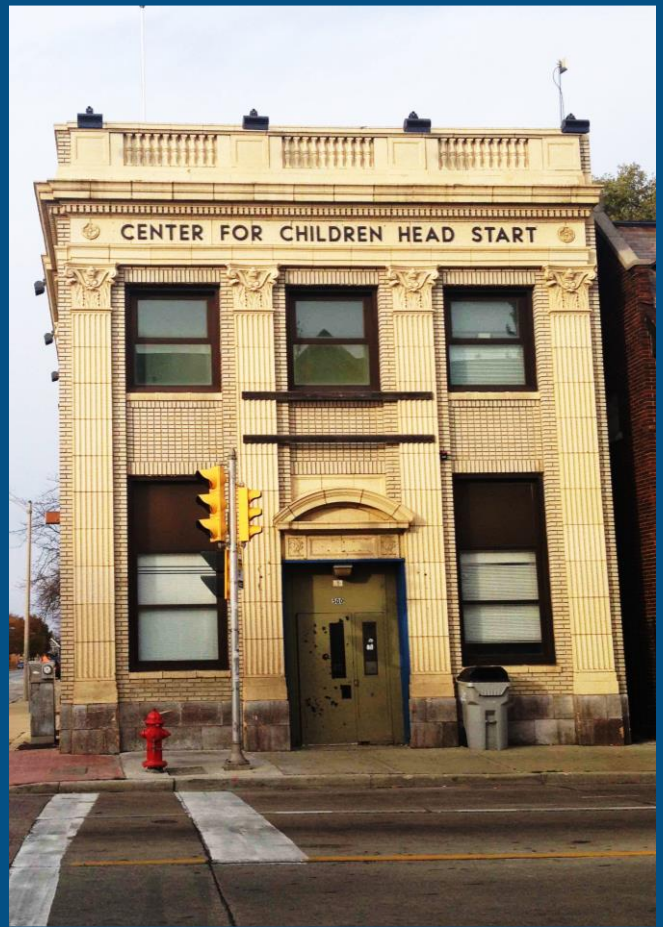


# 500 E. CENTER STREET (BEFORE)

Historic Picture (Date Unknown)



Exterior 2017



Interior 2017

# AN UNDERUTILIZED ASSET FOR RIVERWEST

## **A Historic Asset for Riverwest is Born**

500 E. Center has had varied uses since its first purpose as a bank. The building, first built in 1927 by Holton Street Bank, was designed by St. Paul, Minnesota-based A. Moorman and Co. architects. In 1960 the bank closed and Marine Bank bought the property and subsequently donated it to United Way. The building then sat vacant for several years until it became a Boys and Girls Club location in 1970. From 1975 - 2006 the building then served as the home to Centro del Nino, a charter school affiliated with MPS' Head Start program, and the building then became vacant in 2006 - searching for its next community purpose.

## **Riverbee Investors Dream Big**

A group of 40 local investors, convened by Riverwest neighbor Juli Kaufmann, saw potential in the building and an opportunity to work as a collective investing group to use this real estate as a tool for social change. "We knew the building was a historic asset and knew that it had potential for higher purpose." Juli's approach includes a triple bottom line and has worked with a variety of projects across the region including the Clock Shadow Building, Sherman Phoenix, and others. Riverwest neighbors came together as investors to form an ownership group called Riverbee LLC which proposed acquiring the mothballed public building. Riverbee coupled a collective purchase vision with a transformative use, driven by other fellow neighbors who sought to bring to life Milwaukee's first hostel lodging - a niche that provides affordable, often eco-friendly ways for travelers to explore communities. "We had the rare opportunity to invest, on a modest income, in a local effort and to be part of a community cooperative effort," says Ann Hippensteel, Riverbee Investor.

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Ann Hippensteel,  
Neighbor Investor  
Riverbee Investors



## ASSET (CONTINUED)

The entrepreneurial neighbors forged ahead with a hostel concept, the Cream City Hostel, and the investing neighbors closed on the purchase.

The Cream City Hostel opened in 2019 and was initially successful, hosting hundreds of domestic and foreign travelers, but when Covid-19 arrived, all travel came to a standstill. The hostel, a boot-strapped small business still trying to make a name for itself in start-up mode, could not survive the years-long interruption to travel patterns. “We had such a promising start,” says former Cream City Hostel Owner, Wendy Mesich, “and then the pandemic arrived and forced us to make early decisions in our business model that we simply weren’t prepared to make.”

As the Cream City Hostel began to struggle, neighbors came together to support the entrepreneurs who lost their business through no fault of their own so that their lives could proceed without greater loss. Adds Riverbee Investor, Dennis Grzezinski, “I am quite certain that, absent the Covid pandemic, the Cream City Hostel would have been successful.”

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Dennis Grzezinski  
Neighbor Investor  
4D



# 500 E. CENTER STREET (POST RENOVATION)

Exterior 2022



Renovated living spaces 2019



Renovated Bathrooms 2019



# CREAM CITY HOSTEL

Cream City Hostel Owners



Active Living Spaces



Vibrant communal eating space



# MKE'S EMERGING NEED FOR SOBER HOUSING

Milwaukee's international reputation as a mecca of beer is no secret. In fact, we have proudly worn it as a part of our core identity for hundreds of years. There can, however, be a darker dimension to the alcohol that flows freely at restaurants and bars. According to the 2023 United States National Survey on Drug Use and Health (NSDUH): 48.5 million (16.7%) Americans (aged 12 and older) battled a substance use disorder in the past year. 10.2% of Americans 12 and older had an alcohol use disorder in the past year. During the pandemic, use of alcohol and an increasing opioid epidemic was accelerating negative outcomes.

Jason Gonzalez is among those who have battled substance abuse. Jason spent his early years in Riverwest surrounded by family and in early adolescence began his struggle with substance abuse. His journey led him to open 4<sup>th</sup> Dimension Sobriety, conventionally referred to as 4D. "4D wasn't built on a big plan or some grand vision. It was just a bunch of us, people who've been through hell, trying to make something work. And somehow, this thing grew. Watching it happen has been one of the most humbling experiences of my life," says Gonzalez.

Sober housing, he felt, played a major role in helping him stay sober. As he noted, "recovery happens through community." He is not alone. In fact, sober housing is among the most effective treatments for individuals battling substance abuse. It helps reduce a relapse and builds a supportive network— a community— for individuals in treatment. That community, in turn, holds individuals accountable for their choices and actions.

The onset of Covid 19 also brought challenges to Jason and 4D. "We were suddenly told to distance, isolate, to avoid each other. How are people supposed to rebuild their lives in a world telling them to stay away? I watched everything we'd built start to feel like it was slipping away, and in the middle of that fear, I kept reaching out, looking for some way forward," remembers Gonzalez.



**“Recovery happens through community.”**

Jason Gonzalez,  
Executive Director  
4D



## TWO VISIONARIES MEET FOR COFFEE

“When I heard his story, I immediately realized that there was a tangible way I could help him and 4D further their mission.”

Juli Kaufmann  
Developer & Owner, Fix Development  
Managing Director, Riverbee Investors



Shortly after the Cream City Hostel closing seemed inevitable, Juli Kaufmann and Jason Gonzalez met for coffee, linked together by a mutual colleague. Although a shared connection to Pius XI Catholic High School placed them in the same orbit, the two had never formally connected. Gonzalez was seeking advice on advancing the mission of 4D and Kaufmann was willing to be a sounding board to offer advice. “When I heard his story, I immediately realized that there was a tangible way I could help him and 4D further their mission,” Kaufmann shared.” At that point, the hostel could not survive COVID-19 but weren’t sure exactly how to move a vision for the building forward.”

What Riverbee Investors did have was a newly renovated building with plenty of beds and communal living amenities – the perfect place to expand 4D’s existing sober living community. “What started as a 15-minute conversation turned into an hour. In that hour, Juli saw something... and took a chance on me, and Riverbee stepped in to back us... and that faith gave us a real shot. It let us build something we couldn’t have done otherwise” says Gonzalez.

4D quickly became the new tenant of 500 E. Center Street and, at the same time, Riverbee Investors also selected Valentine Group, a local property management group owned by a former Riverwest resident. Once again, a couple of neighbors came together with a solution only possible by working together.

# A LASTING VISION FOR 500 E. CENTER STREET



“The sale of the building is the next step of the journey for both 4D and the surrounding area. There is a positive impact for all.”

Steve Adams  
Investor  
Riverbee Investors

Since the 4D tenancy began in 2021, 500 E. Center Street has helped hundreds of individuals maintain sobriety. The organization won the 2022 MANDI Trailblazer Award for serving Milwaukee County and surrounding counties for over a decade with sober living services. 4D quickly became an embedded fixture while expanding programming at 500 E. Center Street. You will also find them at many Riverwest community events.

Still, Jason wasn't done dreaming. From the onset of 4D's tenancy, Jason aspired to purchase the property. He believed that the building and the adjacent land allowed 4D to create a campus feel. Importantly, the owners of Riverbee were also seeking a sustainable strategy to exit ownership. In order to surmount the unprecedented hurdles of pandemic, they had struck a lease deal with 4D that was sufficient to cover building costs. “There wasn't sufficient rent to cover major building expenses that might eventually arise and zero margins for a return on investment for the neighbor owners” says Kaufmann. Steve Adams, Riverbee Investor shares, “the sale of the building is the next step of the journey for both 4D and the surrounding area. There is a positive impact for all.” Still, the outcome of an active, positive owner-occupant was a win-win. On October 9th 4D and Riverbee made the mutual dream a reality and the building was purchased by 4D from Riverbee Investors.



## A LASTING VISION (CONTINUED)

Riverbee was also excited about this vision. “On behalf of Riverbee Investors, we are absolutely delighted with this sale to 4D” says Juli. “From the very outset of this project, we knew that we wanted something more for that building and something more for Riverwest than what was there. Jason and 4D have done much more than add value to the property. They’ve added value to our community and to so many lives of those that they touch every day with their services and programs.”

While this outcome wasn’t the original vision for the property, it seems like it was ultimately the best outcome for everyone. 4D has found a home at 500 E. Center Street, and Riverwest adds yet another long-term anchor. The story of neighbors coming together in solidarity to create sustainable change has been realized. “We now have an active and positive use of the facility with a focus on rehabilitation and housing for recovering substance abuse residents,” shares Vince Bushell, Riverbee neighbor investor.

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Vince Bushell  
Neighbor Investor  
Riverbee Investors





# 4D @ 500 E. CENTER

Creating Community at 500 E. Center



Infusing art in healing and recovery



Activated outdoor campus approach





Now, new positive chapters can be written. Gonzalez adds, “Now, 4D isn’t just a house with beds. It’s a living, breathing community where people who’ve been told they’re too broken or too far gone can find a reason to keep going. This place says, ‘you’re worth it.’ I’ve watched people who’ve been cast aside by everyone else find strength and purpose here, proving over and over that they matter.”