



City of Verona

Community Development Authority
Meeting Agenda
Tuesday – June 2, 2020 – 6:00 P.M.
www.ci.verona.wi.us

Due to the COVID-19 pandemic, the Verona Community Development Authority (CDA) will hold its meeting as a virtual meeting. The CDA will not meet at City Hall, 111 Lincoln Street. Members of the CDA and Staff will join the meeting by using Zoom Webinar, as described immediately below.

Members of the public can join the meeting using Zoom Webinar via a computer, tablet, or smartphone, or by calling into the meeting using phones, as described immediately below. Those requiring toll-free options are asked to contact City Hall for details prior to the meeting at adam.sayre@ci.verona.wi.us or 608-848-9941.

Join the meeting via computer, tablet, or smart phone:

<https://zoom.us/j/92836759512>

Webinar ID: 928 3675 9512

Join the meeting via phone by dialing:

312-626-6799

Webinar ID: 928 3675 9512

The online meeting agenda and all support materials can be found at <https://www.ci.verona.wi.us/>. In addition to the public, all CDA members and Staff will also be participating remotely. Anyone with questions prior to the meeting may contact the City at (608) 848-9941 or adam.sayre@ci.verona.wi.us.

1. Call to Order
2. Roll Call
3. Approval of minutes from May 18, 2020 Community Development Authority Meeting.
4. Discussion & Possible Action – Sugar Creek Elementary School and New Century Charter School property RFP.
5. Adjournment

Posted: Verona City Hall
Miller's Market

All agendas are posted on the City's website at: www.ci.verona.wi.us

Notice: If need an interpreter, materials in alternative formats, or other accommodation to access the meeting, please contact the City Clerk at 845-6495 at least 48-hours preceding the meeting. Every reasonable effort will be made to accommodate your request.

Notice is hereby given that a majority of the City Council may be present at the meeting of the Plan Commission to gather information about a subject over which they have decision-making responsibility.

This constitutes a meeting of the City Council pursuant to the State ex rel. Badke v. Greendale Village Board, 173Wis. 2d 553, 494 N.W. 2d 408 (1993) and must be noticed as such, although the City Council will not take any formal action at this meeting.

CITY OF VERONA
MINUTES
COMMUNITY DEVELOPMENT AUTHORITY (“CDA”)
May 18, 2020

1. **Call to order:** Errin Welty called the meeting to order at 6 pm.
2. **Roll call:** Luke Diaz, Adam Frey, Katie Kohl, Brett Polglaze, Stephen Rudolph and Errin Welty were present. Also in attendance: City Administrator Adam Sayre; Community Development Specialist Katherine Holt; and City Clerk Ellen Clark. Dia Caulkins was absent.
3. **Minutes:** Motion by Diaz, seconded by Kohl, to approve the minutes from the December 19, 2019 CDA meeting. Motion carried 6-0.
4. **Discussion and Possible Action: Sugar Creek Elementary School and New Century Charter School property RFP interviews.**

Holt explained that the RFPs were due at the end of March, but were extended until April 27, 2020 due to the pandemic. The City received six (6) applications, which were posted to the City’s website. Staff reviewed and scored these applications. Staff arranged for the CDA to interview four (4) of the six (6) applications. Table 1 and site plans were included in the packet for these four (4) applicants. The CDA will interview and evaluate the four (4) selected developers this evening and may select a proposal to go before the Common Council for action in June or July.

The applicants are requested to give a 10 to 15 minute presentation allowing for the remaining time to answer questions from the CDA members and Staff. We have allocated 30 minutes per applicant to discuss their project. The CDA may have discussions regarding the applicants at the end of all of the interviews with potential actions that are listed in the Staff memo, which will be discussed again at the end of the interviews. Although this is a public meeting, the public is allowed to watch and listen to the meeting, but are unable to ask questions directly to the applicant. However, the selected candidate would have to go through the development review process as their project proceeds, which has public hearings.

a. **Gorman and Company**

Ted Matkom, Gorman and Company, stated the company believes in providing one point of contact to its customers. Plan 1 leaves the infrastructure of the school in place. This plan includes an affordable housing component targeted toward families at the 50%-60% median income level, which would be financed by WHEDA Affordable Housing Tax credits and the Dane County Affordable Housing Tax Fund. Gorman would be competing for a 9% tax credit, which would be applied to the property every year for ten years. The credits subsidize the cost of construction, leaving a much smaller cost to the owner, and allowing the owner to charge lower rents. The plan also includes market

rate housing. The school building would be used as a community space, with plenty of green space and walkability. Plan 2 includes a TID in the amount of approximately \$2.5 million to cover the cost of removing the school and extending Church Street to Marietta Street. More market rate townhomes would be located in the center of the lot, with walking paths and green space included to promote a neighborhood feel.

Diaz asked how quickly Staff could compile a list of possible uses for the school building. Sayre replied it may take a couple of weeks.

Diaz asked Matkom if Gorman and Company would be willing to complete this project in phases.

Matkom replied the subsidized housing should be done as Phase 1, in order to take advantage of Dane County's lucrative Affordable Housing Tax Fund. The market rate housing would then come after. Workforce housing for people in the 80%-120% median income range is also a possibility.

Welty asked if Gorman would have any stake in the school building, and who would manage the New Century School building and green spaces.

Matkom replied Gorman could help the City market the school at a later date, or if there are no uses for the building, it could be taken down, and townhomes erected on that site. Gorman would manage the New Century School and the green space, unless the City has a specific use for the space on its own.

Kohl asked if there are specific plans for the green space.

Matkom replied space could be reserved, yet would be open to the public, and would be managed by Gorman.

b. Northpointe/Avante

Sean O'Brien presented the Northpointe/Avante application.

Cal Schultz, Andy Dumke, and Chris Armstrong were in attendance to answer any questions.

The proposed housing options are self-supporting, so there will be no need for financial assistance from the City for that portion of the project. Energy efficiency and sustainability are important to Northpointe and Avante. Their plan includes a large central park, with market rate housing along Verona Avenue, and affordable housing along the southwest portion of the site. They have also contacted The Klassik and Old National Bank on the north side of Verona Avenue, to bring that side of the street into the project, as well. The project will be built in phases, beginning on Verona Avenue. The affordable housing will be targeted to households at the 50%-80% median income level, and would not require financial assistance from the City. They are competing for 4% Housing Tax Credits for this project, as they are more likely to be funded than the 9% credits. In addition, the Northpointe/Avante development team is offering \$1 million to the City to acquire the property. They are requesting a pay-go TIF or other resources to help with some of the public improvements. They also suggest extending TID 9 to this

project, which would generate approximately \$17 million in tax revenue over the remaining life of TID 9.

Welty asked if the TIF 9 projections include The Klassik and Old National Bank.

O'Brien replied those properties are not included in the projections.

Kohl appreciates the senior housing portion of the project, as affordable senior housing is badly needed in Verona. She asked how the park space will be managed.

O'Brien replied they plan to donate the park to the City when completed.

Diaz replied it would be viable for a portion of the apartments along Verona Avenue to be mixed use.

O'Brien replied The Klassik and Old National Bank properties are good spaces for mixed use buildings.

Armstrong replied that is something that could be assessed, though there is already a lot of retail on Verona Avenue.

Rudolph asked about the disparity in the density of the four projects, and what the City's ordinances states regarding project density.

Sayre replied the ordinance limits multi-family dwelling units to twelve units per acre. This project is approximately twelve acres, so up to 144 units could go here. Typically, when there is a mixed use project, exemptions to density, parking, and other requirements can be granted as part of the planned unit development process.

Welty asked for examples of some projects with densities over that amount, and how they compare to the projects being presented tonight.

Sayre replied that he would report those findings at the end of the meeting.

c. McKenzie Apartment Company

John McKenzie presented the McKenzie Apartment Company application.

This project includes 226 market rate apartments, 92 affordable housing units, a swimming pool, greenspace, park, and repurposed New Century School.

To finance the project, McKenzie will invest \$9.5 million in cash, \$36 million in conventional financing, and is requesting a \$2 million TIF.

Stonehouse Apartments will develop the affordable housing portion of the project.

McKenzie would like to see the New Century School used as a trades training center for youth.

Kohl asked if there is any thought of putting in 3-bedroom market rate apartments.

McKenzie replied that is something that can be discussed. They will follow the market.

Welty is concerned that the large parking lot area on Verona Avenue may become a bit of a dead zone.

McKenzie replied there should be activity in the area year-round.

Kohl asked what kind of plans are there for the mixed-use area of the project.

McKenzie replied he has not seen mixed-use work very well. He would prefer to create a separate commercial space, if needed.

Regarding density, McKenzie stated it creates economic value, more property taxes, and environmental efficiency.

Diaz asked if the swimming pool would be managed by the City.

McKenzie replied all of the amenities would be turned over to the City.

Diaz asked Sayre for a proposed budget for managing a swimming pool.

Sayre replied those numbers are available from a study that was done a couple years ago.

d. Steve Brown Apartments

Matt Maier, The Alexander Company, presented the Steve Brown Apartments application. Dan Seeley and Scott Watson, Steve Brown Apartments, were also available to answer questions.

The project includes restoring and renovating the New Century School. The property proposed for mixed use at the corner of Verona Avenue and Marietta Street is already owned by Steve Brown Apartments. Market rate and affordable workforce housing is included. There is no senior housing included in this project. 104 residential units will be targeted to households at 50%-70% of median income. A one-bedroom unit in the affordable portion of the project will rent for approximately \$975, versus a one-bedroom unit at market rate for \$1,300 or more. They plan to compete for the 4% Affordable Housing Tax Credits for this project. The total investment estimated for this project is approximately \$54 million, including approximately \$45 million in private debt and equity. They are proposing that public infrastructure and amenity costs, as well as gap funding for the affordable housing portion of the project, be paid for with City funds, including TIF. Other gap funds can include subordinate loans through WHEDA and Dane County.

Diaz asked how much flexibility there is on the TIF request.

Seeley replied this is an ambitious project, and must be a partnership. TIF costs can be flexible, depending on the scope of the project.

Meier stated they did not assume that other sources of funding will be approved. There are other opportunities for gap funding for the affordable housing portion of the project.

Watson stated of the total gap, more than half is City infrastructure, and most of the balance relates to the affordable housing portion. The increment generated from the project will take care of the majority of the gap.

Sayre asked what the intention will be if tax credits are not awarded.

Meier replied tax credits are essential to affordable housing. If they are not awarded, the level of affordability may have to be raised to 80%-120% of median income to make up the difference, along with some TIF support. He feels good about being awarded the credits with this project.

In response to Welty's question regarding density of other projects in the City, Sayre stated the density in dwelling units per acre (du/ac) for following projects in Verona:

- Lincoln Street Apartments – 25.7 du/ac
- Siena Ridge – 18.36 du/ac
- Scenic Ridge – slightly under 12 du/ac
- Sugar Creek Commons – 40.7 du/ac with higher density due to W. Verona Ave.
- Murray Glenn – 26.3 du/ac
- Gorman and Company – 17.6 du/ac
- McKenzie Apartments – 26.5 du/ac
- Northpointe/Avante – 23.6 du/ac
- Steve Brown Apartments – 19.6 du/ac

Sayre stated that the form and design of the buildings can be more important than the number of units.

Sayre asked if the group would like to take action on the proposals at this meeting, or take some time to think about it. The CDA will make a recommendation to the Common Council for their approval.

Diaz stated for him, the two most important things about this project is getting commercial development on Verona Avenue, and adding community space.

Welty stated she is in favor of walkable commercial development along Verona Avenue, and appreciates the diversity of housing. She would like to see this be more than just another City park.

The consensus of the CDA was to schedule another meeting the week of June 2nd for reviewing the projects.

Polglaze suggested coming into the next meeting with an individual ranking for each project.

5. **Adjournment:** Motion by Diaz, seconded by Kohl, to adjourn at 8:20 pm. Motion carried 6-0.

Memorandum

To: Community Development Authority

From: Katherine Holt – Community Development Specialist

Date: June 2, 2020

Re: Sugar Creek Elementary School and New Century Charter School Site

On May 18, 2020, the CDA interviewed four (4) of the six (6) RFP applications, which included Gorman and Company, Northpointe Avante, McKenzie Apartment Company, and Steve Brown Apartments. The RFPs, presentations, and a YouTube video of the meeting can be found online at <https://www.ci.verona.wi.us/697/Sugar-Creek-Elementary-School-Site>.

At the end of the meeting, the CDA determined that additional time was needed to digest the information provided in the presentations and review the RFPs in greater detail. A recommendation was made to use the scoring sheet to evaluate each proposal and rank each applicant to discuss the top developers of each CDA member at the next meeting. This would be the starting point for this evening's discussions.

Enclosed in the meeting packet is the scoring sheet for the CDA to use to evaluate each proposal. Table 1 provides a brief summary of the four (4) RFP's that were selected for interviews:

Table 1

Name	Gorman	McKenzie	Northpointe Avante	Steve Brown
Market Rate	125	226	142	132
Affordable/ Work Force	87	92	142	104
Total Units	212	318	284	236

Name	Gorman	McKenzie	Northpointe Avante	Steve Brown
New Century	Fitness room, Makerspace, Community event space	Community use - potential use for nonprofit group	Makerspace, office, or commercial	Public-private partnership options of Children's museum, community center, non-profit headquarters, or maker space; Can be flipped to private options if needed
Public Amenity	Green space and Community event space in New Century	Pool, Community Center, Pool Building, Band Stand, Playground	Pickleball, Park Shelter, National Fitness Campaign Court	Plaza: Community center or performance space; Central Space: lawn, pool, or pickleball options
TIF	\$2.5M needed for preferred option 2 to demo school and infrastructure, but not needed for option 1	None except potentially for the extension of Church Ave.	None, but negotiate infrastructure and public improvements.	\$8.86M p. 27

After the CDA meeting, Staff received additional information from some developers that was asked to be shared with the CDA. This information is included in the meeting packet.

The CDA will recommend a proposal to go before the Common Council for action in June or July. The selected proposal would still need to go through the development review process that includes public hearings with the Plan Commission and Common Council before a final site plan is approved for building permits. Ideally the development review process will occur prior the November City/VASD closing. Potential action by the CDA at this meeting includes:

- Recommend a developer to the Common Council.
- Delay acting on the proposals until a future meeting.

- Narrow the list of proposals to two (2).
 - Conduct more detailed interviews of the two (2) proposals at a future meeting.
 - Request a joint meeting with the Common Council to discuss the remaining proposals.



CITY OF VERONA

COMMUNITY DEVELOPMENT AUTHORITY MEETING

JUNE 2, 2020



**Sugar Creek School
Redevelopment Site**
CITY OF VERONA, WI





Vision for Central Park



Vision for Verona Avenue

We are
dedicated,
passionate and
excited for this
great
opportunity.

Vison – Transformational and catalytic development plan. Activate Verona Avenue with exceptional architecture. Create places to live, learn, work and play.

Central Park – 2-acre park with additional public parking/farmers market lot. A place to gather and new amenities to bring people downtown. Opportunity for additional amenities if desired by the City.

Mixed-Use – Developer is committed to first floor commercial space in the market rate building along Verona Ave. We will continue to work with neighbors, the City and neighboring property owners to fine tune our plan after selected.

Providing Diverse Housing - Market rate, senior, and much needed three-bedroom townhomes for Verona’s working families. Additional mixed-use workforce development with almost 7000 sq feet of retail at the Klassik and Old National Bank site. The market, senior, and workforce units will all compliment each other. Optimally structured to secure competitive resources.

Short term/ long term financial benefit – Purchase price to City of \$1 million plus manageable TIF request. Immediate impact to the City’s bottom line with significant increment annually.

Master Developer – Local members of the community that have had great success with large projects, mixed-use buildings, unique architecture, and managing public improvements.



MCKENZIE
APARTMENT COMPANY

May 21, 2020

Dear CDA Member,

Thank you for selecting McKenzie Apartment Company as a finalist in your Sugar Creek RFP process. I appreciate that this is an important property in Verona. You have a lot of responsibility as you make your decision to move forward with a specific developer's vision.

I noted in the question and answer sessions that density and what happens at the corner of Verona Avenue and Marietta Street are important considerations. I have an idea for the corner that can be a win-win and I have some information on density for you to consider. Please refer to the information provided that addresses these issues. I am hopeful that this will make your decision easier.

Sincerely,

John McKenzie



Verona Avenue at Marietta Street

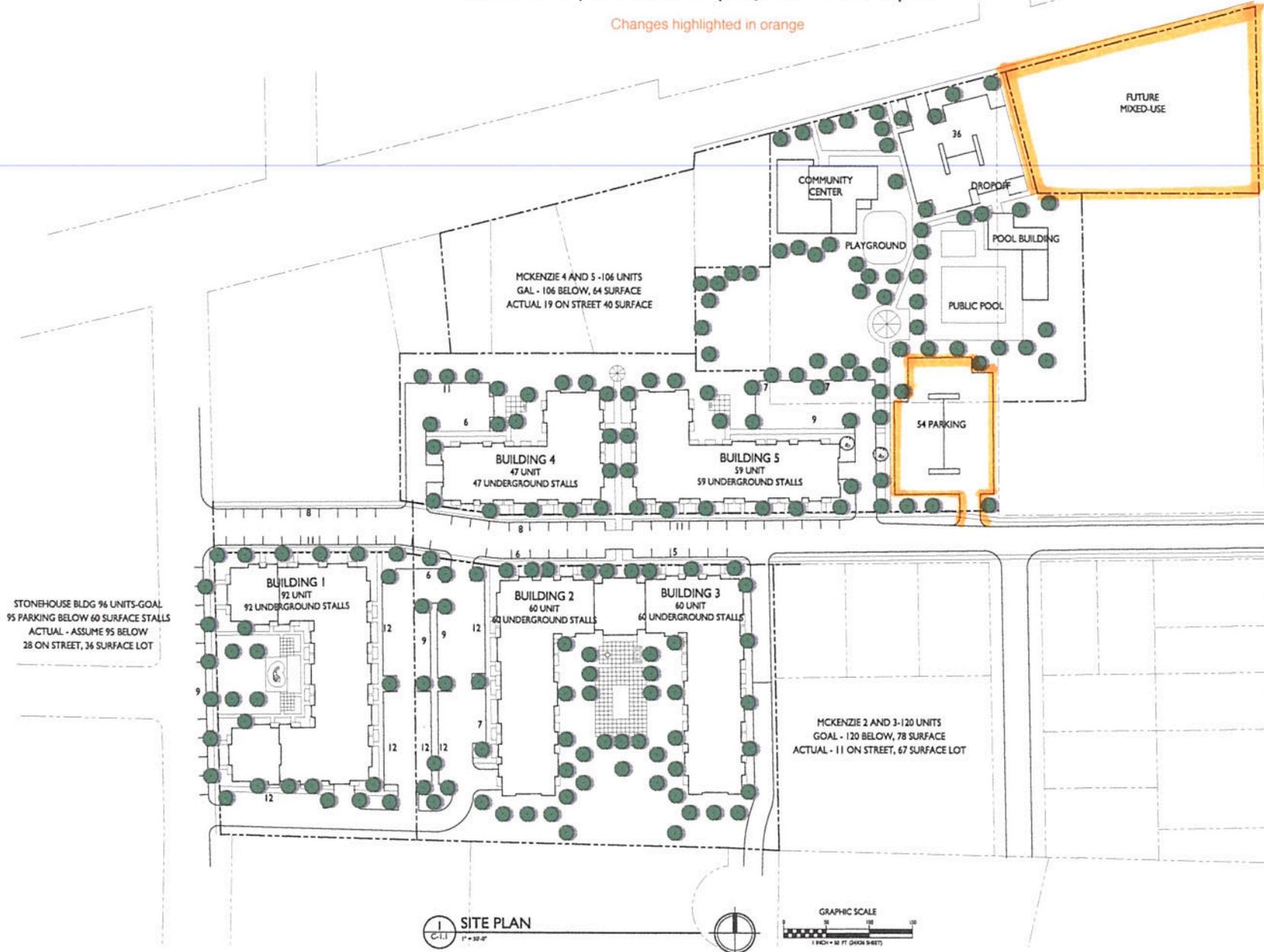
Steve Brown Apartments owns the house at the corner. They have proposed a commercial/residential mix building on their property and extending onto the Sugar Creek site. This would seem to give them an advantage if the City decides it likes that use there. Actually, there is a way for them to do that development while allowing you to proceed with our proposal that offers more amenities and substantially reduces the TIF commitment.

I propose that if we are selected, we would agree to sell Brown that portion of the Sugar Creek property that abuts their site so they will have the same footprint as they show on their plan. They could then proceed to build their building as proposed and we could develop the balance of the Sugar Creek site. Please refer to the modified site plan. You will note the detached area of parking that we had shown on Verona Avenue. This leaves a much smaller parking area that should be sufficient for use at the revitalized New Century School. The bulk of the parking for the pool and multi-use park would be relocated as shown south of the pool off of Church Street. This would satisfy a concern that one of the committee members had about a large parking lot on Verona Avenue.

By approaching the development this way, Brown gains the ability to expand their property at the corner with the vision that they expressed in the meeting. At the same time, our overall design intent for the balance of the property is not negatively impacted. Our TIF request remains at \$2,000,000 and Verona gets all of the amenities in our proposal.

McKenzie Apartment Company - Revised site plan

Changes highlighted in orange



STONEHOUSE BLDG 96 UNITS-GOAL
95 PARKING BELOW 60 SURFACE STALLS
ACTUAL - ASSUME 95 BELOW
28 ON STREET, 36 SURFACE LOT

MCKENZIE 4 AND 5 -106 UNITS
GAL - 106 BELOW, 64 SURFACE
ACTUAL 19 ON STREET 40 SURFACE

MCKENZIE 2 AND 3-120 UNITS
GOAL - 120 BELOW, 78 SURFACE
ACTUAL - 11 ON STREET, 67 SURFACE LOT

1 SITE PLAN
C-1.1 1" = 32'-0"



ISSUED
Revised - May 20, 2020

PROJECT TITLE

SHEET TITLE
Site Plan

SHEET NUMBER

C-1.1

PROJECT NO.
© Knothe & Bruce Architects, LLC

Density

The committee spent considerable time discussing density. There are numerous studies that show how increased density benefits a community. Obvious benefits are an expanded tax base, increased customers for area businesses, and environmental benefits due to shorter commute distances. Concerns about crime, decreased property values and significant traffic impact are clearly disproved. Studies by Urban Land Institute and NMHC (National Multi Housing Council) are the most informative.

You can't have missed the interaction that I had with Steve Rudolph regarding his reaction to our Siena Ridge project. Although we had different perspectives on the value of density, I want you to know that I think there should be more people like Steve who care enough about their communities to dedicate their time and energy to enhance the general welfare. We may have certain disagreements but I very much respect his passion and commitment. I also appreciate that he has found us to be a good neighbor in Harmony Hills.

I will leave the density issue with a point upon which we can all agree. We don't want that well-paid employee of Epic Systems to look at Verona in their rear mirror on their way home to downtown Madison. We want them to have a short commute to their home in Verona where they can buy their groceries at Miller's Market, shop at local retailers, eat at local restaurants and contribute to the viability of Verona.

Testimonials

The following are letters from community leaders, realtors, homeowners, and apartment residents. They underscore the positive reputation we have with our residents as well as the communities surrounding our properties.

To Whom It My Concern:

We recently moved back from Florida to be near family. We have only been residents of Legacy Apts. for 1 1/2 years but have lived in 3 different apartments due to availability of certain floor plans. Each and every move was flawless; apts were spotless upon move in. We thought apartment living was going to be a temporary situation until we decided where to buy a house. We have so enjoyed living here that we have decided that apartment living is where we'll be until we need assisted living. The grounds are kept so nice and clean; it's like living in a park.

We attended an annual party given by John Mckenzie last summer where all the residents from his other apt complexes were in attendance. We sat at a table with two couples who were around our age(late 50's-early 60's) who had lived in a Mckenzie apt. for almost 10 years. Everyone we talked to was as in love with their Mckenzie complex as we are with ours.

We had looked at a couple of Mckenzie properties before settling at Legacy and all of the managers were wonderful to work with and extremely helpful. We have had several friends over for dinner or football games and they all leave thinking geez maybe we should sell our house and live in a complex like this.

We just can't say enough about how much we love living here; how great the staff is and well groomed and taken care of the property is.

Bill & Sue Barreau

To whom it may concern,

Hello, my name is Zachary Brunsell and it is my pleasure to strongly recommend McKenzie for the redevelopment of the Sugar Creek elementary school site. I have been a resident at Legacy Apartments, owned by McKenzie, for a year and a half. I researched the Legacy Apartment complex after a recommendation from a friend living there, who had nothing but compliments regarding her experience renting at that complex and McKenzie in general.

There are several reasons I would recommend McKenzie building a complex in downtown Verona. One of the main benefits of living in Legacy Apartments or another McKenzie complex is the amount of community amenities that they offer. From resident grills and pools, to movie theaters and dog parks, they have thought of many unique ways to entertain their residents. One of my other favorite things about their apartment complexes is the staff. All the McKenzie employees that I have interacted with are friendly, professional and courteous. They make extra time to organize events and seasonal parties for residents, which is a reminder of how dedicated they are to making life at the apartment communities enjoyable.

I am absolutely confident that by selecting McKenzie for the redevelopment of the Sugar Creek elementary school site, you are guaranteed to have high quality facilities with unique features that only they would be able to bring to the table.

If you would like more unique examples, please feel free to contact me at (619) 888-6290 or by email at brunsellzack@gmail.com.

Sincerely,

Zachary Brunsell

McKenzie apartment resident

May 20, 2020

To Whom it May Concern,

I would like to tell you about my experience with The McKenzie Apartment Company and Legacy Apartments. Last year my marriage of 17 years ended. I had been a homeowner for nearly 20 years and was embarking on some the of biggest changes of my life. With a teenage daughter finding the right fit for housing in this next stage of life was vital.

At the time I was feeling lost and a bit frantic. I arrived at the rental office of Legacy Apartments first thing on a Monday morning to request a tour... then and there. Had I been thinking more clearly I would have realized the Property Manager (Lizzy) would likely have numerous things on her plate first thing Monday morning, and I would have called ahead or at least waited until mid-day to stop by unannounced. Lizzy was wonderful. She happily talked with me about my needs, got organized, and took me to tour the vacant apartment I was interested in.

The apartment seemed to fit my needs, but I wanted my daughter to have a chance to look at it in person before I committed to anything, so I made an appointment for later in the week to tour again. With a Polar Vortex and multiple business and school closings, Lizzy happily worked around a few requested appointment changes and got us in to tour the apartment just a couple of days later. I cannot accurately express how impressed I was with the kindness, professionalism, and consideration I received from Lizzy. After touring the apartment, my daughter agreed Legacy Apartments would be the perfect second "home" and I signed a lease.

I have been at Legacy Apartments for a little more than a year now, and I have no plans of going anywhere any time soon. Time and time again I am impressed with Legacy Apartments, Lizzy, and The McKenzie Apartment Company. The communication is unprecedented. I am what you might consider to be an over-communicator. Having worked in Customer Service, Human Resources, Banking, and Real Estate, I believe in the importance of thorough and timely communication. It has become clear to me The McKenzie Apartment Company and Legacy Apartments have the same mindset. Whether it has to do with an individual apartment, or the entire complex we (the residents) receive clear communication with plenty of notice and reminders. To top it off, all communication is detailed and professional.

I am also astounded by the amenities offered; from a useful clubhouse, to top notch work out facilities, to the pool with patio and grilling space, to the dog park for residents, to ample green space and grills scattered throughout the property for resident use. All areas are kept clean and well maintained.

As a resident of the Legacy Apartments and The McKenzie Apartment Company I have felt valued. I am always comfortable reaching out with any questions or concerns knowing I will receive a prompt and professional reply. I am impressed time and time again with the high level of customer service provided and the exceptional and concise communication. I would comfortably and confidently recommend The McKenzie Apartment Company and Legacy Apartments to anyone considering the services they offer.

Sincerely,

Carron Schulz
608.843.6012

To whom it may concern,

We were asked by our property manager about our time here at Legacy and our thoughts of the company and obviously we were more than happy to oblige. Below we will share some of our experienced and why we think Verona would be making a sound decision for their future in choosing the family owned McKenzie Apartment Company.

Our time here at Legacy Apartments by McKenzie Apartment Company has been nothing but amazing. From all the awesome amenities down to the maintenance, this company has exceeded all expectations. We were the first people to move into building number five here at Legacy and a few months after moving in the owners had a focus meeting open to all Legacy residents who wanted to be a part of it to see what we all love and the things they could improve on in their next project. For example, the residents asked for specialized gym equipment (squat rack & stair stepper) and within a couple months we had the new equipment and they have continued to update even more over the years. They even took the advice we gave them in regard to the changes we would have made to our apartments (more nature light, adding a light switch, keyless entry). With the building of their new property they instituted these changes and that goes to show they truly care about giving their residents the best place to live. They go above and beyond for their residents and throw awesome parties each summer and fun themed get togethers occasionally. If you need anything done maintenance wise, it gets done well and in a timely manner. They work with a local landscaping company which ensures that the landscaping of the property is always well maintained. They also have a cleaning company that comes and cleans each building and public amenities in order to ensure top notch cleanliness and a continued high standard of living.

In our opinion, anyone who has the money can build an apartment complex for people to live in, but it takes a special ownership group in order to create and help sustain a community. We have lived here since our building opened in 2016 and have never once thought about moving to a different apartment because we feel there isn't another company that values their residents as much as McKenzie Apartment Company and it truly feels like home.

I have grown up in Verona and I can say with confidence that this company can truly contribute something special for the community of Verona. I know that this area of redevelopment is very important to the downtown plan and based off of my experience with this company I have faith in their ability to not only create an esthetically pleasing project for their residents but also put the benefits of the community first when working with the city on this project.

This is such a great company and I know they would create an amazing area for not only residents of the apartment building but also for the community of Verona.

Thank you.

Kaitlin and Ryan Nyman

May 20, 2020

Ulla and Joe Graber
Legacy Apartments
225 Midnight Pass, #111
Verona, WI 53593

To Whom It may concern:

We have been living in the Legacy Apartments for 3 years and we just recently renewed our lease for another year.

Below are a list of our observations as to why we feel the Legacy Apartments is a great place to live.

- * When we first moved here we were a little apprehensive about the possibility of noisy or rowdy neighbors. After we moved into the Legacy Apartments, we were pleasantly surprised by how quiet it is here. Most of the tenants are young professionals and are well behaved.
- * The apartments' exteriors/interiors are maintained in excellent condition. A multi-person cleaning crew rotates through the complex on a weekly basis to clean all the public areas.
- * When tenants leave, the apartments are deep-cleaned, carpets are shampooed and walls are re-painted where needed. Also, the kitchen, laundry and bathroom areas are thoroughly scrubbed.
- * If we need service for any of our appliances, electrical, etc. the staff response time is almost immediate.
- * After a winter snow storm the sidewalks and roads are promptly cleared and salted very early in the morning.
- * The owners and management show great pride in maintaining the apartments. After a long Wisconsin winter shrubbery, trees and plants that did not survive are promptly replaced. New mulch is added to the tree bases and dead grass areas are reseeded.
- * The Clubhouse has a party room, which can be reserved for private parties and is available at no additional charge. There are two exercise rooms, one equipped with weights and various aerobic exercise equipment. The other room is used for various exercise routines (Yoga, Pilates, calisthenics, etc.) These rooms, the sauna, and adjoining toilets are cleaned and disinfected daily.
- * Also, there is a beautiful pool with adjacent picnic areas where you can use multiple gas grills to prepare your lunch or dinner (no charge).
- * Finally, The McKenzies take great pleasure in hosting a few parties for their tenants yearly. This creates a wonderful community atmosphere for all of the residents.

Sincerely,

Joe & Ulla Graber

May 20, 2020

To Whom It May Concern,

We have enjoyed residing at Timber Valley. It has been over a year now. The management team is quick to respond and keeps residence well informed. If residence need to take action, the steps to do so are always well written and included with the correspondence.

The maintenance crew has also been quick, friendly and "cleans up" mess that may occur during a repair. The property is always tidy - inside and out.

The common space areas are beautiful. Well maintained. The well thought out spaces allow for those who want to meet their neighbors and socialize to do so but also "quite" spots for those who prefer not to mingle.

I highly recommend McKenzie to friends and co-workers.

Thank you,
Jayne Katers

Living at this community has been amazing! Out of this world management, a wonderful community feel, and top-notch amenities. In fact, we were so impressed with the Clubhouse at Timber Valley that we decided to use the community room for our wedding venue last year!

The property is always kept clean, both inside and out! I have been renting at Timber Valley for almost 2 years now, and I have rented from other McKenzie Apartment Company properties for the last 10 years. Nothing but good experiences!

Sincerely,
Nicole and Kye Schraith

To Whom It May Concern,

We have been living at Timber Valley by McKenzie Apartments for about two years now. We moved in July of 2018 as soon as the first building opened up and we have been in love with the place ever since. We were originally drawn to Legacy Apartments, another complex that was built by McKenzie, but when we learned that the brand-new Timber Valley would be opening up at the same time we were hoping to move in, we pounced on the opportunity. Timber Valley has lived up to every expectation that we've had along the way and more. I believe that the fact that we were originally drawn to a different McKenzie property and have lived at this location for two years speaks volumes to the high-quality properties that McKenzie offers. Furthermore, we originally moved in to a one-bedroom apartment, but have recently moved in to a larger, two bedroom plus den unit as we and our family have grown. McKenzie Apartments offer living arrangements for people from a variety of lifestyles and brings the very best amenities to the table to complement the living arrangements. We toured several different complexes in the area in addition to Legacy and Timber Valley, but truly no other location offered the same level of space, amenities and cost-effectiveness as McKenzie's apartments.

The McKenzie Apartment Company has become an integral part of the community where we live, both within and outside of our complex, and we would highly recommend that they be included in the planning of any future communities. By offering McKenzie Apartments the opportunity to build a property, one can be certain that it will be a beautiful, friendly, communal, and premium property for all who come in contact with it.

*Sincerely,
Dan and Courtney Griese*

5/20/2020

To whom it may concern,

I am a very happy resident of the Boulder Creek community, which is part of the McKenzie Apartment Company. I'm writing to share my experiences.

My first experience came in 2000 when I first moved here for a year and a half. I then moved to another community, but when I returned in 2012, I immediately looked at returning to Boulder Creek and have happily lived here ever since.

The amenities are fantastic and have been upgraded over the years. These include a fitness center, pool, deck space, and community room. This is in addition to recent kitchen, bathroom, and deck upgrades in resident units.

As a father of two, security and safety are of utmost importance to me, and I've always felt safe and secure in our neighborhood. That is with a very active community of people in transit, exercising, playing, or relaxing.

Our property manager is one of the keys to the success of the property. She's kind and very responsive to questions and requests. When work will be done, she is proactive and makes sure the property remains in tip-top condition.

The McKenzie Company has broadened their area and range of apartment communities. Recently, they also invested back into the community with a large donation to the Boys and Girls Club. As an educator, I appreciate the investment in children in our community.

I highly recommend the McKenzie Apartment Company as a positive community-development business in Dane County.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Conohan', written in a cursive style.

Chris Conohan
Boulder Creek Apartments Resident

I was just realizing that I moved into Siena Ridge Apartments 3 years ago today!

After renting in Madison all my life, I retired and moved to Verona to be closer to family.

Retirement is great and this apartment is the icing on the cake. It is new, well managed, safe and secure. The building and grounds are meticulously maintained, and on the few occasions repairs were needed, a McKenzie maintenance worker responded quickly and thoroughly. My family and I love and enjoy the beautiful pool and barbecue area.

McKenzie Apartment Company treats us like guests all year around with special gatherings for breakfast in the clubhouse and a yearly party at Legacy Apartments at which generous prizes are awarded all evening. I won an electric grill and utensils!

In short, I have rented apartments in Madison since the 70s and this is the best! I have been telling family and friends that I have never been happier!

Sincerely,
Marilyn Beach

Date: 5-20-20

To Whom It May Concern:

My wife, five year old son and I are current residents of The Legacy Apartments. We have lived at this location for roughly three years and would love to convey our absolute enjoyment of Legacy. It will be difficult to not be long-winded in detailing all the components that have made it delightful. So, in this endeavor, I would like bring your attention to my dealings with the company as a whole. Through multiple McKenzie gatherings, we have met many residents of other properties and we always repeat the same message. That is our great pleasure in being a McKenzie Property resident. Our conversations most often lead with how many awesome amenities we have access to, which typically goes on for a while. Then spins off to how pet or child friendly the complex is. Of course, peppered in with the beauty and cleanliness too. With a smile, I express how I feel we are getting more for our money than we should. Always, at some juncture, we will say how nice our respective property managers are and how well they lookout for us. This, in all, would solidify my notion that the company is well run. But to reconfirm that fact, I had the pleasure of interacting with one of the investors of The Legacy Apartments last summer. He showed that the company, top to bottom, is full of good natured people. I am now of a firm stance on the positive company ethos and I wish them continued success. I will also confirm that I'm not the only one that feels this way. I hope you can find the sincerity of this letter.

Respectfully,

Alexander Long

Michael Rodefer
710 Bear Claw Way #308
Madison, WI 53717
608-831-5392

To Whom It May Concern,

I would like to take this opportunity to share with you my experience as a life-long renter in the Madison area and long-term resident with McKenzie Apartment Company. I have lived in all three properties over a time period of more than 13 years. I moved into Boulder Creek in 1996 when the area was first being developed. I moved to another complex in in 2001 in an effort to save money, only to find myself moving back to the neighborhood less than a year later.

I found in all my years of renting, that there is no other company I would rather rent from than McKenzie Apartment Company for many reasons.

- Family owned and operated properties with on site management and 24/7 maintenance.
- Staff that is willing to go above and beyond normal expectations to make every tenant feel safe, secure and comfortable. They have always been willing to work with me, no matter the situation.
- Well maintained properties with every amenity you could want. The grounds and facilities are always in top notch condition and never in a state of disrepair or bad condition.
- Apartment amenities are some of the finest offered at a very competitive price, such as elevators, all appliances, secured underground parking, common areas cleaned regularly, heated pool, volleyball court, workout facilities, free use of clubhouse, well-manicured lawns, and they even provide pet owners with bags to ensure a clean outside environment. Things you won't find at most other apartment complexes in this area without paying a lot more.
- Great neighborhood with friendly people.

The owner and management staff of all McKenzie properties have done a fantastic job over the years keeping their facilities and grounds looking like new. Any issues that arise are promptly addressed and repaired, and it is not uncommon to find the staff regularly walking the grounds to ensure a high standard of quality.

I can say that I truly enjoy living at Blackhawk Trails, just as I have Boulder Creek and Waterside, and could not imagine living anywhere else.

Thank You,



Michael Rodefer

October 3, 2011

Aaron R. Zawacki
1032 N. Pleasant View Road
Middleton WI, 53562
702.232.2804

To Whom It May Concern:

I wanted to take a moment to share my feedback on the Boulder Creek Apartment Community. Being that I am in the hospitality industry I have lived all over America both owning homes with associates along with renting properties. In all of the places I have lived not a single one compares to that of Boulder Creek.

Boulder Creek truly cares about its residents. The property manager is always available for the residents providing a truly unmatched experience. There is not a project that is ever left to chance. Each concern that I have faced along with speaking with my neighbors has always been rectified within days.

The other staff around the property also truly cares about the community and its residents. When moving in the maintenance team immediately offered assistance with projects that truly would be going above and beyond. The team hung a chandelier and a television for me. These projects were so much more than the standard maintenance service of most communities.

The property itself is truly enchanted, the pool and club house are impeccably clean and tidy. The state of art fitness center truly allows for the residents to unwind after a long day. It is amazing to find a rental community that is truly clean and always maintained.

I can't imagine living anywhere else in the Madison area. I am truly thankful to live in such a magical community.

Yours in Service,

Aaron R. Zawacki

Andy Roeker
1008 N. Pleasant View Road
Middleton, WI 53562

To Whom It May Concern:

It is with great pleasure I am able to proudly call Boulder Creek my home. I have had the privilege of living in Boulder Creek for the past 14 months and have recently renewed my lease to extend my stay. Boulder Creek has provided me the opportunity to live in a community with wonderful neighbors who take pride in both its safety as well as respect for one another. Not once in my new home have I had to deal with noisy or problem-causing neighbors. As a matter of fact, many of the neighbors have become friends whom I trust and look forward to greeting on a daily basis.

In addition to the wonderful residents of Boulder Creek, not enough positive things can be said for the ownership and management of my home. If a request is made, it gets done. It is truly that simple. Boulder Creek has demonstrated to my neighbors and I how committed they are to maintaining the beauty of our community as well as surrounding communities each and every day. For example, this past year my home has seen a new driveway, new furniture at the pool, a re-model of the clubhouse, additions to the weight room and brand new roofs. Furthermore, crews are constantly roaming the neighborhood taking care of yard work and ensuring its residents never have to be concerned with the outside appearance of their home.

Boulder Creek is truly a class act and the compliments I receive from house guests (my closest friends and family) confirm my feelings for both the management and maintenance teams. The responsiveness and pro-active approach Boulder Creek has to ensuring its residents the best service possible is what makes them better than other "apartment complexes" in the Madison area.

Boulder Creek is not simply an "apartment complex," it is a home. Boulder Creek supports those living within it as well as the communities surrounding it. Places like Boulder Creek contribute to Middleton's consistent recognition of being one of the best places in the United States to reside.

Sincerely,

Andy Roeker



2650 Novation Parkway, Madison, WI 53713
(608) 282-8900 / (800) 545-5015
ppicinfo@pplusic.com
pplusic.com

More Physicians. More Clinics. Better Choices.

Jack McKenzie
Blackhawk Trails Apartments
McKenzie Apartment Company
732 Bear Claw Way
Madison, WI 53717

RE: Apartment Rental

Dear Jack:

I wanted to thank you again for renting to me during my search for a new home in the Madison area. I found the apartment to be very well maintained and never encountered anything but a good experience with the staff of McKenzie Apartment Company and the residents. As a previous apartment building owner in Chicago, I understand how difficult the process can be to select the right tenants to keep the quality of your product alive and I found that your company does just that.

As you know, I enjoyed the hospitality so much I and my family have decided to move into this same neighborhood, so I anticipate I will see you around. Keep up the great work and if I can ever be of a reference to other executives moving to the Madison area, please do not hesitate to give me a call.

Sincerely,

Tom Luddy
VP and Chief Sales & Marketing Officer

Lisa Bennett
834 Hidden Cave Road
Madison, WI 53717
608-833-6800

To Whom It May Concern:

I was asked to offer an opinion about the affect of the apartments in Blackhawk on the single family home values there. Since I have been a very active agent for many years, with approximately 160+ home sales in Blackhawk, I am in a good position to evaluate the impact of the McKenzie Apartment Company communities.

As you know the City of Madison has a planning policy which mixes single family and multi family units in neighborhoods. The McKenzie's developed Blackhawk and have 3 apartment communities mixed in with single family, parks and a church site. This development has been very successful over many years and the mixed uses work together quite well. The apartments have never been a drag on the value of the single family homes. They are well managed and have never been perceived as a negative by potential buyers. In fact many of the buyers of homes in the neighborhood have come from the apartments because they are high end communities.

In my opinion a nice mix of single family homes and high quality apartments makes for a vibrant neighborhood. What is important is the commitment of the owners of the units, whether they are the single family or multi family. If property is well cared for and there is an obvious "pride of ownership" then value for everybody is enhanced. As far as the multi family goes, I can assure you that the McKenzie properties are an asset.

Please feel free to call me with any questions.

Sincerely,



Lisa Bennett

Re/Max Preferred
608-833-6800 Direct Line
608-219-0632 Cell.
608-833-6801 FAX



Lisa L. Bennett
Real Estate Broker
Sales Agent

RE/MAX
Preferred

2970 Chapel Road
Madison, WI 53711
Direct: 608 833-6800
Cellular: 608 219-0632
Toll Free: 1 800 236-4411 X 2711
lisabennettremax@aol.com

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Paul Skidmore, 9th District Alder
City of Madison, Wisconsin
13 Red Maple Trail
Madison, Wisconsin 53717-1515
(608) 829-3425
District9@cityofmadison.com

John McKenzie
The McKenzie Company

RE: Harmony Hills

Greetings John,

You suggested that some individuals had questioned your commitment to safety and the quality of life in your proposed Harmony Hills development. I have had the opportunity, and pleasure, to work with you and your development team on a number of projects in the 9th district in the City of Madison, as well as in other areas of Dane County. I feel qualified to speak to your commitment to families who choose to live in your developments, whether they are home owners, condominium owners, or apartment renters as well as your commitment to the communities in which you develop.

I am impressed with your solid commitment to the quality of life of the residents of your developments. Your developments, whether owned or rental, exceed public safety standards as well as exceeding building code requirements for construction. I have always been impressed by the amenities that your developments include: community rooms, swimming pools, play lots, greenways with trails and landscaping, distinctive entrance enhancements, and top quality building and grounds maintenance. As a landscape architect and contractor I have always been impressed at your commitment to high landscape and building appearance standards. As a local politician, I am grateful for your desire to be a part of the neighborhoods you develop. Your community rooms have always been open to me and others for use in neighborhood meetings or other important neighborhood events. I also hear much positive feedback on your developments. In fact, my dental hygienist commented this morning that she and her husband have lived in one of your apartments in Blackhawk for more than ten years and feel happy, comfortable, and safe. In summary, I think that you and the McKenzie Company is an important part of my district and the City of Madison. Personally, it has been my pleasure to work with you on your projects in Blackhawk.

I think that this expresses my sentiments, as well as the sentiments of many others who work with you, buy homes from you, or rent apartments from you. I hope this answers any questions and allays any fears about your commitment to the communities you develop. Please feel free to contact me, or have others contact me directly if more information is needed or desired.

Take care. I look forward to working with you again.

Sincerely,

Paul Skidmore, 9th District Alder

City of Madison, Wisconsin



City of Madison Fire Department

325 West Johnson Street, Madison, WI 53703-2295
Phone: 608-266-4420 • Fax: 608-267-1100 • E-mail: fire@cityofmadison.com

Debra H. Amesqua
Fire Chief
608-266-6564

James D. Keiken
Assistant Chief
608-266-5966

Paul T. Bloom
Assistant Chief
608-266-5956

Gregg D. Knudtson
Assistant Chief
608-266-5959

Ernesto Martinez
Division Chief
608-266-4886

Ronald C. Schwenn
Division Chief
608-267-8674

Jeffrey G. Duppler
Division Chief
608-266-4203

Michael D. Popovich
Division Chief
608-266-5946

Arthur B. Price
Division Chief
608-266-4256

Richard A. Kinkade
Division Chief
608-266-4201

Edwin J. Ruckriegel
Fire Marshal
608-266-4457

Rita A. Johnson
Admin Services Mgr.
608-266-5957

Christian C. Zuver
Medical Director
608-266-4424

Fire Investigation
608-266-4488

Visit our website at:
www.madisonfire.org

To whom it may concern,

I am writing this on behalf of John Mckenzie for the Mckenzie Apartment Company. I would like to first state that John and his family as business owners of multiple upper end apartment complexes have developed wonderful living environments for all people. John's development philosophies on everything that he has built have been used by his family. They have, as a family, kept everything they have built in the family. They provide friendly, helpful and responsive on-site management. This not only ensures that what they have built will be maintained to their standards but also ensures that they want to work with the community and neighborhood to meet the community standards.

I write this not only as an individual who knows John personally but also as a neighbor to one of his many complexes. If I had my choice, I would prefer to live next to something he has developed than to some type of apartment complex that has been built by someone else and then passed on to someone who truly does not have an interest in the neighborhood like the Mckenzies.

I also speak to the professional side of my job. As a Madison Fire Fighter I have seen many developments and John's properties by far stand out as some of the cleanest and best managed properties in the City.

These comments in no way represent the opinion of the City of Madison or the City of Madison Fire Department. These are my opinions.

Respectfully;


Paul Bloom
Assistant Fire Chief
City of Madison

SUGAR CREEK ELEMENTARY SITE

Vision for Verona's Next Dynamic Community Hub



Thank You.

We thank Mayor Diaz, City Staff, and the Community Development Authority for the opportunity to present our vision for the redevelopment of the Sugar Creek School site. While the proposal we presented is ambitious, the unique opportunity to redevelop a 12-acre urban infill site deserves ambition and vision. Especially when the centerpiece of that ambition is a direct investment in and for the community. Our proposal isn't just "another development project." It's a holistic approach designed to fully activate this particular site and achieve something iconic for Verona. We want to be your partners in re-imagining the heart of Hometown U.S.A. We know it can be done, because, simply put, it's what we do.

The Community Vision.

This process began by developing and focusing on a vision for a community asset. In the heart of every community is a gathering space, and in this case the gathering space is dynamic, flexible, and functions year-round. It's placement along West Verona Avenue sets it as an anchor for a community who values visibility and civic function over development potential. This is not a pocket park or an amenity for the apartments. This is the place to host 4th of July celebrations, outdoor movies, holiday tree lightings, art carts, food trucks, and concerts. This is where you meet grandparents to eat ice cream and fly kites or drink hot chocolate after ice skating under the lights. We believe it can be anchored by a destination-worthy use in the New Century School - potentially an innovative children's museum, giving life to that structure beyond rehabilitation and returning it to the community it was built to serve. This community space is further activated by walkable retail and high-quality market rate and affordable, workforce apartments.

The Investment.

As local family-operated firms, we understand the importance of long-term planning and being selective in our investments, and we expect the same from our partners. Our plan will not be achieved without public and private investment, and we're not attempting to soft-pedal it as such. It will be a fiscally sound investment that creates a balance between housing diversity, tax base, and long-term public benefit. It's also an investment that can be scaled based on the final, agreed-upon vision.

The demolition of Sugar Creek School and construction of the public roads and infrastructure are anticipated to cost approximately \$3M - hard bids and final scope will solidify this cost.

The financial projections for the affordable, workforce housing component results in a gap of approximately \$3M. Two main factors drive this gap:

1. Our assumed sources of capital.

We are currently only assuming access to the 4% Federal Tax Credit. This is the least competitive source of funding and, in our experience, a reliable expectation. There are other sources of capital that are less reliable, which we will pursue and this gap will be reduced by the funds awarded. We chose not to presume receipt of those funds to present an accurate financial picture.

2. The way we have chosen to do business.

There are ways to reduce costs on paper in order to be awarded a project or close a deal. Instead, we prefer to use sound financial projections to assure strong, long-term management and project stability well beyond the first year of operation. Our residents deserve to have high-quality housing that is attentively managed and maintained. Verona deserves a high-caliber product for it's workforce and that is what we'll deliver.

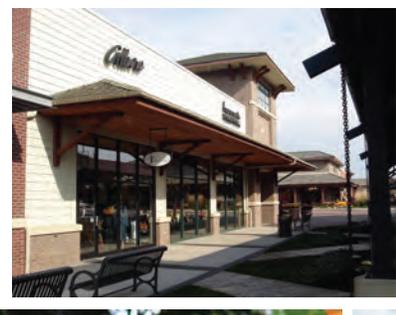
The final third or \$3M is tied to the vision. The opportunities are endless, and we will work with you and the community to re-imagine the space. Ultimately, you'll decide what the final product looks like and the private development components will provide a mechanism to fund the vision.

The Best Solution for Verona.

With our experience and collective expertise, our team is confident that we can deliver this vision in partnership with the City. However, this isn't just about bricks and mortar or filling a construction calendar. It's about repositioning the western edge of downtown to create a vibrant addition to the community. We build and maintain quality for the long-term and are selective about where we make that investment. Our vision for the Sugar Creek Elementary School struck a chord with our team by setting the focus on community, and we hope that it resonates with you as well.

Sincerely,





Alexander Company

brownhouse

vierbicher
planners | engineers | advisors



VANDEWALLE & ASSOCIATES, INC.
Shopping Centers · Mixed-Use · Community



ENGINEERED CONSTRUCTION, INC.