



DEVELOPMENT PROPOSAL

Verona Community Development Authority
111 Lincoln Street
Verona, Wisconsin

The following proposal is in response to the Verona Community Development Authority's request for proposals for rehabilitation and redevelopment of the former school site located at 401 W Verona Ave and 420 Church Ave.

April 27, 2020

EXECUTIVE SUMMARY

Northpointe Development and Avante Properties are pleased to provide the following proposal for the acquisition of the Sugar Creek School Site in Verona for \$1,000,000. Northpointe will act as the lead Developer for the project and Avante will be co-developing the site. Our proposal will focus the redevelopment on uses that promote health, wellness and inclusion that embody the essence of Hometown USA. The New Century School Building will be preserved and listed on the National Registry of Historic places. The remaining school site will be transformed into a Central Park that will provide Verona with new amenities surrounded by a mixture of employment and housing opportunities. The park will be the main attraction with the intent of bringing the community and others to downtown Verona. The mixture of surrounding uses represents many needs of a growing community. Church Ave will be extended to Legion Street and new access points from Verona Avenue and Marietta Street will give the site the proper accessibility and connectivity to surrounding neighborhoods and downtown.

Surrounding the new Central Park on the Sugar Creek School site will be two 55-unit buildings of new affordable senior housing, 32 townhome units of workforce housing, and two 71-unit luxury market rate apartments. Like previous buildings that Northpointe and Avante have developed, all the buildings will be aesthetically designed, energy efficient, sustainable, and fit within the existing neighborhood. All the buildings will be three stories tall or less and have underground parking to reduce the amount of surface parking needed by the residents. Avante will develop the market rate units while Northpointe will develop the workforce and senior housing as well as redevelop the New Century School. The workforce townhomes will all have three bedrooms and provide a quality home that will give preference to Verona's working households. The Senior Units will also give preference to Verona residents with the intent of providing quality housing with services. More affordable senior housing options give residents an opportunity to sell their homes to new community members as well as options for seniors to move closer family members that already live in the community.

We believe that this plan delivers long range financial benefits to the community within a sensible timeline. We have an experienced and financially stable team that has successfully delivered similar projects locally and throughout the state. Our proposed improvements rely on financing and sources already available to the development team; however, we will request that the city partner with us to provide resources for the infrastructure and public improvements. Once fully stabilized the buildings on the school site will generate over \$725,500 in annual real estate taxes with the possibility for an additional \$250,000 annually on adjacent sites. If selected, we will work with the city and neighborhood to deliver the most complete and desirable mixture of buildings and community space. We believe that our proposal delivers a feasible and executable plan for the community. However, we are very interested in getting community feedback and support to make sure we get it right.

Questions regarding this proposal should be directed to:

Sean O'Brien
Principal
Northpointe Development Corporation
(608) 334-5665
sean@northpointedev.com



PROPOSAL HIGHLIGHTS

- \$1,000,000 offer to the City of Verona to purchase site
- Experienced, reliable co-development team with sensible timeline
- 2-acre Central Park
 - National Fitness Campaign Court
 - Pickleball courts
 - Park shelter and greenspace
 - Farmer's Market/ Food cart space
- Rehabilitation and reuse of New Century School
 - Building to be placed on National Historic Places Registry
 - Building user to-be-determined: targeted as makerspace, office, or commercial
- Improved circulation and access to site
 - Extension of Church Ave to Legion St
 - New Access from Verona Ave, S Marietta St, and Legion St
- 110 Senior housing apartment units- rental preference given to Verona residents
- 32 three-bedroom townhome units- rental preference given to Verona's workforce
- Two 71-unit market rate apartment buildings- built in phases
- Future retail and mixed-use building options for adjacent sites
- Maximized long-term financial benefits and amenities to the City and community
- Development team is requesting to negotiate resources for infrastructure and public improvements
- Development plan intended to be amenable to Council and community feedback

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Sugar Creek School Redevelopment Site

CITY OF VERONA, WI



Overall Project Approach

This section will provide a full description of the team’s plans to develop the Sugar Creek School site and surrounding parcels identified by the City. The plan intends to add amenities as well as housing and business opportunities to Verona that will benefit the entire community. Our goal is to establish the best option for the City which includes assembling a highly qualified team. By combining the strengths and capabilities of our organizations, we intend to deliver the proposed outcomes timely. Our proposal begins with an overview of Central Park, which will provide a gathering space that promotes health and wellness. Next, we will detail the plan to preserve and reuse the New Century School. Finally, we will describe the various housing options that will bring a core of new residents to the neighborhood with a preference to those already in the community.

The first step after acquisition will be to demo the Sugar Creek school and prepare the site for future infrastructure. We plan on consulting with the Dane County Habit for Humanity, Pellitteri Waste Systems and the Verona School District to come up with a demo plan that recycles or reuses as much of the buildings materials as possible. We also plan to work with our contractor to safely remove and properly dispose of any environmental hazards found throughout the building. Once demolished, we will be able to start installing the public infrastructure including a park located in the center of the site.

Central Park

Verona is well known for their parks which draw thousands of people annually from both within the community and throughout the Midwest. The community values the park system and parks department which is evident with the recent upgrades to Fireman’s Park and continued investment Hometown U.S.A Community Park. Verona is also a community that is focused on health and wellness. Many of its residents enjoy access to beautiful running and biking trails. Central Park will be in the middle of the Sugar Creek Property with easy access from the neighborhood and will be approximately 2 acres in size. This immaculate outdoor space will fit in seamlessly with Verona’s repertoire of parks while providing a perfect gathering space for a vast age range of residents. We intend to offer amenities that are not currently available to community but also provide a space that draws patrons to both utilize the space and have walkable access to Verona’s downtown business. Central Park will provide the perfect space to expand the Verona Farmer’s Market and an ideal site to host community events and attract food cart vendors and local makers. Remote workers and students can congregate in the park shelter or find a quiet workplace with access to WIFI.

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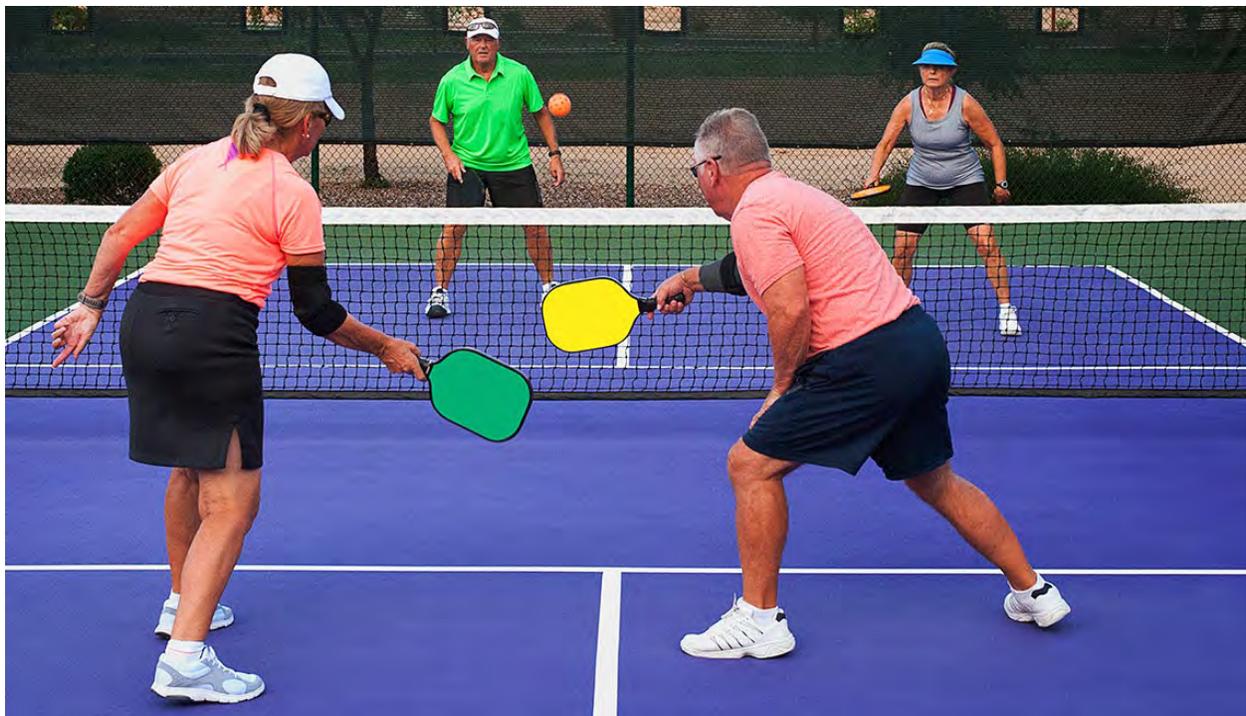
Central park will feature Dane County's first and only National Fitness Campaign Fitness Court. The Fitness Court is a seven-station body weight fitness circuit, designed as a training tool for people of all ages and fitness levels. It uses no weights or machines, instead relying on a graduated training system of maneuvering and lifting one's own body weight. Each of the seven stations offer training for one essential body movement, including: Core, Squatting, Pushing, Lunging, Pulling, Agility, and Bending. The Fitness Court is made of sustainable, recyclable materials; including 70% recycled rubber flooring and recycled steel framing. In addition, the Fitness Court is weatherproof and will last through the elements, but when removed, will be more than 90% recyclable.

In response to the lack of access to health clubs for all members of the community and a rising tide of obesity and related illnesses, the goal of the Fitness Court is better health outcomes in communities. This includes making fitness club style workouts accessible to the general public, across all socio-economic levels and geographies, at no charge. The program also includes an extended network of web and mobile fitness-related experiences to keep users connected with and encouraged by friends, family and mentors.

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The City of Verona should be familiar with this amenity as it is our understanding a grant was secured last year to put a fitness court into one of the community parks. Unfortunately, it didn't move forward due to lack of a financial match. We believe that Central Park is a perfect location for this amenity and if selected, guarantee we will secure the proper funding to install the court.

Another amenity not currently being offered in Verona is dedicated pickleball courts. We intend to bring pickleball to Central Park where it will benefit all members of the community as well as draw pickleballers to the area. Pickleball is the fastest growing sport in the world and communities are hearing demand for this sport. Given the location, we believe that this is a perfect spot for these types of courts in Verona because we can build them while building the surrounding community. Pickleball courts can face opposition from neighbors due to perceived noise; however, the apartment buildings will provide a barrier to dampen the noise to nearby homeowners.



Pickleball provides exercise and socialization opportunities for residents of all ages. Seniors are embracing pickleball as they are attracted to its simple rules and its low impact on knees and joints, and studies have shown playing pickleball regularly can improve fitness levels in seniors. A 2018 study conducted by Western State Colorado University found that seniors playing pickleball three times a week saw improvement in blood pressure and cardiovascular fitness.

Pickleball courts are half the size of a standard tennis court, filled with constant net play requiring fast reflexes in order to score points. As a result, pickleball is a faster-paced game than tennis, and players are not covering as much court space. As with tennis, pickleball can be played either in singles or doubles formats, but the latter is another contributing factor in pickleball's popularity because of the added social component. Because of the shortened time necessary to complete a pickleball match, couples can schedule regular pickleball dates, as part of establishing friendships within a community. And it's not just seniors enjoying the game. There are thousands of children who play pickleball on a regular basis in physical education classes, afterschool programs, YMCAs, and Boys and Girls Clubs.

There will be adequate bike and car parking available at the park allowing for easy access as well as opportunities for larger social gatherings. At least 20 angled parking stalls will line along the extended Church Ave for easy access to the pickleball and fitness courts. Another 50 stalls will be available for public use behind the historic school.

NEW CENTURY SCHOOL HISTORIC PRESERVATION

Northpointe Development will take on the role of purchasing and preserving the New Century School building. Northpointe has extensive experience repurposing historic schools, department stores, and factories. Historic schools are often comprised of the original building and subsequent additions that were built as the school grew and changed over time. Our approach is to research and understand each of these distinct construction periods and identify the intact historic fabric that remains from the original construction. We do this early in our process so that our design team can arrange the space in a way that respects and preserves these valuable features. We design spaces so that original chalkboards, built-in cabinetry, wood moldings, and other historic features become part of the functional layout. We incorporate any existing wood floors as well. In corridors and public spaces, we preserve nearly everything that speaks to the previous use as a school. This often includes original surfaces such as terrazzo floors, original ceilings, decorative clocks, and lockers. We also preserve original handrails, moldings, and trim work around classroom entrances. When doors to classrooms are not needed for functional floor plan purposes, we preserve the door and its entrance by surrounding building walls behind the door; thereby, the door remains visible and intact. This helps preserve the original look and feel of the corridor for occupants and customers. Our goal is that anyone entering the space will gain a greater understanding and appreciation of local history through a well-preserved building.

As noted above, Northpointe has considerable experience in preserving historic schools and other properties with historical significance within the community. Most of the schools have been converted into apartments, including the Award-Winning Oconomowoc School Apartments. However, at just over 12,000 sq ft, housing would not be the best reuse of the school. Instead, the best use would be commercial tenants or makerspace. Given all the

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variables to fully develop the property, we have yet to identify a user for the space but based on our experience there will be demand. Once selected as lead developer, we intend to work with the City and the neighborhood to generate ideas for a user and have a tenant or tenants identified by the time the development agreement is finalized. Northpointe completed a similar process recently with a property of similar size in Oshkosh, WI.

After remaining vacant for more than a decade, Northpointe purchased and strategically rehabbed the Granary Building in 2017. Located at 50 West 6th Avenue in Oshkosh, this 9500 sq ft building that was once in foreclosure and at risk of demolition is now home to Blue Door Consulting, a digital marketing firm and Green's Pour House, a craft brew tap house and restaurant. The project is now designated as a historic Landmark. Pictures of the building and improvements are shown on the following page. In addition, over the past 10 years, Northpointe has adaptively rehabbed and repurposed the following buildings:

- Oconomowoc School Apartments- 623 East Summit Avenue Oconomowoc, WI 53066
 - The Daily Reporter Top Project 2013
 - Runner up J. Timothy Anderson for Excellence in Historic Rehabilitation 2014
 - National Historic Preservation Award 2015
 - Wisconsin Trust for Historic Preservation Award 2017

- Shoe Factory Lofts- 224 West Washington Ave Milwaukee, WI
 - 2019 Remarkable Milwaukee Award

- Mercantile Lofts- 611 West National Ave Milwaukee, WI
 - 2019 Remarkable Milwaukee Award
 - Milwaukee's prominent "Mural of Peace" preserved

- Centruy Building- 808 N Old World Third Street Milwaukee, WI
 - 2019 Remarkable Milwaukee Award

- Woolen Mills- 218 E South Island Street Appleton, WI
 - 2019 Carolyn Kellogg Historic Preservation Award



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The Granary Building, Oshkosh- Preserved in 2017

SENIOR AND WORKFORCE HOUSING

Northpointe Development is proposing to construct the School Yard Apartments and Townhomes, a newly constructed 142-unit LIHTC independent Senior living and multifamily development located on the southwest portion of the Sugar Creek site. The development will consist of 2 newly constructed, three-story elevatored buildings containing 58, one bedroom/one bathroom units (senior, restricted to households with at least one member age 55 or older), 52, two bedroom/two bathroom units (senior, restricted to households with at least one member age 55 or older) and 3, two-story townhome style buildings consisting of 32, three bedroom/two bathroom units (multifamily, open to residents of all ages) for a total of 142 rental units. All the 142 units will be considered affordable and will be rented to households with incomes at 30, 50, 70, 80% of the County Median.

New housing for the community's workforce as well as affordable senior options are two major needs throughout Wisconsin including Verona. The Senior units will provide supportive services for residences and will preference Veterans along with existing residents of the community. One added benefit of new affordable Senior Housing is that it can give existing community residents an option to sell and move out of their homes allowing housing stock to turn over. Preference to the workforce units will be given to Veterans, Verona residents, and local workers. Internet will be included to all the residents at no additional cost. The properties will also include the following amenities: Controlled entry with intercom (senior building), Security lighting and cameras, On-site professional management, Elevator (senior building), Community Room (senior building), Community patio, Fitness Center, Individual storage (included), Bike Storage, 174 underground stalls and 64 surface stalls. All the buildings will have underground parking, including the townhomes which will be a unique feature and reduce the amount of surface space dedicated to parking. All units will have an in-unit washer/dryer included along with other standard appliances.

The project will use sustainable building materials and will be Wisconsin Green Built Home Certified. As a Wisconsin Green Built Home property, the project will strike the right balance between sustainability outcomes and affordable housing goals. Green infrastructure ideas will be implemented as well to reduce flooding impacts. We plan to apply for solar panel grants as well as other energy saving programs. 20% of the total units will contain universal design features. Universal Design, as defined by the Center of Universal Design, is "the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialization." Northpointe recognizes the need to create housing including Universal Design features while maintaining aesthetics and affordability.

Northpointe plans to apply for the Federal 4% and State 4% competitive housing tax credits in January of 2021. There are two types of competitive housing tax credits available in the State of Wisconsin, The Federal 9% and State 4%, both are allocated by Wisconsin Housing Economic Development Authority (WHEDA). While the 9% housing tax credit program is the more well-



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known program, there are a few differences and many reasons on why we believe that the New 4% State program is the best route for the redevelopment proposal:

- The 9% credit is extremely competitive, especially for larger projects with larger credit requests, and is typically oversubscribed by 2.5 to 3/1. The State 4% program is newer and less competitive overall. The 4% program generates a lesser amount of equity reducing the number of projects that are financially feasible and therefore eligible. WHEDA will soon announce the 2020 awards, which will be the third State 4% allocation by WHEDA. Last year, all the financially feasible applications were awarded credits and although awards haven't been announced yet for 2020, there were only \$12 million in requests for \$8 million in credits. Less competition results in a very high probability that the project will move forward in a timely manner.
- Another risk that is greater for 9% credit applications is the biannual Qualified Allocation Plan (QAP). WHEDA will be announcing a new Qualified Allocation Plan (QAP) in the coming months for 2021-22. The QAP establishes the rules for the competition along with what characteristics make applications competitive for a limited resource. 4% applications will likely remain highly expectant to secure credits so long as the project maintains financial feasibility.
- Under the current QAP for 9% projects, housing for Seniors is less likely to be competitive and obtain credits than housing for general occupancy.
- The State 4% program allows the property to rent to households with incomes of 70% and 80% of County Median vs being capped at 60% of County Median like 9% projects. These households are termed the "missing middle" as they don't earn enough to afford a market rate unit while earning too much to qualify for an affordable unit.
- The State 4% program will generate significantly more real estate taxes per unit vs 9% and provide the city with a higher level of long-term financial viability while also providing affordability.

The financial sources and uses can be found in Section 4. The main source of financing comes from Tax-Exempt Bonds and other debt provided by existing WHEDA programs. WHEDA allows recipients of 4% credits to apply and obtain debt at rates and terms published on their website. Northpointe has been a long-time borrower from WHEDA and maintains a good working relationship. Northpointe is annually rated as a top developer by WHEDA's tax credit scoring committee. The next largest source of capital for the project is tax credit equity. As a frequent participant in the tax credit program, Northpointe has had great success in turning tax credits into equity. Section 4 also contains a LOI from Northpointe's main tax credit partner Cinnaire. Northpointe intends to apply for affordable housing grants including an AHP award from the Federal Home Loan Bank. The program will provide \$900,000 of grant funds to the project which will assist in making the high-quality development affordable. Finally, the last source of the capital stack is the developer's contribution. This source is flexible and with Northpointe's financial strength, is intended to balance out the sources and uses of a project as the many variables tend to move prior to closing.



Lastly, Northpointe has earned a top notch reputation with WHEDA after years of successful funding and project completion. Over the last 10 years, Northpointe has built a large portfolio in the State of Wisconsin using the Housing Tax Credit Program. 100% of the Housing Credit awards received by Northpointe have moved forward into quality housing developments. Selecting a program that has a higher likelihood of obtaining competitive resources and by choosing a qualified experienced developer, the City will have assurances that the overall development plan will come to fruition.

MARKET RATE HOUSING

Avante Properties is proposing to construct two (2) market-rate apartment buildings to meet the needs of Verona's growing community. Situated on the northeast portion of the Sugar Creek site, the proposed luxury buildings will bring a revitalized presence to Verona Avenue and will provide a stunning entry to the newly redeveloped Sugar Creek site. Constructed in two phases, the proposed buildings will include a total of one hundred forty-two (142) luxury apartment units and will offer fifteen (15) different Studio, 1-Bed, 2-Bed, and 3-Bedroom floor plan layouts with monthly rents ranging from \$1,000 – 2,300. The first of the two buildings will be constructed along Verona Avenue with construction expected to commence Fall 2021 and occupancy available Fall 2022. Construction of the second building is expected to commence Spring 2023.

Each proposed market-rate apartment building grosses 83,500 square-feet spans upward three (3) stories, and includes seventy-one (71) luxury apartment units with underground parking. The first, second, and third floor are comprised of 62,000 rentable square-feet, and the 21,500 square-foot secured underground parking level will accommodate 60 parking stalls. Combined with 30 surface parking stalls for guests and visitors, each building yields a parking ratio of 1.55 per 1,000 rentable square-feet. Each building will be constructed of sustainable, durable materials including fiber cement siding, brick, and aluminum composite materials.

First floor occupants will enjoy the convenience of pet-friendly, walk-up units while many second and third occupants will have private outdoor balconies for their exclusive use. Units will be furnished with high-end luxury vinyl flooring, plush carpets, stainless steel appliances, solid-surface countertops, walk-in closets, ceiling fans, USB charging stations, in-unit washer/dryers and modern light fixtures.

Occupants will have unlimited access to a shared Community Room complete with kitchenette, fireplace, high-end theater-style A/V equipment with big screen TV and WIFI, comfortable furniture, and games. A spacious Fitness Center with top-of-the-line equipment and technology will also be available for occupant use. Additional shared amenities for occupants to enjoy include: outdoor patio space complete with gas grills and granite counter prep area, outdoor fire pit with seating, ice machines, on-site dry cleaning pick-up/drop-off, pet waste stations, and



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on-site management office. Each unit will be assigned one (1) underground parking stall, and individual, secured storage bays are available on a first-come, first-serve basis for the same monthly fee.

The market-rate apartment properties will be professionally managed by the development team, Avante Properties, who will oversee the application and rental process, provide long-term asset management of the building and site, and manage the day-to-day operations including the management of the buildings' secured keyless entry systems, security cameras, and even dog poop DNA testing.

The unit mix and rent amounts PER proposed market-rate building are below:

- twenty-four (24) Studio Units averaging \$1,100 per month
- thirty-eight (38) 1-Bedroom Units averaging \$1,345 per month
- six (6) 2-Bedroom Units averaging \$1,830 per month, and
- three (3) 3-Bedroom units averaging \$2,280 per month
- sixty (60) underground parking stalls at \$30 per month
- twenty-seven (27) individual storage units available at \$30 per month

Projected hard and soft costs per building is approximately \$10,000,000 with twenty percent (20%) covered by owner/developer contribution and eighty percent (80%) financed through the bank. Please see Section 4 for projected financials, sources and uses of the construction funds, estimated assessed value, and estimated first year Real Estate Tax projections per phase, along with a Commitment Letter from Capitol Bank.

The dedicated team at Avante Properties is eager to develop and manage a finished project that the City of Verona can be proud of – one that satisfies the housing demand of both young professionals and the downsizers age 50+ looking for smaller space with building management provided. The variety of floor plans, quality of finishes, exceptional service, and availability of stunning community space offered by this proposal is guaranteed to amaze. Please check our website at <https://avanteproperties.com/luxury-apartment-rentals/> to see why Avante Properties builds and supports *Places Like No Other*.



APPROACH TO ADJOINING PARCELS AND “FUTURE” BUILDINGS

Included in the Sugar Creek community development planning area are privately owned parcels located at 403-411 W. Verona Ave and 100 S Marietta Street. Northpointe and Avante have included these parcels in the redevelopment plan as future phase buildings. These parcels are owned by four different individuals, three of which we have already contacted. While they are willing to participate in the redevelopment we do not have any additional planning area parcels under contract at this time. Two of the parcels, 407 & 409 W Verona Ave are currently listed for sale. We worked with this seller and believe that their asking price is well above market. At this time, our team has opted not to engage in order to avoid pushing the above market costs onto the City. Our plan is to approach this seller along with the other owners after we have been chosen by the city to work towards reasonable sales prices that do not overburden the City or private investment.

100 S Marietta Street, Future Retail:

At the intersection of Marietta and Verona Ave our plan calls for a 7800 sq ft retail building highlighted by a corner plaza. Parking would be available behind the building with overflow parking available next to the market rate apartment building. The building will likely have multiple users and we will target food & beverage, health & wellness, and other local business looking for a new prominently located space. Both Northpointe and Avante have extensive experience in developing retail buildings. This parcel is owned by a local developer and we have had conversations with them about partnering if we are chosen by the City. Since this parcel is surrounded by the school site it is highly likely that we would be able to work with the current owner to develop the site amongst the first phase of the overall development.

403-411 W Verona Ave, Future Mixed-Use:

A mixed-use building is planned for the non-city owned parcels along W Verona Ave to the West of the historic school. The buildings footprint is roughly 19,000 sq ft and the plan calls for underground and surface parking. The building will be two to three stories tall with retail on the first floor and professional office or apartments above. For the purposes of this proposal, a building similar Avante’s Kinsale Place was utilized to determine potential financial benefit to the City. At roughly a similar sized footprint, Kinsale Place has retail uses on the first floor including medical, health and wellness, and community gathering space. Above the first floor are 36 market rate multifamily rental units. The goal of Kinsale Place, as will be the main objective of this mixed-use building, will be to give the residents of Sugar Creek and surrounding neighborhoods the opportunity to walk to all of their errands.

<https://avanteproperties.com/residential-property/kinsale-place-apartments/>



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TIF District 9:

One unique feature of our plan includes additional redevelopment along West Verona Avenue that is currently in TID #9. This redevelopment brings additional desired outcomes, including an increase in taxable increment to the City while not overlapping uses or interfering with the timing and plans of the Sugar Creek redevelopment. Northpointe Development currently has the Klassik Tavern Site under contract is and working with Old National to deliver a mixed-use building between the water tower and Legion Street.

PUBLIC ENGAGEMENT PLAN

Once chosen by the City, we will hold neighborhood meetings to communicate our plans for the site and get feedback. We will also look to neighborhood for guidance and ideas for users of the historic school and retail spaces. This feedback, as well as feedback from City staff and Common Council will be factored into a final plan. Given the size and scope of the project, our team will rely on this input to ensure we have sculpted the optimal development plan that will bring a sense of pride and improvement to an already flourishing community.



DEVELOPMENT TEAM

The success of Northpointe and Avante Properties' many apartment projects have included the following partners. If awarded the project, these are the likely entities and contacts that will have involvement in the Sugar Creek redevelopment:

Developers:	Northpoint Development, LLC 230 Ohio Street Oshkosh, WI 54902 (608) 334-5665 Contact: Sean O'Brien sean@northpointedev.com	Avante Properties, LLC 120 E. Lakeside Street, Suite 200 Madison, WI 53715 (608) 294-4086 Contact: Christopher Armstrong chris@avanteproperties.com
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Engineer:	Excel Engineering, Inc 100 Camelot Drive Fond du Lac, WI 54935 (920) 926-9800 Contact: James Burkhardt James.b@excelengineer.com	Vierbicher Associates, Inc. 999 Fourier Drive, Suite 201 Madison, WI 53717 (608) 821-3947 Contact: David Glusick dglu@vierbicher.com
Contractor:	Northcentral Construction Corp 631 South Hickory Street Fond du Lac, WI 54935 (920) 929-9400 Contact: Mark Dudzinski Markd@nccbuilds.com	Krupp General Contractors, LLC 749 University Row, Suite 101 Madison, WI 53705 (608) 249-2020 Contact: Paul Lenhart paul@kruppconstruction.com
Property Management:	ACC Management Group, Inc 2375 State Road 44 Oshkosh-, WI 54904 (920) 966-9905 Contact: Rose Andler Rose@accmanagementgroup.com	Avante Properties, LLC 120 E. Lakeside Street, Suite 200 Madison, WI 53715 (608) 294-4086 Contact: Christopher Armstrong chris@avanteproperties.com





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NORTHPOINTE DEVELOPMENT CORPORATION

Northpointe Development Corporation is a real estate development company created for the purpose of bringing revitalization and development to various neighborhoods in Wisconsin. Northpointe envisions vibrant communities that strengthen neighborhoods, enhance livelihoods, respond to the environment, and connect people and places. The company's mission is to provide sustainable housing for communities in an collaborative, honest, and transparent manner.

Northpointe, as shown below, has developed new construction family and senior apartment housing, historic rehabilitation, and commercial properties throughout Wisconsin. The company has received numerous awards including: the 2013 Top Projects Award in Milwaukee, 2015 National Historic Preservation Award, 2014 runner-up for the prestigious J. Timothy Anderson National Award for Excellence, 2017 Wisconsin Trust for Historic Preservation Award, 2019 Remarkable Milwaukee Award and the 2019 Carolyn Kellogg Historic Preservation Award.

Multi Family Developments

<u>Project Name</u>	<u>Location</u>	<u>Units</u>	<u>Property Type</u>
Rivers Senior Living	Oshkosh WI	60	New Construction
Bayshore Townhomes	Sparta WI	32	New Construction
Fair Acre Townhomes	Oshkosh WI	55	New Construction
Kenwood Senior Living	Ripon WI	24	New Construction
The Fountains of West Allis	West Allis WI	35	Acquisition/Rehab
Blackstone Harbor Apts.	Sister Bay WI	24	New Construction
Oconomowoc School Apts	Oconomowoc WI	55	Adaptive Reuse/Historic
Nicolet Townhomes	De Pere WI	60	New Construction
Anthem Luxury Living	Oshkosh WI	80	New Construction
Mercantile Lofts	Milwaukee WI	36	Adaptive Reuse/Historic
Shoe Factory Lofts	Milwaukee WI	55	Adaptive Reuse/Historic
The Rivers - Phase II-Senior Living	Oshkosh WI	40	New Construction
Woolen Mills Lofts	Appleton WI	60	Adaptive Reuse/Historic
Century Building	Milwaukee WI	44	Adaptive Reuse/Historic
Cranberry Woods Townhomes	Wisconsin Rapids WI	40	New Construction
Bayside Senior Apartments	Oconto WI	42	New Construction
Whispering Echoes Townhomes	Winneconne WI	28	New Construction
Regency Place Senior Living	Little Chute WI	40	New Construction

Under Construction

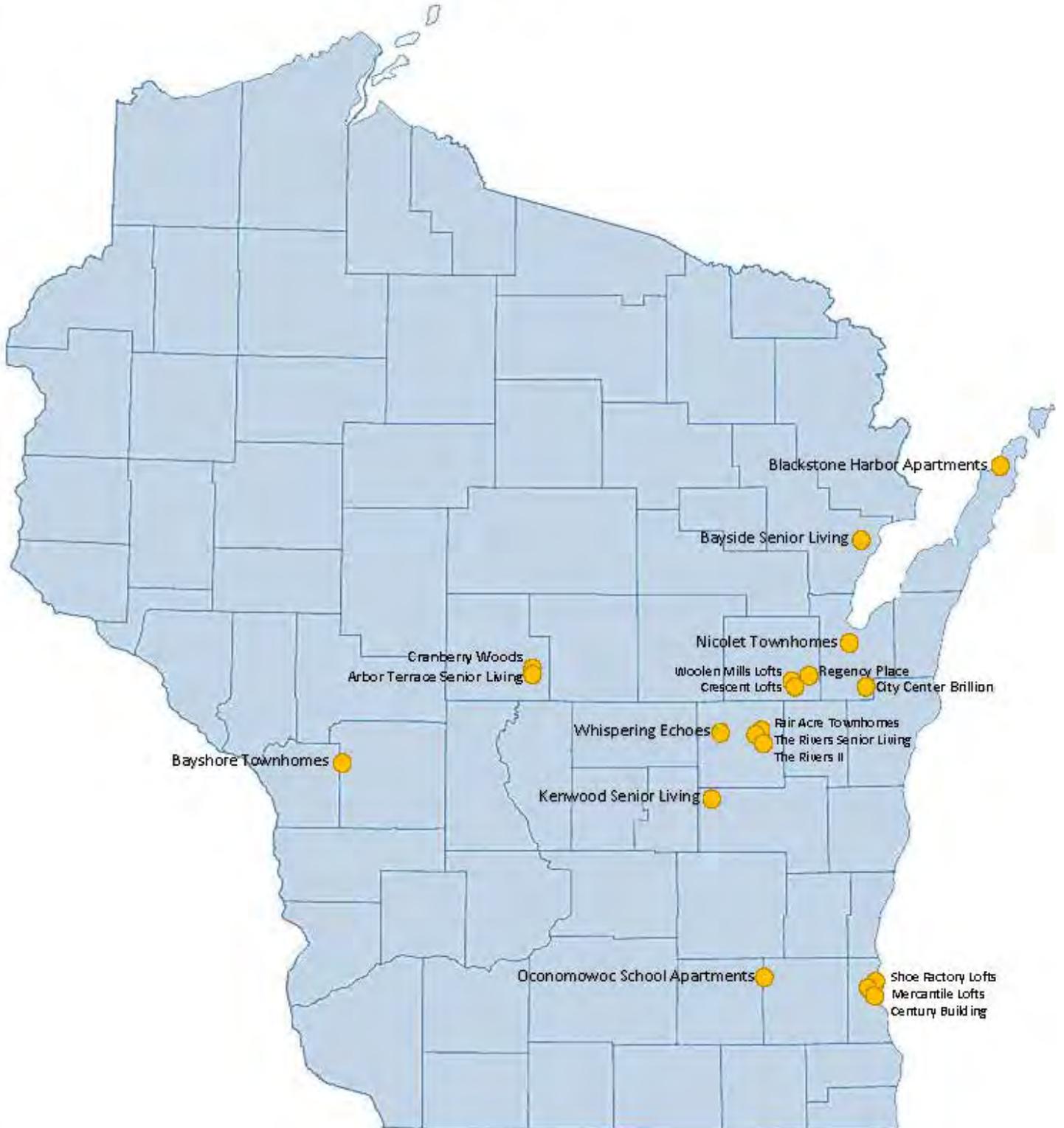
Arbor Terrace Senior Living	Wisconsin Rapids WI	40	New Construction
City Center	Brillion WI	40	New Construction
Crescent Lofts	Appleton WI	69	Adaptive Reuse/Historic

Total Units **959**



NORTHPOINTE

DEVELOPMENT CORPORATION



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230 Ohio Street
Oshkosh, WI 54902
(920) 230-3628
andy@northpointedev.com

Sean O'Brien
2628 Saw Tooth Drive
Fitchburg, WI 53711
(608) 334-5665
sean@northpointedev.com

Callan L. Schultz

Callan Schultz graduated from the University of Wisconsin-Oshkosh with a Bachelor of Business Administration with majors in finance and management information systems and a Masters of Business Administration. Cal is a licensed Wisconsin Real Estate Broker. He was a 1999 class member of the Massachusetts Institute of Technology "Birthing of Giants" program.

Cal formed Keystone Development, LLC in 1999. The company has developed over 2,000 apartment units throughout Wisconsin, Michigan, Ohio and Iowa. In 2011 he and Andy Dumke formed Northpointe Development Corporation for the purpose of developing and owning affordable housing in Wisconsin.

Andrew J. Dumke

Andrew Dumke began developing and managing real estate in 1993. He has grown his portfolio to include multi-family apartments, commercial office buildings, warehouse buildings, and retail centers. His company Alliance Development has developed over \$200,000,000 in real estate. Samples of nationally accredited tenants he works with are Starbucks, Panera, Fed EX/Kinkos, TJ Maxx, JoAnn Fabrics, US Cellular, Verizon, Buffalo Wild Wings, Chipotle, Qdoba, Baker Tilly, Old National Bank, and Olive Garden. Andrew's current portfolio contains over 1,000,000 square feet of commercial office, warehouse, and retail space.

In 2011, Andrew started Northpointe Development Corporation in conjunction with Cal Schultz. The purpose of this entity is to develop, own and provide market-rate, affordable, and senior housing in Wisconsin.

Sean O'Brien

Sean O'Brien joined Northpointe Development as a Partner in 2020. With over 15 years of housing and community development experience, Sean is excited to help grow Northpointe Development's state and national footprint.

Prior to joining Northpointe Development, Sean worked at the Wisconsin Housing and Economic Development Authority (WHEDA) for 14 years. The last 6 years of his tenure he was the Director of Commercial Lending. As Director, Sean led the development of Wisconsin's Affordable Housing Policy and allocation of the Low-Income Housing Tax Credit Program. In 2018, the Commercial Lending team implemented the State Housing Tax Credit Program which allowed WHEDA to allocate a new credit that has created or preserved approximately a thousand affordable homes annually. For three years, Sean also served on the Community Investment Advisory Council for the Federal Home Loan Bank of Chicago.

Sean is a Verona Area High School Graduate and holds a Bachelor of Business Administration degree from the University of Wisconsin - Madison. In 2019, Sean and his wife Emily created OB Development, LLC with the intention of providing development in consulting services for the creation and preservation of decent, safe and affordable housing.

Master Developer Experience

Marion Road Oshkosh, WI

*The Rivers- 60 Unit Senior Affordable
The Rivers II- 40 Unit Senior Affordable
Anthem Lofts- 80 Unit Market Rate*



In 2008, the City of Oshkosh chose to work with Northpointe Development to redevelop a severely contaminated industrial manufacturing site along the Fox River. Once a home to Mercury Marine Manufacturing Plant is now has a vibrant River Walk and three housing developments. Northpointe developed all three buildings containing a total of 180 units, two of which are senior affordable properties and one market rate property. These developments have been catalytic for additional redevelopment on surrounding parcels.

Portfolio Examples



OCONOMOWOC SCHOOL APARTMENTS

55 Units- Family Housing

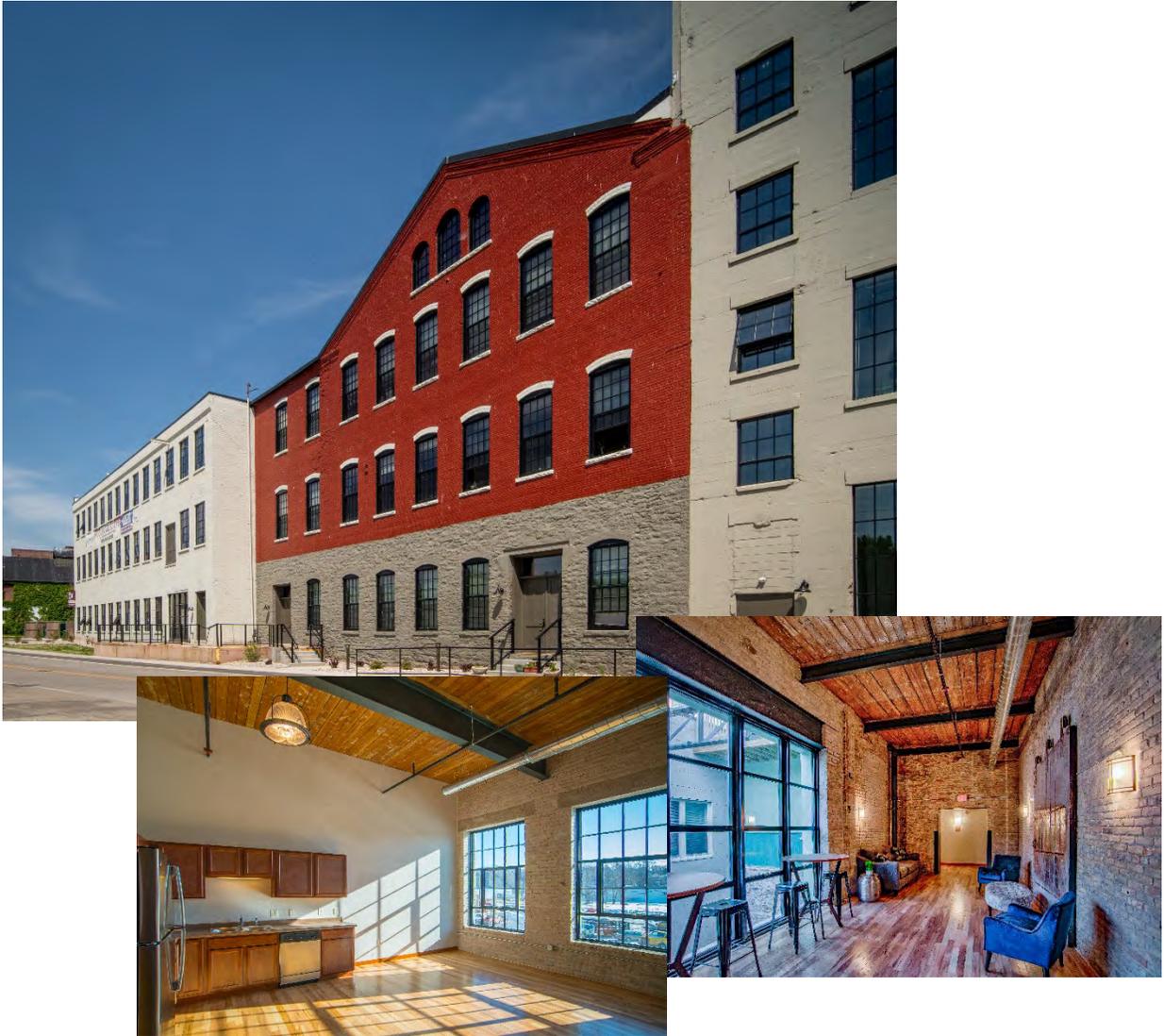
623 East Summit Avenue, Oconomowoc, WI 53066

Oconomowoc School Apartments is a 55-unit family LIHTC property completed in 2013. The school was originally constructed in 1922 and was redeveloped under the historic guidelines of the National Parks Service into one, two, and three-bedroom units. The development retained many of the characteristic school features including lockers in the hallways, as well as classroom cabinets and chalkboards in the units.



MERCANTILE LOFTS
36 Units Market Rate/Office/Commercial
611 West National Avenue, Milwaukee, WI

Mercantile Lofts is a 36-unit apartment property with office and commercial on the first floor completed in 2016. The building was originally construction in 1901 as a department store and was redeveloped under the historic guidelines of the National Parks Service. The tall ceilings and polished concrete floors were preserved and incorporated in the apartments. The famous Mural of Peace was also preserved and restored. WHEDA's Milwaukee office is currently located in the building.



Woolen Mills Lofts

60 Units- Family Housing

218 E. South Island St., Appleton, WI

Woolen Mills Lofts is a 60-unit family LIHTC property completed in 2017. The factory building which was originally construction in phases between 1893-1962 was redeveloped under the historic guidelines of the National Parks Service into one, two, and three-bedroom units. The exposed brick walls, hardwood ceiling, steel girders, and large exterior windows were preserved and restored.



Nicolett Townhomes
60 Units- Family Housing
1380 Scheuring Road, DePere, WI

Nicolet Townhomes is a 60-unit family LIHTC property that was completed in 2014. Located within walking distance to retail, banking, and restaurants. The townhome development offers one, two, and three-bedrooms with individual entrances, attached garages, central air conditioning, washer/dryer, free wifi, and stainless steel appliances. The property has an on-site office, community room and fitness center.



Blackstone Harbor Apartments
24 Units- Family Housing
10525 Judith Blazer Drive, Sister Bay, WI

Nicolet Townhomes is a 24-unit family LIHTC property that was completed in 2013. Located in the heart of Door County the unique single-story development offers one, two and three bedrooms with individual enterances, attached garages, central air conditioning, washer/dryer, free wifi, and stainless steel appliances. The property has on-site office, community room and fitness center.

REFERENCES

Maria Prioletta
Dept. of City Development
809 N. Broadway
Milwaukee, WI 53202
(414) 286-5903
mpriol@milwaukee.gov

Matt Childress
Commercial Lending Tax Credit Manager
Wisconsin Housing and Economic Development Authority
201 W Washington Avenue, Suite 700
Madison, WI 53701
(608) 264-6843
matt.childress@wheda.com

Karen Harkness
Director, Community and Economic Development
City of Appleton
100 N. Appleton Street
Appleton, WI 54911
(920) 832-6408
Karen.Harkness@Appleton.org

Allen Davis
Community Development Director
City of Oshkosh
215 Church Avenue
Oshkosh, WI 54901
(920) 236-5055
adavis@ci.oshkosh.wi.us

J. Scott Sitter
Senior Vice President
Nicolet National Bank
1041 N. Westhaven Dr.
Oshkosh, WI 54902
(920) 267-8052
scott.sitter@choice.bank



PLACES *like*
no OTHER

About Us:



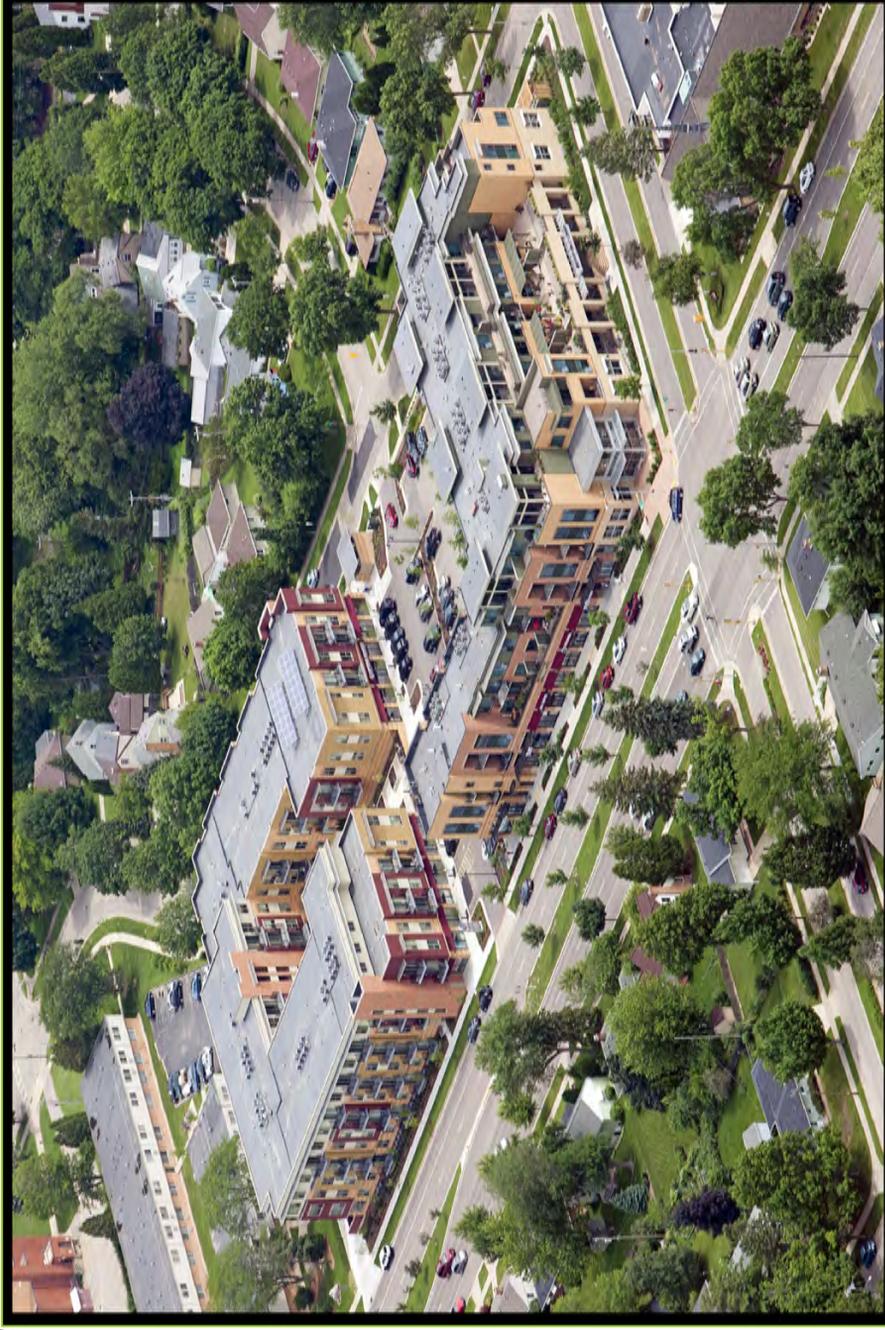
▲ Founded by Scott and Jerry Kelly in 2002, Avante Properties has helped shape the Fitchburg and Madison communities by developing quality neighborhoods and adding value through the redevelopment of underutilized sites. In addition to development, Avante provides full management services for 1.3 million square feet of commercial, multi-family, and mixed-use property, including 650 apartment/townhome/condominium units.

▲ Notable projects include Fitchburg's Uptown neighborhood, the Fitchburg Technology Campus neighborhood, and Madison's signature urban infill project, Sequoya Commons. Our everyday includes the concept, implementation, and management of beautiful spaces, and we look forward to sharing our experience and ideas with the City of Verona.

Sequoia Commons

555/515 S Midvale Blvd, Madison

► Opening in 2008 as one of the City of Madison's first infill projects, Sequoia Commons is a 3.6-acre, award-winning redevelopment that satisfies the broader goals of the City while addressing the concerns of neighboring residents. Replacing an older strip mall anchored by Bergmann's Pharmacy, Sequoia Commons now boasts 17,000 square-foot of retail, 144 condominium and apartment units, and Madison Public Library's 20,000 square-foot Sequoia Branch. In 2009, the project was recognized as InBusiness Design Awards' Best Mixed-Use Development and was again recognized in 2011 by ABC of Wisconsin, receiving Gold in their Projects of Distinction Award. Sequoia Commons is a key example of how an older neighborhood center can be repositioned to better satisfy the needs of its surrounding community and City.



Uptown Fitchburg

▶ Avante Properties acts as master developer of 200 of the 365-acre neighborhood known as Uptown Fitchburg. Positioned along Highway 14 (Park Street), just south of the 12/18 Beltline Highway, Avante Properties played an integral part in constructing Uptown's \$20M interchange, employing TIF dollars through the City of Fitchburg. It is the State of Wisconsin's first development project using the SmartCode zoning model approach to development, emphasizing walkable, pedestrian-friendly neighborhoods and outdoor community spaces.

▶ Uptown Fitchburg is the center of Avante Properties' growing portfolio which currently includes several apartment and townhome complexes developed and managed by the company. Residents commonly employed by Madison's medical network, Promega Corporation, and EPIC Systems enjoy the convenience of tech-driven community rooms, fully integrated fitness centers, comfortable outdoor seating with fire pits, outdoor food prep stations complete with gas grills, and a clubhouse with pool. Uptown Fitchburg is the future home to UW Health and UnityPoint-Meriter's South Campus, and Phoenix Labs.





PRIMA APARTMENTS
5121 & 5131 E CHERYL PKWY



VISTA APARTMENTS - 5120 E CHERYL PKWY



RAVEN APARTMENTS & CLUBHOUSE
5116 LACY ROAD

RIVA APARTMENTS - 5152/5150/5148 E CHERYL PKWY

CHRIS ARMSTRONG

PRESIDENT

- ▶ Chris oversees the company's daily operations, directs personnel, and supervises the firm's newest ventures.
 - ▶ He graduated with honors from the University of Wisconsin-Madison with an MBA in Finance and Entrepreneurship, and a BS and MS in Civil Engineering. He currently serves as a Board Member of Destination Madison and Madison Area Sports Commission.
- Chris' specialties include:
- ▶ Site selection and market analysis
 - ▶ Economic Development analysis
 - ▶ City approval process and permitting
 - ▶ Public engagement and addressing community and city feedback
 - ▶ Finance and banking
 - ▶ General relations with key partners
 - ▶ Brokerage and Leasing



KARYL LYNN BRUCKNER

PROJECT MANAGER



Karyl Lynn is widely known for creating comfortable and aesthetically pleasing spaces, while employing cutting edge and newly marketed products.

Karyl Lynn's specialties include:

- General relations with contractors and subcontractors
- Construction supervision
- Construction budgets and construction draws
- Conception, design, and space planning
- Exterior and Interior product selection

HOLLY PETERSON PROPERTY MANAGER

▶ Holly joined Avante Properties in 2013 as the Residential Manager overseeing the firm's apartment, townhome, and condominium activities. She has been involved in the leasing and management of upscale properties in the Madison area since 2005.

Holly's specialties include:

- ▶ Property management and maintenance
- ▶ Management of community amenities and shared easements
- ▶ Tenant relations and lease administration
- ▶ Vendor contracts and supervision
- ▶ Providing community experiences





References & Testimonials

Residential Testimonials

On Avante's Application Process

- ▲ I am part of a small group of friends that were working with Jocelyn to get a few units signed. The process has been awesome so far. Thanks for being clear with your communication and expectations. We are very excited about the community space on the first floor. — Vista applicants
- ▲ I'm excited to live at RIVA! Thank you for being so helpful and effective in making this happen for us from a distance. — RIVA applicants
- ▲ We moved out to California and are now coming back to Wisconsin. And I'm hoping we can move into an Avante Properties Apartment for a year. We had such a great experience when we were at Riva, so you guys are our #1 choice — Previous & Future Riva applicant
- ▲ I was able to get moved into the apartment over the weekend. I just wanted to thank both of you for your assistance with the leasing process and viewing the apartment. Getting all of that taken care of so quickly made my life easier as this past weekend was really the only time I had available to get moved in. I am really happy with the apartment and am excited to be a resident of Avante Properties. - Raven Resident

Residential Testimonials

- ▲ We absolutely loved our apartment at Sequoya Commons! Jocelyn was always willing to answer our questions and assist us when needed. We only have positive things to say about the complex and staff. We loved living so close to Hilldale, downtown, and the beautiful neighborhoods. The complex is so clean, and we always felt right at home during our 3 year stay. – Sequoya 126 Resident
- ▲ I have been incredibly happy with my experience living at Riva and have never worked with a management company as helpful and timely as Avante properties. So thank you! – Riva 1-211 Resident
- ▲ Danielle and I just want to say thank you, the gift card will go a long ways!! It means a lot to us that Avante Properties looks out for their renters and truly does seem to care. We love living here and RIVA is a great apartment complex. Thanks for being so prompt on fixing things and taking care of any issues we have. - Scott M.
- ▲ I sing your praises to anyone looking for an apartment-- both Luke and I have been extremely happy in our Avante properties these past two years. Your property managers have been super attentive to any issues that have arisen-- yours was the 2nd brand new building I rented in the Madison area, and I'm still floored by how smoothly you handled construction/getting folks in/finishing everything on time. We even had grass by summer! Thanks for all you do! – Amy
- ▲ I was one of the first tenants at Vista Apartments in June 2018 and I just renewed my lease for a third year. This is honestly the best housing experience I've ever had! Jocelyn is an extremely prompt property manager, as any maintenance request I've had is resolved either that day or the next. The apartments are super spacious, with all brand-new appliances and modern layout - my friends are obsessed with my apartment and so am I. I would never leave here unless I had to move out of Madison, Wis. Free underground parking included with rent is a bonus too! I HIGHLY recommend checking out Vista Apartments, or any of Avante Properties' locations. – Vista 216 Resident

Residential Testimonials

On Maintenance Requests

- ▲ *Hi Holly, I hope you are doing well. My AC unit stopped working this past Saturday, and I was very impressed and appreciative of how responsive maintenance was in coming to assess the unit as well as bringing an ac unit to use until the part can be replaced. Please pass this on to Mike and whoever else helped. I am grateful to have had such a prompt response so that I could stay in my apartment. Thank you! Sara*
- ▲ *We just wanted to say that Shaun did a great job fixing the caulking in our apt bathroom and fixing the sliding door earlier. We are very grateful for his work! –Olga*
- ▲ *Each time I've made a request to maintenance they've come through quick and have done a great job. On one occasion the technician even tightened the lock on our door when that wasn't even on the request. Please pass on the thanks. Unit 113 appreciates the hard work. - Tony*
- ▲ *I just wanted to pass along a word of thanks to you and the entire staff. The email this morning about the power outage was much appreciated! I had already called MG&E, but it was reassuring to know that they were working on it. Ours came back on and everything seems to be fine. Also, kudos on the snow removal. Thanks! Greg*
- ▲ *I wanted to sing the praises of the new maintenance worker for Avante. A lady friend and I were walking down my hallway with the trolley and he was coming the other way. I'd asked if he could help put a love seat on top of the trolley and without blinking he said sure. My friend is older than I, and I have no idea how we could have jerry-rigged it to get the love seat situated. He was beyond kind, generous and friendly in spending a couple of minutes helping out a couple of ladies. - Sue*



ServiceMaster Building Maintenance
(A Division of JKS of Wisconsin, Inc.)
2522 Fish Hatchery Road, Ste 100
Madison, WI 53713
608/256-2129
866/992-1122
Fax 608/256-2130
Website: www.smbldg.com

April 15, 2020

To Whom It May Concern:

It is with much enthusiasm that I am writing to recommend the services of Avante Properties.

ServiceMaster has had the honor of developing a working relationship with Avante Properties for over the past 12 years. Throughout the course of these 12 years, Avante Properties has consistently held the highest standard of maintenance and cleanliness for all the facilities they manage.

I have personally found the entire staff at Avante Properties to be extremely dedicated, professional and highly skilled. They address concerns in a sensitive and affective manner.

I have often stated to my colleagues that all businesses Avante Properties services are very fortunate to have the Avante Properties team supporting their needs and looking out for their best interests.

Not only does Avante Properties offer amazing products, they are also a leader in community and business involvement.

Avante Properties staff members truly focus on the smallest details by reaching out to ensure that all of their tenants and clients' needs are properly addressed.

I am excited and happy to recommend the services of Avante Properties. If you have any questions, please feel free to contact me.

Kind regards,
Kathy Burke

Kathy Burke
Client Services Manager
ServiceMaster Building Maintenance



Robin Hill

Landscaping & Lawn Care

866 ASHWORTH DRIVE • OREGON, WISCONSIN 53575 • PHONE 608.444.6007 • FAX 608.835.3619

April 22, 2020

Avante Properties, LLC
120 E. Lakeside Street, Suite 200
Madison, WI 53715

RE: Reference Letter

To Avante Properties:

As the exclusive provider of your lawn, landscaping and snow removal needs at your properties since 2004, I am happy to provide this reference letter describing Avante Properties' exceptional management style, quality of your buildings, and attentiveness of your employees.

It has been a privilege maintaining the exterior landscapes you have built in your developments. A significant amount of time and money was spent on the initial design of plant bed locations, use of mulch and rock materials, and plant and tree selections – and it shows. The beautiful outdoor aesthetics make my job more satisfying and easier to maintain.

Avante Properties sets itself apart by its exceptional management style. Since you own your buildings, you really care about the maintenance, repair, and upkeep of your properties. Your parking lots are well paved and repaired as needed. I think it is smart how you always budget for and coordinate plant replacements each year and maintain reserve money accounts for landscape overhauls for your older projects. I often see your maintenance staff outside picking up trash, power-washing, painting and staining. Your properties always look fresh and clean.

Since 2004, I've had the pleasure of working with the same people at Avante Properties year after year and can't say enough about their level of expertise, professionalism and thoroughness. When a company takes good care of their employees, the employees in-turn take great care of the company and Avante Properties exhibits this perfectly. The staff truly cares about the projects they've built and continue to maintain. The Avante Properties organization is certainly one of Madison's best in the real estate development and property management realm.

Sincerely,



Nate Hegg
Owner
Robin Hill Landscaping
608-444-6007
nate@robinhilllandscaping.com

“Providing all your professional and personal landscaping and lawn care needs.”

FINANCIAL PROJECTIONS- HISTORIC NEW CENTURY SCHOOL

RENT ROLL

<u>Tenant</u>	Square Feet	Rent per sq ft	Annual escalator	Year 1
Rented	11,000	15.00	2.00%	132,000
10% vacancy	1,219			0
Total Gross Rents	12,219			132,000
 Estimated Operating Expenses	 12,190	 1.00	 3.00%	 (12,190)
Net Rents				<u>119,810</u>

Estimated Assessed Value: \$1,500,000

Estimated 1st year Real Estate Tax Projection: \$35,685

SOURCES AND USES OF FUNDS

First Mortgage- Old National	\$1,325,000
Borrower Equity	\$225,000
 TOTAL SOURCES OF FUNDS	 <u>\$1,550,000</u>

Property Acquisition & Construction	\$1350,000
Site Work	\$200,000
 TOTAL USES OF FUNDS	 <u>\$1,550,000</u>

Nicolet

NATIONAL BANK

April 20, 2020

New Century School, LLC
230 Ohio Street, Suite 200
Oshkosh, WI 54902

Dear Cal & Andy:

Nicolet Bank is pleased to inform you that we have approved your financing request for the Historic Rehabilitation Project located in Verona, Wisconsin. The terms and conditions for this financing are detailed below.

CONSTRUCTION FINANCING

Borrower:	New Century School, LLC
Loan Amount:	\$1,325,000.00
Interest Rate:	4.15%, Fixed
Term:	Eighteen Months
Amortization:	None
Monthly Payment:	Interest Payments based on Outstanding Balance
Collateral:	First Mortgage – Commercial Project Fixtures Filing & Assignment of Rents All Business Assets
Guaranty:	Members of New Century School, LLC
Origination Fee:	\$2,500.00

- Other Fees:** All costs associated with this transaction including, but not limited to, title insurance, appraisal, and recording fees shall be at the expense of the borrower.
- Prepayment Penalty:** During the construction phase, a prepayment penalty of 2.0% of the original loan balance will be assessed. At the conclusion of the construction phase, if the loan is not renewed into the permanent financing detailed below, a non-renewal fee of 1.0% of the original loan balance will be assessed.
- Financial Reporting:** During the life of this loan, Nicolet Bank will require the submission of annual financial reports which shall include complete listings of assets, liabilities, and cash flows for the borrower and any guarantor of this credit. If the loan is secured by real property, the borrower shall also provide evidence of hazard insurance and payment of all applicable taxes.
- Other Conditions:** This financing commitment is subject to a comprehensive loan agreement to be negotiated at a later date.

PERMANENT FINANCING

- Borrower:** New Century School, LLC
- Loan Amount:** \$1,325,000.00
- Interest Rate:** 4.25%, Fixed
- Term:** Five Years
- Amortization:** Twenty Years
- Monthly Payment:** Principal and Interest Payments of \$8,225.00 per Month
- Collateral:** First Mortgage – Commercial Project
Fixtures Filing & Assignment of Rents
All Business Assets
- Guaranty:** Members of New Century School, LLC

- Origination Fee:** None
- Other Fees:** All costs associated with this transaction including, but not limited to, title insurance, appraisal, and recording fees shall be at the expense of the borrower.
- Prepayment Penalty:** During the life of this loan, if the balance is refinanced directly or indirectly by another financial institution, a prepayment fee of 2.0% on the outstanding balance shall be assessed.
- Financial Reporting:** During the life of this loan, Nicolet Bank will require the submission of annual financial reports which shall include complete listings of assets, liabilities, and cash flows for the borrower and any guarantor of this credit. If the loan is secured by real property, the borrower shall also provide evidence of hazard insurance and payment of all applicable taxes.
- Other Conditions:** This financing commitment is subject to a comprehensive loan agreement to be negotiated at a later date.

If you shall have any questions with regard to this commitment, please contact me at (920) 267-8052.

Sincerely,



J. Scott Sitter
SVP – Commercial Banking Manager

FINANCIAL PROJECTIONS- SENIOR & WORKFORCE HOUSING

CONSTRUCTION COMMENCES FALL 2021; STABILIZATION 2024
REPRESENTATIVE ELEVATIONS ON FOLLOWING PAGE

INCOME	Unit Type	# Units	Tenant Rent	Utility Allowance	Gross Rent	CMI 2019 Limit
30% CMI						
	1 Bedroom	4	\$516	49	\$565	\$565
	2 Bedroom	3	\$616	62	\$678	\$678
5.634%	3 Bedroom	1	\$647	136	\$783	\$783
50% CMI						
54.93%	1 Bedroom	34	\$892	49	\$941	\$941
	2 Bedroom	29	\$1,068	62	\$1,130	\$1,130
	3 Bedroom	15	\$1,169	136	\$1,305	\$1,305
70% CMI						
8.45%	1 Bedroom	6	\$1,075	49	\$1,124	\$1,318
	2 Bedroom	5	\$1,350	62	\$1,412	\$1,582
	3 Bedroom	1	\$1,675	136	\$1,811	\$1,827
80% CMI						
30.99%	1 Bedroom	14	\$1,075	49	\$1,124	\$1,507
	2 Bedroom	15	\$1,350	62	\$1,412	\$1,808
	3 Bedroom	15	\$1,675	136	\$1,811	\$2,089
		-				
Gross Rental		142				

Estimated Assessed Value: \$11,000,000

Estimated 1st year Real Estate Tax Projection: \$261,690

SOURCES AND USES OF FUNDS

First Mortgage-WHEDA	\$15,510,000
Federal HTC Equity	\$9,214,637
State HTC Equity	\$4,267,204
Deferred Developer Fee	\$900,000
Subordinate Mortgage- WHEDA	\$1,938,750
Developer Contribution	\$2,898,034

TOTAL SOURCES OF FUNDS \$34,728,625

Property Acquisition & Construction	\$25,444,574
Intermediary Costs	\$8,403,051
Development Reserves	<u>\$881,000</u>

TOTAL USES OF FUNDS \$34,728,625





TYPICAL MATERIALS:



Project Name: Sugar Creek Development
Project Location: Verona, Dane County, WI

Return one signed original letter by April 30, 2020

Via Email Only: cschultz@keystone-dev.com

April 23, 2020
Cal Schultz
Keystone Development, LLC
420 S. Koeller Street
Oshkosh, WI 54902

RE: Conditional Commitment to Issue Tax-Exempt Bonds in the amount \$25,010,000

Dear Mr. Schultz:

Wisconsin Housing and Economic Development Authority ("WHEDA") has reviewed the materials submitted by School Yard Development, LLC ("Borrower") in connection with its request that WHEDA issue tax-exempt bonds in the amount of \$25,010,000 or such other amount as the parties may mutually agree upon in writing (the "Bonds") to finance the development of a multifamily housing project known as Sugar Creek Development, to be located at 420 Church Street, in the City of Verona in Dane County, Wisconsin (the "Project"), all as described in more detail in the materials. The proceeds from the Bonds are to be loaned to Borrower (the "Loan"), and, subject to limitations on the use of Bond proceeds, the Loan may be used to finance the purchase of land, buildings, furnishings and equipment, constructing improvements, making rehabilitation expenditures, funding of initial marketing expenses, rehabilitation costs, construction costs, bonding costs, and initial operating deficits of the Project. Based upon the information provided, WHEDA is willing to issue such Bonds and make such Loan, subject to the terms and conditions described in this letter (the "Conditional Commitment").

WHEDA's willingness to issue the Bonds and make the Loan is expressly conditioned upon the following:

- Borrower and WHEDA agreeing to the structure of the Bonds.
- WHEDA having sufficient private activity volume cap to issue the Bonds, as determined in WHEDA's sole discretion and taking into consideration other uses for such volume cap.
- Borrower agreeing to pay and paying either: (a) all issuance costs associated with the Bonds as well as WHEDA's issuance fee and other fees if the Bonds are issued as a stand-alone issuance, or (b) all Loan fees and other expenses associated with the Loan if WHEDA elects to issue the Bonds as part of a larger issuance of bonds, all as approved by WHEDA's Members Loan Committee.
- WHEDA timely receiving all required due diligence materials as requested from time-to-time in order to underwrite the Project.
- Borrower providing a market study, and other reports and documentation requested by WHEDA, each in form and content acceptable to WHEDA.



WHEDA

- WHEDA determining, in its sole discretion, that that the Project is financially feasible, based upon the terms of the Loan, the market demand for the rental units, and any other factors considered by WHEDA.
- The Bonds and Loan being structured in a manner satisfactory to WHEDA and so as not to violate any applicable legal or other requirement.
- WHEDA determining, in its sole discretion, that its underwriting of the Project meets WHEDA's internal requirements.
- Borrower entering into WHEDA's loan documents in form and substance acceptable to WHEDA.
- The Bonds, the use of proceeds, and all other aspects of the transaction complying in all respects with all applicable provisions of the Internal Revenue Code, regulations, revenue rulings, revenue procedures, notices, and announcements.
- Between the date of this letter and the date of the issuance of the Bonds, there existing no material adverse change in: the financial feasibility of the Project; the capital financial structure of the Project financed by the proceeds of the Bonds; or the state, national, or international financial, banking, bond, or credit industries.
- All information and materials submitted or otherwise provided to WHEDA in connection with the Bonds and the Loan being acceptable to WHEDA, and not being materially inaccurate or incomplete either as of the date of the submission or as of the date of the issuance of the Bonds.
- Once the structuring and other details related to the Bonds and the Loan are determined, WHEDA obtaining all necessary internal approvals and resolutions to issue the Bonds and make the Loan, including, but not limited to, the approval of its Members Loan Committee to issue the Bonds and make the Loan, as determined in its sole discretion, and the adoption of the requisite series resolutions to issue the Bonds by WHEDA's Members Loan Committee.
- Borrower and WHEDA entering into a mutually agreeable amendment to this Conditional Commitment or a superseding commitment, setting forth the structure of the Loan and the Bonds in more detail, and incorporating various other closing conditions and general requirements, all in form and substance acceptable to WHEDA, on or before September 1, 2020.

WHEDA agrees that the Bonds will be initially sold through public sale. WHEDA reserves the unilateral right to issue the Bonds as part of a larger bond issuance, the proceeds of which to be used to finance the Loan to the Project and other loans to other projects.

This Conditional Commitment sets forth the entire agreement between Borrower and WHEDA and supersedes any and all agreements, understandings, statements or representations, whether oral or written, of WHEDA or anyone acting on behalf of WHEDA. Any modification or waiver of any provision of this Conditional Commitment must be in writing and be signed by Borrower and WHEDA. To the extent the terms and conditions of this Conditional Commitment are not contradicted by the terms and conditions of documents later executed and delivered, the terms and conditions hereof shall survive the execution and delivery of such later documents. If there is any conflict between the Conditional Commitment and the ultimate Bond and Loan documents, the terms of the Bond and Loan documents shall prevail.

BORROWER (AND ANYONE ACTING ON BEHALF OF BORROWER) AND WHEDA EACH COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THIS CONDITIONAL COMMITMENT, TRANSACTIONS CONTEMPLATED THEREBY AND RELATIONSHIPS ESTABLISHED IN CONNECTION THEREWITH. THIS WAIVER IS SEPARATELY GIVEN BY EACH PARTY KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF LEGAL COUNSEL (OR THE

OPPORTUNITY TO CONSULT LEGAL COUNSEL, WHICH SUCH PARTY HAS WAIVED). THIS WAIVER SHALL BE DEEMED A MATERIAL INDUCEMENT TO WHEDA TO MAKE, AND BORROWER (AND ANYONE ACTING ON BEHALF OF BORROWER) TO ACCEPT, THIS OFFER.

If the terms and conditions of this Condition Commitment are acceptable, please return a copy of the Conditional Commitment signed on behalf of Borrower to Shreedhar Ranabhat, Commercial Lending Officer.

Sincerely,

WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY

By:  _____

Matthew D. Fortney General Counsel

ACCEPTANCE BY BORROWER:

The undersigned hereby accepts the foregoing offer this 24th day of April, 2020 and agrees to be fully bound by the terms and conditions hereof.

School Yard Development, LLC
a Wisconsin limited liability company

By: NORTHPOINTE DEVELOPMENT CORP, ~~LLC~~
a Wisconsin limited liability company its Managing Member

By:  _____

Name: Callan L Schultz

Title: President

EXHIBIT 1 MF C - TAX-EXEMPT BOND LOAN MULTIFAMILY RENTAL HOUSING TERM SHEET

<p>Purpose</p>	<p>Tax-exempt loans are long-term, fixed rate, typically non-recourse, and at below-market interest rates. They are financed through the sale of federally tax-exempt mortgage revenue bonds. They are subject to corresponding federal requirements, including the State volume cap, development eligibility, and rent and occupancy restrictions. There is no other development or rent subsidy connected to these loans, although 4% Low Income Housing Tax Credits (LIHTC) may be used with them.</p> <p>Construction financing is also available for approved developments. Such financing is generally limited to 24 months and carries a competitive interest rate. WHEDA issues bonds to fund the permanent loan at a later date.</p> <p>Ask about WHEDA's variable rate tax-exempt bond opportunities.</p>
<p>Eligible Borrowers</p>	<p>For-profit, qualified non-profits, housing authorities, or other entities meeting criteria established by WHEDA.</p>
<p>Eligible Developments</p>	<p>Developments must be residential rental housing for families, elderly, or people with disabilities. Each rental unit must be complete and include separate tenant spaces for living, sleeping, cooking, eating, and sanitation. Shared tenant spaces are allowed only if the Borrower is a qualified 501(c) (3) corporation.</p> <p>Eligible developments include:</p> <ul style="list-style-type: none"> • Apartments, including townhouses • Retirement centers • Residential care apartment complexes (RCACs) • Community-based residential facilities (CBRFs) • And other housing types permitted by the Internal Revenue Code <p>Developments may be for:</p> <ul style="list-style-type: none"> • New construction • Acquisition with rehabilitation of an existing building (The value of rehabilitation and essential equipment must equal or exceed 15% of that portion of the cost of building and fixtures financed with bonds) • Refinance of an existing development for qualified 501(c) (3) non-profits
<p>Minimum Set-Aside Units</p>	<p>20% of all units set-aside for households with incomes not exceeding 50% of County Median Income (CMI). OR 40% of all units set-aside for households with incomes not exceeding 60% of CMI.</p> <p>Total rent plus utilities cannot exceed 30% of the respective CMI levels.</p>

Rate	Visit our website www.wheda.com for our most current rates.	
Term	35 years maximum.	
Amortization	35 years maximum.	
Loan-to-Value Ratio (LTV)	90% LTV for non-profit Borrowers. 85% LTV for for-profit Borrowers. Based on market or investment value determined by an appraisal contracted by and acceptable to WHEDA.	
Debt Coverage Ratio (DCR)	1.10 minimum. 1.15 typical.	
Credit Enhancements	Typically non-recourse. Construction lending requires either a 15% letter of credit (LOC) or 100% construction performance bond with a 5% LOC, a personal or corporate guaranty may be requested or substituted subject to underwriting. Permanent lending may require a letter of credit, personal or corporate guaranty, additional collateral, etc., based on underwriting.	
Prepayment Provision	First 15 years: Allowed, subject to greater of yield maintenance fee or 1% of balance. After 15 years: Allowed, subject to 1% of balance, no yield maintenance fee.	
Escrows	Monthly deposits for real estate taxes, special assessments, and replacement reserves; insurance escrows may be required. Minimum annual replacement reserve requirements are: <ul style="list-style-type: none"> • \$250 per elderly unit • \$300 per RCAC/CBRF unit • \$300 per family unit 	
Environmental Reviews	Phase I Environmental study, performed and completed by an environmental engineer prior to loan closing.	
Capital Needs Assessment (CNA)	Required at time of loan application for existing building(s) (adaptive reuse exempt). Please see www.wheda.com for requirements and list of approved providers.	
Origination Fee	1.5% of mortgage loan commitment amount for permanent financing only. 2.5% of the mortgage loan commitment amount for WHEDA construction financing with permanent financing.	
Loan Structuring Fee (Non-refundable)	One-half of the origination fee is payable upon acceptance of the Mortgage Loan Commitment Letter; this fee is credited toward the loan origination fee at closing.	
Application Fee	\$250 Developments of 24 units or fewer. \$500 Developments of 25 units or more. <i>Fees are subject to periodic review and change.</i>	
For More Information	<p>WHEDA Madison Office 201 West Washington Ave., Suite 700 Madison, WI 53703</p> <p>WHEDA Milwaukee Office 611 W. National Avenue, Suite 110 Milwaukee, WI 53204</p> <p>TTY/TTD (Teletypewriter/Telecommunication Device for the Deaf) www.wheda.com</p>	<p>1-800-334-6873</p> <p>1-800-628-4833</p> <p>1-800-943-9430</p>

State of Wisconsin Housing Tax Credit Subordinate Debt Financing Term Sheet

Criteria	Loan Policy																				
Purpose	Subordinate financing is available for 4% tax credit transactions - in specific geographic areas. Repayment of the loans will be made from available cash flow from operations Subordinate loans will not be provided for properties with locally-issued or privately-placed tax exempt bonds.																				
Eligible Borrowers	For-profit, qualified non-profits, housing authorities, or other entities meeting criteria established by WHEDA.																				
Eligible Developments	Must be paired with WHEDA long term bonds and State of Wisconsin Housing Tax Credits.																				
Minimum Set-Aside	20% of all units set-aside for households with incomes not exceeding 50% of County Median Income (CMI). OR 40% of all units set-aside for households with incomes not exceeding 60% of CMI. Total rent plus utilities cannot exceed 30% of the respective CMI levels.																				
Rate	<p>2.5%: Rural Areas. New Construction, Adaptive Re-use and Acquisition/Rehabilitation projects are eligible. Defined as:</p> <ul style="list-style-type: none"> - All Wisconsin Counties <u>not</u> contained in this list directly below are considered Rural per the Census Bureau definition of non-metropolitan counties. <p style="text-align: center;"><u>Wisconsin Metropolitan Counties</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Brown</td> <td>Eau Claire</td> <td>Outagamie</td> <td>Sheboygan</td> </tr> <tr> <td>Calumet</td> <td>Kenosha</td> <td>Ozaukee</td> <td>St. Croix</td> </tr> <tr> <td>Chippewa</td> <td>La Crosse</td> <td>Pierce</td> <td>Washington</td> </tr> <tr> <td>Dane</td> <td>Marathon</td> <td>Racine</td> <td>Waukesha</td> </tr> <tr> <td>Douglas</td> <td>Milwaukee</td> <td>Rock</td> <td>Winnebago</td> </tr> </table> <p style="text-align: center;">and</p> <ul style="list-style-type: none"> - Eligible in RD USDA approved non-metro counties. https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do <p>3.0%: Balance of State: Defined as: All remaining properties located in the State of Wisconsin outside of the areas defined above in the Rural areas definition. Limited to new construction. Adaptive Re-use and Acquisition/Rehabilitation projects are not eligible.</p>	Brown	Eau Claire	Outagamie	Sheboygan	Calumet	Kenosha	Ozaukee	St. Croix	Chippewa	La Crosse	Pierce	Washington	Dane	Marathon	Racine	Waukesha	Douglas	Milwaukee	Rock	Winnebago
Brown	Eau Claire	Outagamie	Sheboygan																		
Calumet	Kenosha	Ozaukee	St. Croix																		
Chippewa	La Crosse	Pierce	Washington																		
Dane	Marathon	Racine	Waukesha																		
Douglas	Milwaukee	Rock	Winnebago																		
Term	17 years, 2 years of interest only. (19 years total)																				
Amortization	35 years amortization																				
Credit Enhancements	Guarantees may be required																				
Loan-to-Value Ratio (LTV)	<p>95% LTV for non-profit Borrowers taking into account all WHEDA financing. 95% LTV for-profit Borrowers taking into account all WHEDA financing.</p> <p>Based on market and/or investment value determined by an appraisal contracted by and acceptable to WHEDA. * Excludes any WHEDA financed TIF.</p>																				

Loan Sizing	<p>Rural Areas</p> <ul style="list-style-type: none"> - No more than \$1 of subordinate loan proceeds for every \$6 of permanent tax-exempt bond debt <p>Balance of State</p> <ul style="list-style-type: none"> - No more than \$1 of subordinate loan proceeds for every \$8 of permanent WHEDA tax-exempt bond loan proceeds.
Debt Coverage Ratio (DCR)	<p>1.05 taking into account all WHEDA financing. * Excludes any WHEDA financed TIF.</p>
Origination Fee	<p>1.5% of mortgage loan commitment amount.</p>
Prepayment Provision	<p>WHEDA soft funds can be prepaid at any time post conversion. WHEDA soft funds must be prepaid at or before prepayment of WHEDA 1st mortgage.</p>
Developer Fees	<p>Borrower must request full 20% developer fee (as defined in WHEDA LIHTC Appendix J)</p> <ul style="list-style-type: none"> - A minimum of 50% of the developer fee must be deferred - The application must include evidence that the deferred fee can be repaid through future cash flows at the property within the 15-year LIHTC compliance period.
Payment	<p>Commencing on the Closing Date, Borrower will make monthly interest-only payments on the Cash Flow Note until the conversion Date. Commencing on the Conversion Date, the payments of principal and interest will be due annually. Such annual payments shall be made on January 1st unless Borrower notifies WHEDA 30 days prior there is no available surplus cash. In the event a 30 day notification is received prior to the annual payment due date, WHEDA will review Borrower's annual audited financial statements to determine no surplus cash was available at time of payment. If any annual payment is not paid in full, then the unpaid amount will be carried forward and added to the next annual payment. Additionally, the unpaid principal will continue to accrue interest.</p>
Cash Flow Waterfall	<p>i) Tax Credit Equity Investor Asset Management Fee; ii) WHEDA Subordinate Note annual payment; iii) Deferred Developer Fee; and iv) 50% of the remaining surplus cash pays the principal amount due and owing on the Subordinate Note v) All Non-WHEDA Subordinate Debt</p>
Conditions to Funding	<p>The following conditions must be met prior to the funding of the mortgage loan:</p> <ul style="list-style-type: none"> • Must be paired with WHEDA long term permanent financing • Subordinate loans will not be provided for properties with locally-issued or privately-placed tax-exempt bonds
Loan Structuring Fee	<p>One-half of the origination fee is payable upon acceptance of the Mortgage Loan Commitment Letter; this fee is credited toward the loan origination fee at closing.</p>
For More Information	<p>WHEDA Madison Office 1-800-334-6873 201 West Washington Ave., Suite 700 Madison, WI 53703</p> <p>WHEDA Milwaukee Office 1-800-628-4833 611 W. National Avenue, Suite 110 Milwaukee, WI 53204</p> <p>TTY/TTD 1-800-943-9430 (Teletypewriter/Telecommunication Device for the Deaf) www.wheda.com</p>



April 3, 2020

Mr. Cal Schultz
Northpointe Development
230 Ohio Street
Oshkosh, WI 54902

Re: Sugar Creek Verona – Verona, Wisconsin

Dear Mr. Schultz,

Thank you for the opportunity to submit our interest in your development. Cinnaire is a full-service CDFI with resources including equity for LIHTC, federal historic credits, NMTCs, permanent debt for affordable housing, predevelopment financing, access to AHP dollars from the Federal Home Loan Bank-Chicago, and title services. We offer top-tier service and can provide technical support. As an organization, we believe that all people deserve the opportunities provided by living in healthy communities. Thank you for your continuing efforts to provide high-quality affordable housing to communities in support of this mission.

Cinnaire (the “Fund”) staff has conducted a review of the development and operating budget of Sugar Creek Verona (the “Project”), a 142-unit LIHTC project that will be developed in Verona, Wisconsin. The Project is sponsored by Northpointe Development, an experienced tax credit professional (“Sponsor”). The Fund has reviewed the current development and operating budgets and supports the project as being financially viable with achievable rents, occupancy levels, and reasonable expense levels.

Based on such review, the Fund is pleased to submit this Letter of Interest to purchase federal Low Income Housing Tax Credits (“LIHTC”) and Wisconsin State Low Income Housing Tax Credits (“WSTC”), which will be allocated to the Company that will own and develop the eligible rental property. Our review supports a price of \$0.9200 per LIHTC credit for net equity of \$9,214,672, and a price of \$0.7100 per WSTC credit for net equity of \$4,267,220.

This Letter of Interest is contingent upon the Project finalizing its other sources of funds including LIHTCs and other credits, the Fund finalizing its capital funding, and Project review by the Fund through its due diligence review. During such review the Fund will verify factual representations made by the Sponsor, conduct a site visit, and evaluate the following:

1. Development Budget;
2. Operating Budget;
3. Development Team;
4. Manager Financial Capacity;
5. Timing assumptions for the Project; and
6. Other factors deemed necessary by the Fund.

At the end of its review the Fund will present this investment to its internal investment committee for final approval. While we understand that this project is more than 18 months from a potential closing, it should be noted that the COVID-19 health crisis and resulting national emergency have materially disrupted day-to-day life across the country and may result in negative impacts to the capital markets supporting affordable housing. We will use commercially reasonable efforts to close the transaction on the terms contemplated herein, including pricing. However, it is possible that the aforementioned circumstances may make it difficult to either close the transaction or to close on the terms outlined herein.

We congratulate you on your significant progress to date and look forward to working with you.

Very truly yours,

A handwritten signature in blue ink, appearing to read "C. J. Jillings", is centered below the closing text.

Christopher J. Jillings
Vice President, Business Development

FINANCIAL PROJECTIONS- MARKET RATE HOUSING

MARKET-RATE APARTMENT BUILDING #1
PHASE 1 71-UNIT AT VERONA AVE
PHASE 1 CONSTRUCTION COMMENCES FALL 2021; STABILIZATION 2024
REPRESENTATIVE ELEVATIONS ON FOLLOWING PAGE

INCOME	#	Avg Mo. Rental	Gross	(Phase 1 Stabilized)
Unit Type	Units	Rate	Rent / Mo.	2024
Studio	24	\$1,110	\$26,640	\$319,680
1 Bedroom	38	\$1,345	\$51,110	\$613,320
2 Bedroom	6	\$1,830	\$10,980	\$131,760
3 Bedroom	3	\$2,280	\$6,840	\$82,080
Total Unit Rent	71		\$95,570	\$1,146,840
Add: Underground Parking	60	\$30	\$1,800	\$54,000
Add: Storage Units	27	\$30	\$810	\$9,720
Gross Annual Income			\$96,380	\$1,210,560
Less: Vacancy	5.00%		(\$4,819)	(\$60,528)
Annual Projected Income			\$91,561	\$1,150,032

Estimated Assessed Value: \$9,000,000

Estimated 1st Year Real Estate Tax Projection (2024): \$214,110

SOURCES AND USES OF FUNDS

PER MARKET-RATE APARTMENT BUILDING

Loan Financing - Capitol Bank	\$8,037,583
Developer Contribution	\$2,004,340
TOTAL SOURCES OF FUNDS	\$10,041,923
Construction Cost	\$8,857,215
Land Cost	\$250,000
Construction Interest	\$160,000
Architectural & Engineering	\$150,000
Contingency Costs & Lease-Up Reserves	\$150,000
Project Management Fee	\$100,000
Bank & Legal Fees	\$50,000
Miscellaneous (municipal, soils, signage, etc)	\$324,708
TOTAL USES OF FUNDS	\$10,041,923





April 22, 2020

Mr. Chris Armstrong
Avante Properties, LLC
120 E. Lakeside Street
Madison, WI 53715

Re: Verona Community Development Authority
Sugar Creek School Site

Dear Chris,

Capitol Bank and Avante Properties have worked together on the construction of Raven Apartments and Osprey Apartments in the City of Fitchburg over the past two years. These two projects are similar in scale to the Sugar Creek School Site proposed market rate apartments.

While the project known as the Sugar Creek School Site is in the preliminary stage of a Request for Proposal, Capitol Bank would be interested in reviewing the final approved project scope for the construction of the market rate apartments. We are very familiar with the project team and past results have been highly successful.

Sincerely,

Richard D. Zimmerman

Richard D. Zimmerman
SVP/Commercial Lending

Madison
710 N. High Point Road
Madison, WI 53717

P: 608.836.1616 
F: 608.836.1615

Verona
108 E. Verona Avenue
Verona, WI 53593

Member P: 608.845.0108
FDIC F: 608.845.0109

DEVELOPMENT PROPOSAL
Sugar Creek School Site
Verona, WI

MARKET-RATE APARTMENT BUILDING #1 & BUILDING #2 COMBINED
ADD: PHASE 2 (71-UNIT) FOR TOTAL OF 142-UNIT AT/NEAR VERONA AVE
PHASE 2 CONSTRUCTION COMMENCES SPRING 2023; STABILIZATION 2025

INCOME	#	Avg Mo. Rental	Gross	(Phase 2 Stabilized)		
				2025	2026	2027
Unit Type	Units	Rate	Rent / Mo.			
Studio	48	\$1,143	\$54,878	\$658,541	\$678,297	\$698,646
1 Bedroom	76	\$1,385	\$105,287	\$1,263,439	\$1,301,342	\$1,340,383
2 Bedroom	12	\$1,885	\$22,619	\$271,426	\$279,568	\$287,955
3 Bedroom	6	\$2,348	\$14,090	\$169,085	\$174,157	\$179,382
Total Unit Rent	142		\$196,874	\$2,362,490	\$2,433,365	\$2,506,366
Add: Underground Parking	120	\$30	\$3,600	\$43,200	\$44,496	\$45,831
Add: Storage Units	54	\$30	\$1,620	\$1,620	\$1,669	\$1,719
Gross Annual Income			\$198,494	\$2,407,310	\$2,479,530	\$2,553,916
Less: Vacancy	5.00%		(\$9,925)	(\$120,366)	(\$123,976)	(\$127,696)
Annual Projected Income			\$188,569	\$2,286,945	\$2,355,553	\$2,426,220

Estimated Assessed Value: \$18,000,000

Estimated 2nd Year Real Estate Tax Projection (2025+): \$428,220

SOURCES AND USES OF FUNDS

Sources and uses of funds PER 71-unit market-rate apartment building located on previous page.



PURCHASE PROPOSAL

PURCHASE PRICE: \$1,000,000
CLOSING DATE: November 1, 2020

CONTINGENCIES:

A. Buyer's inspection and complete satisfaction with the real property, the improvements, and systems servicing said property. Seller shall cooperate with Buyer to the extent reasonably requested, but at no expense to Seller, other than making available copies of pertinent documents, to facilitate such inspection and review by Buyer. Seller shall grant Buyer reasonable access to the property for purposes of conducting said inspection. This contingency shall be waived in writing by 11/01/2020 or this Offer shall be null and void.

B. Buyer obtaining zoning any other approvals from appropriate local, state or federal governments or government agencies having jurisdiction over the Property and all necessary support, permits, and licenses necessary for the Buyer's proposed uses. This contingency shall be waived by Buyer in writing by 11/01/2020 or this Offer shall be null and void.

D. Buyer shall obtain a Phase I Environmental Report, at Buyer's expense, satisfactory to Buyer. This contingency shall be waived in writing by 11/01/20 or this Offer shall be null and void.

E. Buyer shall obtain an ALTA Survey, at Buyer's expense, satisfactory to Buyer for Buyer's proposed use. Seller shall grant Buyer access to the property for purposes of conducting the survey. This contingency shall be waived in writing by 11/01/20 or this Offer shall be null and void.

F. Buyer and City to negotiate a TIF Agreement for Demo and Public Infrastructure Costs.



DEVELOPMENT TIMELINE

April 27, 2020	Submittal of RFP Development Proposal
May- 2020	Developer Interviews and Selection of Developer
June- 2020	City Council Action and Submission of Federal Home Loan Bank Grant Application
November-2020	Developer Agreement Finalized and Site Acquisition
December- 2020	Start Sugar Creek School Demo, Site Prep, and Historic Rehab
January- 2021	Submission of 4% Housing Tax Credit Application to WHEDA
April- 2021	WHEDA Announcement of Housing Tax Credit Awards
June- 2021	Central Park Grounds and Amenities Construction Start
August- 2021	Commence Phase I Market Rate Construction- Completion Fall 2022 Commence Housing Tax Credit Construction for all 5 buildings- Completion of Buildings between Fall of 2022 and Spring of 2023
March- 2023	Commence Phase II Market Rate, Verona Ave Mixed Use*, and Verona Ave Retail Buildings*

*Mixed-Use and retail may start sooner depending on property acquisitions.

