

**AGENDA**  
**CITY OF STURGEON BAY**  
**PLAN COMMISSION**  
Wednesday, October 28, 2020  
7:00 p.m.  
City Council Chambers  
421 Michigan Street, Sturgeon Bay, WI

1. Roll call.
2. Adoption of agenda.
3. Public comment on non-agenda Plan Commission related items.
4. Consideration of: Request from Fincantieri Bay Shipbuilding to rezone various parcels along Third Avenue (parcel #281-10-85340109B; #281-10-85371001R; #281-10-35371301R; #281-10-85371401; and #281-10-85360101C) from Central Business District (C-2) to Heavy Industrial (I-2).
5. Consideration of: West Waterfront redevelopment proposals.
6. Consideration of: Sunset School redevelopment proposals.
7. Adjourn.

*NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.*

Notice is hereby given that a majority of the Common Council may be present at this meeting to gather information about a subject over which they have decision-making responsibility. If a quorum of the Common Council does attend, this may constitute a meeting of the Common Council and is noticed as such, although the Common Council will not take any formal action at this meeting.

10/23/20  
1:30 p.m.  
CN

Plan Commission Members

Mayor David Ward  
Ald. Kirsten Reeths  
Helen Bacon  
Jeff Norland  
Mark Holey  
Dennis Statz  
Debbie Kiedrowski

## Executive Summary

**Title:** Zoning Map Amendment – C-2 to I-2 for Fincantieri Bay Shipbuilding

**Background:** Per the attached correspondence, Fincantieri Marine Group, LLC has modified their original rezoning request by reducing the amount of land to be rezoned. The modified request would rezone the following parcels from C-2 (Central Business District) to I-2 (Heavy Industrial): parcel #281-10-85340109B; 281-10-85371001R; 281-10-35371301R; 281-10-85371401; 281-10-85360101C. However, the rezoning includes only the back portion of the parcels containing the former Railroad Depot and the former Red Oak Winery / Peninsula Plaza. (See map)

**Current Zoning:** *Central Business District (C-2) - This district is intended for the central business district on both the east and west sides of the city. It is intended to provide development and redevelopment opportunities consistent with the historic development pattern of the areas. Targeted uses shall be those commercial uses which do not detract from this area because of noise, smoke, odors, or disruption of traffic patterns.*

**Proposed Zoning:** *Heavy Industrial (I-2) - This district reserves land for all uses permitted in the I-1 district plus certain businesses that require the use of unlimited outdoor storage and production yards and involve the use of heavy outdoor equipment and machinery.*

**Surrounding Zoning / Uses:** Toward the north and west is additional shipyard property, which is zoned heavy industrial. Toward the east is single-family residential and central business district. Toward the south is central business district. The surrounding uses include single-family residences and two-family residences, tourist lodging, offices, health clinic, and other downtown uses.

**Comprehensive Plan:** The Comprehensive Plan identifies two different future land use designations for the subject area. The area comprised of the parking lot in the north part is planned to have a future use of Industrial. The current use and proposed zoning map amendment is consistent with the Comprehensive Plan. The remaining parcels (281-10-85340109B, 281-10-85371401, 281-10-85371301) are planned to have a future land use of Downtown Mixed Use. The Comprehensive Plan has maintained this future land use likely due to the former uses of these properties, which have acted as buffers / transitional uses from the industrial area. Please note that the land use designations are the same under both the previous Comprehensive Plan and new Comprehensive Plan. Because the modified rezoning maintains Central Business District for the majority of the former Peninsula Plaza and Train Depot properties, the proposal is consistent with the intent of the Comprehensive Plan. Attached is the Comprehensive Plan Description for the Industrial land use designations.

**Other Considerations:** Rezoning the parking lot is consistent with the Comprehensive Plan. However, because of the adjacent residential uses, maintaining screening or other buffering between any outdoor storage and the street right-of-way should be considered. This could be accomplished through conditions, such as a setback for outdoor storage or outdoor production. It could also be accomplished through the beautification plan that

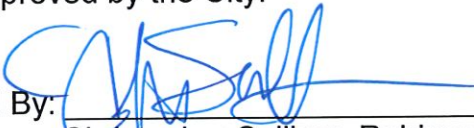


was required by the Zoning Board of Appeals. Because of the appeal of the variance and the potential zoning code amendment, the Zoning Board of Appeals approval and conditions could become voided. Therefore, the City should consider including in the rezoning the requirement to complete and enact a beautification plan as original required by the Zoning Board of Appeals. It could also consider other requirements to buffer the shipyard.

**Recommendation:** Staff recommends approval of the zoning change to Heavy Industrial as modified with one or both of the following conditions:

- a. No outdoor storage shall be allowed within 100 feet of the 3<sup>rd</sup> Avenue right-of-way, unless it is effectively screened from the public's view.
- b. Fincantieri Bay Shipbuilding must create a beautification plan for the 3<sup>rd</sup> Avenue frontage portion of land being rezoned. In addition, the plan must be reviewed and approved by the City.

Prepared By: \_\_\_\_\_

  
Christopher Sullivan-Robinson  
Planner / Zoning Administrator

10.15.20  
Date

Reviewed By: \_\_\_\_\_

  
Martin Olejniczak  
Community Development Director

10-15-2020  
Date

## Industrial

**Description:** This future land use category includes manufacturing, warehousing, distribution, and office uses, often with outdoor storage or processing of materials. New development should adhere to high-quality building design, generous landscaping, modest lighting, screened storage and processing areas, and limited and attractive signage. These areas should be located near arterial roads and away from residential areas and high visibility community gateways whenever possible.

**Recommended Zoning:** The City's I-1 and I-2 zoning districts are most appropriate for areas within this future land use category.

### Policies and Programs:

- a. As opportunities for reinvestment and redevelopment occur, improve the appearance of building facades exposed to the public view, including loading docks and storage areas.
- b. Encourage the use of high-quality building materials, improved window treatments, high-quality loading and storage screening devices and landscaping.
- c. Ensure that future industrial development is appropriately buffered from existing and planned residential development areas.
- d. Adhere to adopted site and building design guidelines for industrial projects.

## Downtown Mixed Use

**Description:** Downtown Sturgeon Bay is intended to remain the civic, social, and commercial hub of the community. This category is intended for a mix of retail, commercial service, office, institutional, governmental, and residential (mainly upper stories) uses arranged in a pedestrian-oriented environment with on-street parking; minimal building setbacks; and building designs, materials, placement, and scale that are compatible with the character of existing development. The downtown mixed-use future land use category is mapped over the historic Downtown area.

**Recommended Zoning:** The City's C-2 central business zoning district is appropriate for areas in this future land use category.

### Policies and Programs:

- a. Preserve the architectural and historic character of the core Downtown historic buildings, including those in the Steel Bridge Creative District and Third Avenue Historic District, by requiring that new development, expansions, and exterior renovations comply with design standards and historic preservation standards.

- b. Grant development approvals only after submittal, public review, and approval of site, landscaping, building, signage, lighting, stormwater, erosion control, and utility plans.
- c. Promote the expansion, retention, and upgrading of specialty retail, restaurants, financial services, offices, professional services, residential, and community uses through continued marketing, investment and incentive strategies.

*Source: 2040 Draft Comprehensive Plan, pg.: 93-94, Vandewalle and Associates Inc, September 2020*

# FINCANTIERI

## BAY SHIPBUILDING

October 14, 2020

Sturgeon Bay City Plan Commission  
421 Michigan Street  
Sturgeon Bay, WI 54235

VIA EMAIL

RE: Request to Amend Current I-2 Zoning in Properties Owned by Fincantieri Bay Shipbuilding

Dear City Plan Commission,

As you are aware, Fincantieri Bay Shipbuilding (FBS) submitted a Rezoning Application for four (4) of its properties to be changed from Central Business District (C-2) to Heavy Industrial (I-2). The application was made to allow for consistent use across all FBS properties, as the other properties owned by FBS are zoned Heavy Industrial (I-2).

As part of these four properties, there are two buildings considered a part of the Rezoning Application, one at 325 North Third Avenue (Parcel ID 281-10-85371401) and the other located at 341 North Third Avenue (Parcel ID 281-10-85371301). We would like to revise our Rezoning Application to allow these two buildings to remain Central Business District (C-2). Allowing the zoning of these two buildings to remain unchanged, while not consistent with the above, would be in line with the current plans FBS has for the properties, as well as provide a transitional corridor from an industrial setting to that of a commercial setting as one transits into downtown Sturgeon Bay. We have attached a map for your reference of where the properties would have split zoning.

Please consider this revision as part of your deliberations and we hope it is received as a favorable change. Should you have any questions, please do not hesitate to contact me.

Sincerely,

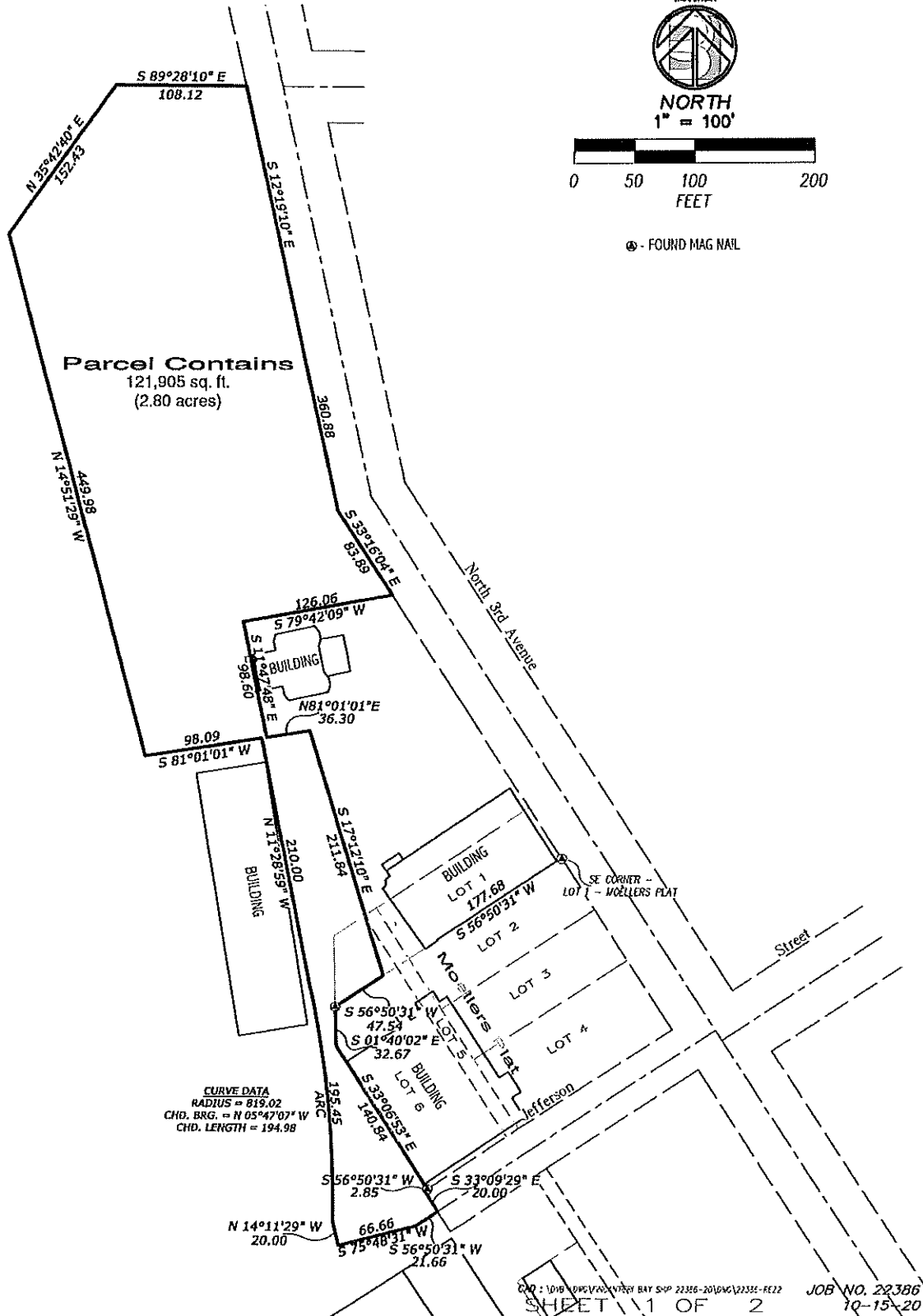


Todd Thayer  
Vice President and General Manager

BEING:  
PART OF BLOCK 34,  
LOTS 10 - 15 OF BLOCK 37, THOSE PORTIONS OF HOWA STREET, NORTH 1st AVENUE,  
AND JEFFERSON STREET VACATED BY A RESOLUTION RECORDED AT DOCUMENT NUMBER 779770  
IN THE ASSESSOR'S MAP OF THE CITY OF STURGEON BAY,  
AND LOTS 5 & 6 OF MOELLER'S PLAT  
ALL IN:  
GOVERNMENT LOT 4 OF SECTION 6,  
TOWNSHIP 27 NORTH, RANGE 28 EAST,  
CITY OF STURGEON BAY,  
DOOR COUNTY,  
WISCONSIN



④ - FOUND MAG NAIL



# REZONING EXHIBIT

BEING  
PART OF BLOCK 34,  
LOTS 10 - 15 OF BLOCK 37, THOSE PORTIONS OF IOWA STREET, NORTH 1st AVENUE,  
AND JEFFERSON STREET VACATED BY A RESOLUTION RECORDED AT DOCUMENT NUMBER 779770  
IN THE ASSESSOR'S MAP OF THE CITY OF STURGEON BAY,  
AND LOTS 5 & 6 OF MOELLER'S PLAT  
ALL IN  
GOVERNMENT LOT 4 OF SECTION 6,  
TOWNSHIP 27 NORTH, RANGE 26 EAST,  
CITY OF STURGEON BAY,  
DOOR COUNTY,  
WISCONSIN

Description - Parcel to be Rezoned from C-2 to I-2:

A parcel of land being part of Block 34, Lots 10 - 15 of Block 37, those portions of Iowa street, North 1st Avenue, and Jefferson Street vacated by a resolution recorded at Document Number 779770 in the Assessor's Map of the City of Sturgeon Bay, and Lots 5 & 6 of Moeller's Plat, all in Government Lot 4 of Section 6, Township 27 North, Range 26 East, City of Sturgeon Bay, Door County, Wisconsin. More particularly described as follows:

Commencing at the SE corner of Lot 1 of Moeller's Plat; thence S. 56°50'31" W., 177.68 feet to the point of beginning of lands to be described; thence continue S. 56°50'31" W., 47.54 feet; thence S. 01°40'02" E., 32.67 feet; thence S. 33°06'53" E., 140.84 feet to the northerly right of way line of Jefferson Street; thence S. 56°50'31" W., 2.85 feet along said northerly right of way line to a point where said northerly right of way terminates; thence S. 33°09'29" E., 20.00 feet along the westerly terminus of Jefferson Street; thence S. 56°50'31" W., 21.66 feet; thence S. 75°48'31" W., 66.66 feet; thence N. 14°11'29" W., 20.00 feet; thence Northerly, 195.45 feet along the arc of an 819.02 foot radius curve to the left whose chord bears N. 05°47'07" W., 194.98 feet; thence N. 11°28'59" W., 210.00 feet; thence S. 81°01'01" W., 98.09 feet; thence N. 14°51'29" W., 449.98 feet; thence N. 35°42'40" E., 152.43 feet; thence S. 89°28'10" E., 108.12 feet to the westerly right of way line of North 3rd Avenue; thence along said right of way line as follows: S. 12°19'10" E., 360.88 feet; thence S. 33°16'04" E., 83.89 feet; thence leaving said westerly right of way line, S. 79°42'09" W., 126.06 feet; thence S. 11°47'48" E., 98.60 feet; thence N. 81°01'01" E., 36.30 feet; thence S. 17°12'10" E., 211.84 feet to the point of beginning.

Said parcel contains 121,905 square feet (2.80 acres). Said parcel is subject to all easements of record.

Date Received: 10-8-20  
Fee Paid: \$ 400 + 50 Signage  
Received By: CN

## CITY OF STURGEON BAY ZONING/REZONING APPLICATION

	APPLICANT/AGENT	LEGAL PROPERTY OWNER
Name	Peter Glasen	
Company	Filcantien Bay Shipbuilding	
Street Address	605 W 3rd Ave	
City/State/Zip	Sturgeon Bay WI 54235	
Daytime Telephone No.	920-746-3269	
Fax No.		

STREET ADDRESS OF SUBJECT PROPERTY: 605 W 3RD AVE  
Location if not assigned a common address:

TAX PARCEL NUMBER: 281-10-85340109B, 281-10-85371001R, 281-10-85371301R  
281-10-85371401, 281-10-85360101C

CURRENT ZONING CLASSIFICATION: I-2 (Industrial) / C-2 (Central Business District)

CURRENT USE AND IMPROVEMENTS: 50' x 220' Metal Building

ZONING DISTRICT REQUESTED: I-2

COMPREHENSIVE PLAN DESIGNATION OF SUBJECT PROPERTY: I-2 / C-2

PROPOSED USE OF SURROUNDING PROPERTY UNDER COMPREHENSIVE PLAN:

North: I-2  
South: I-2, C-2  
East: C-2, I-2  
West: I-2

## **Past Variances Granted:**

1. 281-10-85340109B
  - a. 273 N 1<sup>st</sup> Ave
    - i. 2020 – Setback and Height Variance
    - ii. 2008 – Sign Variance
    - iii. 2007 – Setback and Height Variance
  - b. 225 Jefferson St
    - i. 2006 – New Building
  - c. 218 Kentucky St
    - i. 2006 – Street yard and Height Variance
2. 281-10-85371001 – N/A
3. 281-10-85371301
  - a. 1988 – SP. EX. – Caboose as permanent structure
  - b. 1992 – Use Caboose as Santa's Workshop
4. 281-10-85371401 – N/A
5. 2811085360101C – N/A



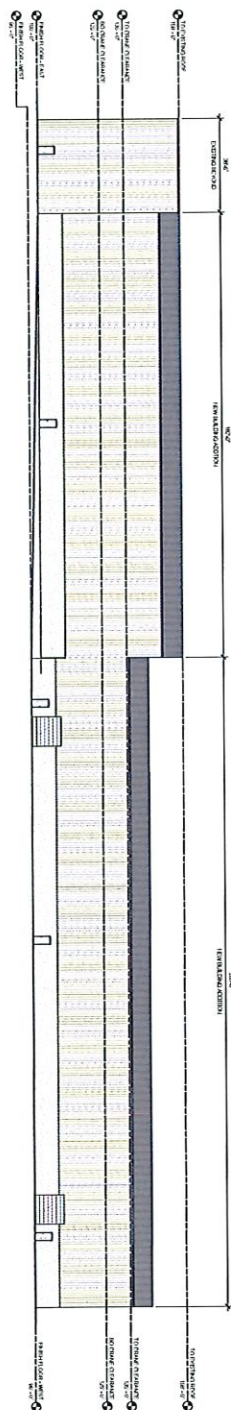
Description - Parcel to be Rezoned:

A parcel of land being Lot 1 (less that portion of Lot 1 dedicated to the public for North 1st Avenue) of C.S.M. Number 3049, recorded at Volume 18, Page 285 of Certified Survey Maps as Document Number 799772, and portions of Blocks 34, 36, and 37 of the Assessor's Map of the City of Sturgeon Bay, and Moeller's Plat, all in Government Lot 4 of Section 6, Township 27 North, Range 26 East, City of Sturgeon Bay, Door County, Wisconsin. More particularly described as follows:

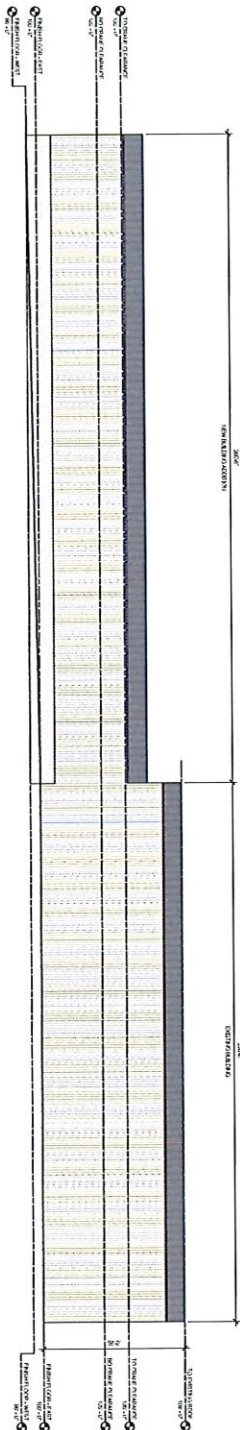
Commencing at the SE corner of Lot 1 of said C.S.M. Number 3049, said corner being on the northerly right of way line of Kentucky Street and the point of beginning of lands to be described; thence S.  $56^{\circ}41'31''$  W., 275.00 feet along said northerly right of way line of Kentucky Street to the intersection of said northerly right of way line and the easterly right of way line of North 1st Avenue; thence along said easterly right of way line as follows: N.  $33^{\circ}18'29''$  W., 141.54 feet; thence Northerly, 124.45 feet along the arc of a 45.00 foot radius curve to the left whose chord bears N.  $18^{\circ}42'12''$  W., 88.41 feet (incl.  $\leq 158^{\circ}27'07''$ ); thence N.  $05^{\circ}39'33''$  W., 52.09 feet to a point where said easterly right of way terminates; thence S.  $82^{\circ}43'46''$  W., 50.67 feet along the northerly terminus of North 1st Avenue to the westerly right of way line North 1st Avenue; thence continue S.  $82^{\circ}43'46''$  W., 487.50 feet to a 1" found steel pipe on a meander line; thence continue S.  $82^{\circ}43'46''$  W., 8 feet +/- to the approximate ordinary highwater mark of Sturgeon Bay; thence Northerly, 4,430 feet +/- along said approximate ordinary highwater mark; thence N.  $88^{\circ}52'50''$  E., 64 feet +/- to a point on a meander line, said point being N.  $23^{\circ}43'43''$  W., 1632.21 feet along said meander line from the aforementioned 1" found steel pipe on said meander line; thence continue N.  $88^{\circ}52'50''$  E., 1108.30 feet to the westerly right of way line of North 3rd Avenue; thence along said westerly right of way line as follows: S.  $12^{\circ}19'10''$  E., 701.47 feet; thence S.  $33^{\circ}16'04''$  E., 345.28 feet to the SE corner of Lot 1 of Moeller's Plat; thence leaving said westerly right of way line, S.  $56^{\circ}50'31''$  W., 225.22 feet along the southerly line of said Lot 1 of Moeller's Plat to the easterly line of Lot 1 of the aforementioned C.S.M. Number 3049; thence along said easterly line as follows: S.  $01^{\circ}40'02''$  E., 32.67 feet; thence S.  $33^{\circ}06'53''$  E., 140.84 feet to the northerly right of way line of Jefferson Street; thence S.  $56^{\circ}50'31''$  W., 2.85 feet along said northerly right of way line to a point where said northerly right of way terminates; thence S.  $33^{\circ}09'29''$  E., 40.00 feet along the westerly terminus of Jefferson Street to the southerly right of way line of Jefferson Street; thence N.  $56^{\circ}50'31''$  E., 84.00 feet along said southerly right of way line to the westerly line of a 12 foot alley; thence S.  $33^{\circ}26'58''$  E., 65.01 feet along said alley; thence S.  $56^{\circ}41'32''$  W., 58.51 feet; thence S.  $33^{\circ}26'59''$  E., 43.51 feet; thence S.  $56^{\circ}41'31''$  W., 25.00 feet; thence S.  $33^{\circ}26'58''$  E., 210.03 feet to the point of beginning.

Said parcel contains 1,489,898 square feet +/- (34.20 acres +/-) together with all riparian rights appurtenant thereto. Said parcel is subject to all easements of record.

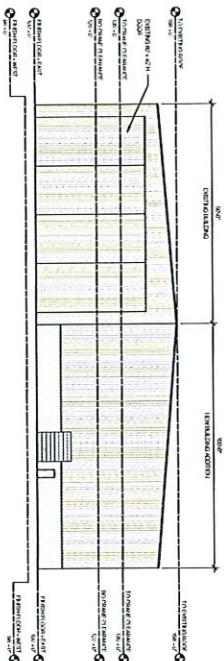
C1 NORTH ELEVATION  
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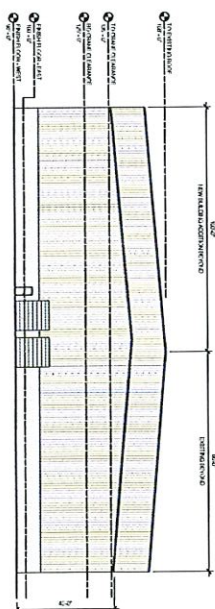
B1 SOUTH ELEVATION  
7'-0" x 20'-0"



A1 EAST ELEVATION  
7'-0" x 20'-0"



A2 WEST ELEVATION  
7'-0" x 20'-0"



**GR2EF**

275 West Wisconsin Avenue, Suite 300  
Milwaukee, WI 53203  
414.729.1300  
414.729.0301 fax  
www.gr2ef.com

CLIENT:

PROJECT TITLE:  
ENGINEERING & ARCHITECTURAL  
DESIGN FOR BUILDING 03

605 NORTH 9TH AVENUE  
STURGEON BAY, WI 54225

ISSUE:

420

PROJECT INFORMATION:  
PROJECT NUMBER:  
DATE: 06/14/2020  
DRAWN BY: DJ  
CHECKED BY:  
APPROVED BY:

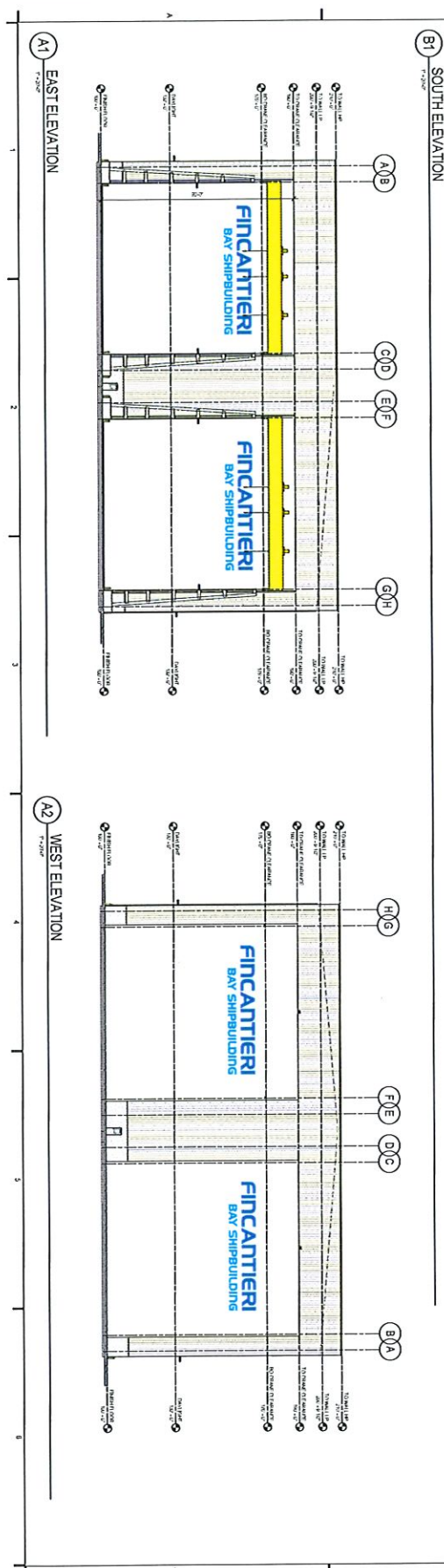
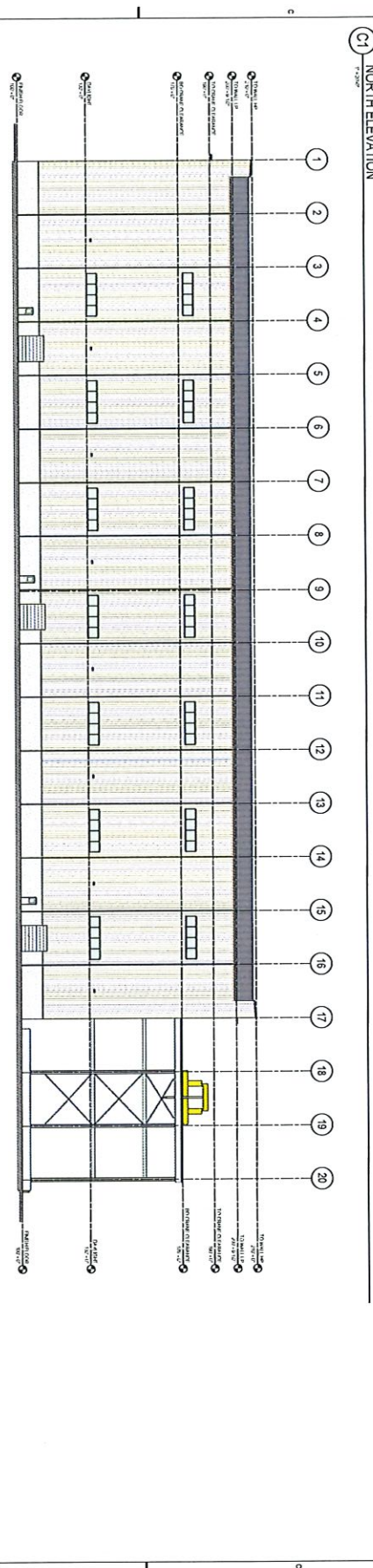
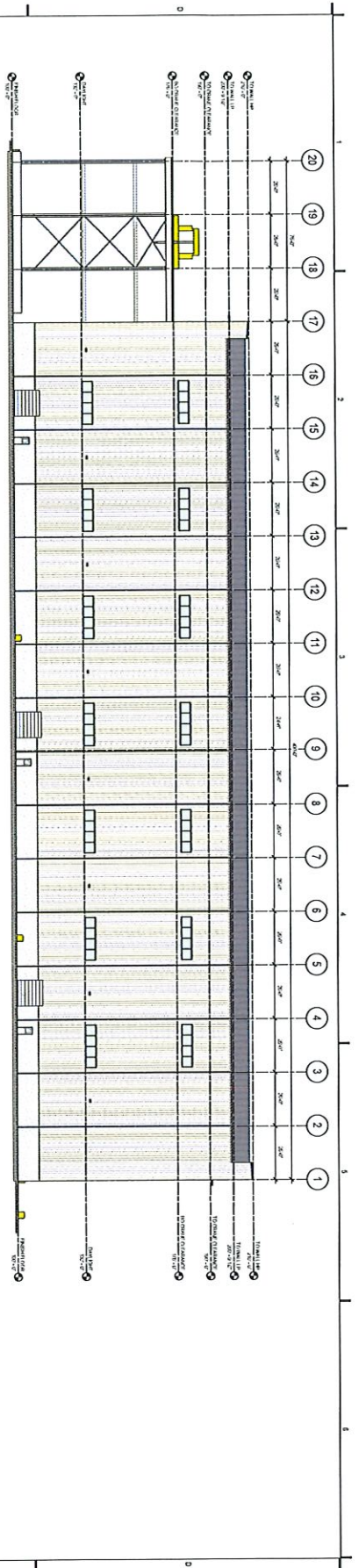
SCALE: AS NOTED  
SHEET TITLE:  
BUILDING 03 / 00 ELEVATIONS

SHEET NUMBER:  
**A-202**









**GR@EF**  
275 West Wisconsin Avenue, Suite 300  
Milwaukee, WI 53203  
414 / 259 1500  
414 / 259 0027 fax  
www.graf-ea.com

CLIENT:

PROJECT TITLE  
ENGINEERING & ARCHITECTURAL  
DESIGN FOR BUILDING 433

655 NORTH 3RD AVENUE  
STURGEON BAY, WI 54225  
ISSUE

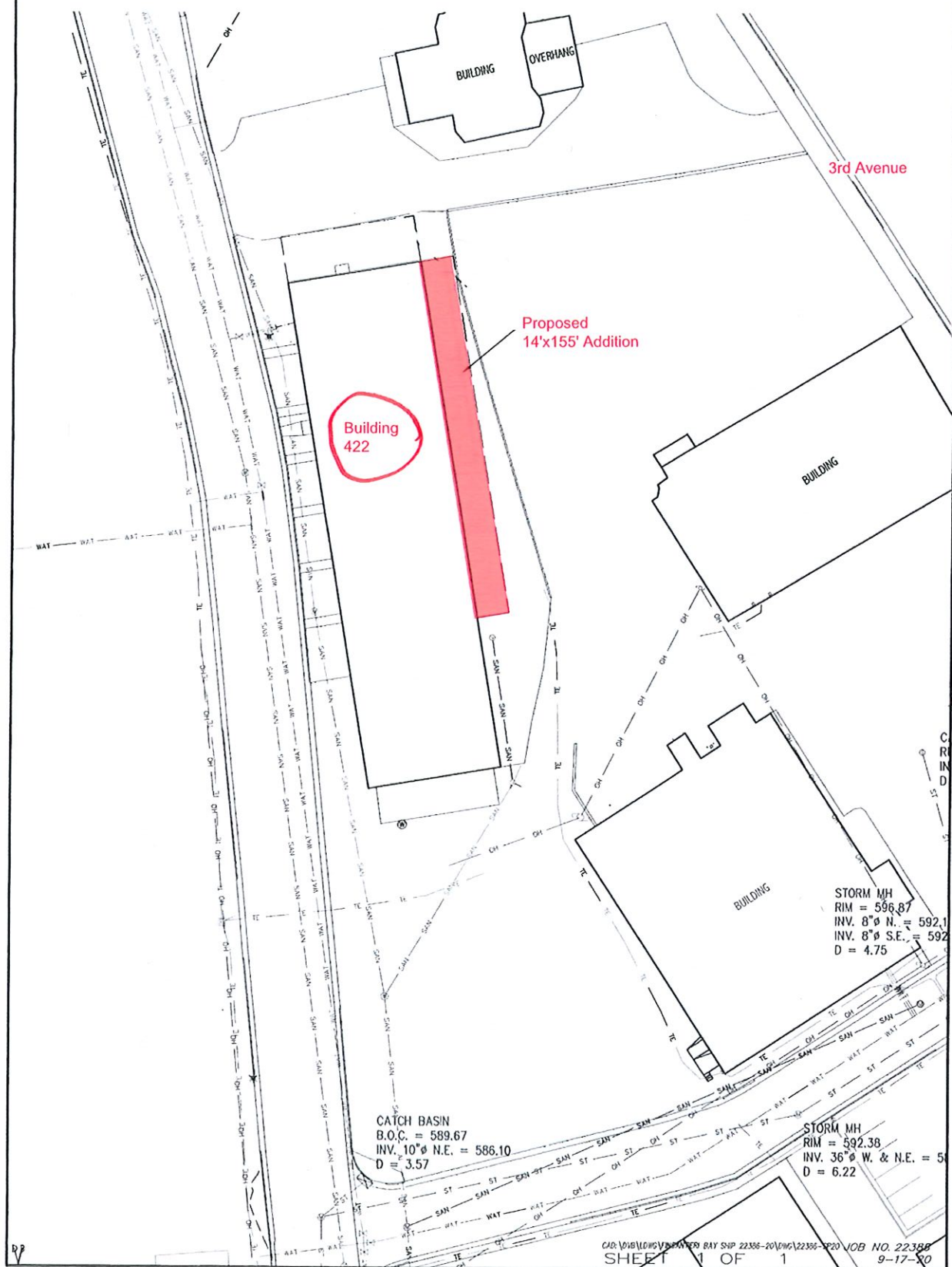
433

PROJECT INFORMATION  
PROJECT NUMBER: 08/2020  
DATE: 08/2020  
DRAWN BY: JDU  
CHECKED BY:  
APPROVED BY:  
SCALE: AS NOTED  
SHEET TITLE: ELEVATIONS

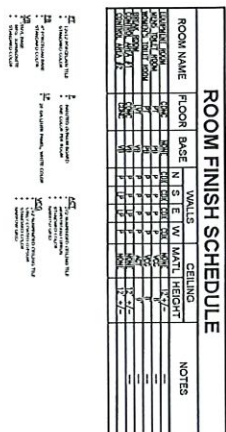
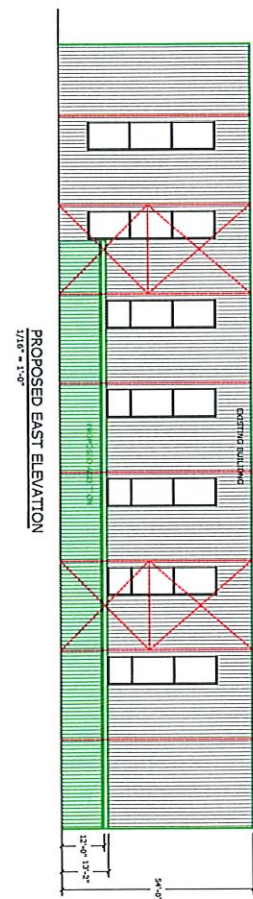
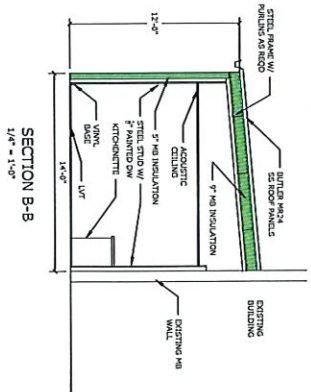
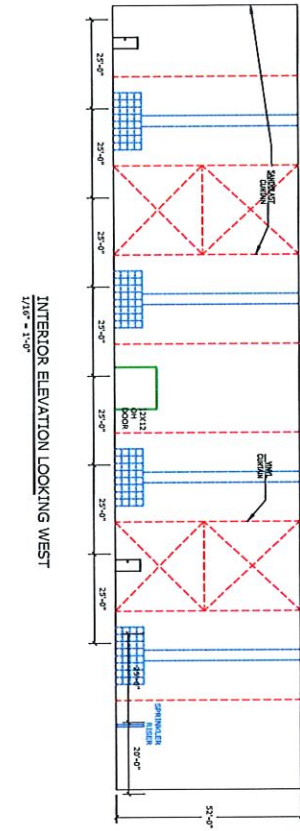
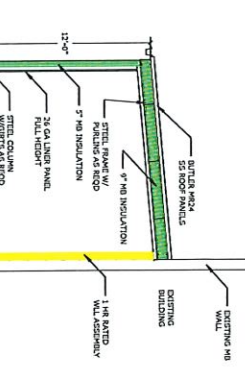
SHEET NUMBER:  
**A-201**



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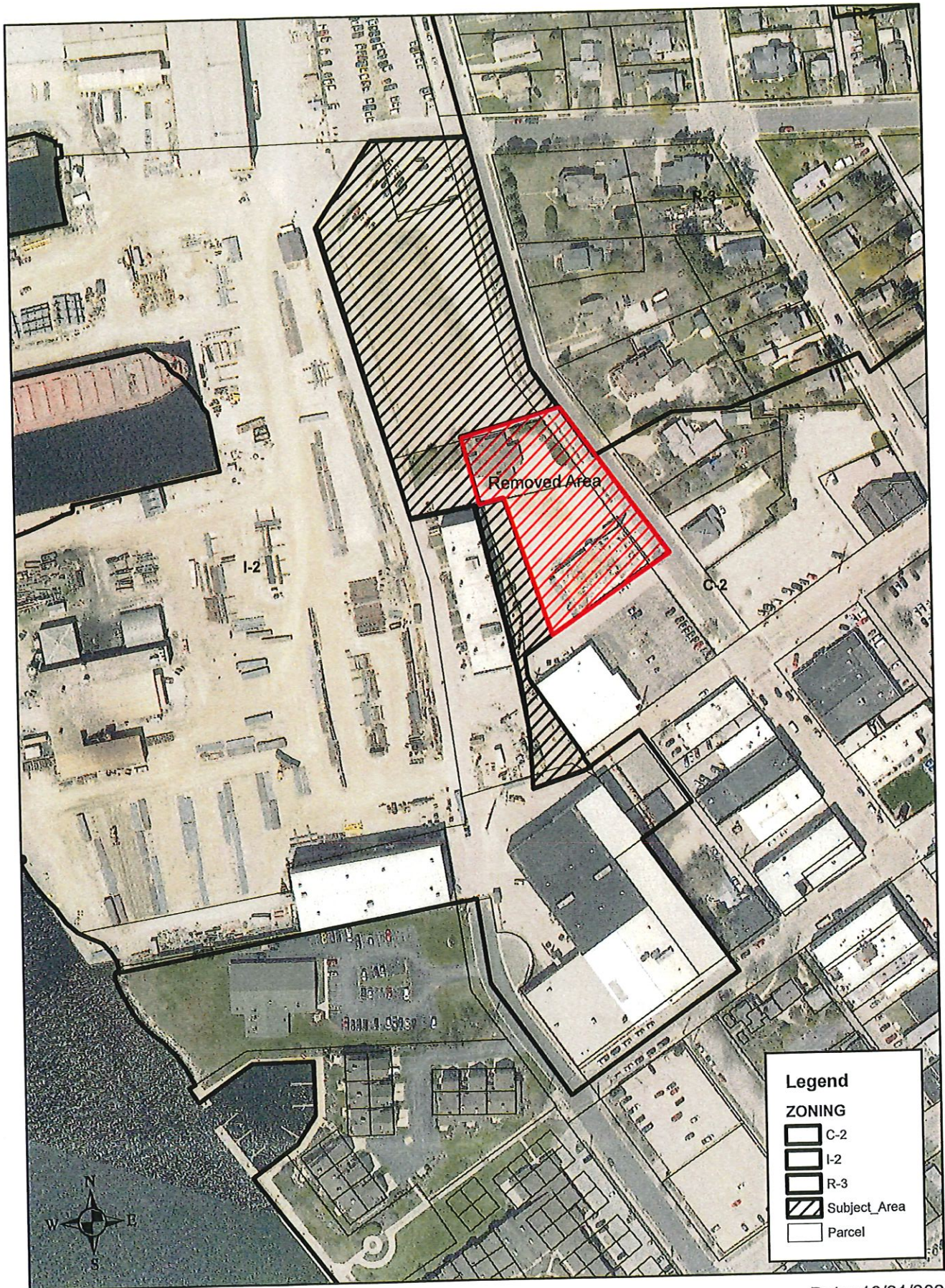




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# Fincantieri Rezoning - Site Map



Date: 10/21/2020





# MEMO

**To:** City Plan Commission  
**From:** Marty Olejniczak, Community Development Director  
**Date:** October 15, 2020  
**Subject:** Proposals to Redevelop West Waterfront

The City issued a request for proposals (RFP) to the redevelopment of the West Waterfront area. Three proposals were submitted. All involve multiple-family dwelling units.

The Plan Commission is requested to review the proposals and provide a recommendation to the Common Council regarding which proposal, if any, to select. The City can then work with the selected developer to refine the proposal and negotiate a sale and/or development agreement.

The proposals are included in the packet. Attached are summaries of the key aspects for the proposals.





## **Northpointe Development Corporation**

Use: 40-unit MF housing – no commercial space

Affordable v. Market Rate Units: 21 units would be reserved for people earning 80% of county median income. The developer would commit to keep these affordable units for 10 years. The other 19 units would be market rate.

Bedroom Mix: 19 one-bedroom and 21 two-bedroom units.

Building Design: Rectangular building set an angle such that it is parallel to the rear lot line which adjoins the parkland. There are 4 stories containing the housing units over a parking level. It is unclear if the parking level is at grade or partially below grade.

Amenities: onsite management, community room with balcony, fitness room, bike racks and pedestrian path connecting to the public parkland/promenade. Green infrastructure is proposed to be incorporated.

Parking: 24 indoor stalls under the building and 26 outdoor spaces for a total of 50 spaces.

Financing/TIF Support: The proposal includes \$740,000 in TIF support. The TIF assistance would be "Pay as You Go" developer-financed loan. Northpointe is also seeking the use of \$1.4 Million in Community Development Block Grant (CDBG) funds.

Building Value: The developer projects the building to have an assessed value of about \$3,810,000. As a partially low-income housing project, the building will be assessed using the income approach to property value assessment. The anticipated value yields about \$88,000 annually in tax increment.

Schedule: Construction commences April, 2021 and completed in June, 2022.

Notes: Northpointe Development Corporation was the developer of the proposed affordable housing project at the West Side School/West Side Field. That project failed to obtain the required WHEDA tax credits and, hence, do not proceed.

The County's \$1.4 Million must be used for a CDBG-eligible project and needs to be committed to a project by early 2021. The City and County previously approved converting the City's revolving loan fund (RLF) into a joint city/county fund in exchange for using the County's CDBG funds on an affordable housing project in the City. The project was originally expected to be the West Side School/West Side Field housing project, but could be used at the west waterfront or other area in the City.

## **T. Wall Enterprises**

Use: 78-unit MF housing – no commercial space

Affordable v. Market Rate Units: All of the units are proposed to be market rate units.

Bedroom Mix: Studio, one-bedroom, two-bedroom, and three-bedroom units are all included, but the exact mix is unknown.

Building Design: L-shaped building with a plaza connecting the two wings. There are 4 stories over an underground parking level.

Amenities: Community room/plaza, luxury fixtures, high-quality finishes.

Parking: 80 stalls most of which would be underground. The surface parking shown is likely within the public space and would have to be public parking spaces.

Financing/TIF Support: The proposal requests 70% of the tax increment generated from the project. More specifically, they are looking for an upfront cash payment of \$2,500,000 and it would take about 70% of the tax increment for the City to finance that. The developer is open to a developer-financed loan in lieu of the upfront cash grant, but that would require higher TIF support due to the higher interest rate that the developer would pay compared to the City.

Building Value: The developer projects the building to have an assessed value of about \$10,300,000. The anticipated value yields about \$238,000 annually in tax increment.

Schedule: Construction is expected to last one year. A specific start date was not indicated. Their prior proposal included an 18-month contingency period to commit to the project and commence construction.

Notes: T. Wall Enterprises also provided a second option that included a total of 104 units split into two phases. That project was not considered being it involved property that is already controlled by third parties (Harbor Club Marina) due to previous development contracts and other factors.

Prior to the issuance of the Request for Proposals, T. Wall Enterprises attempted to enter into an option to purchase with the City for the development site. Their project at that time is essentially the same as the current proposal except that they projected to require 65% of the tax increment as incentive. The Finance Committee, which reviewed the letter of intent to purchase the site, rejected that proposal and directed staff to issue the RFP.

The architect on the team is the same architectural firm that designed The Bay Lofts.



Request for Proposals  
City of Sturgeon Bay, Wisconsin  
Waterfront Property Redevelopment

Issued: July 27, 2020

Due: September 24, 2020

Please address questions to:

Marty Olejniczak  
Community Development Director  
[molejniczak@sturgeonbaywi.org](mailto:molejniczak@sturgeonbaywi.org)  
(920) 746-6908

Josh VanLieshout  
City Administrator  
[jvanlieshout@sturgeonbaywi.org](mailto:jvanlieshout@sturgeonbaywi.org)  
(920) 746-6905

Proposals will be received at the office of the City Clerk, 421 Michigan Street, Sturgeon Bay, WI until 2:00PM, September 24, 2020. Please send 1 unbound hard copy and an electronic version (pdf format preferred).

Submit Proposals to Clerk at:

Stephanie Reinhardt, Clerk  
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

Email: [sreinhardt@sturgeonbaywi.org](mailto:sreinhardt@sturgeonbaywi.org)

For additional West Waterfront redevelopment project materials, go to <http://www.sturgeonbaywi.org> and search for "west waterfront redevelopment"

## CITY OF STURGEON BAY, WI

### Request for Proposals To Develop City-Owned West Waterfront Property

The City of Sturgeon Bay seeks development proposals for the purchase and development of a prominent site in downtown Sturgeon Bay. The site is located along E. Maple Street and adjoins filled lakebed that is being converted public maritime and recreational uses. It is part of the city's West Waterfront Redevelopment Project and located within Tax Increment District #4.

### Background

Sturgeon Bay's West Waterfront Area is a highly visible development opportunity within the west downtown district. The surrounding region has an active local and tourism economy. The subject site is located adjacent to E. Maple Street between the two downtown bridges. Due to its prime location and redevelopment potential, the area is an economic development priority for the City of Sturgeon Bay.

The City of Sturgeon Bay has been planning and implementing the redevelopment of this site and surrounding area for several years. Accomplishments and actions so far include:

- ✓ Renovation and reoccupation of a vacant waterfront restaurant for an expanded local business (Sonny's Pizzeria & Italian Kitchen).
- ✓ Construction of a new mixed use building known as The Bay Lofts that includes 37 apartment units and ground floor space for an expanded local business (Bayshore Outfitters).
- ✓ Removal of blighted buildings that had been located on the waterfront site.
- ✓ Extensive soil and groundwater testing on the waterfront site and approval by the Wisconsin DNR of an environmental remediation plan.
- ✓ Replacement of a sanitary sewer main, undergrounding of various overhead utility lines, and other utility improvements.
- ✓ Reconstruction of E. Maple Street and other street improvements.
- ✓ Completion of plans for a public promenade and overlook along the waterfront. The construction package has been let to bid with the improvements anticipated to be completed in 2021.
- ✓ Approval of plans and permits for a multi-million dollar expansion of the Door County Maritime Museum, which include a 10-story maritime tower, and obtaining a WEDC Community Development Investment Grant on behalf of the Museum to aid in its construction. The construction is underway and is expected to be completed by the end of 2020.
- ✓ Approval of a development agreement with the Sturgeon Bay Historical Society Foundation to renovate an historic grain elevator on the waterfront property into a public gathering facility. Construction on this project is expected to be completed by 2022.
- ✓ Approval of dock wall lease with Sarter Marine Towing Company, which keeps the iconic tugboat fleet moored on the dock wall and better defines the extent of their on-land operations adjacent to the dock wall.

The main component of the overall redevelopment effort involves improving a portion of city-owned waterfront property into a promenade and public recreation space with new private development overlooking the public space. This part of the redevelopment project was delayed due to a dispute over the location of the ordinary high water mark, which controls where non-public, non-

maritime development can be built. The issue has been resolved and the ordinary high water mark has been formally established. Hence, the City has restarted the redevelopment project.

A new redevelopment plan was created and adopted in 2019. As detailed in the plan, the guiding principles for the redevelopment project are:

- Assure the overall project is economically sustainable.
- Create/maintain view corridors to the water and promote and strengthen access to public areas.
- Incorporate family-friendly and multi-generational public facilities with the ability for flexible programming.
- Honor the heritage of the City by embracing the working waterfront character and history, including tugboat operations, shipbuilding industry, and shipping of grain and other products by water and rail (grain elevator).
- Integrate different forms of public art and promote intentional design and aesthetic qualities.
- Create a community buzz (social energy within the community) and foster a sense of community pride.
- Strengthen the urban intensity on the west waterfront and promote commercial activity.
- Incorporate green infrastructure and building practices and use native plantings.
- Support tourism.
- Create an additional community recreational resource, especially a trail hub for the Ahnapee State Trail and Ice Age Trail.
- Foster downtown housing initiatives and alternatives.
- Seek to enhance academic partnerships whenever possible, particularly the establishment of a water resource hub or National Estuarine Research Reserve facility.

### Current Activities

The Common Council has approved the design for the waterfront promenade and overlook and authorized the project to be bid. The schedule calls for the installation of this facility to be completed approximately June, 2021. The promenade along the waterfront connects to existing waterfront walkways on both ends, thereby providing a continuous walkway throughout the downtown waterfront on the west side of the city. The project also includes an overlook near the midpoint of the dock wall, along with benches, lighting, landscaping, and other amenities.

The approximately two acres of land between the promenade and the ordinary high water mark is planned to be a public park. There is a chance that a portion of this property could contain a public use building such as a visitors center or research facility. But no proposals are being actively contemplated by the City at this time and the likelihood is that it will be entirely recreation space with amenities along with parking area.

The grain elevator that is situated within the future parkland is owned by the Sturgeon Bay Historical Society Foundation. It is listed on the state and federal registers of historic places. The City has a development agreement and a pending land lease with the SBHSF for the structure to be renovated and placed back on its original site in the northern portion of the parkland. *Note: This is a different location from the proposed location in the redevelopment plan.* The building will be used for various public purposes including a pavilion for public gatherings. SBHSF is currently working on architectural and engineering design for the project. The development agreement has a deadline of September, 2022 for the project to be finished and SBHSF anticipates beginning work later this year.

American Transmission Company is about to begin a project to replace its electrical transmission line that runs through the property. Currently the overhead transmission lines end near the dock wall and then go underground. Under this replacement project the overhead line will end at the corner of Maple Street and the Oregon Street Bridge corridor. From there the lines will be underground. This will greatly improve the view of the water from buildings constructed along Maple Street. The ATC project is expected to be completed by June 1, 2021.

The Door County Maritime Museum is constructing a major addition to its facility, including a 10-story maritime tower. Their project is expected to finish about October, 2020. The project will increase the attendance at the museum, thus further enhancing the West Waterfront as an economic focal point.

### General Description of the Property

The proposed development site is currently part of a larger parcel of land owned by the city. The city will create the actual lot(s) needed for the new development based upon the approved site plan. The total amount of area above the established ordinary high water mark is approximately 53,800 square feet. But the irregular shape of the site, the location of existing underground utilities, and other factors effectively reduce the buildable area and split the site into two future building sites.

The main site fronts on E. Maple Street. It has approximately 33,000 square feet of buildable area. It has over 250 feet of frontage along the street and also has access to Locust Court at its rear. The second site fronts on the approach to the Oregon Street Bridge. The developable area of Site B is smaller due to the various utilities running through this site. There is a potential building envelope of about 6,000 square feet. Both sites have excellent views of the water, particularly looking up and down the bay in northerly and southerly directions.

Nearly all of the land is currently located within the floodplain of Sturgeon Bay and is governed by the Sturgeon Bay Floodplain Zoning Code. The site is within the floodfringe district. New development must conform to the flood-proofing standards of the floodfringe district or the property must be filled and removed from the floodplain. The requirements include having the first floor elevation of new buildings at least elevation 587.0' or higher (two feet above the regional flood elevation) and providing fill surrounding the building at elevation 586.0' or higher for 15 feet around the building. *Note: The predevelopment elevation of the site is approximately 584'.*

### Community Information and Overview

The population of Sturgeon Bay is 9,130 based upon the 2010 census. However, during the summer months the population swells to approximately twice that number due to seasonal residents and tourists. The trade area for the city is essentially all of Door County as well as northern Kewaunee County. Sturgeon Bay is the regional hub for employment, government, education, health care, and commerce on the Door Peninsula.

The City provides full municipal services which include: public safety (police and fire), health, street maintenance, sanitation, parks and recreation, planning, zoning, assessing, building inspections, financial management, and general administrative services. The City also operates its own electric and water utility and waste water treatment facility.

### Zoning & Land Use

The subject property is currently zoned Central Business District (C-2). The C-2 district is intended to provide development and redevelopment opportunities consistent with the historic downtown

development pattern. A wide variety of land uses, including most retail, office, and service uses are permitted in the C-2 district. Residential use within mixed-use projects is allowed up to 50% of the floor area of the building(s). Multiple-family dwellings that either have no commercial component or that exceed 50% of the overall floor area are a conditional use in the district. The complete listing of the allowable uses and other zoning requirements can be found on the city website at [www.sturgeonbaywi.org](http://www.sturgeonbaywi.org).

Pertinent development requirements for this site include:

- Building height: 45 feet
- Building Setbacks: 5 feet from the property lines
- Impervious Surface: The maximum impervious surfaces (building and pavement) are 100% of the lot area.
- Required Parking: Off-street parking is not required in the C-2 district except for residential and lodging uses.

Please note that all of the zoning standards can be adjusted and tailored to the specific proposed development through use of the City's Planned Unit Development (PUD) zoning classification. The PUD zoning has been successfully used elsewhere in the downtown region. Due to the expected intensity of development for the subject sites, the city anticipates the use of planned unit development (PUD) zoning to provide greater flexibility. The use of PUD zoning and its potential to waive or relax development standards is subject to the design criteria and other requirements of the City's PUD zoning ordinance.

New development on the site is also subject to the design standards and review process of the Aesthetic Design & Site Plan Review Board.

### **Environmental Remediation**

Phase 1 and Phase 2 Environmental Site Assessments have been completed for the site, along with an NR 716 Site Investigation Report. The city is currently within the Voluntary Party Liability Exemption (VPLE) program through the state. The decision to remain in the VPLE program is dependent upon the needs and expectations of the selected developer(s). Copies of the Environmental Site Assessments and other pertinent documents are available on the city's website.

### **Development Parameters**

To advance the West Waterfront redevelopment vision and plan, the City is soliciting proposals to develop a desirable and economically feasible project. The proposal must supplement and enhance the existing and planned waterfront uses and the West Side Business District in general. Site plans and building designs should have an urban scale and a distinctive and creative character.

Proposals which do not include the construction and occupancy of a facility within two years will not be considered.

The site is within Tax Increment District #4 and future property taxes from the development are expected to help offset public costs for infrastructure, public space and other municipal expenditures.



Therefore, proposed developments should be taxable or have a payment in lieu of taxes (PILOT) component.

The City of Sturgeon Bay will consider all development proposals, including commercial, residential, and mixed-use projects.

The redevelopment plan identifies a future public parking facility along the alley to the south of E. Maple Street. It also identifies other potential public parking improvements, including modifications to the existing public parking lot by the Maritime Museum, acquisition or lease of the existing private parking lot that adjoins the development site on the west, and new parking behind buildings constructed on the development site. All of these potential parking improvements are dependent upon the availability of the subject lands and funds for purchase/construction. The creation and/or use of parking areas to support the new development will be part of a development agreement. Any new parking areas are preferred to provide public or shared parking, but exclusive use of a limited portion of a new parking area may potentially be negotiated as part of the development agreement.

The City of Sturgeon Bay has already reconstructed E. Maple Street and replaced/upgraded certain utilities serving the subject site at city's cost. Any other improvements or infrastructure needed from the city for the development would have to be requested and negotiated as part of the development proposal.

The City of Sturgeon Bay intends to complete the public access and recreation facilities within the waterfront promenade and park. The final design of the promenade is available, but the remainder of the parkland has not been designed yet. The promenade is anticipated to be completed by the summer of 2021. The timing of other park improvements will be based upon the availability of tax increment from private development and other funding sources.

The specific lot(s) for the development has not been created, but the approximate boundaries of the buildable area are shown in the attached map. The purchase price is negotiable and dependent on the fit of the proposed project with the community's goals, plan vision and the developer's level of investment and capacity to complete the project.

#### **Selection of Developer & Evaluation Criteria**

The selected developer will be the one that most successfully demonstrates the following:

1. Successful experience in design and development of projects of a similar use and size.
2. Familiarity with Sturgeon Bay and the Door County area.
3. A site design and building design for this specific property that is consistent with the redevelopment vision, incorporates aspects of waterfront design, with a strong character and quality building materials
4. A proposed use or mix of uses that is marketable and which will complement and strengthen the neighboring downtown uses and adjoining parkland. The ideal mix of uses on the site will contribute to a vibrant, destination-oriented district that attracts people and activity.
5. Provides a favorable combination of property tax base and economic activity from the new development.
6. Acceptable level of tax increment financing or other assistance requested from the city, if any.
7. Financial capability to complete the project.

## Submittal Requirements

All proposals shall be made as follows:

1. Cover Letter
2. Detailed response to all SELECTION & EVALUATION CRITERIA, above, to include a preliminary site plan and at least one sample building elevation.
3. Financial Proposal to include the estimated total land and building value for the project when completed. The proposal shall also list all development assistance requested for the project, if any.
4. Total number of Full Time Equivalent Employees that will be employed in the facility.
5. The name and/or business type of all anticipated tenants of the facility, if any.
6. Names and qualifications of key employees that will be involved in the design, construction and management of the project.
7. The proposals shall identify up to three relevant project examples for which the firm/individual has completed similar development projects. References must include the name, title, address, and business phone number of the contact person.
8. Proposed method of financing the construction of the project.
9. Identify the dates when the developer proposes to:
  - a. close on the real estate purchase
  - b. begin construction on the project
  - c. complete construction on the project
10. Any additional information which you/your firm feels necessary.

Proposals will be received at the office of the City Clerk, 421 Michigan Street, Sturgeon Bay, WI until 2:00PM, September 24, 2020. Please send one unbound hard copy and an electronic version (pdf format preferred). Electronic version may be emailed to City Clerk at [sreinhardt@sturgeonbaywi.org](mailto:sreinhardt@sturgeonbaywi.org).

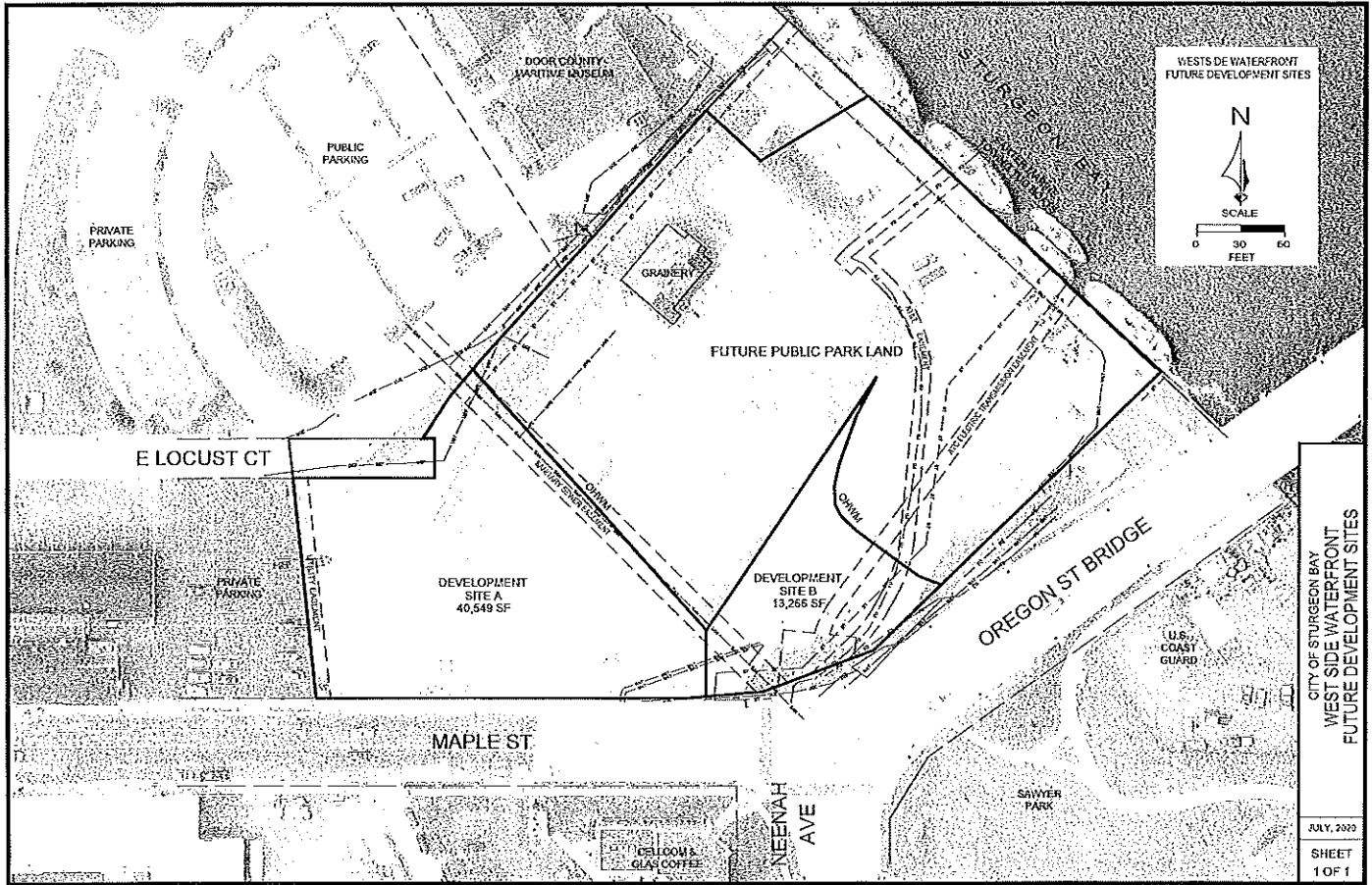
All Proposals must be clearly marked: **Proposal to Develop City of Sturgeon Bay West Waterfront Site**

## Review/Selection Process

All Proposals received will be reviewed by City Staff. Proposals will then be forwarded to the City's Plan Commission for review and recommendation to the Common Council. The Plan Commission and/or Common Council may request a presentation of selected proposals. Evaluation of competing proposals may be completed within closed session(s) under Wis. Stat. 19.85(1)(e). Upon completion of the final evaluation process of the Common Council, a selection of the most advantageous proposal(s) will follow within open session that may be attended by the general public. The City reserves the right to reject all proposals. It also reserves the right to further negotiate the parameters of any selected proposal.

## Questions

Questions regarding this Request for Proposals should be directed in writing to Community Development Director Marty Olejniczak and/or City Administrator Josh Van Lieshout. Preferable method is by email at [molejniczak@sturgeonbaywi.org](mailto:molejniczak@sturgeonbaywi.org) and [jvanlieshout@sturgeonbaywi.org](mailto:jvanlieshout@sturgeonbaywi.org).



WEST SIDE WATERFRONT  
FUTURE DEVELOPMENT SITES

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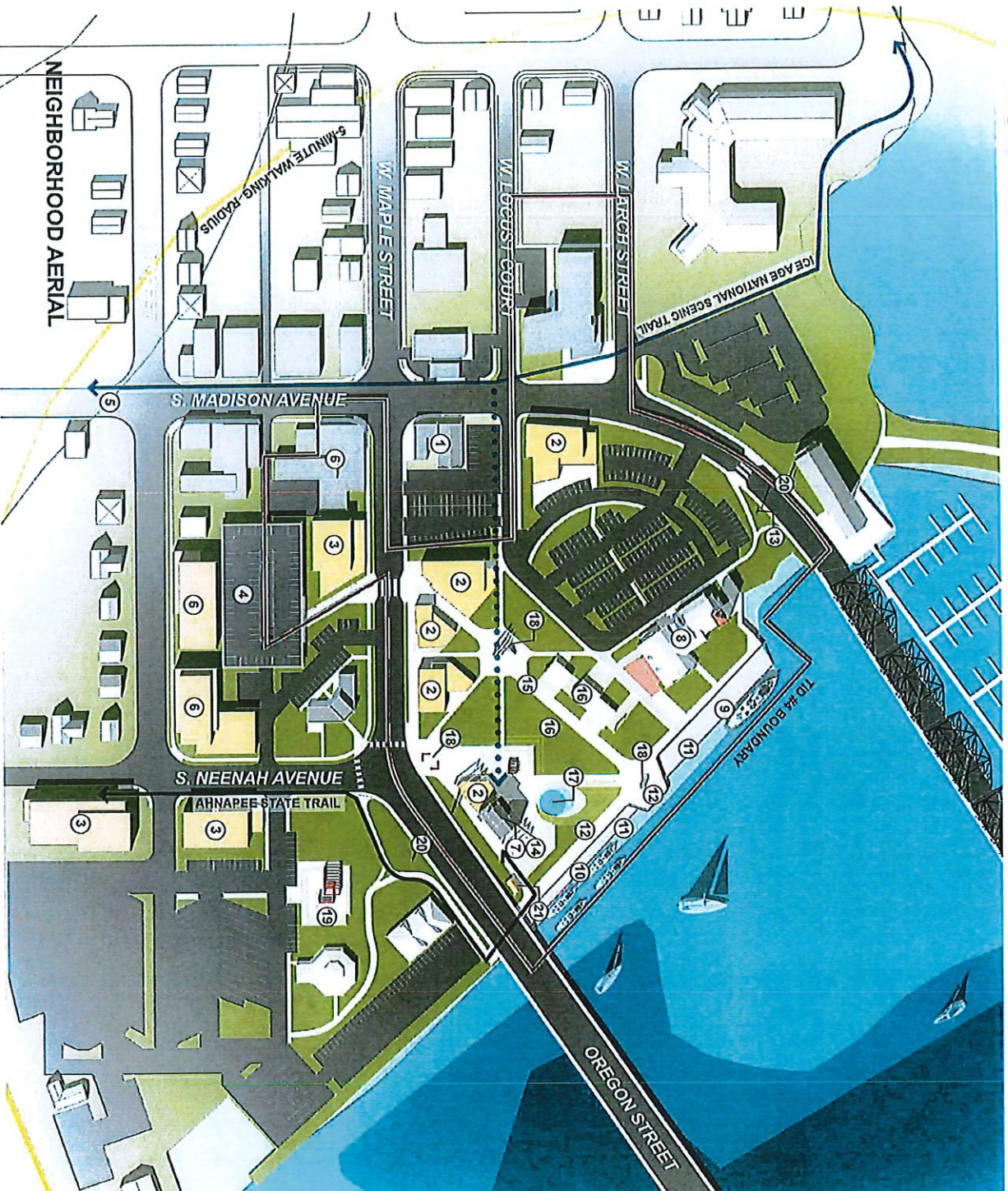
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CITY OF STURGEON BAY  
WEST SIDE WATERFRONT  
FUTURE DEVELOPMENT SITES

JULY, 2020  
SHEET  
1 OF 1



This graphic is from the redevelopment plan adopted in 2019. The entire plan is available on the City of Sturgeon Bay website.



## STURGEON BAY, WI WEST WATERFRONT REDEVELOPMENT

### CONSENSUS PLAN

- 1 Maintain Existing Building / Use
  - 2 Infill Mixed-Use (2-3 stories)
  - 3 Infill Residential (2-3 stories)
  - 4 District Parking Structure
  - 5 Maintain Street Character / Use
  - 6 Future Redevelopment
  - 7 Relocated Granary
  - 8 Door County Maritime Museum, Proposed Tower, and Potential Expansion
  - 9 Maritime Historic Dockage
  - 10 Tug Boat Mooring (reduced length)
  - 11 Public Transient Dockage
  - 12 Public Waterfront Promenade / Overlook
  - 13 Trailhead feature (bridge-to-bridge loop)
  - 14 Trailhead / Trail Connection
  - 15 Physical / Visual Access corridor to Waterfront
  - 16 Multi-Purpose Public Space / Temporary Pavilion Structure
  - 17 Water Feature
  - 18 Focal Art Piece
  - 19 Innovative Play Apparatus
  - 20 Gateway Features
  - 21
- EXISTING BUSINESS DISTRICT  
 PUBLIC / INSTITUTIONAL  
 COMMERCIAL MIXED USE / HOUSING OR PUBLIC / INSTITUTIONAL





## Proposal to Develop City of Sturgeon Bay West Waterfront Site

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City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, Wisconsin

The following proposal is in response to the City of Sturgeon Bay's request for proposals for development of the site along E. Maple Street, part of the city's West Waterfront Redevelopment Project.

**September 23, 2020**

## EXECUTIVE SUMMARY

Northpointe Development is pleased to provide the following proposal for the acquisition and development of the West Waterfront Site located along E. Maple Street. Northpointe will act as the lead Developer for the project. We applaud the City for publishing the RFP as it will certainly generate development ideas and add much needed housing for Sturgeon Bay. Northpointe is proposing to build 40 rental housing units with a variety of bedroom sizes, including one and two-bedroom units. Our development will focus on housing intended to create a vibrant, family-oriented new neighborhood and attract people and activity to the neighboring downtown and adjoining parkland. This development will be a focal point and catalyst for development in the area. The City of Sturgeon Bay, as documented in the 2019 Housing Study, has a strong need for new rental housing for the community. Our proposal meets the City's needs and would be a great fit for community members looking for quality housing that is safe. In addition, our mixture of bedroom sizes will allow both new and existing working families to have a home near where they work.

We believe that this plan delivers long range financial benefits to the community within a sensible timeline and requires an overall low upfront investment from the City. Northpointe is an experienced and financially stable development team that has successfully delivered similar projects throughout the state. As a long-term owner, we continue to own and successfully operate all the properties we have developed to date. Our proposed improvements mostly rely on financing and sources already available to the development team; however, we are requesting that the city partner with us to provide the land and a sensible amount of additional resources for the development. If selected, we will work with the City and neighborhood to get feedback and address concerns so we can deliver the most complete and desirable layout of buildings and landscaping. Our proposal delivers a feasible and executable plan and brings much needed quality new housing into the community, and we look forward to working with you on this opportunity.

Questions regarding this proposal should be directed to:

Andrew Dumke  
Principal  
Northpointe Development Corporation  
(920) 379-1645  
[andy@northpointedev.com](mailto:andy@northpointedev.com)

## **PROPOSAL HIGHLIGHTS**

- 40-unit multifamily development including 1 and 2-bedroom units
- Proposed development will be four stories and includes a pedestrian connection to the adjacent park
- Elevated community room balcony for resident functions
- Proposal to include professional management, sufficient parking (both underground and surface stalls), and a significant level of amenities
- Soil raised for flood protection per ordinance
- Developer requests that the City transfer the site to Northpointe for \$1 as well as provide Tax Incremental Financing in an amount needed to balance the sources and uses of the project
- Developer is working with the County to security CDBG Grant funds that can used for the project
- Maximized long-term financial benefits and amenities to the City and community
- Site to connect to existing utilities reducing the need for upfront infrastructure
- Development does not include site B, which could be added to the park
- Development plan intended to be amenable to Council and community feedback

## TABLE OF CONTENTS

SECTION 1	Overall Project Approach Project Overview Project Timeline Site Plan & Building Elevation Development Team
SECTION 2	Northpointe Development Overview & Key Staff Examples of Similar Development Projects References
SECTION 3	Financial Projections Sources and Uses of Funds City Assistance Request



## **Section 1**

### **Overall Project Approach & Project Review**

The City of Sturgeon Bay has a strong need for new rental housing. Northpointe Development is proposing to develop the West Waterfront Site with a newly constructed 40-unit development. The development will consist of a four-story apartment building containing 19 one-bedroom units and 21 two-bedroom units. 52% of the units will be rented to households with incomes at 80% of the County Median Income, and 48% of the units will be market-rate.

The development will not require significant upfront infrastructure investment from the City as no new public streets are needed to access the development and utilities will be connected from those already existing. This approach allows the City to target most of their resources to the future public park land.

Our projects are sustainably built with high quality materials and will provide many desirable amenities including: on-site professional management, security lighting, community room with large balcony overlooking the water, exercise and fitness room, bike parking, 24 underground parking spaces along with additional surface parking sufficient for households with multiple cars and their guests. All units will have an in-unit washer/dryer included along with other standard appliances. Green infrastructure ideas will be implemented and a bioretention basin will be built on the site to handle stormwater. One full-time employee will be employed on-site at the development, as well as numerous third-party subcontractors for snow removal, lawn care, maintenance, etc.

The financial sources and uses can be found in Section 3. Northpointe Development is asking Door County for a grant of \$1,400,000 to be used towards the development of this project. Northpointe is also seeking TIF assistance from the City of Sturgeon Bay as outlined in Section 3. Other sources include debt provided by a local lender and equity funds.

Lastly, Northpointe has earned a top-notch reputation in the industry after years of successful fundings and project completion. Over the last 10 years, Northpointe has built a significant portfolio in the State of Wisconsin, including similar developments, such as Anthem Luxury Living in Oshkosh, Riverfront Senior Apartments in Oshkosh, and Woolen Mills Lofts in Appleton, details of which can be found in Section 2. By choosing a qualified developer that has experience in complex waterfront redevelopment sites, the City will have assurances that the overall development plan will come to fruition.

#### **Project Timeline**

- Anticipated closing date: March 1, 2021
- Construction commencement: April 1, 2021
- Construction completion: June 1, 2022



# WATERFRONT PROPERTY REDEVELOPMENT

PROPOSAL BY:



**NORTHPOINTE**  
DEVELOPMENT CORPORATION

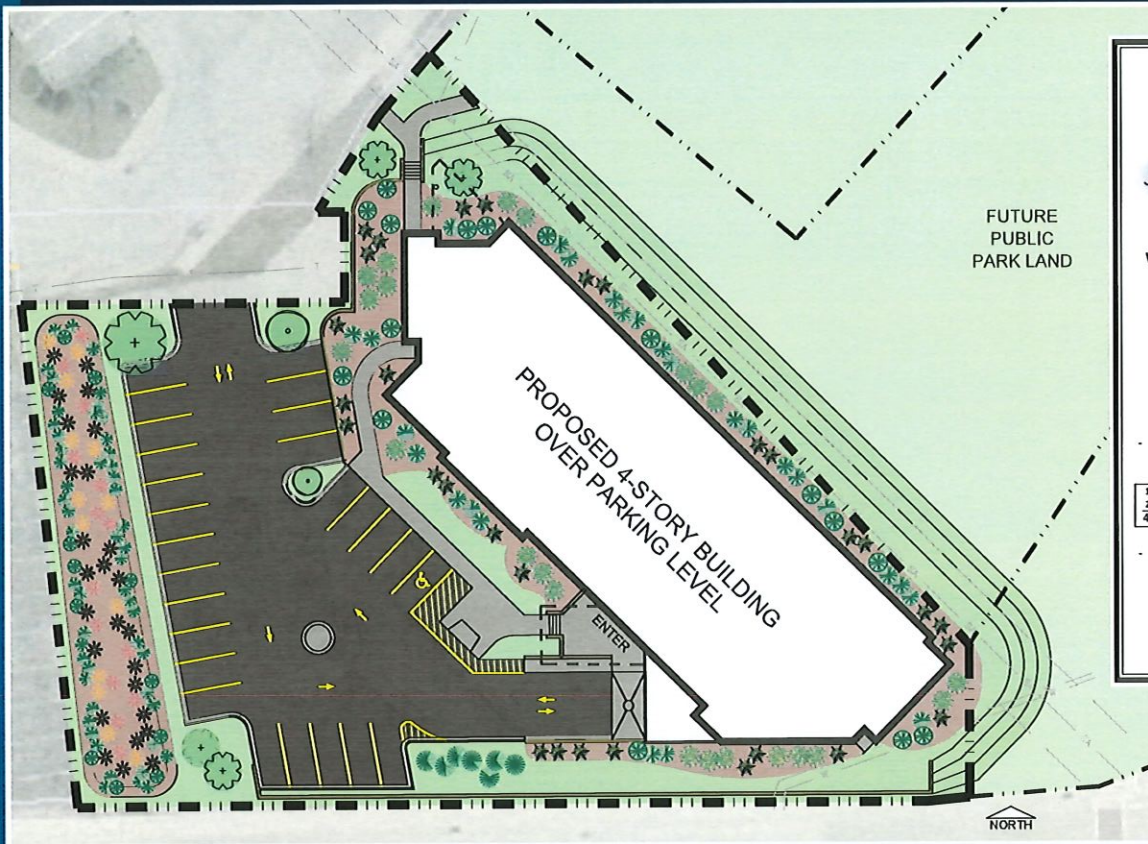
## 4-STORY APARTMENT BUILDING OVER INDOOR PARKING LEVEL

UNIT MIX	PARKING COUNT
19 1-BEDROOM UNITS	24 INDOOR PARKING SPACES
21 2-BEDROOM UNITS	26 SURFACE PARKING SPACES
40 DWELLING UNITS	50 PARKING SPACES

## AMENITIES

- ☒ ON SITE LEASING OFFICE
- ☒ EXTERIOR BALCONIES
- ☒ COMMUNITY ROOM WITH LARGE BALCONY
- ☒ EXERCISE & FITNESS ROOM
- ☒ IN-UNIT WASHER / DRYER
- ☒ ON SITE STORAGE LOCKERS FOR RESIDENTS





WATERFRONT PROPERTY REDEVELOPMENT

PROPOSAL BY:



**NORTHPOINTE**  
DEVELOPMENT CORPORATION

4-STORY APARTMENT BUILDING OVER  
INDOOR PARKING LEVEL

UNIT MIX	PARKING COUNT
19 1-BEDROOM UNITS	24 INDOOR PARKING SPACES
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**AMENITIES**

- ☒ ON SITE LEASING OFFICE
- ☒ EXTERIOR BALCONIES
- ☒ COMMUNITY ROOM WITH LARGE BALCONY
- ☒ EXERCISE & FITNESS ROOM
- ☒ IN-UNIT WASHER / DRYER
- ☒ ON SITE STORAGE LOCKERS FOR RESIDENTS

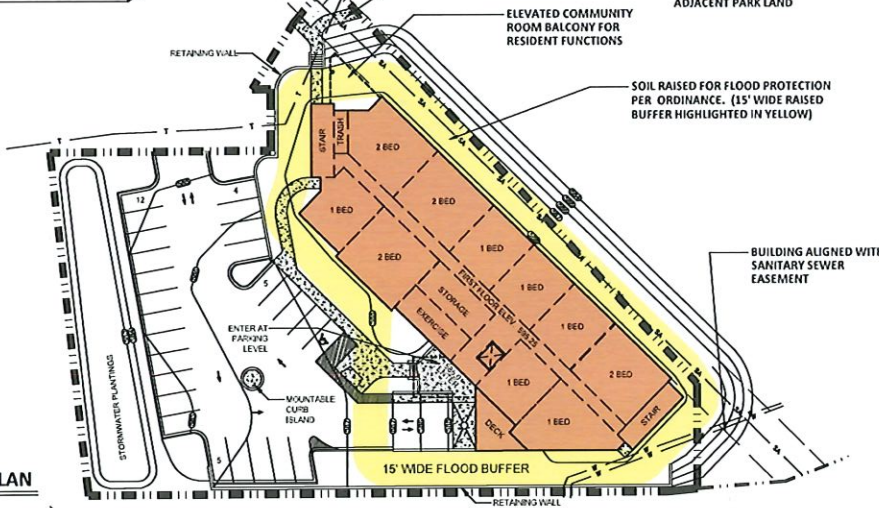
**NORTHPOINTE**  
Let's Build.



**PROPOSED NORTH ELEVATION**

ALUMINUM BALCONIES  
FIBER CEMENT SIDING  
MASONRY AT PARKING LEVEL EXTERIOR  
CUSTOM COLORED NICHUHA FIBER CEMENT PANELS. (FINAL COLOR SCHEME TO BE REVIEWED AND APPROVED BY AESTHETIC DESIGN & SITE PLAN REVIEW BOARD.)

ELEVATED COMMUNITY ROOM BALCONY FOR RESIDENT FUNCTIONS  
PEDESTRIAN CONNECTION TO ADJACENT PARK LAND



NORTH  
GRADING PLAN



WATERFRONT PROPERTY REDEVELOPMENT

PROPOSAL BY:



**NORTHPOINTE**  
DEVELOPMENT CORPORATION

4-STORY APARTMENT BUILDING OVER INDOOR PARKING LEVEL

UNIT MIX	PARKING COUNT
19 1-BEDROOM UNITS	24 INDOOR PARKING SPACES
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40 DWELLING UNITS	50 PARKING SPACES

**AMENITIES**

- ✓ ON SITE LEASING OFFICE
- ✓ EXTERIOR BALCONIES
- ✓ COMMUNITY ROOM WITH LARGE BALCONY
- ✓ EXERCISE & FITNESS ROOM
- ✓ IN-UNIT WASHER / DRYER
- ✓ ON SITE STORAGE LOCKERS FOR RESIDENTS



**DEVELOPMENT PROPOSAL**  
**West Waterfront Site**  
**Sturgeon Bay, WI**

## **Project Development Team**

The success of Northpointe Development's many apartment projects have included the following partners. If awarded the project, these are the likely entities and contacts that will be involved in the West Waterfront Site Development:

- Developers:** Northpoint Development Corporation  
230 Ohio Street, Suite 200  
Oshkosh, WI 54902  
(920) 379-1645  
Contact: Andrew Dumke  
andy@northpointedev.com
- Architect:** Precedent Architecture, LLC  
229 E Division St.  
Fond du Lac, WI 54935  
(920) 933-2860  
Contact: Jonathan Brinkley, AIA, PE  
Jonathan.b@precedentarchitecture.com
- Engineer:** Precedent Architecture, LLC  
229 E Division St.  
Fond du Lac, WI 54935  
(920) 933-2860  
Contact: Jonathan Brinkley, AIA, PE  
Jonathan.b@precedentarchitecture.com
- Contractor:** Northcentral Construction Corp  
631 South Hickory Street  
Fond du Lac, WI 54935  
(920) 929-9400  
Contact: Mark Dudzinski  
Markd@nccbuilds.com
- Property Management:** ACC Management Group, Inc.  
2375 State Road 44  
Oshkosh, WI 54904  
(920) 966-9905  
Contact: Rose Andler  
Rose@accmanagementgroup.com

## Section 2

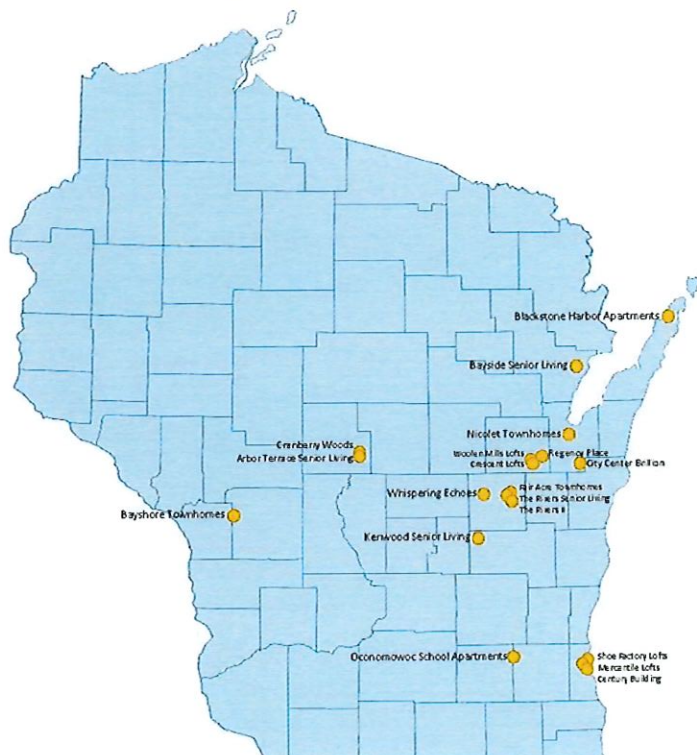


230 Ohio Street, Suite 200  
Oshkosh, WI 54902  
Office: (920) 230-3628  
Fax: (920) 230-6484

### 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 a collaborative, honest, and transparent manner. Northpointe has a great reputation with the communities where we've developed housing and with WHEDA. Northpointe is one of WHEDA's largest and long-term customers and consistently scores the highest developer team score possible for a for profit developer. Northpointe and its principals have the financial capacity to successfully complete the project as well as secure market to above market equity pricing. Personal Financials of Northpoint's principals will be submitted upon request.

Northpointe, as shown below, has developed new construction family and senior apartment housing, historic rehabilitation, and commercial properties throughout Wisconsin. Most of the projects have utilized the Low-Income Housing Tax Credit program as well as other available resources including: Home, TIF, Brownfield Grants, Federal and State Historic Credits. Connecting with government entities, including the Department of Natural Resources, HUD, WHEDA, WEDC, the Federal Energy Regulatory Commission, etc is commonly required to successfully complete the development project. 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**

<b><u>Project Name</u></b>	<b><u>Location</u></b>		<b><u>Units</u></b>	<b><u>Property Type</u></b>
Rivers Senior Living	Oshkosh	WI	60	New Construction 9% LIHTC
Bayshore Townhomes	Sparta	WI	32	New Construction 9% LIHTC
Fair Acre Townhomes	Oshkosh	WI	55	New Construction 9% LIHTC
Kenwood Senior Living	Ripon	WI	24	New Construction 9% LIHTC
The Fountains of West Allis	West Allis	WI	35	Acquisition/Rehab 9% LIHTC
Blackstone Harbor Apts.	Sister Bay	WI	24	New Construction 9% LIHTC
Oconomowoc School Apts	Oconomowoc	WI	55	Adaptive /Historic 9% LIHTC
Nicolet Townhomes	De Pere	WI	60	New Construction 9% LIHTC
Anthem Luxury Living	Oshkosh	WI	80	New Construction 20/80
Mercantile Lofts	Milwaukee	WI	36	Adaptive /Historic 9% LIHTC
Shoe Factory Lofts	Milwaukee	WI	55	Adaptive /Historic 9% LIHTC
The Rivers - Phase II-Senior Living	Oshkosh	WI	40	New Construction 9% LIHTC
Woolen Mills Lofts	Appleton	WI	60	Adaptive /Historic 9% LIHTC
Century Building	Milwaukee	WI	44	Adaptive /Historic 9% LIHTC
Cranberry Woods Townhomes	Wisconsin Rapids	WI	40	New Construction 9% LIHTC
Bayside Senior Apartments	Oconto	WI	42	New Construction 9% LIHTC
Whispering Echoes Townhomes	Winneconne	WI	28	New Construction 9% LIHTC
Regency Place Senior Living	Little Chute	WI	40	New Construction 9% LIHTC

**Under Construction**

Arbor Terrace Senior Living	Wisconsin Rapids	WI	40	New Construction 9% LIHTC
City Center	Brillion	WI	40	New Construction 9% LIHTC
Crescent Lofts	Appleton	WI	69	Adaptive /Historic 9% LIHTC

**2020 Awards**

The Limerick	Fitchburg	WI	126	New Construction 4% State
Cabrini	Oshkosh	WI	33	Adaptive/ Historic 4% State

**Total Units** 1,117

## NORTHPOINTE DEVELOPMENT PRINCIPALS

Cal Schultz  
420 South Koeller Street  
Oshkosh, WI 54902  
(920) 303-9404  
[cal@northpointedev.com](mailto:cal@northpointedev.com)

Andy Dumke  
230 Ohio Street  
Oshkosh, WI 54902  
(920) 230-3628  
[andy@northpointedev.com](mailto:andy@northpointedev.com)

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



## **Examples of Similar Development Projects & References**

1. Anthem Luxury Living located at 431 Marion Road, Oshkosh, WI  
Contact: Darlene Brandt, Grants Coordinator for City of Oshkosh; Address: 215 Church Avenue, Oshkosh, WI; Phone: (920) 236-5029; E-mail: [dbrandt@ci.oshkosh.wi.us](mailto:dbrandt@ci.oshkosh.wi.us)

**Photo of development:**



**DEVELOPMENT PROPOSAL**  
**West Waterfront Site**  
**Sturgeon Bay, WI**

2. Riverfront Senior Living located at 475 Marion Road, Oshkosh, WI  
Contact: Darlene Brandt, Grants Coordinator for City of Oshkosh; Address: 215 Church Avenue, Oshkosh, WI; Phone: (920) 236-5029; E-mail: dbrandt@ci.oshkosh.wi.us

**Photo of development:**

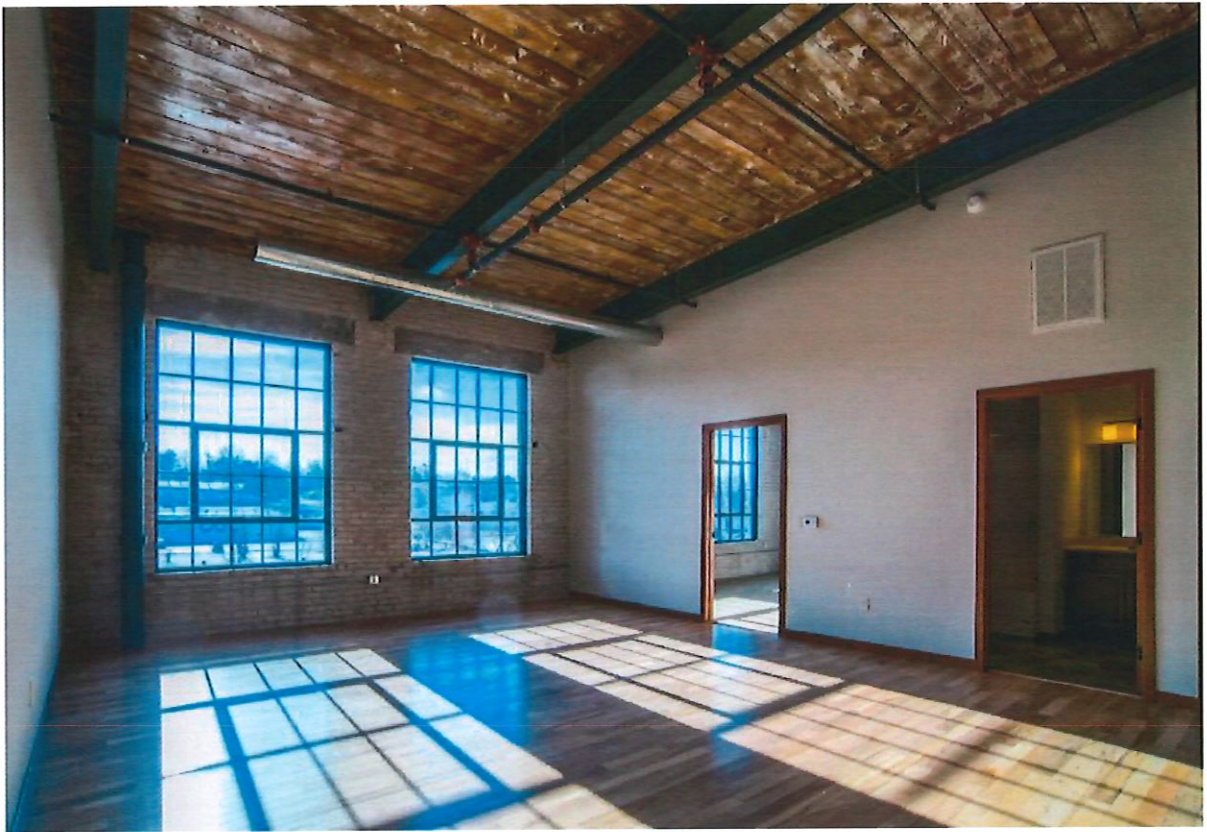




**DEVELOPMENT PROPOSAL**  
**West Waterfront Site**  
**Sturgeon Bay, WI**

3. Woolen Mills Lofts located at 218 E South Island Street, Appleton, WI  
Contact: Karen Harkness, Director of Community and Economic Development; Address:  
100 N. Appleton Street, Appleton, WI; Phone: 920-832-6408; E-mail:  
[Karen.Harkness@Appleton.org](mailto:Karen.Harkness@Appleton.org)

**Interior Photo of Development:**



**DEVELOPMENT PROPOSAL**  
**West Waterfront Site**  
**Sturgeon Bay, WI**

## SECTION 3

### FINANCIAL PROJECTIONS

		#	Current	Proforma	Utility	Gross	CMI
<b>INCOME</b>	<b>Unit Type</b>	<b>Units</b>	<b>Rents</b>	<b>Rate</b>	<b>Allowance</b>	<b>Rent</b>	<b>2020 Limit</b>
<b>80% CMI</b>							
52.5%	1 Bedroom	11		\$995	30	\$1,025	\$1,118
	2 Bedroom	10		\$1,100	37	\$1,137	\$1,342
	3 Bedroom	-				\$0	
<b>Market</b>							
47.5%	1 Bedroom	8		\$1,200		\$1,200	
	2 Bedroom	11		\$1,500		\$1,500	
	3 Bedroom	-				\$0	
		-					
Gross Rental		40					

### SOURCES AND USES OF FUNDS

First Mortgage	\$5,087,000
Equity	\$420,033
Door County CDBG Funds	\$1,400,000
TIF Present Value	\$740,000
Deferred Developer Fee	\$881,518
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$8,528,551</b>
Property Acquisition	\$1
Construction/Rehab Costs	\$6,654,525
Construction Contingency	\$332,726
Architectural & Engineering	\$186,400
Interim Construction Costs	\$301,048
Financing Fees & Expenses	\$144,870
Soft Costs	\$27,463
Developer Fee	\$881,518
<b>TOTAL USES OF FUNDS</b>	<b>\$8,528,551</b>

**DEVELOPMENT PROPOSAL**  
**West Waterfront Site**  
**Sturgeon Bay, WI**

**PROFORMA SUMMARY**

<b>INCOME</b>		<b>Unit Type</b>	<b>Units</b>	<b>Rents</b>	<b>Monthly</b>	<b>Annual</b>
<b>80% CMI</b>						
	52%	1 Bedroom	11	\$995	\$10,945	\$131,340
		2 Bedroom	10	\$1,100	\$11,000	\$132,000
<b>Market</b>						
	48%	1 Bedroom	8	\$1,200	\$9,600	\$115,200
		2 Bedroom	11	\$1,500	\$16,500	\$198,000
<b>Gross Rental</b>			40		\$48,045	\$576,540
		Vacancy	7.00%		(\$3,363)	(\$40,358)
		Rental Concessions				
<b>Net Rental Income</b>					\$44,682	\$536,182
		Misc. Income			\$125	\$1,500
		Parking Residential	25	/stalls	\$1,250	\$15,000
		Other Income Vacancy			(\$88)	(\$1,050)
<b>Effective Gross Income</b>					\$45,969	\$551,632
<b>EXPENSES</b>						
		Administrative			\$5,327	\$63,922
		Utilities			\$2,200	\$26,400
		Maintenance			\$3,913	\$46,960
		Taxes & Insurance			\$4,500	\$54,000
		Total Operating Expenses			\$15,940	\$191,282
		<b>NET OPERATING INCOME</b>			<b>\$30,029</b>	<b>\$360,351</b>

## **CITY ASSISTANCE REQUEST**

### **TIF CALCULATOR**

**Calculate Value**

**Calculate Time**

Increment [?]

3814164

Mill Rate (Amount/\$1,000 of Value) [?]

13.807

Allocation (% of Increment paid) [?]

90

Interest Rate [?]

4.8

Payback Time (Years) [?]

27

Payback Delay (Years) [?]

0

**Net Present Value = \$742,997.16**

We request that the City sell us the site for \$1. The project would not be financially feasible without this assistance. In addition, we are requesting that the City provide direct financial assistance through TIF as outlined above. Finally, we will be working with the Door County to consider this project for the \$1,400,000 CDBG grant.



- PROPOSAL -

# West Waterfront

City of Sturgeon Bay  
September 24, 2020



**T. Wall Enterprises** LLC  
Creating Places Where People Interact





September 24, 2020

Stephanie Reinhardt, Clerk  
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235



RE: Proposal to Develop City of Sturgeon Bay West Waterfront Site

Dear selection committee;

T. Wall Enterprises, LLC and its affiliates are pleased to provide the following response to the City of Sturgeon Bay for the West Waterfront RFP.

## INTRODUCTION

Please accept our proposal for the West Waterfront RFP from T. Wall Enterprises, LLC. We are excited to provide two high quality development proposals for this site. The first proposal offers a single-phase development plan for the property, and the second proposal offers a development plan consisting of two phases. Both proposals offer unique livable communities that will support the city's continued effort to create better connectivity within the downtown area and incorporate the waterfront design and vision.

We want our community to be an integral part of downtown Sturgeon Bay where the community can gather and create experiences and memories that will last a lifetime, which is why our development will create a lively and active plaza event space. Our plan will provide new housing for a diverse group of residents in the downtown district and will bring tens of millions of dollars of disposable income that will support the core downtown businesses.

Through our experience as one of Wisconsin's leading multi-family developers, we understand the importance of developing communities that are visually appealing and desirable as a *lifestyle*





*decision.* Our apartments will become the residents' homes for life. Because of this, we believe in developing communities in an environmentally sustainable and sensitive manner as well as making the additional investment to ensure long-term quality. For example, we invest in top quality HVAC systems, wider hallways, taller ceilings, fully insulated walls, glass top stoves, ice makers, faucet sprayers, in-unit laundry, and much more.

We have a long and mutually beneficial history of working with local municipalities. In fact, we have the longest and most successful track record of working with municipalities as well as developing award-winning communities with the best amenities compared to any other developer in Wisconsin.

T. Wall Enterprises, LLC has taken pride in developing underutilized sites that integrate and involve the surrounding communities. Our communities offer connectivity to the street with well-articulated facades and landscaping, which offer a pleasant 'pedestrian experience'.

Keeping in line with the intentions of the RFP, similar to what we strive to provide in all of our developments, we also intend to increase the connectivity to the future waterfront promenade as well as strengthen commercial activity. Incorporating these connections encourages residents to explore and enjoy the unique amenities of the waterfront and greater downtown community.

To give an example of our previous RFP experience, in 2018 we submitted an RFP to the City of Middleton for the Parmenter St/Clark St parcel to create a vibrant community alongside the coveted Pheasant Branch Conservancy, called Conservancy Bend Residences. Similar to the Waterfront development, in terms of location to downtown and the type of development, our plans created a community linkage between Middleton High School, beltline commuters and the bustling downtown Middleton. T. Wall Enterprises, LLC successfully won the bid with our plans that highlighted the beautiful features of the Conservancy while making the building appealing to both renters and buyers. Conservancy Bend's plans



included 87 units of multi-family apartments for the growing population of renting millennials as well as the downsizing empty-



nesters. On the north side of the property, facing the Conservancy our plans are to add 19 zero-lot-line townhomes. Construction began in May of this year and is set to be open for occupancy by May 2021.

T. Wall Enterprises, LLC has been one of the most experienced developers with complex and often complicated projects in Wisconsin. With this comes ample experience and knowledge on the development process as well as what residents want when it comes to anything from unit size/mix, architectural styles all the way down to the little details such as wall fixtures.

We recognize a development in the West Waterfront and downtown district may be a sensitive situation and there are many stakeholders. We have experience in dealing with these situations and have the ability to help by using our proactive approach in engaging the neighborhood from the start. We engage the neighbors at the start with a blank slate to get them involved as opposed to most developers who tend to look for approvals with a full set of plans without engaging any stakeholders.





After analyzing all possibilities for this site, we've realized that one of the main priorities for this development should be creating a community and social area that becomes part of the fabric of the surrounding community. Partnering together with communities to create enriching public spaces is something the T. Wall team has done successfully across Wisconsin. We invite you to review the following case studies and explore our website ([TWallEnterprises.com](http://TWallEnterprises.com)) to learn more.

## SUCCESSFUL URBAN REDEVELOPMENT EXAMPLES

### Middleton

In the heart of Middleton, Middleton Center has revitalized downtown and provides a city gathering and event space in the form of a new town square that downtown Middleton was lacking. With a mix of office space, first floor retail, and 220 multi-family units, Middleton Center has quickly become the "go-to" attraction in the city. Quaint coffee shops, restaurants, gyms, a rock climbing wall, racquet ball courts, and unique locally owned retailers draw people to downtown, turning a dying city center into the community gathering place.





Middleton Center has been able to grow the city's tax base by an astounding \$42 million and has provided jobs to local residents. As a sidenote, T. Wall developments in Middleton's TID #3 have created the



most successful Tax Incremental District in the entire state of Wisconsin. As part of our development of Middleton Center, we also worked with the city to acquire the adjacent properties. Because of this, the city has plans to create a public square/community gathering event space complete with a bandshell, light display, walking path, as well as an open space for the

community to gather for concerts, farmers markets, movie nights, art fairs, and much more.

### **Green Bay**

Green Bay's long standing downtown regional mall was defunct, and the city turned to T. Wall Enterprises, LLC to create a new downtown redevelopment plan. The city later implemented that plan bringing in a new Schreiber Foods headquarters. Next came City Deck Landing, a 76-unit multi-family building with first floor retail. At a time when developers were not interested in breaking into the market and most of the downtown retail stores were vacant, T. Wall



Enterprises, LLC pioneered a new building along the Fox River, and because of our investment, the city rebuilt the Fox River waterfront with a





new boardwalk called City Deck to accommodate concerts, farmers markets, weekly lunches, and community events, which has now spurred area-wide development and ultimately has revitalized downtown Green Bay. City Deck grew the City of Green Bay's tax base by over \$8 million.

### **Madison**

T. Wall Enterprises, LLC has long recognized underutilized areas and led the charge in redeveloping those areas. Two examples are the East Washington Avenue Redevelopment and the Park Street Redevelopment in Madison.

### **Veritas Village**

T. Wall Enterprises, LLC was among the first to build in the recent surge of redevelopment along the East Washington corridor, with



Veritas Village. Veritas Village is a 189-unit, luxury apartment complex that encompasses the feel and design of the East Madison area.





Veritas has brought many residents into the downtown area to live, who otherwise wouldn't have considered the East Washington corridor before it's redevelopment.

### **Peloton**

The recently constructed Peloton Residences is one of the first of its kind built on Park Street during the City of Madison's effort to revitalize the area. Peloton is a 172-unit, luxury multi-family apartment whose views encapsulate all of Madison. The sky-deck on the 6<sup>th</sup> story gives site lines of the Madison skyline across Lake Monona and the UW-Madison Campus.



Peloton will provide students, young professionals and empty nesters alike a place to live. T. Wall Enterprises, LLC strives to make our apartments a "living community" not just a temporary apartment. This is why we include high class amenities and



views at all of our properties. Along with a 6<sup>th</sup> story sky-deck, Peloton also has a full-sized fitness room, community courtyard with grill stations, fire pits, turf, and patio seating, as well as an in-house coffee shop for residents to use at their

convenience. As typical for our properties, the units are equipped with



high-quality finishes and fixtures including granite countertops, stainless steel appliances, floor to ceiling windows and in-unit washer and dryers.

## APPROACH

Alongside our success with creating communities, we have been one of the most active developers in Wisconsin. Given the Covid-19 crisis, it's more important than ever for municipalities to select developers with strong banking relationships and the financial capacity to ensure that developments are started and completed in a timely manner. We are proud to say that we were the first developer to break ground on a new development in Dane County during the height of the Great Recession. T. Wall Enterprises would be a trusted partner for the City of Sturgeon Bay.

When we initially approached this opportunity, we considered the need for additional housing in the community and then we looked at how we could incorporate an urban design to tie into the existing downtown. This approach helped us decide on a multi-family development that addresses the need for density with a minimal footprint.

After being selected for the RFP we will meet with city leaders, something we always do for our developments, to solicit feedback and collaborate so we may develop the most effective design solution. It's important to us to keep the dialogue open so we can gain valuable insights into the goals and desires of the City and the greater community.

## SCOPE OF WORK

In the site plans below there are two options: Option A includes a single apartment building while Option B includes a two-phased development with an opportunity to acquire a portion of the Door County Maritime Museum parking lot.

### Option A

The first option consists of a four-story multi-family building with a total of 78 units and 80 parking stalls. The majority of the parking stalls would be





climate-controlled underground parking while a small portion shall be surface parking. The building will take one year to be constructed and then one year to stabilize.

The development will contain studio, one bedroom, two bedroom, and three bedroom units. The units will offer mudrooms, walk-in closets, in-unit laundry, luxury fixtures, and will be built with higher quality finishes and materials than other developers provide. We will also provide amenities within the building along with a community clubhouse/plaza for residents to use.



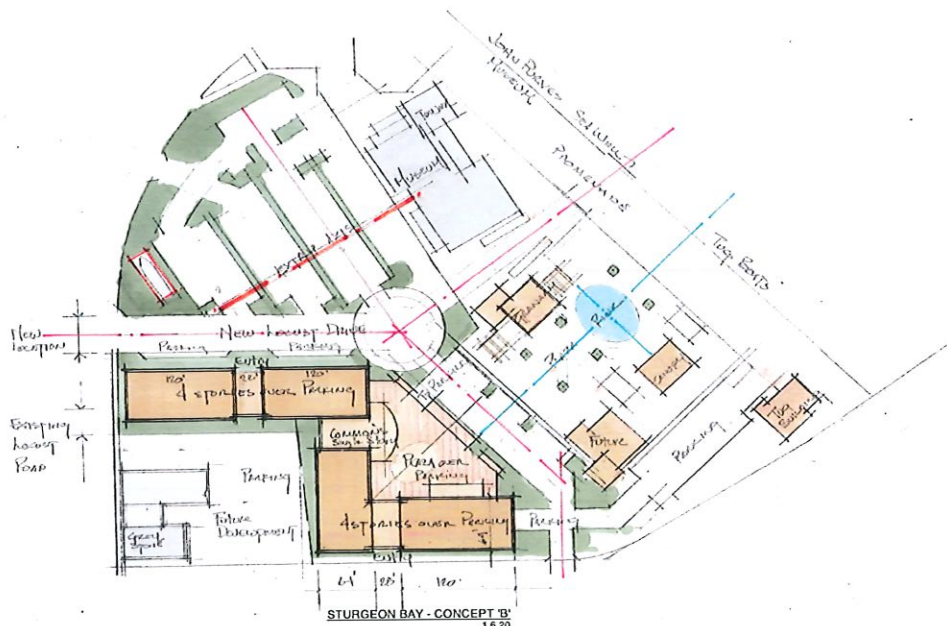




### Option B

Our second option consists of two, four-story multi-family buildings with a total of 104 units and 110 surface and underground parking stalls. Each building will take about one year to be constructed and one year to stabilize, before the next building would begin. Each building is split into two, four-story sections with a first floor connecting entry, which allows for increased sight lines to the future waterfront promenade and the newly constructed maritime tower. Not only does this make it more marketable for tenants, but it also encourages the "eyes on the street" concept which has been proven to reduce crime. This particular option would require the relocation of Locust Drive to the North, to allow for the second phase to be constructed.

As Sturgeon Bay continues to grow, its housing needs grow with it. The additional units that this option provides would be an opportunity to accommodate the city's growth.





## LEVEL OF INVESTMENT & FINANCIAL VIABILITY

We only work on three to five developments per year, making this opportunity an important one. T. Wall has developed over three-quarters of a billion dollars over the last 30 years, and has been recognized by both local governments, non-profits, and the State of Wisconsin for exceptional work, sustainable development, and other community benefits.

Our philosophy is to stay lean and efficient. We work diligently on just a handful of developments at a time in order to provide outstanding customer service.

We have developed and owned thousands of multi-family apartments over the past two decades. We stay committed and have a proven track record of working with others to achieve a common goal.

We also have a pool of over 700 investors to provide the capital for development during this financially stressed time. Our access to capital and level of investment is extremely high and something that we have worked very hard to obtain. *We have the financial capability to move forward with this project once our proposal is chosen.*

We have also been chosen as the development partner for the City of Middleton in the past as well as for several banks and the City of Madison (and that's not easy!). We're proud to have received recognition from area organizations and from Governor Doyle for our green initiatives.

In addition, JLA Architects, our architecture firm, has a deep knowledge and understanding of the Sturgeon Bay community. Their architects have evaluated the site carefully to ensure it can be maximized to its best use without detracting from the unique fabric of the downtown. ***We want to ensure that Sturgeon Bay remains a successful place to live, work, shop, and play.***





## DEVELOPMENT ORGANIZATION OVERVIEW

Included in materials attached.

## EXECUTIVE SUMMARY

### TIF Assistance

We will need TIF assistance at 70% of the new tax increment created by the development. The feasibility of this project, including all the benefits it will bring to the city would not be possible without the help of TIF.

### Land Purchase

Along with TIF we will also be requesting to purchase the property for \$1.00.

### Environmental Sustainability

T. Wall is a leader in environmentally sustainable development and the only developer to win the **Governor's Award for Energy Efficiency** as well as the **Friend of the Environment Award**. Terrence Wall founded and taught the first sustainable development university level course in the country at the University of Wisconsin – Madison.

T. Wall partners with **Focus on Energy** to have an 'energy usage analysis' completed at each of our properties. We incorporate energy efficient fixtures and appliances, such as low flow lavatories and faucets and LED lighting and motion detection systems, which are more efficient than those required by code to further reduce our footprint. In addition, the exterior of the buildings we develop will be covered primarily with a combination of stone, brick, smartsiding, and/or hardiplank, all of which are long lasting sustainable materials.





### Renewable Energy

T. Wall has contracted with **Sun Peak** to complete four solar installations on four of T. Wall's established multi-family properties for a total of 1,624 solar panels, with another 3 installations on the way. *T. Wall has put in place more solar capacity than any other multi-family developer in the state of Wisconsin.* We also installed the single largest solar installation on a multi-family building in the entire state. These solar installations mark a milestone for renewable energy in Wisconsin. Utilizing renewable energy through the incorporation of solar arrays at new and existing properties is yet another way T. Wall continues to be a leader in environmentally sustainable development.



### Environmental Clean-up

If needed, T. Wall Enterprises has tremendous experience with remediating environmentally contaminated sites. We also have received over a half a dozen grants from the WEDC for remediations. For example, Hidden Creek Residences, a multi-phase, multi-family development of ours on Madison's east-side, which is located adjacent to Starkweather Creek, was redeveloped with no issues because of our expertise and the help of our skilled environmental engineers. There are plenty of developers and builders who do not have experience in remediation and because of this they've caused further contamination and erosion when building in sensitive areas. We are not one of those developers.

T. Wall was also the first developer, and we believe the only developer, to have created new wetlands. This land was later recognized by the Army



Corps of Engineers as a model for wetlands trading and wetlands creation.

#### Team Members

Included in materials attached.

#### Management and Maintenance

As a developer and property owner/manager we already provide best-in-class leasing, property management, and maintenance staff on site. We feel the only way to provide top quality customer service is to do it ourselves.

## CLOSING

We understand the importance for continued positive, creative and high-quality development in the City of Sturgeon Bay. We know the options that our team has proposed will add to the quality of development this community is experiencing now and desires for the future.

T. Wall Enterprises, LLC is very interested in developing the West Waterfront site into a community that will be enjoyable for the residents and the downtown district. Thank you for your consideration.

*\*NOTE: Please note that we have purposefully excluded actual architectural renderings and elevations. As with our previous developments, we look forward to working with city staff and the community to create a winning architectural theme and material pallet. We've included renderings and/or completed photos of previous developments developed by T. Wall Enterprises.*





Sincerely,

T. WALL ENTERPRISES, LLC  
Terrence R. Wall, President & CEO

**DISCLAIMER:**

The information contained herein this Request for Proposal ("RFP") is a draft for discussion and negotiation purposes only and shall not be construed or interpreted as an agreement. A subsequent purchase agreement (the "Agreement") signed by the parties that incorporates the business terms described herein shall govern over the terms contained herein this RFP. Furthermore, this RFP shall be null and void upon execution of the Agreement. If the City of Sturgeon Bay, or its representative, initiates negotiations of terms different than this RFP then all of the terms in this RFP will be subject to renegotiation by T. Wall Enterprises, LLC. Notwithstanding any indication of assent to any matters under negotiation, T. Wall Enterprises, LLC shall not be under any legal obligation until T. Wall Enterprises, LLC has obtained all approvals necessary for such Agreement and such Agreement has been executed. Only the signed Agreement shall bind T. Wall Enterprises, LLC to any terms contained in this RFP. The information contained in this RFP is confidential, privileged, proprietary and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of T. Wall Enterprises, LLC, or its Agent. If you receive this document via a third party (by accident or deliberately) then you must destroy this document immediately and notify the sender. Anyone who illegally distributes this document without the Owner's prior written consent shall be liable for damages. T. Wall Enterprises, LLC, any affiliates or subsidiaries, and its managers, employees and agents cannot be held liable for the use of and reliance of the opinions, estimates, forecasts and findings in these documents. This RFP is a best effort to offer terms for discussion/negotiation purposes with the City of Sturgeon Bay.





# SITE PLAN OPTION A

*Note: Site plan option A inserted after this page*



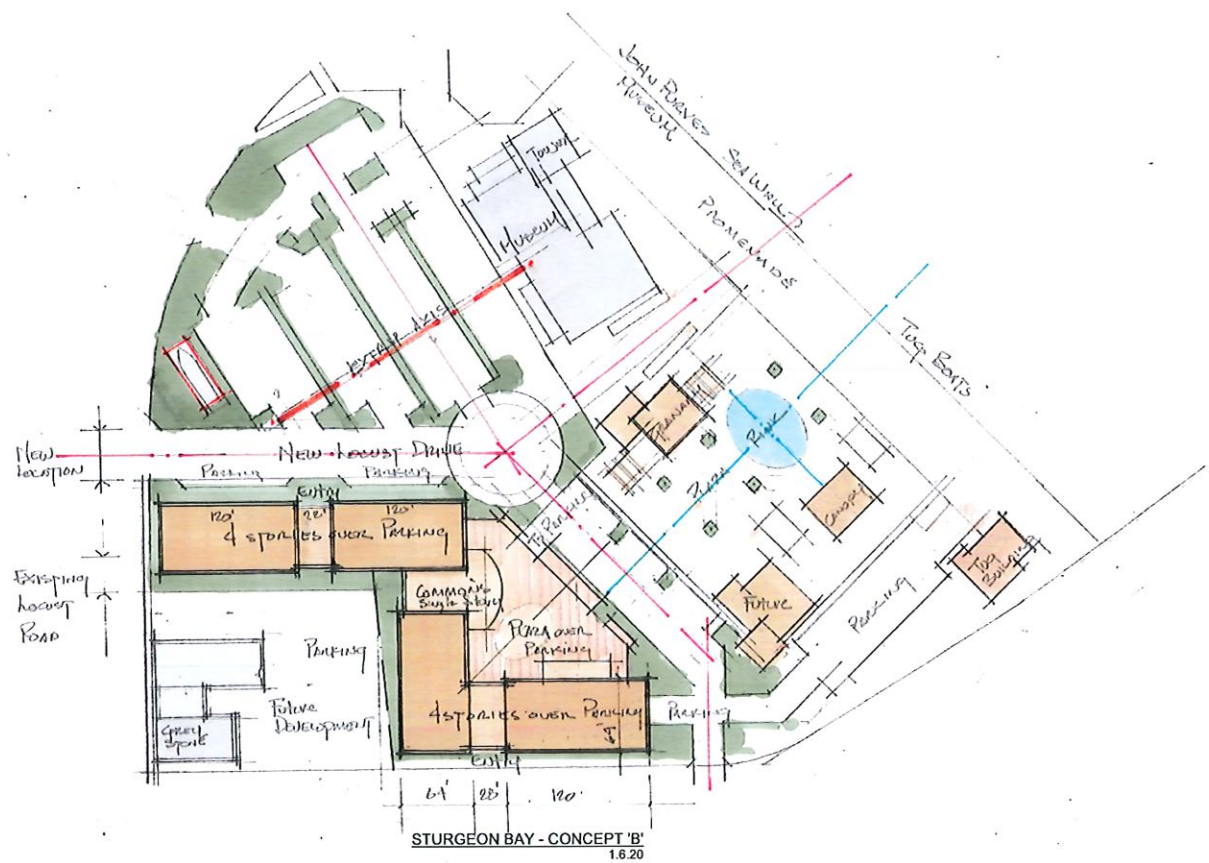
STURGEON BAY - CONCEPT 'A'  
1.6.20



# SITE PLAN OPTION B

*Note: Site plan option B inserted after this page*



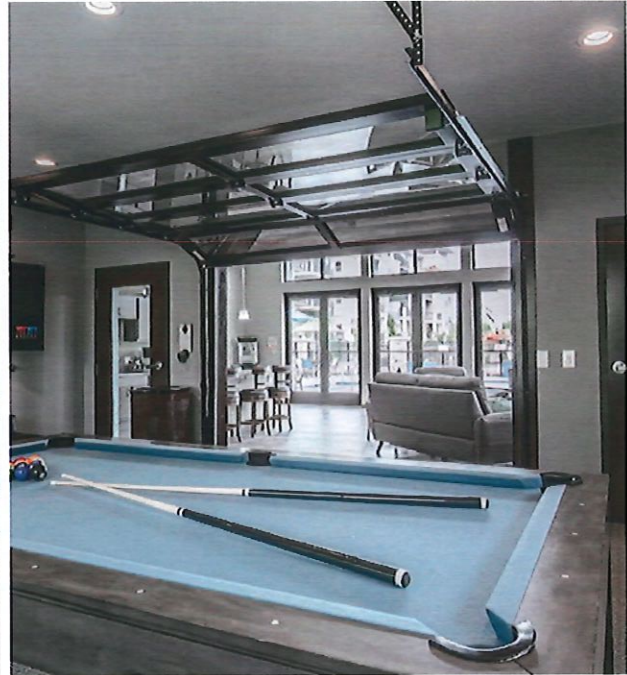




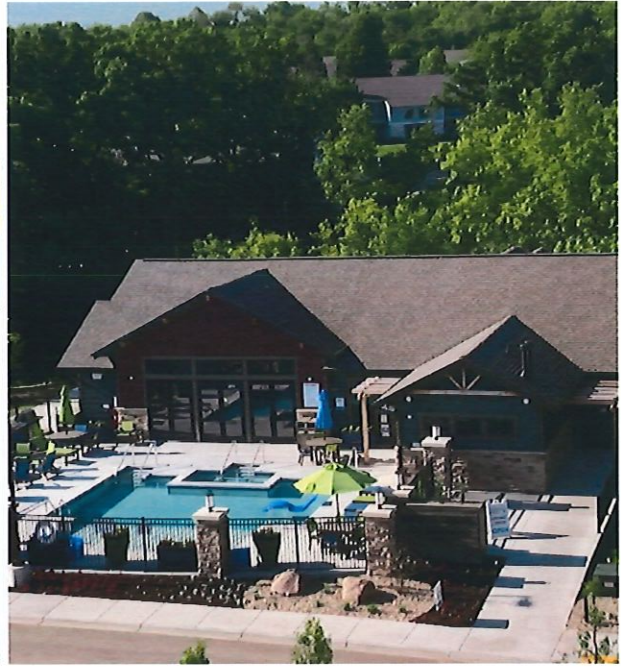
## EXAMPLE IMAGERY & APPEARANCE

As you can see below, we are committed to a quality design using quality materials and appropriate detailing. We go out and research appropriate imagery for this location and review a variety of images with a plan commission member for suitability. The architect and our team will develop a custom-designed architectural image and buildings. These designs below, from previous T. Wall Developments were created to bring out the most utilization of the site and create a community within a community.

*Note: Below are example images of previous developments for design direction*







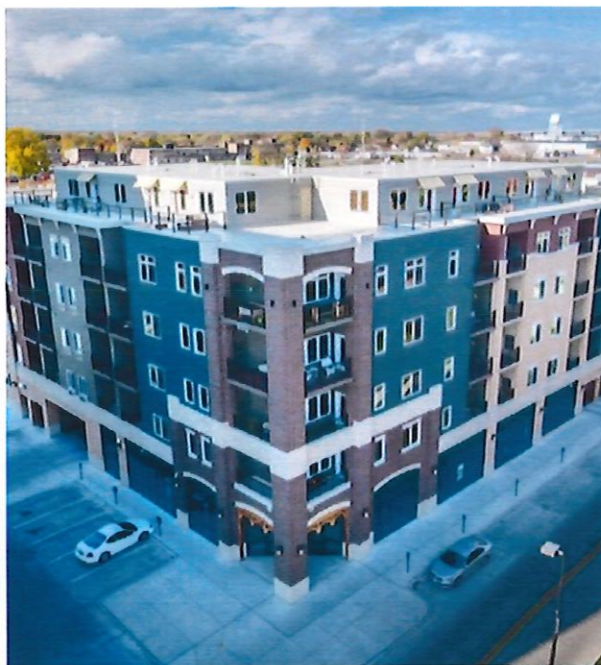
















# DEVELOPMENT ORGANIZATION OVERVIEW



## DEVELOPER

1818 Parmenter Street  
Middleton, WI 53562  
Ph. 608.826.4000 | [www.twallenterprises.com](http://www.twallenterprises.com)



## ARCHITECT

800 W. Broadway Suite 200 Madison, WI 53713  
Ph. 608.241.9500 | [www.jla-ap.com](http://www.jla-ap.com)



## ENGINEER

999 Fourier Drive Suite 201  
Madison, WI 53717  
Ph. 608.826.0532 | [www.Vierbicher.com](http://www.Vierbicher.com)





#### **Education**

BA in Economics  
UW-Madison

*Masters in Real Estate Appraisal  
and Investment Analysis UW-  
Madison*

*Completed coursework at:*

*Harvard University Executive  
Education Program, Loyola  
University, and Kellogg School  
of Management (Chicago)*



**T. Wall Enterprises<sup>LLC</sup>**

*Creating Places Where People Interact*

## **TERRENCE WALL**

**CEO & PRESIDENT**

Terrence has been involved with real estate analysis, leasing and marketing since 1979. He began developing in 1989. He has developed in a wide range of markets including:

- Over 500 multi-family units
- Five retail centers (including Target, Verizon, Bed Bath & Beyond, Michael's Craft, Ashley Furniture, American TV, and many more)
- A 160-acre industrial park with multiple buildings
- Largest portfolio of office buildings in the state of Wisconsin with over 45 office buildings at 3.5 million square feet of space
- Planned and developed five major mixed-use centers that included office space, hotels, retail, and residential
- Presently developing a master planned community which includes seven neighborhoods and a town center, known as The Community of Bishops Bay, in Middleton, Wisconsin

#### **Philanthropy**

- Terrence Wall has previously raised donations for and developed the Dane County Children's Zoo Carousel Building, Boy Scout's Glacier's Edge Council Office and Store and the John Wall Family Pavilion at Tenney Park.
- He has also been a major donor to Edgewood High School, American Family Children's Hospital, James A. Graaskamp Real Estate Center, Congress Park, High Crossing Park, Madison Central Library, Madison Children's Museum, Middleton's Soccer Field, Asset Builders of America, and Domestic Abuse Intervention Services





## **T. WALL ENTERPRISES DEVELOPMENT, LLC PROJECT TEAM**



### **Taylor Brengel**

Taylor Brengel joined T. Wall Enterprises in 2012. As general counsel, Taylor oversees the company's legal activities, including real estate negotiation and purchases, development financing, project entitlement coordination, landlord tenant issues and commercial lease negotiation, lender relations, entity organizational structuring and corporate governance.

Taylor earned his Juris Doctorate from Marquette University Law School and his Bachelor of Arts from Lawrence University. His prior experiences include working for the in-house legal department of a Fortune 100 company and working for the Honorable John Coffey of the U.S. Seventh Circuit Court of Appeals



### **Erica Koch**

Erica Koch is the Director of Operations & Property Management for all multi-family communities. Her role is to oversee the property managers and ensure the overall maintenance of the properties. She has spent the last 20 years in the multi-family housing industry in Wisconsin with various roles and responsibilities including managing all aspects of the company's operations, customers and properties. Erica earned her BBA at the University of Wisconsin-Whitewater with a major in Marketing. She is also a licensed real estate salesperson in Wisconsin.



## Scott Tebon

Scott Tebon is the Director of Construction responsible for management and coordination of construction activities within the portfolio. He has over 20 years of experience in the construction industry and has overseen in excess of \$200 million of projects encompassing over 2 million square feet of space and managed build-outs for over 250 commercial customers.

Scott earned his BBA at the University of Wisconsin-Whitewater with majors in Economics and Finance with a Real Estate emphasis.



## Nick Patterson

Nick is the development analyst responsible for assisting with development and entitlement processes pertaining to multi-family developments. Nick coordinates with architects, engineers, city planners, surveyors, contractors, and others to ensure efficient design, organization, and execution of plans; Nick analyzes and budgets new development opportunities as well.

Nick earned his Bachelor of Science degree in Finance with an emphasis on Real Estate from Iowa State University. His prior experience includes assisting in student and multi-family property management.



**JLA**  
ARCHITECTS

## COMPANY OVERVIEW

With offices in Madison and Milwaukee, JLA Architects provides a full range of planning & architectural services for various project types. With a focus on providing creative, real-world solutions to meet project goals they maintain client satisfaction as their highest priority. Founded in 2007 by Joseph Lee, JLA believes the firm's success is dependent on the happiness of their clients and their success of each completed project.

## KEY TEAM MEMBERS



### JOSEPH LEE | President / Principal

Joe's role on this project will be to serve as general oversight throughout all phases of the project. Joe will collaborate on design concepts & lend his experience throughout the entitlement process. As the project progresses, Joe will maintain involvement & assist the project team as needed. He will help to ensure that the process is smooth & enjoyable. Throughout the process Joe will be a visible & 'reachable' member of the JLA Team.



### JOHN SCHMIED | Project Manager

Marc would serve as project manager. He has worked several years as a project manager on several developments. He will be responsible for the daily management & coordination of the project throughout the entire process. He will be intimately involved at all phases ensuring consistency & continuity throughout the project & will serve as the primary daily contact for the development team, consultants & contractor.





## JOSEPH LEE, AIA

### FOUNDER & PRESIDENT

JLee@JLA-AP.com

C: 608.215.1495

#### Education

*Masters of Architecture*  
UW-Milwaukee May 1998

*Masters of Urban Planning*  
UW-Milwaukee May 1998

*Bachelor of Science*  
*Architectural Studies*  
UW-Milwaukee May 1995

*Project Manager Bootcamp*  
PSMJ  
2006

*Strategies for the Construction*  
*Administrator*  
UW-Extension Course 2005

#### Professional Affiliations

*Licensed Architect*  
Wisconsin 2003–present

*American Institute of Architects*  
2003–present

#### Awards & Recognition

*Franciscan Health Care Center*  
Finalist—New Construction

*Nursing Homes Long Term Care*  
*Management* 2003

Joe is a Madison native & graduated with both a Masters of Architecture & a Masters of Urban Planning from the University of Wisconsin–Milwaukee. During his schooling & after his graduation from UWM, Joe resided in Milwaukee for 13 years, working in both the public & private sectors.

Prior to founding JLA Architects & Planners in February 2007, Joe was an Associate at Eppstein Uhen Architects in Milwaukee where he was a lead designer on multi-family, mixed-use, & retail projects.

Joe's background in both architecture & urban planning has allowed him to develop a unique blend of skills & market knowledge that brings distinct value to JLA clients. He has gained the respect of both clients & peers by managing & designing projects of various types & sizes with an unpretentious style.

As the Owner & Managing Principal of JLA Architects, his main goal is client satisfaction. He is involved at every phase to assist with conceiving & developing sound designs, navigating through entitlement processes, producing complete & accurate construction documents, & following up with thorough construction administration. Joe values each client relationship & works to exceed expectations on every project.

#### Representative Project Experience

The Bay Lofts  
The Current Apartments  
Prairie Trail apartments  
MOSH Performance Village  
Velo Village at Ballpark Commons  
Jade at North Hills  
50Twenty apartments  
Ballpark Commons– Mixed Use Sports Facilities  
The Brewery – Mixed Use  
Synergy @ the District – Mixed Use  
The Junction Apartments  
Sun Prairie Ice Arena  
Wright & Wagner Lofts  
Veritas Village Apartments  
22 Slate Apartments  
Factory District Apartments  
Vim & Vigor Apartments

Sturgeon Bay, Wis.  
Monona, Wis.  
Sun Prairie, Wis.  
Franklin, Wis.  
Franklin, Wis.  
Menomonee Falls, Wis.  
Madison, Wis.  
Franklin, Wis.  
Milwaukee  
Wauwatosa, Wis.  
Menomonee Falls, Wis.  
Sun Prairie, Wis.  
Beloit, Wis.  
Madison, Wis.  
Madison, Wis.  
Madison, Wis.  
Milwaukee



**vierbicher**  
planners | engineers | advisors



## COMPANY OVERVIEW

Vierbicher is a team of planners, engineers, landscape architects and surveyors committed to providing the highest level of skill and expertise to clients throughout Wisconsin and the Upper Midwest. Our multi-disciplined, team-based approach enables us to combine our strengths and bring unique perspective to a wide range of projects.

Having this diverse in-house experience provides many benefits to our clients, including creative solutions, efficient project flow and cost-effective results. We have been delivering unmatched customer service to private and municipal clients for over 40 years, and it has been a cornerstone of our success in this highly competitive field.



**ROD ZUBELLA, PE | President & CEO**

Rod has over 28 years of experience providing civil engineering services for local government and real estate developers. As a practicing civil engineer, Rod blends his passion, experience and compassion to find sound solutions for his clients' issues.



**MATT SCHREINER, PE | Engineering Manager**

Matt provides engineering services on municipal, commercial and residential projects. His responsibilities include stormwater & utility design, permitting, grading design, site layout, contract documents and construction inspection





## COMPANY OVERVIEW

The Bruce Company of Wisconsin, Inc. Provides a unique culture that is family-focused and employee driven. Together we are building a bright future that delivers the service and quality products that our customers have come to expect over the years.

Since 1952 and to this very day, we are dedicated to serving our customers, our employees and the communities with which we work. We have several licensed landscape architects on staff working hand in hand with estimators, designers and project managers who work primary in corporate settings around the state of Wisconsin. We are members of the Laborers Union as well. Let us make your project come to life in AutoCad and computerized 3D fly-through.



**RICH STROMBERGER, RLA** | Landscape Architect

### Education

- BS in Landscape Architecture 1988 – University of Madison Wisconsin
- Registered Landscape Architect in Wisconsin in 1995

### Experience

- Has 30 years experience with Bruce Company
- 2 years experience with University of Wisconsin Department of Planning and Construction





## GENERAL CONTRACTOR

If chosen, our team will work with a reputable Wisconsin-based general contractor. Based on our past successful projects, we would choose one of the following companies to partner with:



Encore Commercial  
6840 Schneider Rd.  
Middleton, WI 53562  
Ph: 608.836.9601

OR



Stevens Construction  
2 Buttonwood Court  
Madison, WI 53718  
Ph: 608.222.5100

# MULTI-FAMILY



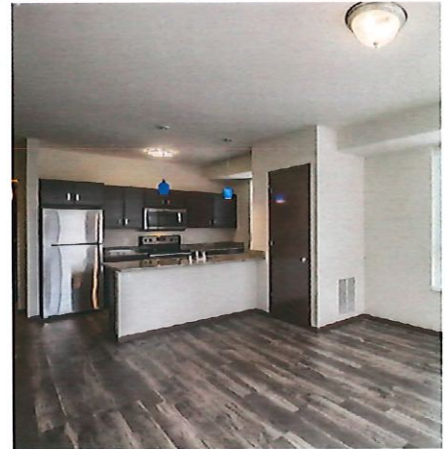
**T. Wall Enterprises<sup>LLC</sup>**  
Creating Places Where People Interact



## PELTON RESIDENCES INFILL REDEVELOPMENT

LOCATION: Madison, Wis.  
PROGRAM: 157 market-rate multi-family units and  
12,000 s.f. of commercial space.  
246,348 s.f.  
Amenities include: club room,  
community room, fitness center, and  
landscaped patio  
REFERENCE: Heather Stouder, Planning Division  
Director – City of Madison,  
Ph. (608) 266-5974

# MULTI-FAMILY



## VERITAS VILLAGE MULTI-FAMILY DEVELOPMENT

LOCATION: Madison, Wis.

PROGRAM: 189 market-rate units  
Central courtyard & pool with green roof areas; over parking level  
Amenities include: fitness room, community room, concierge desk, clubroom, and game room

REFERENCE: Heather Stouder, Planning Division Director – City of Madison | Ph. (608) 266-5974



# MULTI-FAMILY



**T. Wall Enterprises<sup>LLC</sup>**  
Creating Places Where People Interact



## **PRAIRIE TRAILS** MULTI-FAMILY DEVELOPMENT

LOCATION: Sun Prairie, Wis.  
PROGRAM: Three-story, 54 units  
56,516 s.f.

Amenities include: community room, club room, outdoor patio, library, event space with kitchenette/restroom, and landscaped patio

Underground parking

REFERENCE: Scott Kugler, Planning Director – City of Sun Prairie | Ph. (608) 825-1107

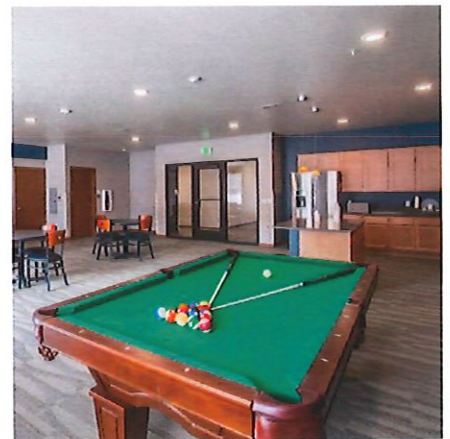


# MIXED-USE



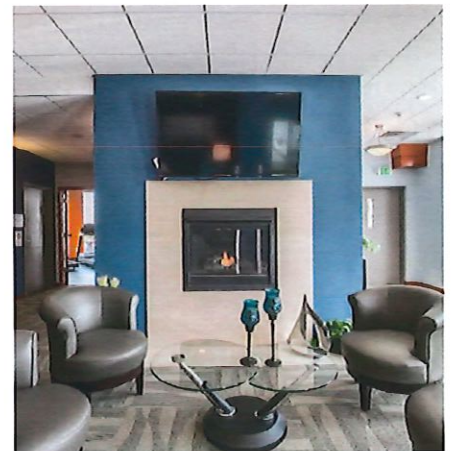
## MIDDLETON CENTER MIXED-USE DEVELOPMENT

LOCATION: Middleton, Wis.  
PROGRAM: 157,100 s.f.  
Public Private Partnership (P3)  
Three phase redevelopment of the Old Middleton Center  
Phase One includes: 62 market-rate multi-family units, 11,388 s.f. of commercial space, and 21,483 s.f. of office space  
Amenities include: club room, community room, fitness center, and landscaped patio  
REFERENCE: Eileen Kelley, Director Planning / Zoning Administrator – City of Middleton  
Ph. (608) 821-8370





# MIXED-USE



## **WATERMARK LOFTS** INFILL MIXED-USE DEVELOPMENT

LOCATION: Madison, Wis.  
PROGRAM: 80 market-rate units  
18,922 s.f. commercial space  
Amenities include: club room,  
community room, fitness center,  
and landscaped patio  
REFERENCE: Heather Stouder, Planning Division  
Director – City of Madison  
Ph. (608) 266-5974



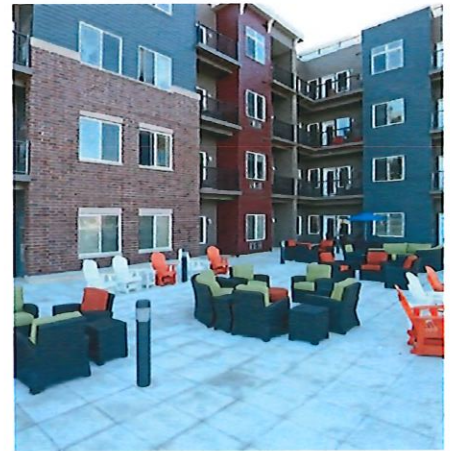
# MIXED-USE



## CITYDECK LANDING

### MIXED-USE

LOCATION: Green Bay, Wis.  
PROGRAM: 115,000 s.f.  
Seven-story mixed-used building  
Partnered with City of Green Bay  
Amenities include: club room,  
community room, fitness center,  
and landscaped patio  
REFERENCE: Kim Flom, Director of Planning &  
Development - City of Green Bay  
Ph. (920) 448-3413  
kimf@greenbaywi.gov



# PUBLIC PROJECT EXPERIENCE



Listed below are other representative public projects that T. Wall Enterprises has been involved with.

## GREENWAY CENTER

### Madison, WI

Project Value: \$189,500,000

Size: 1,021,000 s.f.

Reference: Kurt Sonnentag, Mayor

City of Middleton

Ph. (608) 335-0888

Email: mayor@ci.middleton.wi.us

This mixed-use development located on Madison's west side. Initially comprised of a office buildings and retail, restaurant, and hotel components, additional buildings were later added as in-fill to create a mini town center. T.Wall served as overall developer for the project.

## THE CENTER FOR INDUSTRY & COMMERCE

### MADISON, WI

Public Private Partnership (P3)

Project Value: \$37,000,000

Size: 160-acre site

Reference: Don Marx, Manager

Office of Real Estate Services

City of Madison

Ph. (608) 267-8717

Email: dmarx@cityofmadison.com

The Center for Industry & Commerce, is a 160-acre mixed-use development on Madison's east side. The development is the culmination of a 10 year partnership between T.Wall and the City of Madison. T.Wall served as master developer for this project.

## CITY CENTER WEST

Project Cost: \$135,000,000

Completion: 2003

The City Center West project included the development of two 8-story towers, constructed in phases with connections at each floor, as well as a 1,532 stall, five-level parking ramp. The project features 440,000 s.f. of office, retail, and restaurant space.

## HIGH CROSSING ENVIRON

### MADISON, WI

Project Value: \$88,000,000

Size: 309,000 s.f.

Reference: Don Marx, Manager

Office of Real Estate Services

City of Madison

Ph. (608) 267-8717

Email: dmarx@cityofmadison.com

High Crossing is proud to be the first large-scale, mixed-use development in Dane County. The site consists of office, retail, restaurant, hotel, and residential properties. T.Wall served as overall developer for the High Crossing project.





# MEMO

**To:** City Plan Commission  
**From:** Marty Olejniczak, Community Development Director  
**Date:** October 23, 2020  
**Subject:** Proposals to Redevelop Sunset School

Three proposals to redevelop Sunset School into multiple-family housing were submitted. These were provided to the Plan Commission in order to obtain feedback on the proposals. The decision to approve any particular development will be a jointly determined by the Council and School Board.

Below are summaries of the key aspects of the proposals, all of which involve rental units:

## **Logical Home Design / Maritime Heights**

Units: 32-50 depending upon the number of buildings and units within each building. There would be 8-10 units on the parking lot parcel and 24-40 units on the school parcel.

Affordable v. Market Rate Units: All units would be market rate. Rents are project to be \$795 for a 2BR unit and \$995 for a 3BR unit.

Bedroom Mix: 6 studio, 8 one-bedroom, 11 two-bedroom, and 16 three-bedroom units.

Building Design: The buildings would be the same or similar as the Maritime Heights project within the former Amity Field parcel. There would be 8-10 2-story townhomes per building, with a 3BR unit on each end and 6-8 2BR units in between. Separate garage buildings would be provided.

Parking: There would be a garage building paired with each townhome building along with additional onsite outdoor parking.

Financial package/Incentives: The developer will pay \$10,000 for the properties and will cover the cost of demolition. The developer is requesting \$30,000 in tax rebates that could be spread over two years beginning when construction is complete.

Project Value: The developer estimates the project will cost \$3.5 - \$4 Million to construct depending upon the ultimate number of units. The assessed value will likely be lower than that, but probably in the range of \$2.5 to \$3.25 Million.



Schedule: Construction commences on parking lot in summer 2021 followed by commencement of construction on school property in the fall, 2021. No completion was given.

Note: Maritime Heights (Doreen Phillips) is the developer for the Amity Field project.

### **SC Swiderski**

Units: 24 or 28 depending on the concept chosen. All units are located on the school parcel.

Affordable v. Market Rate Units: All units would be market rate. Rents are project to range from \$845 to \$1145.

Bedroom Mix: Mostly two-bedroom units with a couple of 3BR units.

Building Design: Two-story townhouse style with attached garages. These would be 8-unit or 4-unit buildings.

Parking: Garages and parking are internal to the site. Each unit gets one attached garage space. A 20-unit detached garage is proposed for the parking lot site.

Financing/TIF Support: The proposal calls for obtaining the property for \$1. The school or city would be responsible for demolition costs and environmental costs. Incentives of \$200,000 are requested with \$50,000 being paid upon completion of each building.

Project Value: The developer estimates the project to have a value of \$3,000,000.

Schedule: Demolition commences in summer, 2021. Building construction commences fall, 2022 and completed in fall, 2023.

Notes: SC Swiderski is the developer of the Sturgeon Bay Estates apartment project located on Grant Ave at the west edge of the City.

The demolition estimate submitted by Maritime Heights had a cost of just under \$200,000. The School District had a higher estimated demolition cost.

### **Eventide on 8<sup>th</sup> (Horizon Development Group)**

Units: 48

Affordable v. Market Rate Units: 42 units are affordable to 30-80% of County Median Income. The other 6 units are market rate units.

Bedroom Mix: 18 one-bedroom, 20 two-bedroom, and 10 three-bedroom units are proposed.

Building Design: Three 16-unit buildings, all of which are on the school site. The buildings are 2-story with garages at each end.

Parking: 24 stalls within attached garages and the rest of the parking is surface parking on the main site, with some auxiliary parking on the parking lot site.

Financing/TIF Support: The developer will pay \$240,000 for the property. They are requesting the school district to demolish the school building. They are also requesting \$478,000 in financial assistance from the City through tax increment financing.

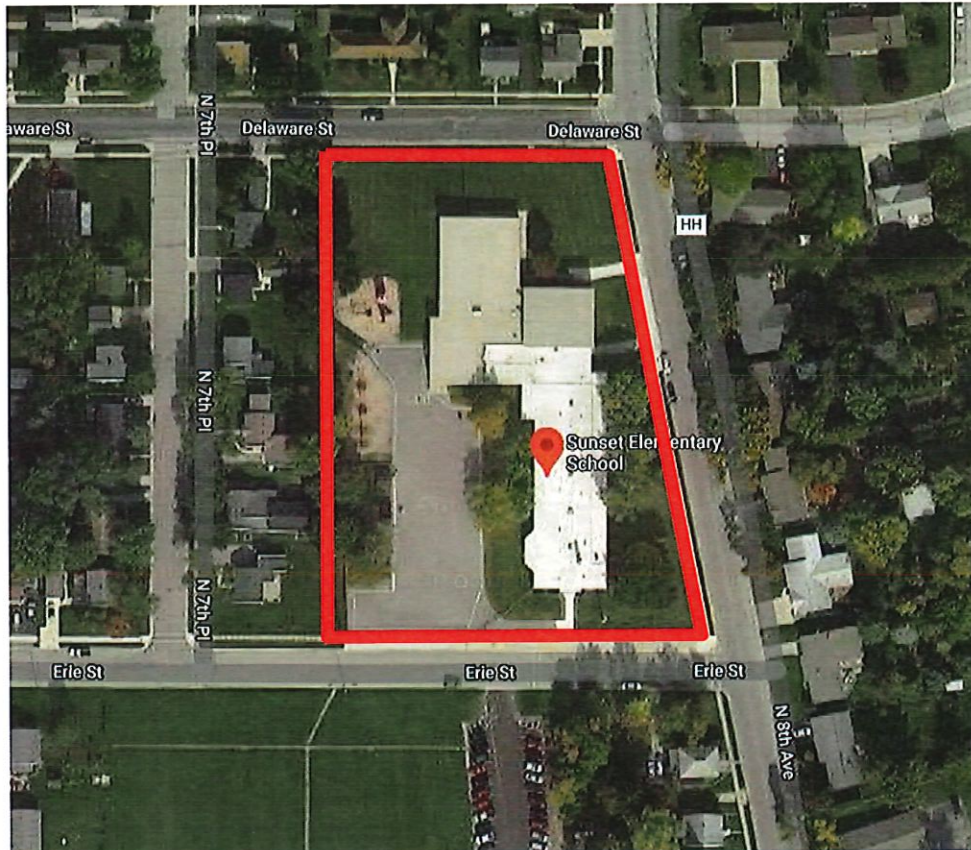
Project Value: As a low-income housing project the assessed value will be determined using the income approach to value and will be less than actual building value. The proposal shows an assessed value of about \$1,500,000.

Schedule: Construction is expected to start in April 2022 and be completed in December 2022.

Notes: The project relies on the award of WHEDA low income housing tax credits. These tax credits are competitive and are awarded in April.

# Request for Proposals

## *Sunset Elementary School Property*



## City of Sturgeon Bay, Wisconsin & Sturgeon Bay School District

**City of Sturgeon Bay  
City Administrator**  
421 Michigan Street  
Sturgeon Bay, Wisconsin  
(920) 746 – 6905

**Sturgeon Bay School District  
Superintendent**  
1230 Michigan Street  
Sturgeon Bay, Wisconsin  
(920) 746 - 2801

Issued October 1, 2020



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## ***SECTION 1: INTRODUCTION & DISCLAIMER***

The City of Sturgeon Bay and the Sturgeon Bay School District (together, the “City”) invite qualified individuals and development teams to submit a proposal for the acquisition and redevelopment of the 2.76-acre Sunset Elementary School property located at 827 N 8<sup>th</sup> Avenue along with a 0.81-acre parcel that contains a parking lot and stormwater detention pond. This parcel is located directly across Erie Street to the south of the school. Proposals will be accepted for either or both of the two parcels.

The primary goal of this RFP is to expand high quality, affordable rental options in the City’s existing housing stock.

The City of Sturgeon Bay is a fourth class city with a 2010 U.S. Census population of 9,144. It is governed by a mayor and seven-member common council. It is the county seat and only city in Door County. As such, it is the primary employment and retail center in the county. Sturgeon Bay has a strong manufacturing base and expanding health care facilities. It is connected to the Green Bay metropolitan region by State Highway 57, a four-lane, divided expressway.

The Sturgeon Bay School District serves the public education needs of nearly the entire geographic area of the City of Sturgeon and a portion of the adjoining Town of Sevastopol. The district is managed by a full-time superintendent and a nine-member elected board of education. The district currently has approximately 1,100 students enrolled in 4K through 12<sup>th</sup> grade. It operates three elementary schools, a middle school, and a high school. However, the Board of Education determined that one of the elementary schools, Sunset School, should be closed and this decision was confirmed via referendum.

Sunset School will be closed at the end of the current 2020-2021 school year and become available for reuse or redevelopment sometime during late summer or early fall of 2021. Due to the location of the sites and documented need for housing and particularly affordable housing, the City believes transfer of the parcels to a developer(s) for new housing units to be the proper course of action.

The Door County Housing Analysis, completed in 2019 by AECOM, identified a shortage of rental housing units, particularly in the Sturgeon Bay region of the county. That study can be viewed at <https://cms9files.revize.com/sturgeonbaywi/Community%20Development/Door%20County%20Housing/Door%20County%20Housing%20Analysis.pdf>

### **Disclaimers:**

- At its discretion, the City may accept or decline any proposal that is submitted and the City has absolute discretion in selecting which proposals best conform with the City’s goals and

current needs. The City is not obligated to accept any proposal and reserves the right to reject all proposals and reissue the RFP.

- If insufficient proposals are submitted or rejected, the City reserves the right to negotiate and enter into discussion with future individual developers or development entities without future advertising or providing public notice. The property will be continually available for sale until sold or transferred for new development.

## ***SECTION 2: FORMAT, SUBMISSION DEADLINE, & REVIEW SCHEDULE***

Proposals submitted to the City should concisely illustrate all components of the redevelopment plan requested by this RFP.

- **Proposal Submission & Questions.** Please direct questions regarding the proposal to:

Marty Olejniczak  
Community Development Director  
421 Michigan Street  
Sturgeon Bay, Wisconsin 54235  
Telephone: 920-746-6908  
Email: [molejniczak@sturgeonbaywi.org](mailto:molejniczak@sturgeonbaywi.org)

- **Format.** Proposals should be electronically submitted in .pdf format.
- **Deadline.** The proposal must be submitted by 4:00 PM on Monday, October 19<sup>th</sup>, 2020 in order to be considered.
- **Timeline.**
  - Thursday, October 1, 2020 - RFP available for distribution;
  - October 1 – October 16 - Developer may submit questions to the City and School District;
  - Monday, October 19 at 4:00 PM Central Time – Deadline to submit proposal;
  - October 20 – November 2 – Review of proposals by City and School District staff and pertinent committees and recommendation to the Common Council;



- Tuesday, November 3<sup>rd</sup> – City Council action to select/approve a proposal or reject all proposals [Thursday, November 17<sup>th</sup> is the back-up date for Council action is additional time is needed to fully vet the proposals.]

Upon selection/approval of a proposal, it is anticipated that the developer will enter into a contract to purchase the property with the School District and a development agreement with the City of Sturgeon Bay.

### ***SECTION 3: PROPERTY OVERVIEW***

Parcel A: Located on Sturgeon Bay's east side, this prime 2.76-acre parcel is zoned R-4 Multiple-Family Residential. It has frontage on Erie Street to the south, North 8<sup>th</sup> Avenue to the east, and Delaware Street to the north. N. 8<sup>th</sup> Avenue is a north-south collector street that connects to Egg Harbor Road, the City's primary business corridor.

The property currently contains the Sunset Elementary School, a single-story building with attached gymnasium. While the building is still operating, the Sturgeon Bay School District will be decommissioning and closing this facility at the end of the 2020-2021 school year. The existing school building was constructed in 1954 and has been added onto since the original construction. It is not designated as an historic structure and there are no restrictions on demolition.

The ground elevation is somewhat higher along N. 8<sup>th</sup> Avenue compared to the western part of the lot. There is a berm ranging from about 4 to 8 feet in height that separates the school building from the western part of the parcel. The property is not located within the floodplain and has no wetlands or other limiting factors. The site is served by all municipal and private utilities necessary for the development of housing. Sanitary sewer and water mains are located within Delaware Street and N. 8<sup>th</sup> Avenue.

Parcel B: Located south of the school with access to both Erie and Florida Streets, this 0.81-acre parcel is zoned R-4 Multiple-Family Residential. It is currently used as a parking lot for Sunset School employees. It also has a small detention pond at its southeast corner. The lot is relatively narrow with about 82-84 feet of width measured perpendicular to the side lot lines. Currently, the municipal sanitary sewer and water mains do not run past either the Erie Street or Florida Street frontages. To get sanitary sewer and water service to Parcel B, the mains would need to be extended or service would need to be acquired via the adjoining apartment development.

The subject sites are located 5 blocks from Sturgeon Bay's largest public park and just 3 blocks from two other City parks. They are within convenient walking distance of some of Sturgeon Bay's major employers, shopping/restaurants, and the Sturgeon Bay campus of Northeast Wisconsin Technical College. They are less than one mile from downtown.

The subject property is within the middle of a stable neighborhood comprised of primarily owner-occupied modest homes with a smattering of apartment buildings. A new 37-unit apartment complex is nearing completion on the site abutting the west side of Parcel B. The only nonresidential use adjacent to the site is the Veterans of Foreign Wars hall located across Delaware Street to the north.

#### ***SECTION 4: POTENTIAL USES***

The City is anticipating that developers would look at this property for the creation of additional workforce housing, but developers may propose a wide range of housing types and densities.

The current Multiple-Family Residential zoning classification allows multiple-family family dwellings up to 8 units per lot as a permitted use. Single-family dwellings, two-family dwellings, and multiple-family dwellings greater than 8 units per lot are conditional uses. The maximum density of dwelling units is one unit per 3,500 square feet of lot area, which equates to 34 units on the school site and 10 units on the parking lot site. The maximum amount of impervious surface allowed on the site is 70% of the lot area. The entire zoning code can be viewed on the city's website at [www.sturgeonbaywi.org](http://www.sturgeonbaywi.org).

Parcel A (school site) is well-positioned for redevelopment. Its compact shape and frontage on three streets allow for multiple arrangements for new building(s). Parcel B (parking lot) is less conducive to new development due to its shape. But it could accommodate some limited multiple-family residential development. It also could be used in an auxiliary fashion to the school site. For instance, it could provide overflow parking for housing units on the school site or could provide green space or recreational space for the tenants. If developed in conjunction with the school site, the lot area of the parking lot site could also be added to the school site's lot area to provide more overall dwellings and still fit within the density limits of the zoning code.

The City anticipates that rezoning to Planned Unit Development (PUD) overlay may be necessary to accommodate the winning proposal's redevelopment plan. The PUD district allows more flexibility and creativity in the design of development projects. The underlying density and dimensional standards can be varied, such as increasing the maximum density of dwelling units. The requirements within a PUD are ultimately determined by the Sturgeon Bay Common Council

after recommendation from the Plan Commission. An increase in density to perhaps one unit per 3,000 square feet of lot area may be possible, which would equate to 40 units on the school site.

## ***SECTION 5: POTENTIAL INCENTIVES***

The City and School District desire to see the sites quickly redeveloped into a housing use that fits the needs of the community. Hence, incentives to encourage the reuse of the site(s) can be requested. The ultimate incentive package requires approval of the Common Council and/or Board of Education. Currently, no funds have been specifically allocated to or approved for the redevelopment of Sunset School but the following will be considered:

- Sale of the property at below market price.
- Low interest loan through the City/County Revolving Loan Fund.
- Assistance with any required extension, relocation, or upgrades to municipal utilities or with land clearance.
- Tax Increment Financing (TIF) assistance such as a developer-financed loan repaid with the new tax increment generated by the project being allocated back to the developer. Please note that the property is not located within an existing Tax Increment District (TID), but the City has had informal discussions and believes there is a possibility of creating a new TID for this project. Creation of a TID in Wisconsin requires approval of the Joint Review Board, which cannot be guaranteed by the City and School District.
- Municipal applications for state and federal grants/assistance to be used on behalf of the development project.

The developer should include any requested TIF development incentive or other financial incentives within the proposal, together with a statement identifying the proposed project's projected stabilized property tax assessed value.

## ***SECTION 6: PROPOSAL COMPONENTS***

At a minimum, the proposal shall include the following components:



- **Description of Proposal Development.** Please describe the proposed use and target demographics. The description should include the number of units, product type, and proposed parking. A concept sketch of the development and/or photos/designs for similar products are strongly encouraged, but detailed architectural drawings are not necessary. The description should also include the estimated stabilized property value of the project after construction.
- **Financial Feasibility and Investment Strategy** The developer shall provide a summary indicating the amount and timing of investments necessary to close and construct the project, as well as an anticipated rent structure. The developer's familiarity with the project's proposed financing mechanism should also be noted. In addition, the long-term ownership and management strategy for the development should be included.
- **Project Team and Management Qualifications.** Identify key members of the project team, including the developer, co-developer (if applicable), architect, general contractor (if known), and the property manager. Describe key personnel assigned to the project for each team member and their responsibilities and expertise with the proposed project type. Describe the team's history working together on similar projects in the State of Wisconsin. Include contact information for each individual or company.
- **Development Organization and Financial Capacity.** Provide information indicating the State in which the respondent was organized, the official registered name, and a statement which demonstrates financial capacity to perform. Also, provide any irregularities relative to suspensions, defaults, or bankruptcies and other matters which may have an effect or impact on this proposal. Include description of the party that will make financial guarantees for the proposed project.
- **Financial Request and Proposed Land Price.** Include the proposed price for the land and a description of any financial assistance requests to the City.
- **Milestone Schedule.** Provide an outline and timeline of the critical path items required to bring the project from concept to operation, including design, permitting, financing, construction, occupancy and any other tasks required to complete the proposed project.
- **References.** The proposal shall identify up to three relevant, similar development project examples that the developer has completed. Include contact information of municipal officials who have worked with the respondent on such similar projects.

## ***SECTION 7: EVALUATION AND SELECTION CRITERIA***

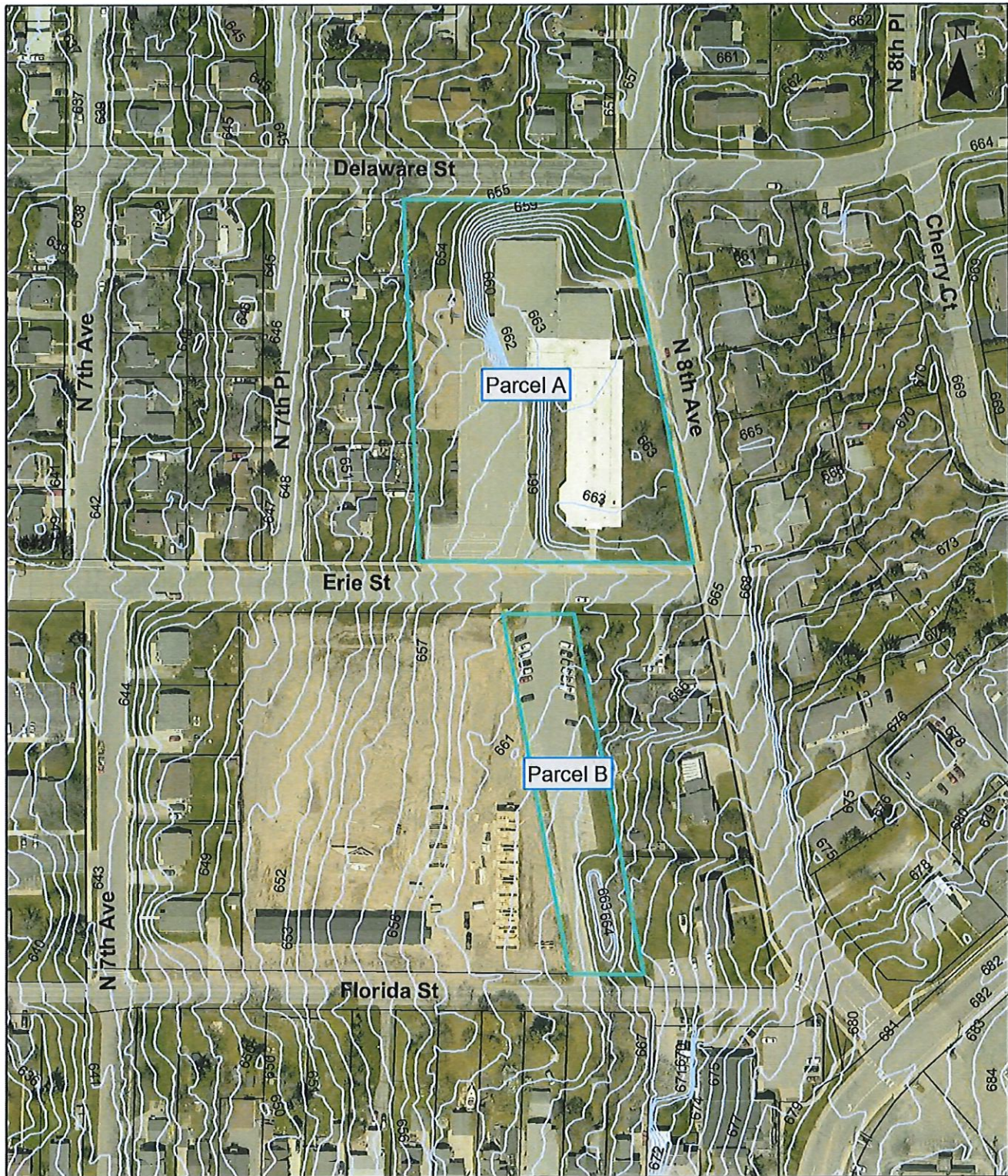
Any award to be made for this project will be based upon the proposal that most successfully meets the with consideration for operational, technical, cost, and management requirements. The following items will be the primary considerations utilized to evaluate proposals and selection of the developer:

1. A proposed housing type or mix of housing that is marketable and complements the surrounding neighborhood
2. Developer's experience, record of performance, and ability to deliver the project as proposed
3. Proposed timeline and ability to commence the project soon after the property becomes available
4. Acceptable level of requested City financial incentives and investment
5. General approach to the redevelopment process
6. The extent to which the proposal fulfills stated requirements

The evaluation criteria listed above is not necessary the only criteria that the City will utilize to rate and rank proposals. The City may give greater weight to some criteria than others. The City reserves the right to discontinue this Request for Proposal process without notice for any reason; the City may reject any and all proposals; may waive formalities in the review of proposals and the City may select whichever proposal it deems to be in the best interest of the City.



# Sturgeon Bay School District Parcels



0 50 100 200 300 400 Feet

Notes: 1-ft contour lines are shown  
Air photo is from 2019



**Sunset School - looking north (2019)**



**Sunset School - looking south (2019)**

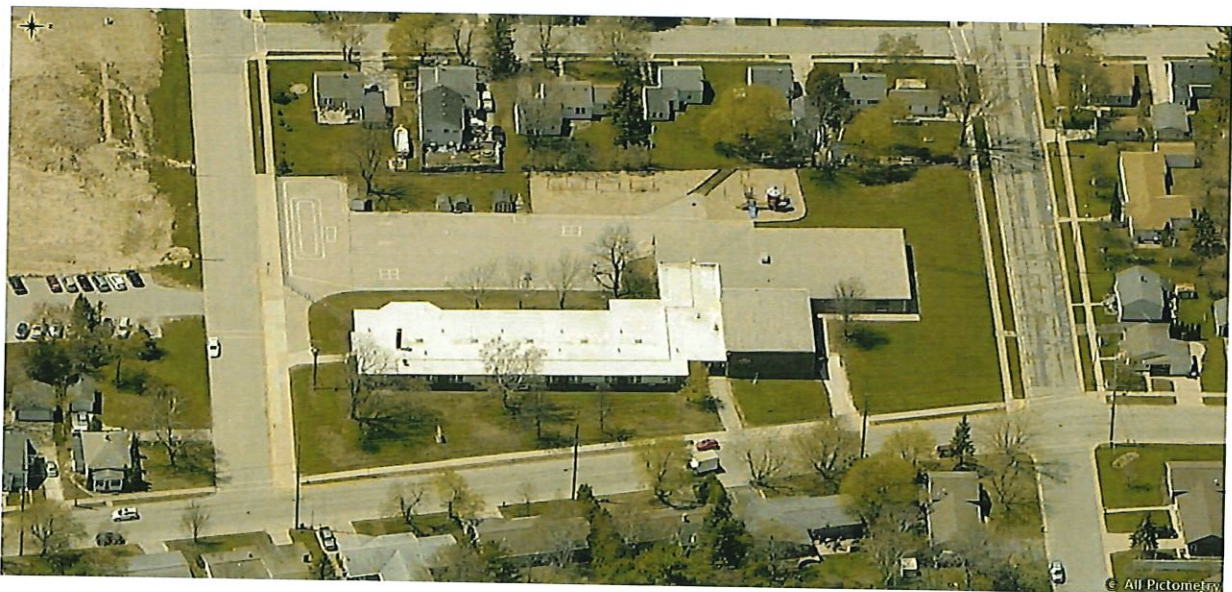




**Sunset School - looking east (2019)**



**Sunset School - looking west (2019)**





# **DEVELOPMENT PROPOSAL**

## **Sunset Elementary School Property**



City of Sturgeon Bay, Wisconsin  
&  
Sturgeon Bay School District

**SUBMITTED BY:**

**LOGICAL HOME DESIGN, LLC.**

**and**

**MARITIME HEIGHTS, LLC**

1640 Rustic Oaks Court  
Green Bay, WI 54301

**Doreen Phillips, CEO/Manager**



## ***SECTION 1: Executive Summary***

This proposal outlines the anticipated development project of the 2.76-acre Sunset Elementary School property located at 827 N 8<sup>th</sup> Avenue ("School Property") along with a 0.81-acre parcel that contains a parking lot and storm water detention pond ("Parking Lot"). This parcel is located directly adjacent to property developed by Logical Home Designs, LLC/Maritime Heights LLC and Doreen Phillips in 2018-2020 known as Maritime Heights.

As with the last project, this quality and aesthetic design is a proposed development intended to expand AFFORDABLE, as opposed to LOW-INCOME housing to fill the needs of the community of Sturgeon Bay.

Our development solutions include:

### **Parking Lot Property:**

1 building with 8 to 10 units  
Including 6 to 8 2-bedroom townhomes with detached garages  
and 2 3-bedroom townhomes with detached garages

AND

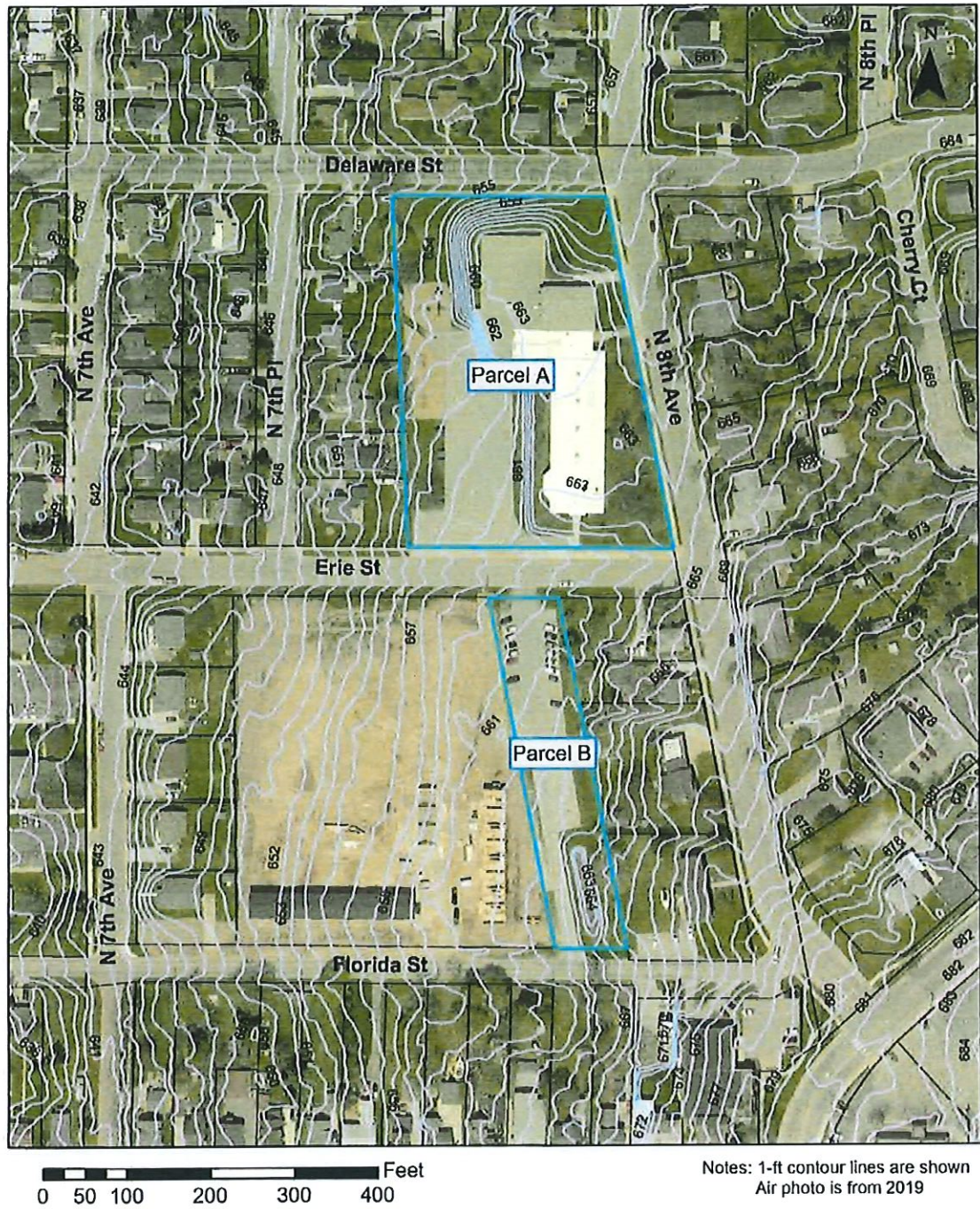
### **School Property:**

Up to 4 buildings with  
6 to 8 2-bedroom units\* per building with detached garages  
(\*including a first floor, Type A handicapped accessible 2-bedroom unit on  
the first floor)  
and 2 3-bedroom units per building with detached garages



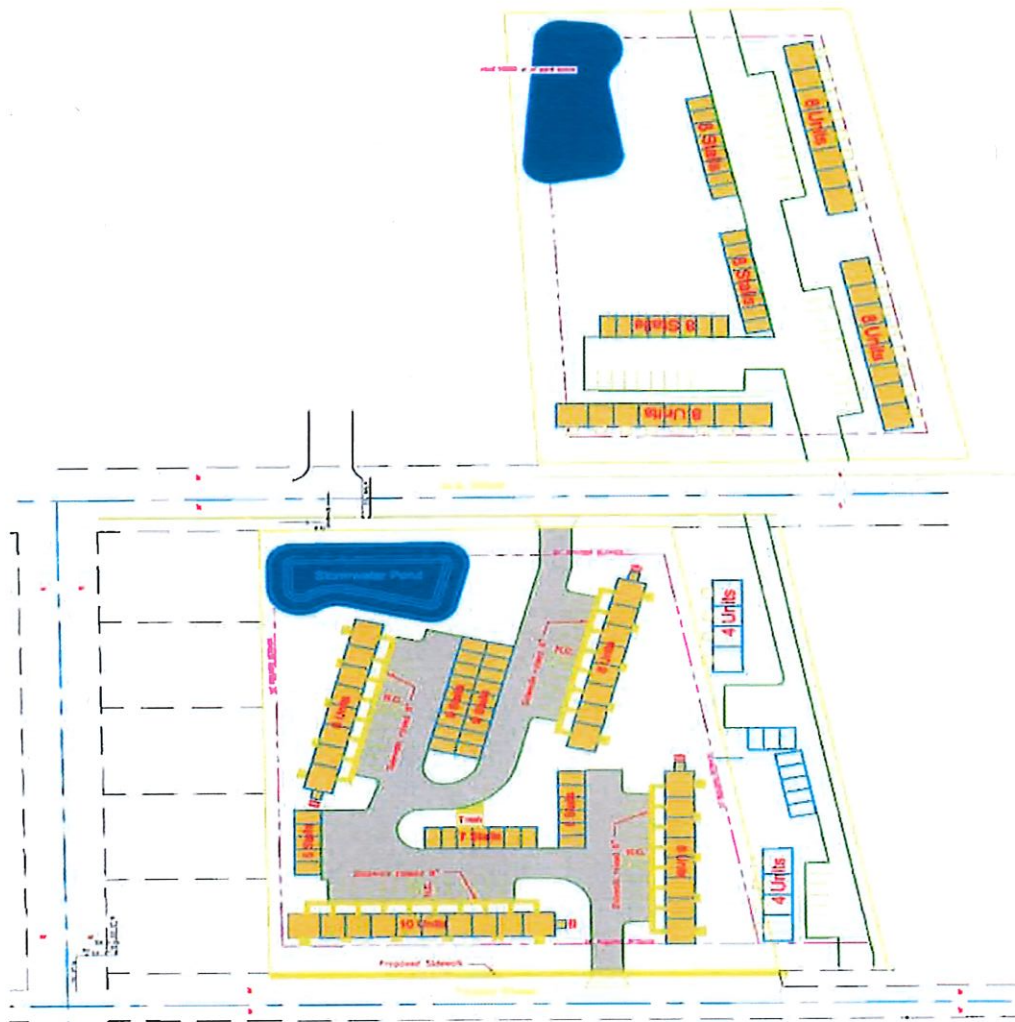
## SECTION 2: SITE OVERVIEW

### Sturgeon Bay School District Parcels





### ***SECTION 3: PRELIMINARY DEVELOPMENT DESIGN***



This preliminary site plan visualizes the layout of buildings, green space and access but will be formalized with the help of Mau & Associates to meet the precise requirements of the City of Sturgeon Bay as it is submitted for comments and approvals.



Proposed Development:

The Developer's goal is to create a townhome living estate similar to the recently-completed project built on Amity Field and known as Maritime Heights. Similar building styles and color schemes will help pull the aesthetics of Maritime Heights onto the new property for a beautiful homogenous campus. It is the intent of the Developer to maintain the same color scheme for the Parking Lot property which is closest in proximity to Amity Field/Maritime Heights and to incorporate blue/gray/white color pallets into the buildings and amenities on the School Property.

Building and unit totals are somewhat flexible and will be adjusted during the approval process.

All buildings will have detached garages with 11' x 22' units to provide extra storage of tenant possessions and make better neighbors of all inhabitants, not only within the development but also with regard for nearby neighborhoods.

The layout of buildings has some flexibility which will impact the final number of units. The optimal design includes 4 buildings with 6 to 8 2-bedroom units per building with detached garages and 2 3-bedroom units per building with detached garages on the larger School Property lot and 1 building with 10 units with 8 2-bedroom townhomes with 11' x 22' detached garage units and 2 3-bedroom/1.5 bathroom townhomes with the same detached garages on the smaller Parking Lot property.

Targeted Demographic:

As with Maritime Heights, the development is not available for short-term tourist or seasonal rentals but is intended to fill gaps in available affordable housing for families and employees with one-year or longer leases. Units currently rent as follows:

2-bedroom, 1 bath units with 11 x 22 garage stalls	\$795/month
3-bedroom 1.5 bath units with 11 x 22 garage stalls	\$995/month

All units include appliances (range, refrigerator, dishwasher) as well as washers and dryers.

The proximity of the development to shopping, restaurants and industry increase the attractiveness to this targeted demographic. The inclusion of 3-bedroom units has met a demand which continues to increase in the area.

#### ***SECTION 4: FEASIBILITY ANALYSIS & ESTIMATED END VALUE***

Preliminary due diligence estimated demolition and site preparation costs – as detailed on the following page by Wisconsin EarthWorks, LLC – of \$135,000 to \$200,000. Using similar contractors and materials as Maritime Heights, total construction is estimated at \$3.5 to \$4 million by completion, including demolition, site preparation, infrastructure, construction and landscaping/finishing.

Construction financing, as necessary after initial investments, will be provided by Fox Communities Credit Union, which is prepared to provide financing commitments and contingencies within ninety (90) days of project acceptance by the City / School District. The strength of the Developer and ability to finance the project has been shown by the on-time completion of the Maritime Heights project without financing issues or delays.

Preliminary estimates based on current mil rate and assessing within the City suggest upwards of \$80,000.00 additional taxes being paid annually to the City upon completion of the project.



October 2, 2020

### *Site work Proposal*

Phillips Development  
1640 Rustic Oaks Ct  
Green Bay, WI 54301

Wisconsin Earth Works, LLC. is pleased to provide to you the following proposal for a demo at Sunset Elementary School in Sturgeon Bay

#### Project Location

Sunset Elementary  
827 N 8<sup>th</sup> Ave  
Sturgeon Bay, WI 54235

Install temp fencing for demolition of project

Add \$6,860.00

#### Demo

Pulverize asphalt and salvage for future project

Tear down 29,000 sqft building

Separate steel, concrete, and demo

Haul demo to landfill

Landfill charges included

All material that can be recycled will be.

Remove all concrete foundations

Backfill two basements with structural fill.

All concrete from foundation walls and footings to be crushed and used for future project.

Demo Price \$134,770.00

Option for concrete removal

To haul all block and concrete off site instead of stockpiling on site and reusing for future development.

Option Add \$54,985.00

All demo Rights go to Wisconsin Earthworks

#### Bid Excludes

Testing for asbestos

Permits

Erosion control

Landscaping, seeding, fertilizing, or mulching

Additional cost due to winter conditions

Soil and compaction testing

Brent Hendricks

Cell 920-606-8253

[Brenthendricks11@yahoo.com](mailto:Brenthendricks11@yahoo.com)



## ***SECTION 5: CITY AND SCHOOL DISTRICT INVESTMENTS***

The Developer is, by this proposal, offering to purchase the subject properties for Ten Thousand Dollars (\$10,000.00), payable in cash or the equivalent at the closing and transfer of clear title.

The purchase price stated above is offered as an investment incentive by the Developer in exchange for tax credits of Thirty Thousand Dollars (\$30,000.00) over a period of two years following completion of the project. In addition, the Developer seeks assessments for real property taxes during construction made solely on the value of improvements completed by January 1 of each year of construction, beginning in 2022, providing a year of tax abatement (2021) to reducing holding costs while the project is commenced.

The Developer is flexible in structuring the final form of tax credits and other incentives that will benefit both the City and the Developer, provided the overall return to the Developer after application of such credits is not less than \$30,000.00.

## ***SECTION 6: TERMS OF PURCHASE***

Developer is offering to purchase and develop the project on the following basic terms:

Purchase Price of \$10,000.00

Earnest Money of \$5,000.00 paid within 3 days of bid acceptance

Plans submitted for preliminary approvals on or before January 15, 2021.

Closing on land on May 31, 2021, provided site and development approvals have been given by the appropriate municipal, State or County bodies.

Construction to begin on Parking Lot property immediately after the end of the 2020-2021 school year.

Occupancy of buildings on School Property completed by the end of August of 2021.

## ***SECTION 7: MEET THE DEVELOPER***

### *Doreen Phillips*

*Logical Home Designs, LLC*

*Maritime Heights, LLC*

A Realtor, developer and home builder for more than twenty years, Doreen Phillips is no stranger to hard work, perseverance, quality and excellence. She has owned, constructed and managed commercial and residential properties successfully for herself and clients in both Brown and Door Counties. She undertook land division projects in the City of De Pere, City of Green Bay, Village of Howard, Town of Gibraltar/Fish Creek and in the City of Sturgeon Bay. Through Phillips Development LLC, and its wholly owned subsidiaries like Maritime Heights, LLC, Logical Homes, LLC, Carstenson Homes, LLC and DAP Rentals, LLC, Doreen manages the following:

- 22 Townhouse units in Brown County
- 34 Townhouse units in Sturgeon Bay
- 7 duplexes
- 6 single family homes
- Owner-occupied residence in Allouez (Brown County)
- Second Home in Fish Creek (Door County)

Doreen Phillips has been involved with the development of the Fire Lane Commercial Properties located in the industrial park in the Village of Bellevue, which includes six 3600-square feet of warehouses with office and 14 storage buildings.

She, as a co-owner of Realty Executives and Huron Development, LLC, constructed and managed a 26,000 square foot office building, consisting of the main real estate office and 4 other office rental suites, which has been purchased by Coldwell Banker The Real Estate Group.



Since 2002, Doreen Phillips has owned and managed Logical Home Designs LLC, a construction company focused on building single-family homes and duplexes. Logical Home Designs builds approximately two to three homes a year, preferring quality, well designed unique homes over mass-produced spec homes. Doreen works personally with each customer, lending her eye for design and style to each home.

Jeff Halbrook, the main builder and expeditor of Logical Home Designs' construction jobs, has vast experience in such undertakings as:

- Beginning in 1982, as a finish carpenter and painter, working for Sunnyside Builders (Jim DeMoulin) and Tim Halbrook Builders, Inc.
- In 1996, started Jeff Halbrook Construction LLC to design and construct over 40 homes in Green Bay and the surrounding areas.
- Worked with Halbrook Builders Inc in Menasha as a job supervisor/expeditor, which constructed homes, duplexes and commercial properties.
- Worked with Tim Halbrook Builders finishing apartment complexes
- Joined Doreen Phillips at Logical Home Designs LLC with responsibilities of design, cost control, expediting and on-site finish carpenter, painter and cabinet installer.

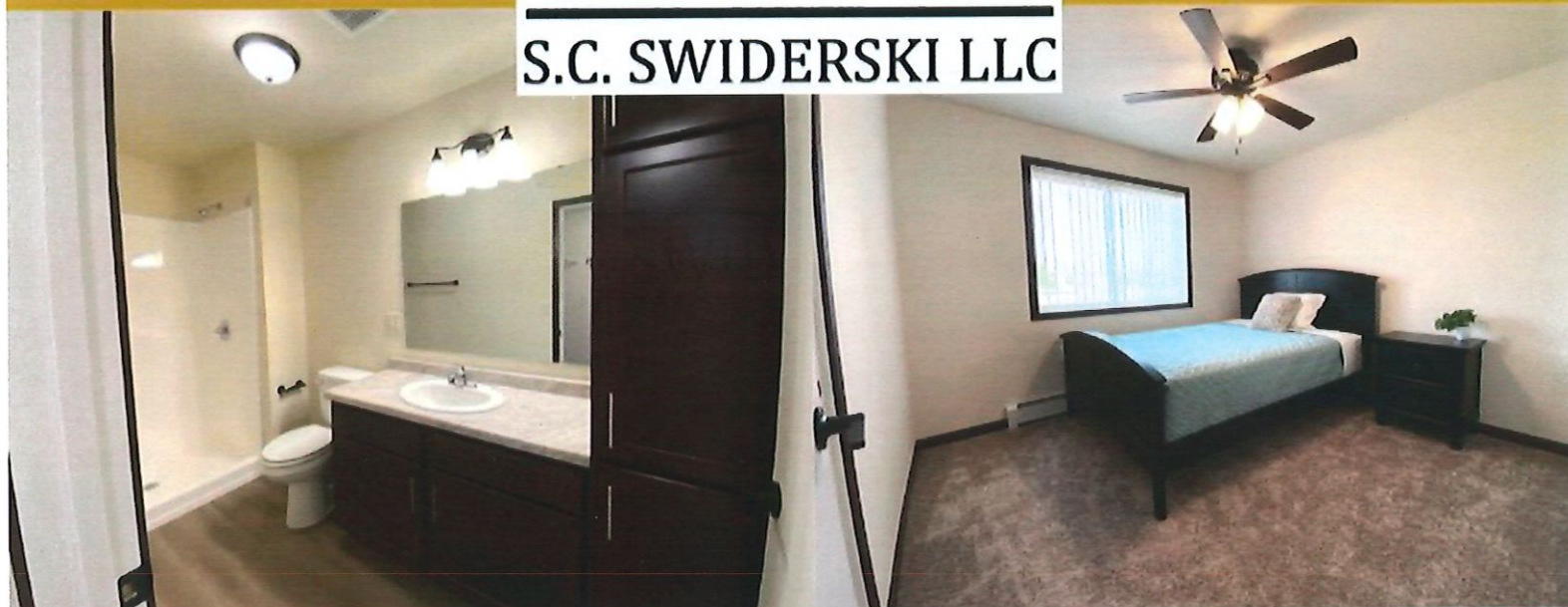
In 2019, Doreen implemented, from concept to completion, the development of Amity Fields – adding 34 quality rental townhomes to expand the affordable housing available to Sturgeon Bay residents. Maritime Heights was created with the City of Sturgeon Bay, completed without delays within the parameters of the developer's agreement entered into with the City and will successfully add approximately \$50,000-\$60,000 to the tax base.

A solid local businesswoman, Doreen is a well-known reliable developer with the means and expertise to complete this development with class and accountability.



**SCS**

**S.C. SWIDERSKI LLC**



**SCS Sunset Estates- RFP Response for 827 N 8<sup>th</sup> Avenue**

**SCS**

**S.C. SWIDERSKI LLC**

401 Ranger St., Mosinee, WI 54455

715-693-9522

Jacqui Miller

Business Development Manager

[jmiller@scswiderski.com](mailto:jmiller@scswiderski.com)

[www.scswiderski.com](http://www.scswiderski.com)



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\*The images shown are for illustrative purposes only and designed only to be a representation of the project.



October 18, 2020

Marty Olejniczak  
Community Development Director  
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

To Mr. Olejniczak:

S.C. Swiderski, LLC is excited to present our proposal for the planning, construction, and management of the re-development site at 827 N 8<sup>th</sup> Avenue, Sturgeon Bay that we have named SCS Sunset Estates. SCS Sunset Estates will capitalize on the prime location and proximity to recreational opportunities, NE Wisconsin Technical College, retail options and numerous employers.

Our vision for the redevelopment of this site is to build quality housing with great service. The area is challenged with aging housing stock, a shortage of housing options, and a lack of rental options. Adding new, quality housing is an important goal of the City that we will help fulfill with this project. We will utilize new building prototypes designed by S.C. Swiderski based on extensive knowledge of the rental market. We are offering two conceptual site plans that we will work with the City to determine the best fit for this project. The buildings have modern floor plans offering a variety of sizes and price points. This should help meet demand for market rate rental housing with rent rates appropriate for those earning 60 to 120% of the area median income, commonly referred to as workforce housing as well as being attractive to empty nesters choosing a maintenance free lifestyle. These apartment homes will be market rate rentals.

Our plan provides an economic benefit to the City and its residents by expanding the City's tax base. It also has the added benefit of providing more opportunities for those employed in Sturgeon Bay to live in the area and those ready to sell their homes to stay in the area. The plan will return the City's investment through property tax revenue and will offer much-needed housing options.

S.C. Swiderski has a twenty eight year history of building and managing multi-family housing. We are committed to providing quality housing and great service to our tenants and have achieved 98.2% occupancy on our existing portfolio. S.C. Swiderski is headquartered in Mosinee, Wisconsin; we understand the rural markets and have 861 apartment units located in 10 communities with populations under 10,000 as well as other locations throughout the state. We completed 56 apartment homes at Grant and Sycamore in Sturgeon Bay; the completed project is currently 100% occupied with a waiting list. Rent rates range from \$845- \$1145. With this experience and feedback of thousands of tenants over many years, we are able to design buildings that work in communities like Sturgeon Bay. We are committed to providing quality housing and great service to our tenants.

Upfront, the project will be handled by the development team which has a seamless transition to the construction department. Completed buildings are leased out and maintained by our comprehensive property management department.

We believe the experienced team we have assembled on this proposal will deliver the right project to meet the City's objectives. The credentials of the team and the company's financial capacity for the project, combined with the vision of the City, will make this project a success for generations to come.

# Project Summary

## SITE FEATURES

Four buildings  
20 stall garage building  
Private roads  
Trash enclosure  
Sign at entrance  
Mail shed  
Green space

## UNIT FEATURES

6 Floor Plans  
889-1244 FSF  
Include attached garages  
Private entrances  
In-Unit Laundry  
All appliance  
Deck or patio

Rent includes heat, water,  
trash, snow removal and lawn  
care, cable and high speed  
internet.

## CONCEPT 1

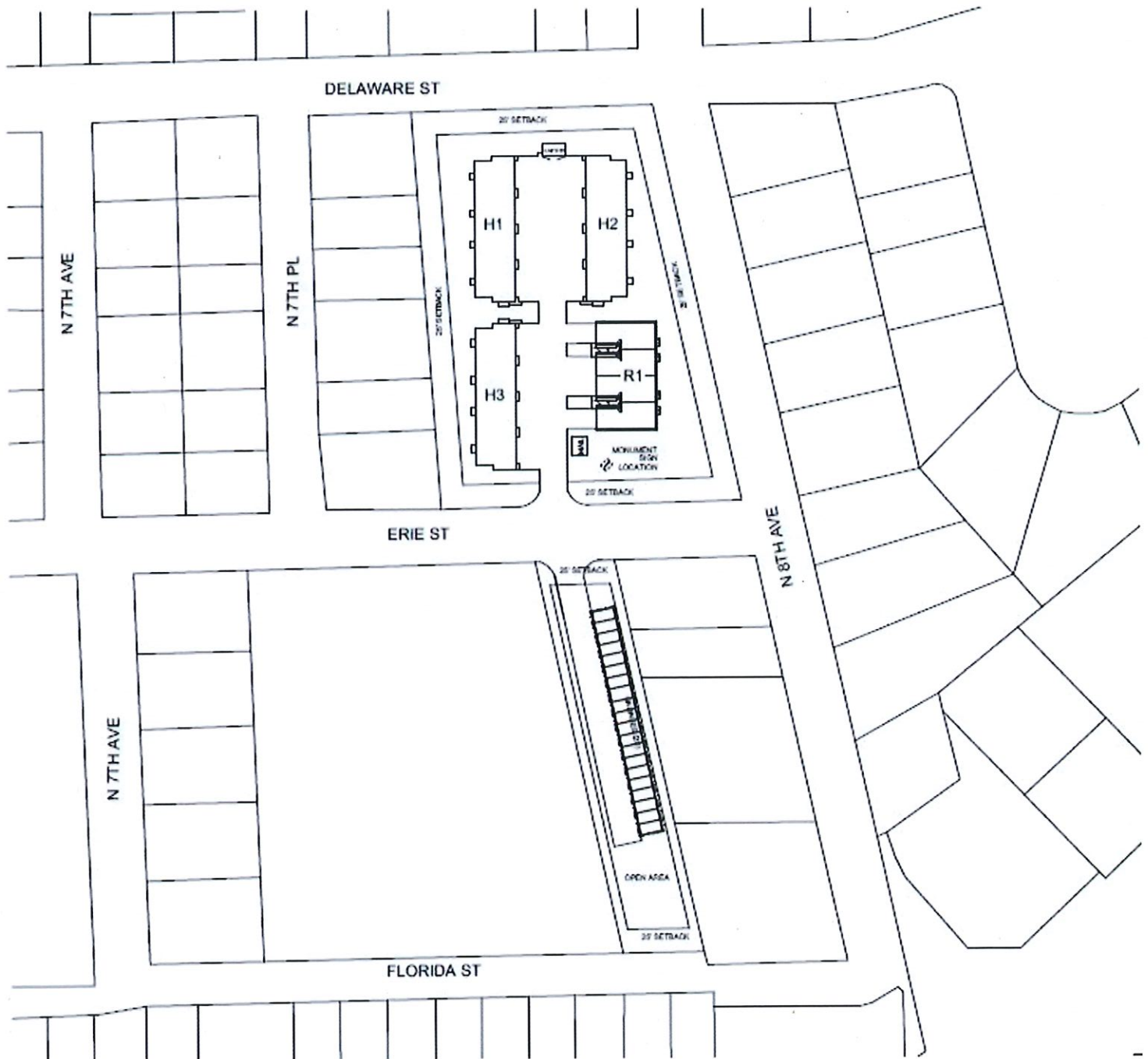
3 Huntington Buildings  
8 units X 3 = 24  
1 Bedford or Rockwell  
4 units X 1 = 4  
28 Total Apartments

## CONCEPT 2

2 Huntington Buildings  
8 X 2 = 16  
2 Bedford or Rockwell  
4 units X 2 = 8  
23 Total Apartments



# Conceptual Site Plan 1





# Conceptual Site Plan 2



# Huntington 8 Unit





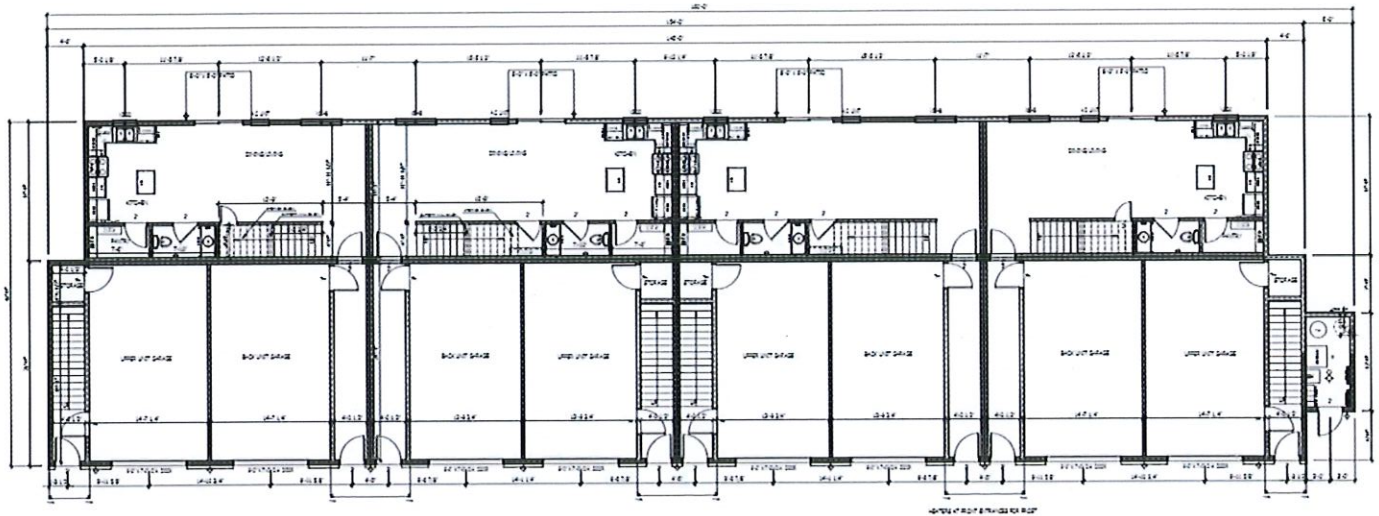
# Huntington 8 Unit





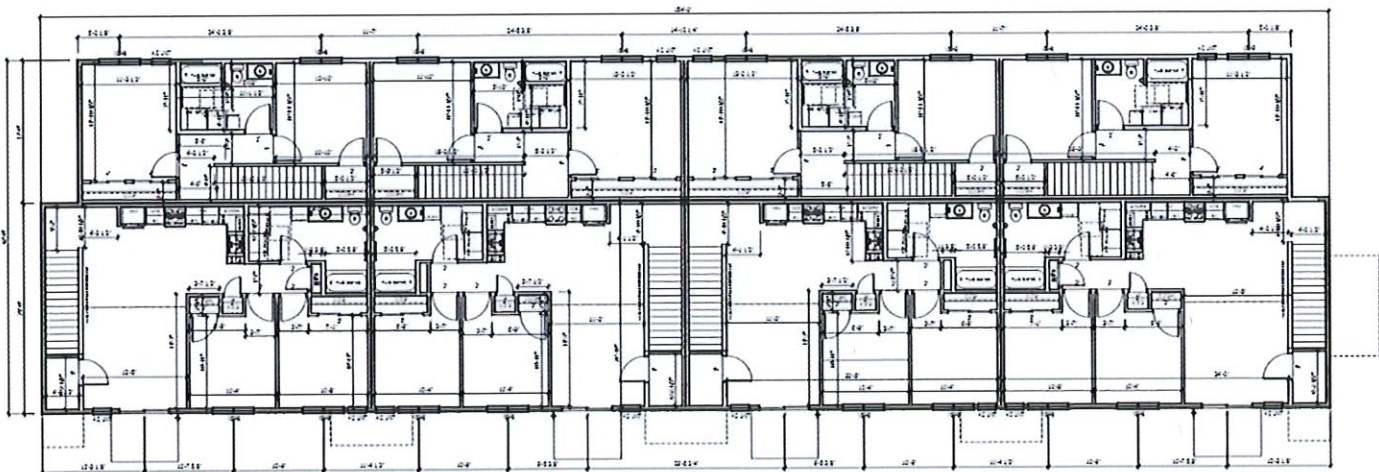
# Huntington Floor Plans

Main Level with 8 one car garages, 8 entrances to apartments and main level living for 4 townhome units.



FIRST FLOOR PLAN  
SCALE: 1/8" = 1'-0"

Upper Level with 4 upper level units and the second story for four two story townhome units.



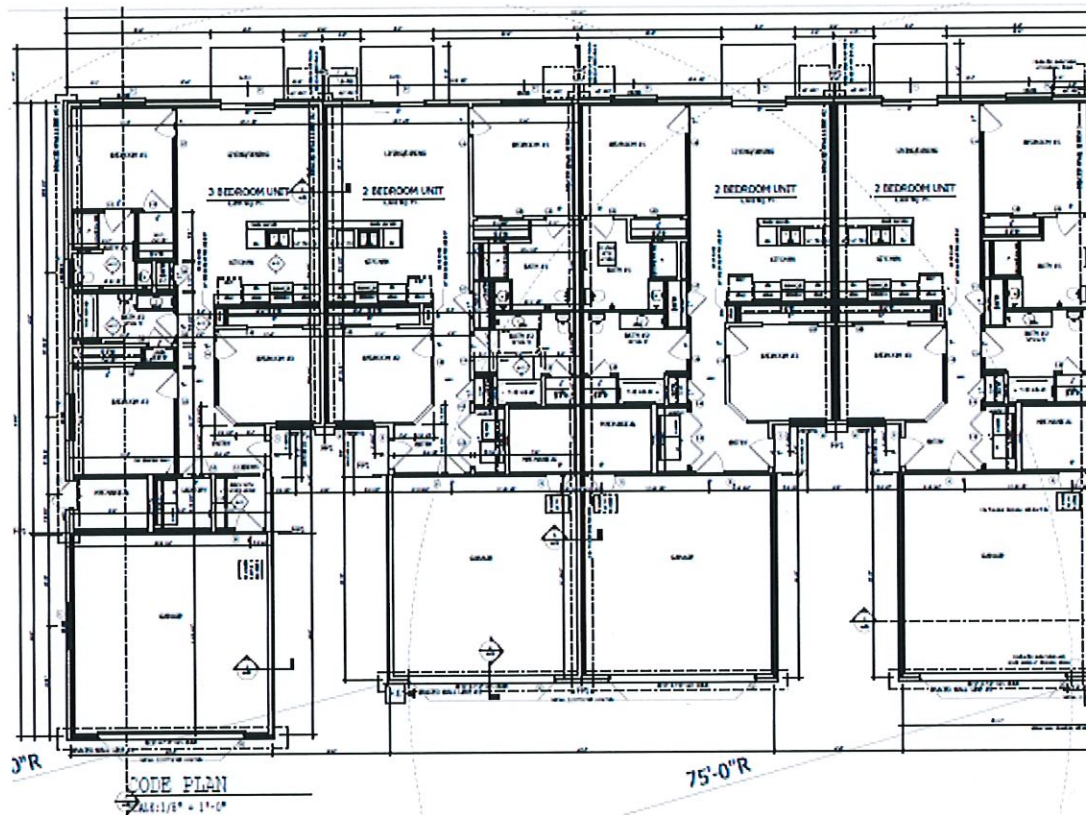
SECOND FLOOR PLAN  
SCALE: 1/8" = 1'-0"

# Bedford 4 Unit





# Bedford Floor Plans



\*Optional: The Rockwell building is in design and will be a smaller version of this building with one car attached garage instead of two.



# Garage Stalls



# Conceptual Interior Finishes





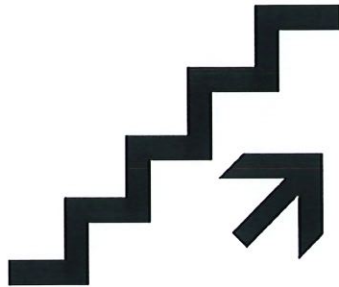
# Project Timeline

This is a preliminary timeline subject to change.

Fall 2020	Proposal Selection
Winter- Summer 2021	Due Diligence & Planning
Fall – Winter 2021	Site Engineering & Approvals
Summer 2022	Mass Excavation, Roads & Site Utilities
Fall 2022	Buildings Started
Spring 2023	First Building Opens
Fall 2023	Phase I Completed

## Lease Up & Occupancy

Our lease-up efforts start at groundbreaking and advertising begins six months in advance of a building opening. Rent rates are finalized at that time and will include heat, water, snow removal and lawn care. Based on our experience in similar markets, we expect each building to open at 50% occupied. We typically achieve 90% occupancy six months after a building opens. At the above project schedule, we expect this site to be 90% occupied by May 2024.





# Marketing

S.C. Swiderski has a comprehensive marketing plan that is implemented by an experienced marketing coordinator in cooperation with the Lease Up Property Manager. A few highlights of the plan are below.

Create new page for property on company website

Join local Chamber of Commerce

Host groundbreaking event with local Chamber of Commerce

Press release announcing start of construction

Temporary sign on property

Engrain Interactive Site Map added to website

Floor plans added to website

Form for people to be on interest list for project updates

Hard hat tours for people on interest list

Ads on rental websites (Apartments.com, Zumper, Rent.com)

Paid ads on Facebook

Facebook Marketplace posts

Craigslist ads

Radio campaign

Mailing to area businesses

VIP Open House

Grand opening event

Press release announcing building openings

Weekly open house until stabilization

Corporate and furnished housing program outreach

Permanent sign installation



# Property Management

## S.C. Swiderski Leasing

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Professionally trained on-site staff  
Highly experienced area manager and administrative support staff  
Comprehensive applicant screening process with income guidelines  
Extensive rules and regulations for tenants that are enforced  
Tenant portal for on-line payments and maintenance requests  
All equal housing guidelines followed  
Virtual tours and contactless transactions offered

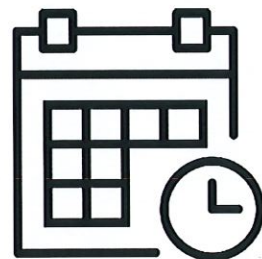


## S.C. Swiderski Maintenance

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Full service maintenance technicians  
Dedicated administrative staff for service requests  
24 hour emergency maintenance service

**AVERAGE RESPONSE TIME** 2 days 20 hours and 50 minutes  
**AVERAGE WORK ORDER COMPLETION** 55 minutes



### REGULARLY SCHEDULED MAINTENANCE

Pressure washing of building  
Annual dryer vent cleaning  
Monthly building lighting and general building inspections  
Regular landscape inspections  
Annual inspection of asphalt parking and driveway areas  
Filter changes per type of equipment specifications  
Annual testing of fire alarms & fire suppression systems





# Financial Information

Initial projections indicate a project value of \$3 million. These numbers are subject to change as we work with the City through the design process to create the optimal project for the site.

S.C. Swiderski will fund the project through owner equity contribution and construction financing.

S.C. Swiderski will be the developer and sole owner of the project. They have fostered strong, long-standing relationships with local and national lenders throughout the last twenty eight years and have demonstrated the ability to secure financing for their projects. The company has successfully funded similar projects and this project would represent only a small portion of their funding capacity.

Financial statements and other documents presenting the financial condition of the company can be provided upon selection.

## City Participation

This proposal includes economic development assistance to the Developer.

1. Sell the parcel of 2.76 acres at 827 N 8<sup>th</sup> Avenue and the adjacent parcel of .81 acres to S.C. Swiderski for \$1.
2. The owners are responsible for building and parking lot demolition, any asbestos and lead based paint abatement and performing a Phase I Environmental Study prior to closing.
3. The City shall pay a Cash TIF development incentive to S.C. Swiderski in the amount of \$200,000 with the following payment schedule: \$50,000 upon occupancy permit for each building.

The requested assistance will allow the project to achieve the goal of providing market rate rental housing from a private investor. S.C. Swiderski is open to negotiations with the City upon selection on these requests.

The proposed project would increase the property value with an estimated value of \$3 million. This would provide property tax revenue to the city.



# Developer Qualifications & Organizational Overview

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S.C. Swiderski, LLC is a real estate, construction, and property management company specializing in multifamily projects. The Real Estate Division manages the company's real estate portfolio handling acquisitions, sales, project design, planning, and development. The Construction Division oversees project budgets and scheduling, contract procurement, project management, and construction management. The Property Management Division provides professional leasing, management, grounds keeping, and maintenance for the real estate portfolio. All areas of the company work together to proudly deliver quality housing with great service known as the SCS Difference.

S.C. Swiderski was formed in 1992 and is a privately held company with corporate headquarters in Mosinee, Wisconsin. The company has a sound business model and is unique in that it designs, plans, constructs, owns and operates its real estate portfolio. The company attributes its success to their ability to listen to tenants, focus on continuous improvement, develop their team, and operate with integrity.

S.C. Swiderski has apartment locations throughout the state and the company continues to expand by investing in its people, processes, and properties. S.C. Swiderski demonstrates innovation, quality, and pride that one can expect from a Made in Wisconsin certified company. The company embraces its Wisconsin roots and is committed to the communities and tenants that it serves.

The company has extensive experience in collaborating with cities and completing desirable multifamily projects.

Registered Corporations: The company consists of four LLCs under private ownership of Shane and Sheila Swiderski.

S.C. Swiderski, LLC created on July 31, 1998

S.C. Swiderski Management Corporation created on January 12 2015

S.C. Swiderski Construction, LLC created on January 12, 2015

S.C. Swiderski Land Company, LLC created on January 12, 2015

To date, there have been no debarments, suspensions bankruptcies or loan defaults for any of the four entities.

# Completed Multi-Family Projects

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## **ANTIGO**

Prosser Place Estates

## **EAGLE RIVER**

Mill Street Estates

## **EDGAR**

Hilltop Apartments

## **KRONENWETTER**

Pine View Estates

## **MARATHON CITY**

Blue Stone Estates

## **MERRILL**

SCS Merrill

Northside Estates

## **MOSINEE**

Westhaven Apartments

## **PLOVER**

Willow Estates

## **RICE LAKE**

Moon Lake Estates

## **STEVENS POINT**

River View Apartments

## **STURGEON BAY**

SCS Sturgeon Bay

## **WAUPACA**

Timber Ridge Apartments

## **WAUSAU**

Urban West

Westwood Estates

## **WESTON**

River Trail Estates

## **WISCONSIN RAPIDS**

Birchwood Apartments

Countryside Apartments

Countryside Estates

Woodland Estates

# Multi-Family Projects Under Construction

## **KRONENWETTER**

Village Estates

## **MARSHFIELD**

SCS Marshfield Phase II

## **PLOVER**

Willow Estates II

## **WAUPACA**

Timber Ridge Phase II

## **WESTON**

River Trail Estates Phase II





# Municipal References

S.C. Swiderski has completed residential projects in all of the municipalities below. We are currently working on additional residential projects in all of these municipalities.

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1. Village of Weston

Jennifer Higgins, Planning & Development Director  
715-241-2638, [jhiggins@westonwi.gov](mailto:jhiggins@westonwi.gov)

2. City of Merrill

David Johnson, City Administrator  
715-536-5594, [David.Johnson@ci.Merrill.wi.us](mailto:David.Johnson@ci.Merrill.wi.us)

3. Marathon City

Andrew Kurtz, Administrator  
715-443-2221, [akurtz@marathoncity.org](mailto:akurtz@marathoncity.org)

4. City of Waupaca

Aaron Jensen, City Administrator  
715-258-4411, [ajenson@cityofwaupaca.org](mailto:ajenson@cityofwaupaca.org)

5. Village of Kronenwetter

Randy Fifrick, Community Development Director  
715-693-4200 ext. 113, [rfifrick@kronenwetter.org](mailto:rfifrick@kronenwetter.org)



# Project Team

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**Jacqui Miller, Business Development Manager**

[jmiller@scswiderski.com](mailto:jmiller@scswiderski.com)

715-693-7823

**Education:**

Bachelor of Science in Marketing

St. Cloud State University

WI Real Estate Salesperson License

Jacqui has 23 years of experience in real estate and marketing. She began her career as a Realtor in the Twin Cities; she was named Top 30 Under 30 in the nation. She joined S.C. Swiderski in 2016. Jacqui oversees real estate acquisitions and dispositions, development, project planning and approval along with the company's growth objectives and strategic marketing direction.

**Nathanael Popp, Operations Manager**

[npopp@scswiderski.com](mailto:npopp@scswiderski.com)

715-693-7808

**Education:**

Bachelor of Science in Industrial Management

University of Wisconsin- Stout

WI Real Estate Salesperson License

Nathanael oversees all divisions of the company and is responsible for implementing the vision of the owners. He has 16 years of construction and management experience. He works closely with the owners and the development team to bring new projects to fruition and secures project financing.





# Project Team

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**Kortni Wolf**  
Real Estate Dev. Administrator  
8 years in real estate



**Madeline Check**  
Architectural Drafter  
2 years in design



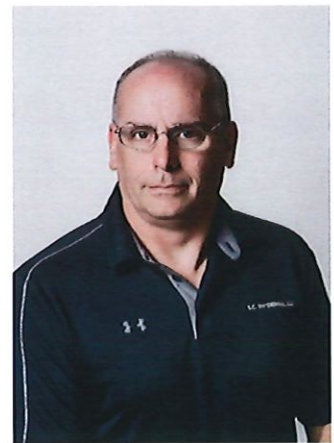
**Jay Trowbridge**  
Excavation Manager  
21 years in excavation



**April Pankow**  
Development Project Manager  
11 years in construction



**Amber Keller**  
Project Manager  
10 years in construction



**Tom Woller**  
Construction Manager  
30 years in construction



# Property Management Team

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**Kari Kussow**  
Leasing Manager  
19 years in management



**Pat McElroy**  
Lease Up Property Manager  
20 years in customer service



**Ali Montalbano**  
Area Manager  
6 years in property mgt.



**Jon Sawicky**  
Maintenance/Grounds Manager  
30 years in construction



**Lori Minnihan**  
Leasing Administrator  
20 years in customer service

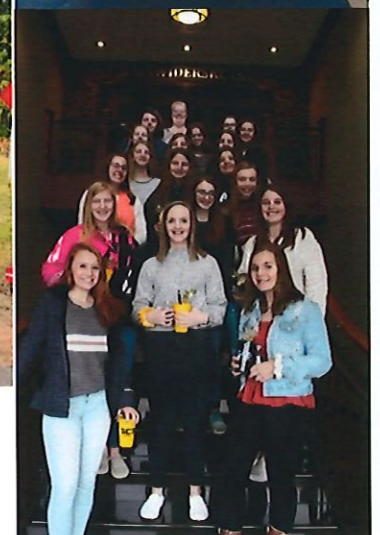


**Sam Kaczor**  
Marketing Coordinator  
3 years in marketing



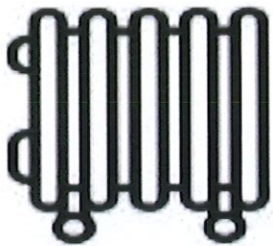
# Community Involvement

S.C. Swiderski is committed to be involved in the communities that we serve. In addition to events for our tenants, our employees volunteer at community events, in schools, nursing homes and through non-profit organizations.





# SCS SUSTAINABLE AND GREEN MEASURES



**EFFICIENT HYDRONIC  
HEATING AND HOT  
WATER**



**PLANTING TREES  
AND SHRUBS**



**MONITORED  
THERMOSTAT  
SETTINGS**



**ENERGY STAR  
APPLIANCES**



**LED LIGHT FIXTURES**



**LOW FLOW  
WATER FIXTURES**



**FULL BLOWN  
INSULATION IN  
FLOOR TRUSSES**



**R50 INSULATION  
TO CONSERVE  
ENERGY**

**SCS**  
S.C. SWIDERSKI LLC



# **Eventide on 8<sup>th</sup>**

## **Proposal for the Sunset Elementary School RFP**

City of Sturgeon Bay  
Attn: Marty Olejniczak  
421 Michigan Street  
Sturgeon Bay, WI 54235

Horizon Development Group  
October 19, 2020



October 19<sup>th</sup>, 2020

Marty Olejniczak  
Community Development Director  
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

Re: Eventide on 8<sup>th</sup>  
Proposal for the Sunset Elementary School RFP

Dear Mr. Olejniczak,

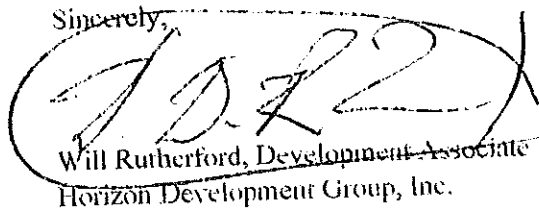
Horizon Development Group is pleased to submit Eventide on 8<sup>th</sup> in response to the City's request for proposals to acquire and redevelop the Sunset Elementary School.

Eventide on 8<sup>th</sup> will be a 48-unit, mixed-income, workforce housing community featuring a variety of two-story, walk-up apartments, an on-site leasing office, a clubroom, and covered parking. Our proposal will benefit the community by helping to provide quality affordable housing options to the entry-level employment base for Sturgeon Bay's major employers in proximity to shopping, jobs, health care, and the historic downtown.<sup>1</sup> Demand for this product type is well-documented in the community - the Door County Economic Development Corporation's 2018 Housing Analysis forecasted a need for the creation of 170 units of new housing at our proposed rent levels by 2023.

Horizon is a leading developer, builder, and property manager of workforce and affordable housing communities across the Midwest. We pride ourselves on a systematic development process, high quality, budget-conscious construction, and long-term, responsive management. Our experience, reputation, and integrated service platform make us an ideal candidate to improve access to workforce housing in Sturgeon Bay.

Please feel free to contact me at [w.rutherford@horizondbm.com](mailto:w.rutherford@horizondbm.com) (608) 354-0843 with any questions or comments. Thank you for the opportunity to submit this proposal - we look forward to working with the City and School District on this exciting project.

Sincerely,

  
Will Rutherford, Development Associate  
Horizon Development Group, Inc.

<sup>1</sup> Based on the recommendation provided by our independent market study analyst, we estimate that the project's rent restricted units will contain rents affordable to individuals and families with maximum qualifying incomes ranging from \$15,660 to \$48,300

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- IV. DEVELOPMENT ORGANIZATION AND FINANCIAL CAPACITY
- V. FINANCIAL REQUEST AND PROPOSED LAND PRICE
- VI. MILESTONE SCHEDULE
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  - 1. Site Plan
  - 2. Letter of Recommendation
  - 3. Sources and Uses Statement and Project Summary Page
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## I. DESCRIPTION OF PROPOSED DEVELOPMENT

Prior to submitting this proposal, our development team worked with City staff, the Door County Economic Development Corporation, Sturgeon Bay employers, an independent market study analyst, and our architect to create a solution that addressed the housing needs and economic challenges of your community. It was important to our team to propose a product type that was responsive to Sturgeon Bay's broader community development goals and would enhance the character of the surrounding neighborhood. In this section, we explain our proposed product type and targeted demographics, provide imagery illustrating similar projects, and justify demand for our proposed product type with data from the Door County Housing Analysis.

### *Overview and Product Type Introduction:*

After careful consideration, Horizon is proposing to demolish the Sunset Elementary School and construct a 48-unit mixed-income, workforce housing community. The project will consist of 3 separate two-story, 16-unit, stacked flat apartment buildings with a variety of spacious one-, two-, and three-bedroom unit types. In response to robust housing demand in the City across different unit types and price points, the community will feature both market rate and rent-restricted units, with rents set at levels affordable to a broad range of Sturgeon Bay's entry-level occupations.

Given the residential character of the surrounding neighborhood, our development team concluded the stacked flats construction style would blend best with the neighborhood aesthetics. The following picture illustrates the architectural style of the product type we are proposing and we have included our proposed Concept Site Plan in the Appendix Section. *Please keep in mind that our site plan is conceptual and subject to change and the below imagery was created for a market rate property in a high rent market. Eventide on 8<sup>th</sup> will therefore contain less masonry.*



*Sample Imagery of Product Type*



*Most Recent Example of Product Type: Diamond Ridge Apartments (See Section VII)*

### ***Product Type & Familiarity***

In the past 5 years, Horizon has seen strong demand for this product type, having built just under 2,000 units across the Midwest. We expect that demand will continue to expand for stacked flats-style units, especially during the coronavirus pandemic as the private entries and minimal common space reduce close interactions amongst residents compared to a traditional apartment building.

### ***Amenities***

Each unit will be designed to include its own ground floor, private entry, spacious one-, two-, or three-bedroom layout, including a private patio or balcony, individually controlled heating and cooling, storage spaces, and in-unit washer/dryers.

Community amenities will include ample green space, an on-site leasing office, clubroom, and covered parking. Our proposed design will also feature a number of energy efficiency upgrades and accessible design features to reduce resident housing costs and improve access to housing options for people with permanent disabilities.

### ***Unit Mix & Financing Strategy***

Ultimately, our goal with this proposal is to demonstrate that there is a need for the proposed use in the community, which requires that we establish demand for the specific unit mix. But first we explain how the financing incentives for workforce housing influence the project's unit mix.



The development team is proposing an affordable housing finance strategy that includes public/private partnership at the federal, state, local, and regional levels. One component of the financing plan would be to apply for affordable housing tax credits administered by Wisconsin Housing and Economic Development Authority (WHEDA). The Section 42 federal tax credit program advances affordable housing in many communities across the state and allocates tax credits on a competitive basis each year. If awarded tax credits, an interested equity investor would purchase the credits and the sale proceeds would be used to fund a significant portion of the project. Other financing would include a permanent first mortgage, Affordable Housing Program funds through a Federal Home Loan Bank district, a developer contribution,<sup>2</sup> a City-financed TIF loan, and a contribution for demolition costs from the School District.<sup>3</sup> Please note that the attached Sources and Uses Statement shows a financing gap. Section III also explains our strategy for closing the remaining gap.

It is worth noting that each of the proposed financing sources will be necessary to close the project's financing gap and - aside from the permanent debt and contributions from the City, the School District, and Horizon - funding from each must be obtained through competitive application processes. Each application has its own priorities for the number and type of units and the income levels they want to see from prospective applications. The proposed project must therefore contain a mix of unit types and targeted income levels that is competitive across all funding platforms.

In preparation for this RFP, Horizon analyzed the funding priorities for all major financing sources and created the unit mix illustrated on the following table to maximize the project's competitive profile. As background, the rent restrictions for workforce housing projects are categorized based on county median income. To qualify for residency, household income must be at or below the applicable percentage of county median income for each unit. For example, 30% units must be occupied by households earning at or below 30% of county median.<sup>4</sup>

*Unit Mix by Type:*

Unit Type	Total Units	Market Rate	Tax Credit	30% Units	50% Units	60% Units
One-Bedrooms	18	2	16	10	6	0
Two-Bedrooms	20	2	18	0	6	12
Three-Bedrooms	10	2	8	0	7	1
<b>Total Units</b>	<b>48</b>	<b>6</b>	<b>42</b>	<b>10</b>	<b>19</b>	<b>12</b>

<sup>2</sup> Please note that the Developer Contribution is not listed in the project's Sources and Uses Statement, but we are expecting that Horizon will provide a financial commitment to help the project close the financing gap remaining after the tax credit application.

<sup>3</sup> See the Appendix Section for a complete illustration of the project's proposed sources and uses and financial projections.

<sup>4</sup> It is also important to note that the project's market rate units will not contain income restrictions and can be rented by any resident who passes HMS' credit and background check.



### ***Target Demographic & Demand***

The proposed project will target the following demographics:

1. Sturgeon Bay's entry-level workforce;
2. Veterans; and
3. Individuals or families where one member of the household has a permanent developmental, physical, sensory, mental or physical, medical or mental health disability or a combination of impairments that may require support services to maintain independent housing.

On its website, the City includes a housing affordability chart evidencing the need for workforce housing which shows entry-level salaries for the following occupations that would qualify to live in the proposed project's rent restricted units:

1. Elementary School Teacher (\$3,000 / month);
2. Welder (\$2,667);
3. Construction Laborer (\$2,336 / month);
4. Hotel Clerk (\$1,958 / month); and
5. Cook (\$1,700 / month).

The same affordability chart indicates that the project's market rate units would also be affordable the following professions:

1. Patrol Officer (\$4,680 / month);
2. Registered Nurse (\$4,597 / month); and
3. County Social Worker (\$4,027 / month);

Please see Section II for the project's proposed rent levels.

### ***Density, Zoning Requests, & Parking***

Horizon is proposing to acquire the Sunset Elementary School site (2.766 acres) and the parking lot across the street (0.80 acres). Section IV of the RFP document indicates that proposals developing both parcels at once may include the acreage from the parking lot site in the total density calculation, even if the housing units are constructed exclusively on the Sunset Elementary School site.

We have therefore calculated the project's gross density as follows:

- $2.766 \text{ acres} + 0.80 \text{ acres} = 3.566 \text{ total acres}$
- $48 \text{ units} / 3.56 \text{ acres} = 13.46 \text{ units per-acre.}$

## ***Zoning Requests***

If selected, the development team will need to obtain permissive zoning to construct the number and type of units proposed no later than December 10<sup>th</sup>, 2020. This will require that the City Council approve the following two requests:

1. Re-zone the property to R-4 to accommodate the proposed density. We believe this request is reasonable because there are two examples of R-4 immediately across the street.
2. Simultaneously approve a Planned Unit Development District that grants the project a density bonus to allow for 48 units as proposed. We believe this request is reasonable, as the RFP contemplates a maximum density request of 3,000 square feet per-unit, which would net a maximum of 51 units on-site.

The project currently complies with all setback, impervious surface area, and parking requirements. Please see the below table for a list of applicable standards:

<b>Zoning Restriction</b>	<b>R-4 / Multifamily Standard</b>	<b>Proposed Project</b>
Setbacks	Street: 25 feet Side: 10 feet Rear: 25 feet	Street: 25 feet Side: Not applicable Rear: 25 feet
Impervious Surface Ratio	Not to exceed 70%	School site: Sq. Feet: 120,486 sf Impervious sf: 72,406 Impervious Ratio: 60% Parking lot site: Sq. Feet: 34,848 Impervious SF: 18,270 Impervious Ratio: 52.4% Both sites together: Sq. Feet: 155,583 Impervious SF: 90,676 Impervious Ratio: 58.3%
Density Restriction	Current: not to exceed 3,500 square feet of lot area per-unit  Per RFP's Recommendation, include PUD Density Request: not to exceed 3,242 square feet of lot area per-unit	3.566 acres = 155,583 square feet  155,583 divided by 3,500 = 44 units max  155,073.6 divided by 3,000 = 51 units max  Proposed project: 48 units

Parking Requirement by Bedroom Type	1-Bed: 1.5 stalls req. * 18 = 27 2-Bed: 1.75 stalls req. * 20 = 35 3-BR: 2 stalls req. * 10 = 20  82 stalls required	Parking Provided: Garage stalls: 22 Surface stalls behind garages: 5 School site surface parking: 42 Existing Parking lot stalls: 39 Total parking: 108
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***Stabilized Property Value Estimate***

Projected Stabilized Value for Taxation:     \$1,500,000



## II. FINANCIAL CAPACITY & INVESTMENT STRATEGY

To support the cost of construction, the proposed project will need to obtain financial support from the City of Sturgeon Bay and apply for several other affordable housing funding sources. This section explains Horizon's familiarity with the proposed financing strategy, amounts required, and the schedule for obtaining each, together with our anticipated rent structure and long-term management strategy.

To understand the overarching strategy of financing a mixed-income, workforce housing project, we first need to separate the different types of capital sources into two categories: competitive applications and noncompetitive applications.

<b>Application Type:</b>	<b>Permanent Debt</b>	<b>Cash Contribution</b>	<b>Equity</b>	<b>Soft Funding</b>
Competitive			Tax credits/tax credit equity	FHLB Funds;
Noncompetitive	First mortgage; TIF loan and loan commitment;	Developer contribution;		

The first part of this section covers the macro strategy for obtaining the competitive application capital sources and then addresses the individual strategy for obtaining each one.

### *Macro Financing Strategy: Competitive Applications*

While Section 42 tax credits, and FHLB funding, each have their own separate applications and strategies for obtaining funding, there are two critical attributes that all workforce housing funding platforms value: a quality development team and a layered public/private partnership. The competitive application sources aim to invest in projects that benefit the community, which is far more likely when applicants evidence that they are ready to move forward and structured to operate efficiently over the long-term. By including a qualified development team and a layered public/private partnership in their applications, workforce housing projects demonstrate that they possess (1) the skill to navigate the complexity of development process, (2) the political support to obtain approvals, and (3) the financial support necessary to build and operate a quality project. All Horizon project's therefore feature a team of industry experts<sup>5</sup> and partnerships with local municipalities that are willing to incentivize housing development.

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<sup>5</sup> Sections III and IV expand on our development team's qualifications, similar project examples, and references.

## *Section 42 Tax Credit Equity*

WHEDA's funding priorities for Section 42 tax credits have the largest influence on the proposed project's financing strategy because tax credit equity accounts for the largest portion of the proposed project's capital stack. Horizon's history developing similar project's in Wisconsin dates back to when the Section 42 program was created and we have developed a comprehensive strategy for determining the most competitive project structure.

### *Familiarity & Macro Strategy:*

Horizon is one of the largest developers, builders, and managers of workforce and affordable housing projects utilizing Section 42 tax credits in the State of Wisconsin. Since the program was created in 1986, Horizon has completed 71 projects, totaling over 3,700 units. Over the years, Horizon has developed a proprietary method for systematically evaluating tax credit projects and identifying the most competitive deal structure possible for each application. Our organization routinely applies for these tax credits and, despite how competitive the application process is each year, we have an excellent track record in receiving awards.

Historically, only 1 in 3 projects submitting applications receive awards. In the most recent application cycle, Horizon submitted three applications in Wisconsin and one in Iowa and received awards on all four. We credit this success to our experience and understanding of the tax credit process and we have sustained this success for some time. Since 2015, Horizon has received awards on 12 of our last 14 Section 42 tax credit applications.

Although an award of credit remains an unknown and cannot be guaranteed, we have taken time to carefully evaluate tax credit scoring and believe this opportunity is competitive. Below are WHEDA's most important application requirements that Horizon has already addressed in preparation for this RFP:

1. **Income Targeting and Large Family Units.** Points here are maximized through the project's unit mix if it targets the appropriate number of rent restricted units and includes the required number of 3-bedrooms. Our unit mix accounts for the maximum amount of points in both categories.
2. **Permissive Zoning.** The project must have permissive zoning in place to allow the number and type of units being proposed. As explained in Section I, Horizon is therefore requesting that the City approve a rezoning of the property to R4 with a PUD granting the appropriate density.
3. **Development Team.** WHEDA incentivizes project teams that include experience developing, designing, constructing, and managing Section 42 projects. See Section III for expanded detail on our project team's qualifications.
4. **Job Creation.** WHEDA awards points for projects located in municipalities with an employer that has created at least 50 jobs in the past 5 years and can provide a certification from that employer verifying the amount of jobs created. Horizon has

already met with one of Sturgeon Bay's employers, verified that they have created at least 50 jobs, and they have committed to providing a certification for our application.

5. **Market Study.** WHEDA requires that projects hire an independent market study analyst to conduct a market study establishing demand for the target demographic in the local market. Horizon has already begun the market study research for the proposed project with our independent market study analyst.
6. **Supportive Housing.** WHEDA awards points to projects that target a percentage of their units to veterans and individuals with disabilities if they are able to set up a network of supportive service providers who can connect these residents with services they may need to maintain independent housing. Horizon will be targeting units to veterans and individuals with disabilities and we have already obtained the certificate from the Department of Health and Human Services that is required to generate points in these categories. We have also identified service providers for both demographics and are finalizing the terms of our agreement with both organizations.
7. **Design Features.** WHEDA awards points to projects that include energy efficiency upgrades and accessible design features. Horizon worked closely with our architect and construction team to ensure that the cost increases resulting from all design features required to maximize points in these categories have been accounted for in the project budget.
8. **Financial Leverage.** WHEDA incentivizes projects to request the fewest tax credits possible so that this resource may be allocated to as many projects as possible across the state. In general, this means that projects containing the largest amount of funding from outside sources earn more points. There are seven different point thresholds in this category, and the proposed development aims to achieve the highest score possible. The financial leverage scoring category is often a distinguishing factor between projects that do and do not receive an allocation of credit.
  - a. It is worth noting that we did not propose a historic renovation project for this RFP because projects that include historic tax credit equity cannot score in the top category for Financial Leverage, which creates a 4-point disadvantage according to WHEDA's rules.

*Timing:*

Application: December 2020

Award: April 2021

*Amount:*

\$6,528,297.



## ***FHLB Funding***

### ***Familiarity:***

The Federal Home Loan Banks have programs that provide gap financing to affordable housing projects through a competitive application process. Horizon has extensive experience obtaining these funds and we have structured the proposed project to maximize the competitive profile of our application.

### ***Timing:***

If the project is awarded tax credits, we will apply for FHLB funds later in 2021, with funding awards being announced in November of 2021.

*Amount:* \$630,000

## ***Tax Increment Financing***

### ***Familiarity & Request:***

In the current construction market, where costs have continued to rise, workforce housing projects have been forced to rely more regularly on tax increment financing and other gap funding sources to achieve feasibility. Across the Midwest, construction and operating costs have increased more rapidly than county median incomes, which has resulted in workforce housing projects having less income to support building and operational costs. Not surprisingly, the above trends have required all 5 of Horizon's recent comparable projects to utilize tax increment financing to achieve feasibility.

Beyond feasibility, the commitment for tax increment financing evidences a local component to the project's public/private partnership and makes the project's applications for tax credits and FHLB funds more competitive.

### ***Strategy & Request:***

This section contains two primary requests:

1. Provide a resolution executed by the City that commits the City to creating a new Tax Increment District (TID) and providing the project with a City-financed tax increment financing loan paid exclusively with 95% of the available new tax increment generated for a period of 20 years. The City's obligation in the resolution may be conditioned on the project receiving an award of tax credits in the 2021 application cycle. WHEDA understands that the Joint Review Board will need to approve the district, but it requires

municipalities to include such a resolution anyhow if projects want to include TIF in their capital stack.

2. Provide a separate loan commitment from the City with the projected principal amount, interest rate, and amortization period that the City TIF loan is likely to contain. Without this commitment, the project will be required to include a smaller loan size for the City TIF loan in our application because WHEDA will require that we size the TIF loan with an interest rate of 5.35%<sup>6</sup>. The gap resulting from the smaller TIF loan size will need to be made up by requesting more tax credits, which could reduce the project's score in Financial Leverage and jeopardize the competitive profile of our WHEDA application.
  - a. The commitment would be conditioned on the project's ability to obtain tax credits and must require that the City replace the loan with the City-financed tax increment financing loan described in #1.

*Amount:*

Principal Amount: TBD, but currently projected at \$478,000

Interest Rate: 2.50%

Amortization Period: 20 years

Term: 16 years

Both the TIF loan Resolution and the parallel loan commitment need to show a principal amount of \$478,000, an interest rate of 2.50%, and an amortization period of 20 years.

*Timing:*

Horizon is requesting the loan commitment and the TIF resolution prior to the tax credit application so that the project may include it in our application to WHEDA. Funding will need to be in place by the time the project closes in April of 2022.

***Demolition Cost Contribution from Sturgeon Bay School District***

*Familiarity & Request:*

Horizon is requesting that the School District and/or City provide funding to the project for the cost demolishing the existing Sunset Elementary School building. We are specifically requesting:

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<sup>6</sup> WHEDA requires that projects including loan commitments without a locked interest rate utilize WHEDA's senior debt rate as the loan's interest rate, which is currently 5.35%.

1. The funding is provided in time for the projected closing date of April 1, 2022;
2. No demolition work occurs prior to the closing date;

This structure is critical to maintaining competitive scores with WHEDA and FHLB. It would hurt both of those applications if, for example, the School District proceeded with demolishing the building on its own prior to closing. Removing vacant buildings gives the project more points in its application to FHLB and keeping these costs in the project budget improves our Financial Leverage score to WHEDA.

The commitment will need to contain the following terms:

1. Amount: An original amount of not less than \$471,596, to be increased based on the actual demolition and environmental remediation costs up to a maximum of \$594,000.
2. The commitment may be subject to the project receiving an award of tax credits in the upcoming application cycle.

*Timing:*

We will need the commitment prior to the tax credit application. Funding will need to be in place by the time the project closes in April of 2022.

*Amount:*

Not less than \$471,596 – see above.

***Permanent First Mortgage***

*Familiarity:*

As a leading developer of workforce and affordable housing in the Midwest region, Horizon has established relationships with a number of banks that provide permanent debt to projects leveraging Section 42 tax credits. Our organization competes each year in WHEDA's competitive application cycle for 9% tax credits, which requires that we stay in regular contact with lenders who provide permanent financing to projects like Eventide on 8<sup>th</sup>.

Projects applying to WHEDA for 9% tax credits need to size their permanent debt appropriately to meet WHEDA's underwriting standards the debt coverage ratio. To minimize the financial request from the City and the project's dependence on supplemental capital subsidies for affordable housing, Horizon sizes the permanent debt as large as WHEDA permits. There are three primary underwriting controls that restrict the size of permanent debt:

1. **Stabilized Debt Coverage Ratio.** Project's must demonstrate a minimum debt coverage ratio of at least 1.175 for their baseline operating assumptions.



2. **Required Debt Coverage Ratio Over First 16 Years.** Once the property is fully leased, each year must illustrate a minimum debt coverage ratio of at least 1.15.
3. **Interest Rate and Amortization Terms.** Projects that do not have a firm commitment from a private lender to provide permanent debt with a fixed interest rate and amortization period must underwrite their first mortgage with the interest rate and amortization period posted on WHEDA's website on the day prior to the application due date (currently listed at 5.35% and 35 years).

The below terms therefore incorporate the interest rate and amortization period currently posted on WHEDA's website.

*Amount:*

Principal amount: \$1,533,284

Interest Rate: 5.35%

Amortization Period: 35 years

Term: 16 years

*Timing:*

Once the project receives an award of tax credits, Horizon will request proposals for permanent and construction financing from lenders. The project's lender will be selected on the same schedule as the equity investor, by July of 2021.

***Remaining Financing Gap – First Mortgage Proceeds, Developer Contribution, & HOME Funds***

Projects financed with Section 42 tax credits regularly have financing gaps prior to the tax credit application. As a result, Horizon is well-versed at analyzing whether a project contains a financing gap that can reasonably be eliminated prior to closing.

Eventide on 8<sup>th</sup> currently contains a financing gap of \$482,683, which we intend to close through a combination of the following options:

1. **Additional First Mortgage Proceeds.** As discussed, the first mortgage is sized based on WHEDA's senior debt terms (5.35% interest, 35-year amortization). These terms are conservative and, as the country rebounds from the coronavirus recession, interest rates are expected to remain lower. We therefore expect to obtain a more favorable interest rate than WHEDA's required terms, which would allow us to increase the size of our first mortgage and reduce the project's gap by up to \$200,000.

2. **HOME Funds.** The project may be eligible to apply for federal HOME funding allocated by the Wisconsin Department of Administration. Applications are typically due in June and funding announcements occur within 90 days. Horizon has structured the project to be competitive in this program, but we cannot rely exclusively on this source because the amount of annual funding available for each State in 2021 will be determined as part of the Senate Appropriations Committee's budgetary negotiations, usually announced in December. The amount of funding each project is eligible to apply for changes each year.
3. **Developer Contribution.** Horizon will invest the remaining funds necessary to close the project's financing gap and start construction.

### *Anticipated Rent Structure*

To set our rents, Horizon worked with an independent market study analyst to research existing market rate and Section 42 properties in the City of Sturgeon Bay and Door County. We accounted for Section 42's required income restrictions, projected household size, and how the amenities and construction quality of Eventide on 8<sup>th</sup> will compare to competitor properties.

The project is currently projecting the following rents<sup>7</sup>:

#### *Proposed Unit Mix by Rent Level:*

Unit Type	Market Rate	30% Units	50% Units	60% Units
One Bedrooms	\$800	\$335	\$605	
Two Bedrooms	\$900		\$715	\$810
Three Bedrooms	\$1,150		\$826	\$929

Please keep in mind that these rents are preliminary and likely to change prior to the project being placed-in-service.

We also analyzed our proposed rents against the findings of the Door County Housing Analysis' projected demand for workforce and affordable senior housing. The housing study projects that workforce and affordable senior housing will have demand for additional rental units at the following price points:

Unit Type Demand by HH	\$0.00 – \$499	\$500- \$799	\$800-\$999	\$1,000 - \$1,499	+ \$1,500
Workforce Units		20	20	5	
Aff. Senior Units	45	40	35	35	5
<b>Totals</b>	45	65	60	40	5

<sup>7</sup> These rents correspond with the rent schedule provided in our project SUMMARY sheet – page 5 of the Appendix Section.

### *Demand by Rental Price Point*

It appears proposed project rent levels are sized to address price points in the market where the Door County Housing Analysis is forecasting additional demand.

### *Proposed Management Strategy*

Eventide on 8<sup>th</sup> will be professionally managed by Horizon Management Services, Inc. (“HMS”) As the property management division of the Horizon group of companies, HMS oversees a portfolio of nearly 3,000 units in Wisconsin, Iowa, and Illinois. HMS has extensive experience with Section 42 developments and manages other properties in this region.

The management strategy for all Horizon properties includes hands-on attention at the local, regional, and corporate levels. HMS’ corporate team creates an operating budget that is tailored to the specific challenges of each property to maximize the long-term value of the community. For Eventide on 8<sup>th</sup>, the budget will be overseen our Regional Manager out of Appleton, who will provide support to a local, part-time Property Manager. The Property Manager will manage day-to-day operations in the facility’s on-site leasing office (located in Building 3). Lastly, HMS’ Property Manager and Tax Credit Compliance team work together to ensure that the project is occupied by tenants who qualify from an income perspective and have passed background and credit checks.



### III. PROJECT TEAM AND MANAGEMENT QUALIFICATIONS

#### *Project Team*

- Lead Developer: Horizon Development Group, Inc. (HDG);
- Co-Developer: Midwest Affordable Housing Corporation (MAHC);
- General Contractor: Horizon Construction Group, Inc. (HCG);
- Property Manager: Horizon Management Services, Inc. (HMS);
- Architect: Knothe & Bruce Architects, LLC (KBA).

#### *Horizon Develop Build Manage – Overview*

Horizon Develop Build Manage is a vertically integrated group of companies<sup>8</sup> specializing in the development, construction, and property management multifamily housing. Started in 1984 and headquartered in Madison, Wisconsin, Horizon began as a development firm that eventually grew to add construction and property management divisions. In our 36-year history, Horizon has completed over \$2 billion in development and construction work, and our management portfolio includes nearly 3,000 units that are more than 97% occupied. While we have a portfolio of completed housing communities nationwide, Horizon focuses on projects in the Midwest region, including Wisconsin, Iowa, and Illinois. Our success has been driven by a proprietary, systematic development process, careful selection of project and community partners, and a steadfast commitment to our core values of honesty, respect, integrity, and compassion.

Horizon employs a “build and hold” approach to development that produces resourceful housing solutions designed to operate successfully over the long-term. We believe that the quality of our work is measured by our ability to positively impact the community and the lives of our residents, and we embrace that responsibility. The Horizon group of companies was structured strategically to involve development, construction, and property management experts in the conceptual planning stage of every project. Our team systematically identifies what it will take to build and operate every project by leveraging a wealth of current and historical data trends from comparable projects in our pipeline or portfolio. This data is paired with our team’s analysis of rental demand data from the community to understand who our future residents will be and what amenities and rental price points they will need to live comfortably in that community. Designing and locating our projects to first address the needs of our residents and the housing needs of their community has always resulted in our most successful projects.

#### *Horizon Development Group, Inc. – Key Staff and Relevant Experience*

Since the Low-Income Housing Tax Credit was created in 1986, Horizon Development Group, Inc., has developed 50 workforce and affordable housing projects in the State of Wisconsin,

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<sup>8</sup> Horizon Development Group, Inc.; Horizon Construction Group, Inc.; and Horizon Management Services, Inc.

creating over 2,800 units with over \$280 million in total development costs. Please see Section VII for expanded detail on Horizon's experience with similar projects.

**Key Staff:**

1. Will Rutherford, Development Associate
  - a. Will is responsible for leading all facets of the development process to ensure the project achieves financial closing and starts construction according to the milestone schedule. Will's expertise includes site identification, predevelopment due diligence, market research and feasibility analyses, discounted cash-flow and financial modeling analyses, coordination of financing and entitlements applications, and the layering and procurement of affordable housing tax credits and soft financing sources. Since graduating from the University of Wisconsin Law School in 2016, Will has been involved in the development of 456 units of multifamily housing in two states, 381 of which leveraged Section 42 tax credits to create affordable housing. Will's passion for affordable housing stems from his time in law school, where upon learning of the nation's housing affordability crisis, he decided to pursue a career in the development of affordable housing. Will finished law school while taking cross-listed classes on real estate development through the Wisconsin School of Business' Graaskamp Center for Real Estate and worked as a law clerk for the Wisconsin Housing and Economic Development Authority and the Wisconsin Economic Development Corporation. He is a licensed attorney and is an active member of the Wisconsin State Bar Association and United Way of Dane County's Lead United Council.
2. Dan Fitzgerald: Project Principal and Executive
  - a. Dan is the President and CEO of Horizon. As an owner in the proposed project and its Project Executive, Dan serves as the project's ownership representative, ensuring that Horizon's standards for quality, profitability, and risk are met. Dan is a licensed real estate broker, a member of the Wisconsin Realtor's Association, and he serves on Downtown Madison, Inc.'s, Economic Development Committee. Prior to becoming CEO, Dan was the Director of Development at Horizon, where he presided over the development of over 3,100 units of housing and hundreds of thousands of square feet of commercial development.
3. Curt Peerenboom: Project Principal and Chief Financial Officer
  - a. Curt is the Chief Financial Officer for the Horizon group of companies. As an owner in the project and Horizon's Chief Financial Officer, Curt manages the underwriting process and interfaces with Horizon's legal counsel and the project's lenders and investors to ensure that the project achieves financial closing for debt and equity. Prior to joining Horizon, Curt was a Senior Manager for SVA Certified Public Accounts, S.C., where he worked as a consultant and accountant for projects utilizing Section 42, Historic, and New Markets tax credits. Curt has consulted on or managed the closing process for more than 1,000 units of Section 42 tax credits.

### ***Horizon Construction Group, Inc. – General Contractor***

Horizon Construction Group, Inc., (“HCG”) provides an integrated approach to preconstruction, estimating, and project management services. HCG has built over 10,000 residential units, totaling over \$1 billion in total construction costs. HCG has constructed more than 2,700 units of workforce and affordable housing in the State of Wisconsin. Over time, HCG has developed a comprehensive understanding of WHEDA construction requirements for Section 42 housing and consistently delivers tax credit projects on-budget and on-time.

#### **Key Staff:**

1. Mick Hintz, Project Principal and Director of Preconstruction Services
  - As an owner in the project and the Director of Preconstruction Services, Mick is responsible for managing preconstruction cost estimating and coordinating the design process to ensure the that project is designed to meet budget.

### ***Horizon Management Services, Inc. – Property Manager***

Horizon Management Services, Inc., (HMS) provides management and administrative expertise in residential real estate. As the management arm of the Horizon group of companies, HMS utilizes a proactive approach to property management that produces property-specific solutions to meet the bottom line.

HMS is certified by WHEDA to manage affordable housing on an annual basis and has over 26 years of experience in managing workforce and affordable housing projects. HMS manages nearly 3,000 multifamily units in Wisconsin, Iowa, and Illinois, and its portfolio is over 97% occupied.

#### **Key Staff:**

1. Becky Hildebrandt, Project Principal and President of Horizon Management Services. As an owner in the project and the President of Horizon Management Services, Becky is responsible for managing the tax credit compliance and leasing processes, developing the project’s operating budget, and ensuring that the property is maintained and operated according to Horizon’s standards.

### ***Co-Developer and Project Partner: Midwest Affordable Housing Corporation***

Midwest Affordable Housing Corporation (“MAHC”) has been involved in affordable housing for over 20 years and its Directors have over 32 years of affordable housing experience. Many of the housing projects that MAHC has worked on have involved Section 42 tax credits and layered financing. As a Project Partner and Co-Developer, MAHC will assist with the acquisition of soft financing and the coordination of supportive services for veterans and disabled individuals.



**Key Staff:**

1. Philip Schultz, President and Chairman of the Board
  - o As the President of MAHC and a Co-Developer on this project, Philip Schultz will assist with development, construction, and property management oversight and will have an ongoing role with reviewing and approving annual budgets and monthly financial statements, reviewing weekly leasing reports, performing property inspections, participating in regular asset management meetings, monitoring the property management agent, and addressing replacements and long-term capital needs. Philip has been involved in the development, construction, and management of affordable housing since 1985. He is an active member of the Rotary Club of Milwaukee.

***The Horizon Group of Companies and MAHC:***

Horizon and MAHC have a proven track record of success together that extends beyond their portfolio of completed projects. Over the past 18 years, the Horizon group of companies and MAHC have partnered to develop, build, manage, and own 217 units of housing leveraging Section 42 tax credits, and they currently have another 185 units that are either under construction or are proceeding with the closing process with all necessary financing commitments in hand.

***Project Architect: Knothe Bruce Architects***

Knothe Bruce Architects ("KBA") is an award-winning architecture and design firm based in Madison, Wisconsin. They have experience in a wide range of projects – from multifamily, mixed-use, historic renovations, modern mid-rise apartments, student housing, and senior living campuses.

KBA has design over 1,000 units of workforce and affordable housing in the State of Wisconsin and they have extensive experience working with the Horizon group of companies.

**Key Staff**

1. Kevin Burow, Principal and Project Architect
  - o Play up that Kevin used to work for us.

***Horizon Group of Companies, MAHC, & Knothe Bruce:***

The Horizon group of companies and Knothe Bruce have designed, developed, and built over 500 units of mixed-income housing together in three states. This includes 124 units designed specifically for the Horizon/MAHC team, and KBA is currently designing 145 of the 185 units that the Horizon/MAHC team has with tax credits and financing in place, which are set to close and start construction in Q1 2020.

#### IV. DEVELOPMENT ORGANIZATION AND FINANCIAL CAPACITY

***Lead Developer: Horizon Development Group, Inc.***

1. State of Organization: Wisconsin.
2. Official Registered Name: Horizon Development Group, Inc.

***Statement Demonstrating Financial Capacity to Perform***

Horizon Development Group, Inc., is a 36-year-old, well-capitalized development firm with adequate financial resources to make financial guarantees, and to close and operate the proposed project. If Horizon is selected, we are happy to provide additional detail establishing our financial capacity to perform.

HDG does not have any suspensions, defaults, bankruptcies, or other matters which may have an effect or impact in this proposal.

***Co-developer: Midwest Affordable Housing Corporation***

1. State of Organization: Wisconsin;
2. Official Registered Name: Midwest Affordable Housing Corporation.

MAHC will not be responsible for making financial guarantees.

## V. FINANCIAL REQUEST AND PROPOSED LAND PRICE

To help the project minimize the financing gap created by the rent restrictions and competitive scoring process tied to the Section 42 tax credits, Horizon is requesting the following financial assistance for the City and the School District of Sturgeon Bay:

1. Land Acquisition Price: \$240,000. Horizon will pay for the land, provided that the City/School District is willing to pay for the cost of demolition.
2. Demolition & Remediation Cost Loan: \$471,596 - \$594,000. Horizon is requesting a contribution to pay for the cost of demolishing the Sunset Elementary School and disposing of environmentally contaminated materials (See Section II for expanded detail). We are specifically requesting that the City/School District:
  - a. Wait to demolish the school until after we have closed – the presence of a vacant building on-site will improve our application score to a number of different financing sources.
  - b. Allow Horizon Construction Group to contract directly with the demolition contractor and manage the process.
  - c. Provide a commitment letter to the project prior to the tax credit application for a contribution in the minimum amount of \$471,596.
3. Provide the project with a City-financed tax increment financing loan sized based on the present value of 95% of the new increment generated by the project for a period of 20 years, with a discount rate equal to the City's borrowing rate prior to closing.
  - a. While the City's borrowing rate, and therefore the size of the loan, cannot yet be determined, Horizon is requesting a 20-year amortization period and 16-year term on the loan that begins on the date the project is placed-in-service.
  - b. We are currently projecting a loan size of \$478,000 based on the project's stabilized projected value of \$1,500,000 and a potential interest rate of 2.50%.
4. City to provide Horizon with a loan commitment to the project for the anticipated size and terms of the TIF loan.<sup>9</sup>
  - a. Loan commitment must be executed by both the City and Horizon and may be subject only to the project's ability to obtain tax credits in the upcoming application cycle.
  - b. Commitment will give City the option of replacing the loan prior to closing with the City-financed TIF loan, provided that the terms requested on that loan are approved officially.

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<sup>9</sup> See Sections II & the Summary of Request Appendix for expanded detail.



## VI. MILESTONE SCHEDULE

Step	Milestone	Projected Date
1	Identify Partners Agencies and Negotiate Agreements with Organizations Providing Support Services for Veterans and Individuals with Permanent Disabilities	October 2020
2	Receive RFP award	November 2020
3	Complete Market Study	November 2020
4	Obtain Re-zoning, Municipal Funding Commitments, and the Offer to Purchase	December 2020
5	Submit WHEDA Application for 9% Section 42 tax credits	December 2020
6	Receive Tax Credit Award	April 2021
7	Apply for Federal Home Loan Bank Funds	June 2021
8	Finalize Creation of New TID and Development Agreement with City	September 2021
9	Finalize Planned Unit Development and Obtain Approval of Final Site Plan	September 2021
10	Obtain Award for Federal Home Loan Bank Funding	November 2021
11	Obtain Building Permit from City	March 2022
12	Achieve Financial Closing and Start Construction	April 2022
13	Complete Construction	December 2022
14	Achieve Stabilization	August 2023

## VII. REFERENCES

### *Walnut Glen / Cedar Glen/ Harmonie Square – City of Wauwatosa*

#### *Reference:*

Paulette Enders,  
Development Director  
City of Wauwatosa  
(414) 479 – 3531

Horizon has a long-standing relationship with the City of Wauwatosa that has produced 3 phases of three different types of housing relevant to this RFP.

1. The first phase (Cedar Glen) featured an 80-unit affordable senior community;
2. The second phase (Harmonie Square) includes a 30-unit market rate apartment community over 7,500 square feet of commercial in the heart of the Village;
3. The third phase is a 101-unit, intergenerational workforce and affordable senior housing community with tax credits in hand that will be starting construction in Q1 of 2020.

#### *Workforce and Affordable Senior Housing*

Cedar Glen and Walnut Glen are prime examples of Horizon's ability to develop affordable housing on challenging sites. These projects are located on a land fill that had historically been used as a gravel quarry and construction rubble deposit area, this site was highly underutilized and contained numerous soils and environmental challenges.

#### *Cedar Glen*

Cedar Glen Senior Housing set the tone for Horizon's relationship with the City of Wauwatosa and it illustrates that Horizon's development, construction, and property management of an affordable housing project was successful enough to cultivate a relationship with the City that has led to two subsequent phases of housing. Horizon repurposed this site to develop a beautiful, 80-unit affordable senior community that helped stimulate the redevelopment of what has now become a 20-acre master-planned neighborhood, including nearly 500 units of housing for affordable senior, market rate senior, non-age-restricted market rate, and workforce housing. After an 10-month construction period, the project leased in just 4 months and is currently over 98% occupied.



*Cedar Glen Entry*

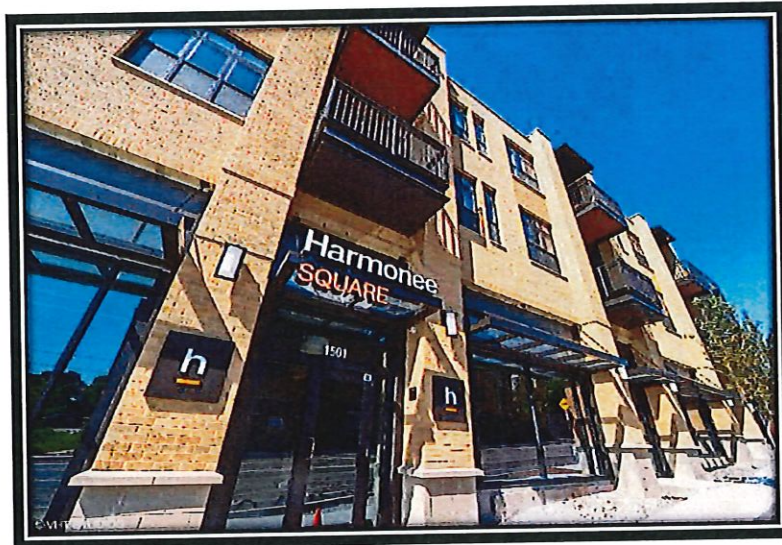


*Cedar Glen Community Room Kitchen*



### *Harmonee Square*

Harmonee Square is relevant to this RFP because Horizon won a City-issued RFP to develop this site in a high-profile location in Wauwatosa, in part based on our success developing and operating affordable housing in the community (Cedar Glen). This 30-unit, market rate, mixed-use community has such beautiful units that one of our first residents is a member of City staff. Our success with this project and Cedar Glen helped lay the groundwork for our most recent project: Walnut Glen.



*Harmonee Square Retail Entrance*



*Private Grilling Station and Patio*



### *Walnut Glen*

Walnut Glen will be a 101-unit, intergenerational workforce and affordable senior housing community that will be developed in the same master-planned neighborhood as Cedar Glen. This project received tax credits in the 2020 9% application cycle and has all of its financing in place and we will be closing and starting construction in Q1 of 2020. To address similar environmental and soils challenges to Cedar Glen, this project is leveraging 9% tax credit equity, federal home loan bank funding, TIF from the City, and funding from the County – a capital stack that is almost identical to what we're proposing for this RFP.



### *Townhomes at Walnut Glen*



### *Apartments at Walnut Glen*

*Landing at Eagle Flats / Riverwalk Place / Grandview Townhomes – City of Appleton*

*Reference:*

Monica Stage (formerly, Monica Klaeser – see attached letter of recommendation)  
Deputy Director, Community and Economic Development  
City of Appleton  
(920) 832 - 3943

The Landing at Eagle Flats and River Walk Place are side-by-side examples of Horizon's versatility in developing multifamily housing with Section 42 tax credits. These projects serve different demographics and employ completely different project structures and they were each successful enough to win us a recommendation from the City and a repeat client.

*The Landing at Eagle Flats*

The Landing at Eagle Flats is a 54-unit workforce housing project developed on the Fox River in downtown Appleton. The project redeveloped the site of a century-old paper mill that had deteriorated enough that it could not be repurposed with historic tax credits. Horizon leveraged financing from a number of different sources to handle environmental remediation costs, waterfront development challenges, and the incorporation of a state-of-the-art solar panel system that fuels the building's domestic hot water and heating.



*The Landing at Eagle Flats in the foreground, River Walk Place in the background*



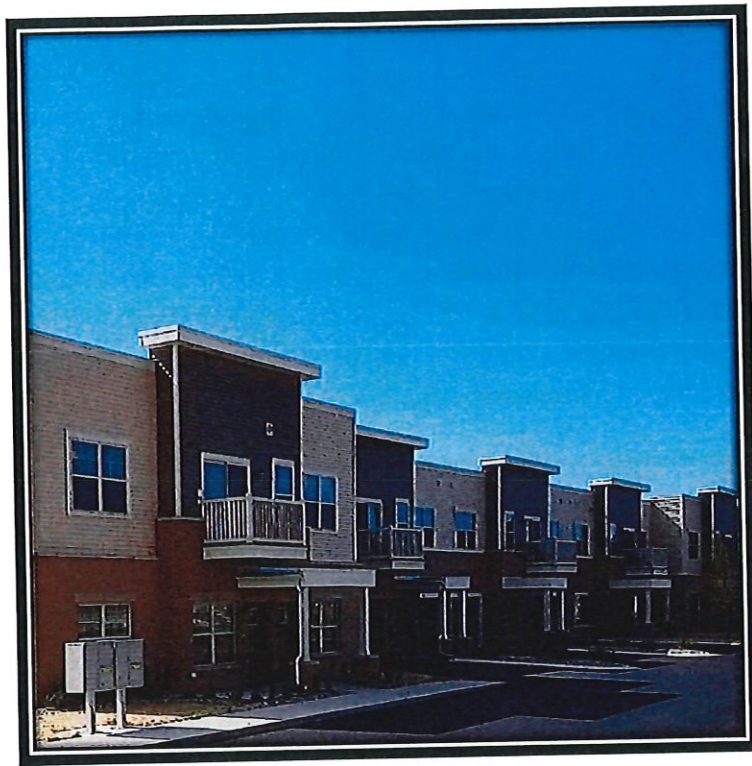
### *River Walk Place*

River Walk Place is a 70-unit affordable senior community that Horizon developed for the Appleton Housing Authority. This project had an atypical financing strategy because it was developed to replace an obsolete senior housing facility for very low-income households. Horizon worked with the Appleton Housing Authority to preserve and extend the existing Section 8 HAP contract which provides rental assistance to the entire tenant base. The Section 8 HAP contract paired with Section 42 tax credits, a government grant, and tax increment financing from the City to create a beautiful new facility for some of the community's most economically disadvantaged households.



### *Grand View Townhomes*

The success of River Walk Place and The Landing at Eagle Flats gained favor with the Appleton Housing Authority, who requested that Horizon develop their next project in Grand Chute called Grand View Townhomes. Grand View Townhomes was a 40-unit, new construction townhome project that paired 9% Section 42 tax credits with Section 8 Project-Based Vouchers, Federal Home Loan Bank funding, HOME funds from the Department of Administration, and a below market interest rate loan from a local credit union. While this project is located in a neighboring City, it is a prime example of the goodwill that Horizon projects create with our community partners and clients, and the momentum it generates for future projects.



*Grand View Townhomes*

***Diamond Ridge Apartments / City of Janesville***

Reference:

Gale Price  
Economic Development Director  
City of Janesville  
(608) 755 - 3059

Horizon has a portfolio of completed housing communities in the City of Janesville dating back to the late 1980s that includes both market rate and Section 42 tax credit financing structures. Our relationship with City began in 1989 when we developed just our sixth project financed in part by 9% Section 42 tax credit equity. Since that time, Horizon has developed 5 more projects with 9% Section 42 tax credits and, our most recent project, Diamond Ridge, which utilized a conventional financing structure.

Diamond Ridge Apartments is a 115-unit market rate, stacked flats apartment community that just recently opened the third building of six and leasing of the units has gone extremely well. We are including this project because it represents a nearly identical product type to what we are proposing for this RFP. Thanks in part to a public/private partnership with the City that provided



an expansive City-financed tax increment financing package, the project overcame numerous challenges to feasibility and opened on-time and on-budget.



*Diamond Ridge Aerial View*

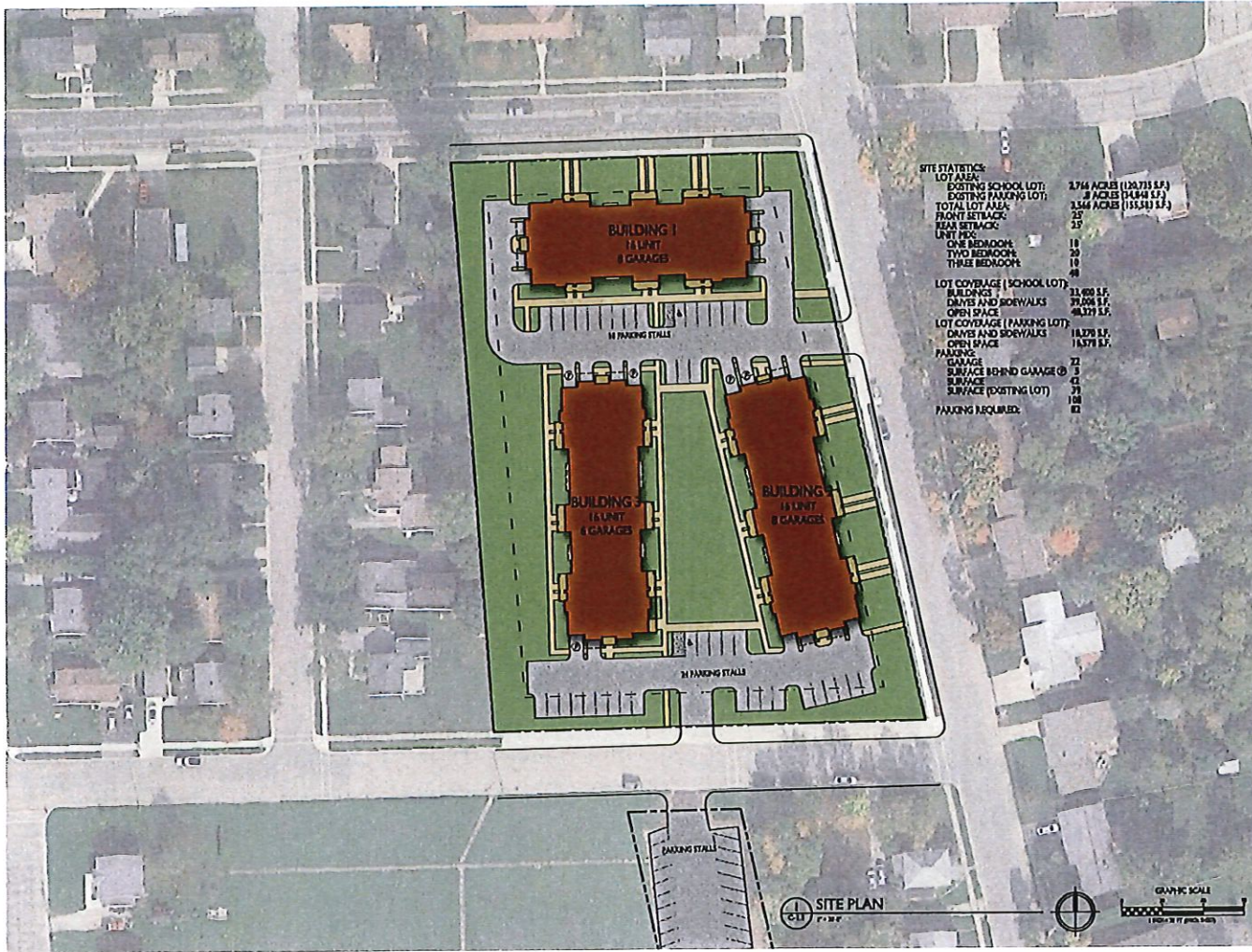


*Diamond Ridge Unit Finishes*



## VIII. APPENDICES

1. Site Plan
2. Letter of Recommendation
3. Sources and Uses Statement and Project Summary Page
4. Summary of Requests



**SITE STATISTICS:**

LOT AREA:	
EXISTING SCHOOL LOT:	2.76 ACRES (120,731 S.F.)
EXISTING PARKING LOT:	.8 ACRES (34,848 S.F.)
TOTAL LOT AREA:	3.56 ACRES (155,580 S.F.)
FRONT SETBACK:	25'
REAR SETBACK:	25'
UNIT MIX:	
ONE BEDROOM:	18
TWO BEDROOM:	20
THREE BEDROOM:	10
	48
LOT COVERAGE (SCHOOL LOT):	33,600 S.F.
BUILDING:	32,000 S.F.
DRIVES AND SIDEWALKS:	1,600 S.F.
OPEN SPACE:	48,120 S.F.
LOT COVERAGE (PARKING LOT):	18,270 S.F.
DRIVES AND SIDEWALKS:	1,570 S.F.
OPEN SPACE:	
PARKING:	22
SURFACE BEHIND GARAGE (B):	12
SURFACE (EXISTING LOT):	39
SURFACE (EXISTING LOT):	108
PARKING REQUIRED:	82

**kba**  
knothe • bruce  
ARCHITECTS  
Phone: 768 University Ave., Ste. 200  
488 E. 1st St.  
Madison, WI 53702

BLIND  
Based on Local Gas School - 45000

Project Title  
Sunset School  
Property  
Redevelopment

827 N 8th Avenue  
Sturgeon Bay, Wisconsin  
SHEET TITLE  
Site Plan

SHEET NUMBER  
**C-1.1**  
PROJECT NO. 0000  
© Knothe & Bruce Architects, LLC





**kba**  
**knothe • bruce**  
**ARCHITECTS**  
 2740 University Ave, Ste 101  
 Madison, WI 53706

02.60  
 Based - Oct 16, 2018

PROJECT TITLE  
 Sunset School  
 Property  
 Redevelopment

827 N Eds Avenue  
 Sturgeon Bay, Wisconsin  
 SHEET TITLE  
 Site Plan - Existing  
 Parking Lot

SHEET NUMBER

**C-1.2**  
 PROJECT NO. 0000  
 © Knothe & Bruce Architects, LLC





*"...meeting community needs...enhancing quality of life."*

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**COMMUNITY DEVELOPMENT**

100 North Appleton Street  
Appleton, WI 54911-4799  
Phone: (920) 832-6468  
Fax: (920) 832-5994  
[www.appleton.org](http://www.appleton.org)

November 29, 2012

Mr. John Thode  
Horizon Development Group, Inc.  
5201 East Terrace Drive, Suite 300  
Madison, WI 53718

Dear John:

Please accept this letter of appreciation on behalf of the City of Appleton for the recent housing development completed by Horizon Development Group, Inc. The City is grateful for Horizon's involvement in the Eagle Flats redevelopment site downtown along the Fox River. The 70-unit Riverwalk Place and 54-unit Landing at Eagle Flats, both affordable housing tax credit developments, serve to fulfill a critical housing need locally and opened in 2012 with 100% occupancy. This new neighborhood is also tremendously beneficial to the City as the developments help to:

- Increase downtown and riverfront activity and life
- Increase housing units in urban area, which benefits local stores and restaurants
- Increase the municipal tax base
- Act as a catalyst for other new development
- House employees close to their downtown employers
- Repurpose and redevelop an obsolescent and blighted property

With a combined density of 58 units per acre, the Riverwalk and Landing projects have brought numerous households to the downtown and riverfront since opening this year and we project they'll continue to contribute greatly to economic development. We applaud Horizon's efforts in assisting with this high quality development and would highly recommend affordable housing to other communities that might be considering similar proposals.

Please feel free to pass my contact information along to others that might be interested in a more detailed discussion. I may be reached at (920) 832-3943 or by email at [Monica.Klaeser@appleton.org](mailto:Monica.Klaeser@appleton.org).

Sincerely,

Monica N. Klaeser  
Deputy Director

City of Appleton  
Community Development

Eventide on 8th - Sources and Uses  
Sources and Uses Statement  
9% Tax Credit Application - 2021 Cycle

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48-unit Workforce Housing

Sources of Funds

Permanent Mortgage	(5.35%, 35-year Am.)	\$ 1,533,284	15.1%
Federal Home Loan Bank AHP Grant		\$ 630,000	6.2%
Demolition Contribution		\$ 471,596	4.7%
City-Financed TIF Loan	(2.50% int., 20-year Am)	\$ 475,000	4.7%
Financing Gap		\$ 482,683	4.8%
Tax Credit Equity		<u>\$ 6,528,297</u>	<u>64.5%</u>
		\$ 10,120,860	100.0%

Uses of Funds

Acquisition Cost	\$ 240,000	2.4%
Demolition Costs	\$ 471,596	4.7%
Hard Construction Costs	\$ 7,056,000	69.7%
Soft Costs	\$ 1,736,747	17.2%
Financing and Reserves	<u>\$ 616,517</u>	<u>6.1%</u>
	\$ 10,120,860	100.0%

# **Eventide on 8th** Sturgeon Bay Horizon Development Group, Inc. SUMMARY

Last Change Made: 10/19/2020

UNITS	48
QUALIFYING UNITS	42
APPLICABLE FRACTION	66.67%
DEBT SERVICE COVERAGE 1ST MORTGAGE	1.175
ANNUAL RENT INCREASE	2.00%
ANNUAL EXPENSE INCREASE	3.00%
ANNUAL SECTION 42 CREDITS	768,100
FEDERAL HISTORIC CREDITS	0
TOTAL HARD COSTS/PER UNIT	161,825
TOTAL DEVELOPMENT COST/PER UNIT	210,851

FINANCING:	PRINCIPAL	INTEREST RATE	AMORTIZATION PERIOD	TERM	MONTHLY PAYMENT
MORTGAGE	1,533,284	5.35%	35	15	8,084
FHLB Chicago	632,000	0.00%	0	0	0
Other	0	0.00%	0	0	0
Demolition Contribution	471,598	0.00%	30	15	0
City/Financed TIF Loan	475,000	2.50%	20	15	2,517
FINANCING GAP	492,683	0.00%	0	0	0
GRANTS	0	0.00%	0	0	0
BRIDGE LOAN	0	0.00%	0	0	0
CONSTRUCTION LOAN	6,556,341	4.60%	0	8	0

EXPENSES:	YEAR	FULLY	COMP.
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## PARKING IS INCLUDED IN RENT

## INCOME ASSUMPTIONS:

RENTS	# of Units	Square Footage	Initial Rents	Utility Allowance	Gross Rent	County Maximum	% of County Maximum	% of Market Rate Rents
<b>SECTION 42</b>	<b>CM</b>	<b>BN's</b>						
D Unit - 1 Bath (HOME)	30%	1	6	817	335	303	419	94.99%
D Unit - 1 Bath (HOME)	30%	1	4	860	335	303	419	94.99%
D Unit - 1 Bath	50%	1	6	860	605	668	693	95.70%
A Unit - 1 Bath	50%	2	4	1,014	715	788	838	94.03%
A Unit - 1 Bath	50%	2	2	1,117	715	788	838	94.03%
A Unit - 1 Bath	60%	2	6	1,014	810	883	1,006	87.77%
A Unit - 1 Bath	60%	2	6	1,137	810	883	1,006	87.77%
C Unit - 2 Bath	50%	3	5	1,300	828	908	968	93.76%
C Unit - 2 Bath	50%	3	2	1,425	828	908	968	93.80%
C Unit - 2 Bath	60%	3	1	1,425	929	1,011	1,162	87.01%
<b>SUBTOTAL</b>		<b>42</b>		<b>43,413</b>	<b>27,659</b>			

<b>MARKET RATE</b>					
1-BR Market Rate	2	860	800		
2-BR Market Rate	2	1,137	800		
3-BR Market Rate	2	1,425	1,150		
<b>SUBTOTAL</b>	<b>6</b>	<b>6,844</b>	<b>5,700</b>		
<b>SUBTOTAL</b>	<b>48</b>	<b>60,317</b>	<b>33,359</b>		

<b>MANAGER UNIT</b>					
	0	1,040	0		
<b>GRAND TOTAL</b>	<b>48</b>	<b>60,317</b>	<b>33,359</b>		

<b>COMMON AREA</b>					
		7,549			
<b>TOTAL SQUARE FEET</b>		<b>57,865</b>			

<b>VARIANCY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>
Residential	99.85%	7.00%	7.00%	7.00%
Commercial	0.00%	10.00%	10.00%	10.00%

OTHER INCOME (PER UNIT PER MONTH): \$0.00

<b>PARKING:</b>	<b>NUMBER OF SPACES</b>
	\$0.00 22

<b>COMMERCIAL INCOME:</b>	<b>RATE</b>
	\$ - 0

<b>SQ. FT.</b>	<b>COST</b>
0	\$0.00

INTEREST RATE - RESERVES: 0.50%

## ASSUMED TAX BRACKETS:

	FEDERAL	STATE
INCOME & LOSS	21.00%	0.00%
CAPITAL GAIN	21.00%	0.00%
PASSIVE LOSSES	21.00%	0.00%
(P=NO, 1=YES)	1	

ASSET MANAGEMENT FEE: 3.00%

Older Adults	NO
Rehabilitation	NO
CHS	NO
HFA Based	YES
Tax benefit	NO
Subordinate fees	YES
Incent Mgt fee	YES

## NCSHA STANDARDS:

LIMITS	STANDARD	ACTUAL
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## TOTAL HORIZON

## ALLOCATION:

MANAGER	MEMBER	INVESTOR
INCOME & LOSS	0.01%	0
TAX CREDITS	0	99.99%
CASH FLOW	0	99.99%
RESIDUAL	90.00%	0.00%
INCENTIVE MANAGEMENT I	90.00%	10.00%
REALLOC LOSS	0	
EQUITY CONTRIBUTIONS	100	0
		6,528,197

## PAYMENT SCHEDULE:

Equity Closing	04/01/22	20.00%	100	0	1,305,633
25% Completion	06/01/22	0.00%	0	0	-
50% Completion	08/01/22	0.00%	0	0	-
60% Completion	01/01/23	0.00%	0	0	-
100% Completion	04/01/21	65.00%	0	0	4,243,328
Qualified Occupancy	01/01/22	10.00%	0	0	652,820
6609 Issued	01/01/22	5.00%	0	0	328,410
Permanent Financing	09/01/21	0.00%	0	0	6,528,297

## DEPRECIABLE COSTS:

## TAX AMORTIZATION PERIOD:

RESIDENTIAL COSTS	30.0
COMMERCIAL COSTS	39
LAND IMPROVEMENTS	15
PERSONAL PROPERTY	5
ORGANIZATION COSTS	15
MORTGAGE COSTS	15
COMPLIANCE FEE	4
OPERATING DEFICIT GUARANTEE COSTS	4
SELLING COMMISSION AND COST OF SALE:	6.00%



### *Summary of Requests:*

1. Land Acquisition:
  - a. Request:
    - i. Horizon is proposing to acquire both the Sunset Elementary School and the parking lot across the street for a fee of \$240,000;
  - b. Logistics:
    - i. Horizon will need to negotiate terms for an offer to purchase that will need to be approved and executed by the parties prior to the tax credit application.
  - c. Timing:
    - i. Horizon must have an executed offer to purchase by December 10<sup>th</sup> with a projected close date of April 1, 2022.
2. Re-zoning Request:
  - a. Request:
    - i. Horizon is requesting that the property be rezoned to R-4 with a PUD that allows for 3,242 square feet per-unit as a maximum density (155,583 square feet divided by 48 units).
  - b. Justification:
    - i. We believe this is reasonable because:
      1. there is R-4 and PUD zoning immediately across the street; and
      2. the proposed density bonus will allow for the density necessary to absorb the cost of construction, and the Door County Housing Analysis shows demand for our proposed rent levels that exceeds the number of units we're proposing.
  - c. Timing
    - i. Horizon is requesting that, prior to selecting a winner for the RFP, the City begin the process to re-zone the property so the re-zoning is finalized ahead of WHEDA's December 11<sup>th</sup>, 2020 application deadline.
    - ii. If zoning is not in place, the project cannot apply for tax credits.
3. Financing Commitments:
  - a. TIF:
    - i. Request:
      1. Pass resolution before December 11<sup>th</sup> stating that the City is committed to:
        - a. creating a new TID that includes the proposed project;
        - b. providing the project with a City-financed TIF loan that will be paid for exclusively with 95% of the new available tax increment generated by the project on an annual basis for a period of 20 years.
        - c. The loan will be sized based on the present value of 95% of new available tax increment generated by the project for a period of 20 years, discounted by the City's municipal borrowing rate when the loan is requested in 2021. We are currently assuming a borrowing rate of 2.50% and an original principal amount of \$478,000.
        - d. Commitment may be conditioned on project's ability to obtain tax credits in the upcoming application cycle to WHEDA.
    - ii. Timing:

1. Resolution needs to be approved and executed prior to the WHEDA application due date of December 11<sup>th</sup> so it may be included in our application
- b. Loan Commitment from City to serve in place of TIF commitment at application:
  - i. Request:
    1. Provide loan commitment from City to project with the same terms that we currently project the TIF loan will contain at closing:
      - a. Principal: \$478,000;
      - b. Interest Rate: 2.50%;
      - c. Amortization: 20 years;
      - d. Term: 16 years from Placed-in-Service date of 12/1/2022.
    2. Other components:
      - a. Commitment may be conditioned on project's ability to obtain tax credits in the upcoming application cycle to WHEDA
      - b. Commitment cannot be subject to further approvals outside the developer's control
      - c. Loan to contain a provision requiring the City to replace the loan commitment with the above-referenced City-financed TIF loan.
  - ii. Timing
    1. Commitment needs to be approved and executed by City and executed by the City and Horizon prior to the WHEDA application deadline of December 11<sup>th</sup>.
- c. Demolition Contribution:
  - i. Request:
    1. City and/or School District execute commitment to provide the project with funding equal to the cost of demolishing the Sunset Elementary School and properly disposing of any contaminated materials and debris in the following format:
      - a. Original commitment will be for \$471,596 – this will be the minimum amount of funds provided to the project;
      - b. Contains provision saying the funding commitment will increase to a maximum of \$594,000 if actual demolition costs exceed the original commitment amount;
      - c. Horizon will pay for costs in excess of \$594,000;
  - ii. Logistics
    1. Horizon Construction Group to manage the demolition process within the project budget.
    2. No demolition work to be done in advance of closing.
  - iii. Format:
    1. This will not be a loan and will not be repaid.
  - iv. Timing:
    1. Commitment needs to be approved by City and executed by the parties prior to the WHEDA application deadline of December 11<sup>th</sup>.
    2. Funding should be available by the projected closing date of April 1, 2022.

