

August 8, 2013

Appleton Redevelopment Authority
RE: Revised Development Proposal Foremost site

Dear ARA:

After hearing the concerns and suggestions of the neighborhood about our previous proposal, we went back to the drawing board and have come up with a revised plan that significantly reduces the density from 180 to 120 units. With this new scaled back approach, we are also considering reduced scale and size of buildings for the majority of the development.

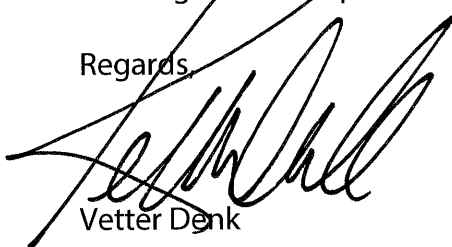
These market rate rental units are being proposed with rent projections in the \$1.00 to \$1.10 per square foot range. Units would include 1, 2 and 3 bedroom units ranging in size from 700 sf - 1 bedroom to 1400 sf - 3 bedroom units. Unit mix would be approximately 20% 1 bedroom, 60% 2 bedroom and 20% 3 bedrooms. The project is anticipated to be built in 2 Phases.

We estimate a project value of approximately \$16,000,000 for this reduced density approach. Due to a variety of site constraints, we anticipate a financial gap in the range of 18 – 22% of project cost. The following items are some of the causes of this shortfall:

- Deep pile foundations
- Unbalanced site fill
- Underground parking
- Increased infrastructure costs
- Cap Maintenance plan requirements
- Reduced density

We look forward to making this a successful project and continuing a mutually beneficial working relationship with the ARA and City of Appleton.

Regards,



Vetter Denk