



Executive Summary

Gorman & Company, Inc. proposes to construct a two phase project on this site which we are naming "Eagle Point". The first phase would include a four story building containing 43 student apartments for Lawrence University and the second phase would be 26 duplex and townhome market rate apartments as shown on the plan. The total development budget for the Phase 1 which includes the student housing is \$8,057,000 with projected taxes annually upon stabilization to total \$259,000. The total development costs for Phase 2 which includes the three story townhomes and two story duplexes is \$4,739,191 with projected taxes annually upon stabilization to total approximately \$79,000. Phase 2 would be financed and constructed once Phase 1 is constructed and occupied and will be subject to market conditions at that time.

The contact for this proposal is noted below:

Ted Matkom, Wisconsin Market President

Gorman & Company, Inc.

200 N. Main St.

Oregon, WI 53575

(414) 617-9997

tmatkom@gormanusa.com

Signed:

A handwritten signature in black ink, appearing to read 'Ted B. Matkom', is written over a light blue horizontal line.

Ted Matkom, Wisconsin Market President



Development Plan

Gorman & Company, Inc. proposes to construct a two phase project on this site which we are naming “Eagle Point”. The first phase would include a four story building containing 43 student apartments for Lawrence University and the second phase would be 26 duplex and townhome market rate apartments as shown on the plan.

UNIT MIX:

Student unit mix:

23 5-bedroom units = 115 bedrooms

20 6-bedroom units = 120 bedrooms

43 student units 235 bedrooms

Market rate:

10 duplexes, 2br 2ba with 1 car garage

16 townhomes, 2br 2ba with 1 car garage

26 market rate units

Parking Spaces – 51

ESTIMATED COSTS:

Phase I Student Apartments - \$8,057,000

Phase II Market Rate Apartments - \$4,739,191

SITE PLAN/RENDERINGS:

Please find attached a preliminary site plan as well as sample building type images. We have not provided specific renderings as we want to maintain flexibility as we work with the City and the University to best meet their needs. We have an in-house architect team that will work on fluid design process to allow for involvement of all parties in the design process.

AMENITIES:

Types of amenities that we are considering:

- Wi-Fi Student Lounge
- Fitness Center & Yoga Studio
- Access to River Bike Trail
- On-Site Laundry
- Snack Lounge
- Secured Entry
- On-Site Management





DUPLEX
DESIGN CONCEPT



TOWNHOME
DESIGN CONCEPT



APARTMENT
DESIGN CONCEPT



Financing Strategy

Attached is a sources and uses overview for Phase I (Student Housing) and Phase II (Market Rate Apartments).

PHASE I:

We are working with Lawrence University to determine the most favorable terms to finance this project. At this time, Phase I is shown to be financed with a conventional first mortgage.

PHASE II:

The financing of Phase II will be subject to market conditions including: financing terms, construction costs, and market rental rates at the time the project is to commence. We anticipate Phase II to commence after the completion and occupancy of Phase I.

Although we have not requested specific term sheets from financing sources at this time, we can provide a support letter from the President of Lawrence University indicating their interest in partnering with us on Phase I of this proposal. This letter will be sent directly to the City. In addition, over the past 30 years, Gorman & Company, Inc. has had experience in utilizing sophisticated financing structures to get real estate development completed and will draw upon this financing network for this project.

Appleton Student Housing
STATEMENT OF FORECASTED SOURCES AND USES

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SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage	\$ 8,057,781	\$ -	\$ 8,057,781
Second Mortgage	-	-	-
TIF	-	-	-
Equity	-	-	-
Gap	0	-	0
Total Sources Of Funds	\$ 8,057,781	\$ -	\$ 8,057,781
	-	-	-
USES OF FUNDS	Total Construction	Post Construction	Total Permanent
Acquisition & Site Costs			
Land Costs	1	-	1
Construction Costs			
Residential Construction	5,633,000	-	5,633,000
Furnishings	50,000	-	50,000
General Requirements	337,980	-	337,980
Contractor Overhead	112,660	-	112,660
Contractor Profit	337,980	-	337,980
Construction Contingency	281,650	-	281,650
Building Permits	30,000	-	30,000
Impact Fees	43,000	-	43,000
Engineering & Architectural			
Real estate attorney	40,000	-	40,000
Survey	6,000	-	6,000
Architect/Engineer	253,485	-	253,485
Plan Approvals	15,000	-	15,000
Construction Interest & Fees			
Insurance	25,000	-	25,000
Property Taxes	5,000	-	5,000
Construction Interest	350,000	-	350,000
Construction Loan Origination	79,725	-	79,725
Inspection Fees	8,000	-	8,000
Perm Financing			
Title and Recording	15,000	-	15,000
Conversion Fee -25 bps	20,600	-	20,600
Soft Costs			
Appraisal-Lender	7,500	-	7,500
Environmental	7,500	-	7,500
Market Study	7,500	-	7,500
Accounting	15,000	-	15,000
Soft Cost Contingency	271,200	-	271,200
Developer Fees / Reserves			
Rent Up and Marketing Reserve	75,000	-	75,000
Total Uses Of Funds	\$ 8,057,781	\$ -	\$ 8,057,781

**Market Rate Housing
STATEMENT OF FORECASTED SOURCES AND USES**

PAGE 4

SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage	\$ 3,189,191	\$ -	\$ 3,189,191
Second Mortgage	-	-	-
TIF	-	-	-
Equity	1,550,000	-	1,550,000
Gap	(0)	-	(0)
Total Sources Of Funds	\$ 4,739,191	\$ -	\$ 4,739,191
	-	-	-
USES OF FUNDS	Total Construction	Post Construction	Total Permanent
Acquisition & Site Costs			
Land Costs	1	-	1
Construction Costs			
Residential Construction	3,159,000	-	3,159,000
Furnishings	50,000	-	50,000
General Requirements	189,540	-	189,540
Contractor Overhead	63,180	-	63,180
Contractor Profit	189,540	-	189,540
Construction Contingency	157,950	-	157,950
Building Permits	30,000	-	30,000
Impact Fees	26,000	-	26,000
Engineering & Architectural			
Real estate attorney	40,000	-	40,000
Survey	6,000	-	6,000
Architect/Engineer	142,155	-	142,155
Plan Approvals	15,000	-	15,000
Construction Interest & Fees			
Insurance	25,000	-	25,000
Property Taxes	5,000	-	5,000
Construction Interest	350,000	-	350,000
Construction Loan Origination	79,725	-	79,725
Inspection Fees	8,000	-	8,000
Perm Financing			
Title and Recording	15,000	-	15,000
Conversion Fee -25 bps	20,600	-	20,600
Soft Costs			
Appraisal-Lender	7,500	-	7,500
Environmental	7,500	-	7,500
Market Study	7,500	-	7,500
Accounting	15,000	-	15,000
Soft Cost Contingency	25,000	-	25,000
Developer Fees / Reserves			
Rent Up and Marketing Reserve	75,000	-	75,000
Total Uses Of Funds	\$ 4,739,191	\$ -	\$ 4,739,191



Development Experience & Qualifications

Gorman & Company was formed in 1984 to develop high quality, affordable multi-family housing communities. From the mid-1990s through the present, Gorman & Company has assumed the role of working collaboratively with state and local governments, as well as non-profit organizations, on significant, complex revitalization efforts and we have become one of the most respected multifamily development firms in the state.

References:

Mayor Tom Barrett

City of Milwaukee
200 E. Wells St.
City Hall Rm. 201
Milwaukee, WI 53202
mayor@milwaukee.gov
(414) 286-2200

Mayor Tim Kabat

City of La Crosse
6th Floor
400 La Crosse St.
La Crosse, WI 54601
kabatt@cityoflacrosse.org
(608) 789-7500

Mayor Paul Soglin

City of Madison
Mayor's Office
210 Martin Luther King Jr Blvd, Room 403
Madison, WI 53703
(608) 266-4611



Project Examples:

Frederick Lofts - 1831 W. Juneau, Milwaukee, WI



Status: Placed in Service

Date Project Commenced: 2014

Number of Units: 100

Ownership Type: Rental

Type of Development: Mid-Rise

Type of Housing: Market Rate Rental

Completion Date: 2015

The Frederick Lofts is the third significant Gorman & Company development located within the historic Pabst Brewery redevelopment district adjacent to the city of Milwaukee's downtown. Gorman & Company has been a key community partner as the City of Milwaukee and the private sector have joined to rebuild the historic Pabst Brewery site that includes 26 buildings over 20 acres of land. The Frederick Lofts now brings 100 newly constructed, luxury high-end market rate apartments to the Pabst neighborhood that includes historic and newly constructed hotels, restaurants, apartments and offices.

Some residents of the Frederick Lofts run their small business right out of their live/work lofts, and all residents enjoy Frederick Lofts' rich amenities including a club room, lounge with theater, state of the art fitness center, and roof top deck overlooking the city.

Total Development Cost - \$16,364,323

Mortgage - \$10,364,323

Private Equity - \$6,000,000



Grand River Station Apartments

314 Jay Street, La Crosse, WI



Status: Complete

Date Project Commenced: 2009

Completion Date: 12/15/10

Number of Units: 72

Type & Size of Units: 1BR, 2BR, 3BR

Ownership Type: Rental

Type of Development: Mid-Rise

Grand River Station Apartments is comprised of a number of components which include a transit center, retail, rental housing, and a parking deck. The rental housing component of this development includes 72 units and will be targeted toward artists and entrepreneurs. The design of the units includes live/work space and project amenities such as a business center, artists' workspace, and an art gallery to cater toward these populations. The first floor transit center serves as a hub for public transportation in downtown La Crosse consisting of 10,000 square feet and also located at ground level. The third floor of the building has a parking deck available to all residents. **Amenities:** Theatre, fitness center, business center, conference room, community room, gallery space, salon, workshop/project room, and underground parking.

Total Project Development Costs: \$13,119,756

Total Project Construction Costs: \$10,271,297

Sources:

Exchange Funds - \$9,450,114

Developer Self Financing - Deferred Fees - \$64,196

Mortgage - \$1,930,446

Subordinate Mortgage - \$1,675,000

Investor – WHEDA



State at Main

141 Main Street, Racine, WI



Status: Complete

Date Project Commenced: 2005

Completion Date: 2007

Number of Units: 84

Type & Size of Units: 1BR, 2BR, 3BR

Ownership Type: Rental

Type of Development: Mid-Rise, Mixed-Use

State & Main is a state-of-the-art, mixed-use, mixed-income development. It combines for-sale condominiums; market-rate apartments; affordable apartments; class-A retail space; and commercial, underground parking. It was identified as the number one priority project in a nationally-acclaimed downtown plan.

Amenities: Community room, movie theater, exercise & fitness center, patio with grill, underground parking, and a roof-top terrace.

Total Project Development Costs: \$14,218,132

Total Project Construction Costs: \$9,539,233

Sources:

Mortgage - \$4,300,000

Section 42 - LIHTC - 9% Tax Credits - \$7,462,000

City Tax Incremental Financing - \$1,650,000

Brownfield & Developer Self Financing - Deferred Fees - \$806,132

Investor – Centerline



Lion's Ridge

1280 North Frontage Road, Vail, CO



Status: Under Construction

Date Project Commenced: 2014

Completion Date: 2015

Number of Units: 113

Type & Size of Units: 1BR, 2BR

Ownership Type: Rental

Type of Development: Mid-Rise

Lion's Ridge was originally a 10-acre rental property that was built in 1981. Gorman & Company is partnering with Wright and Company, Inc. and the Town of Vail to rebuild a portion of the units into Workforce Housing that is affordable for local employees.

Gorman will create 113 one- and two-bedroom apartments plus one manager office unit that will renew the dilapidated site. Amenities for tenants include an onsite park/play area, bus stop, secured storage spaces inside each unit, easy access to a pedestrian/bike path, and stunning views. The project started construction in July 2014 and is scheduled to be completed on time in late 2015.

Total Project Development Costs: \$23,380,923

Sources:

Mortgage - \$21,377,000

Investor Equity - \$4,640,000

Use Tax Rebate - \$413,923

Developer Self Financing - Deferred Fees - \$950,000



Fresh Thyme Plaza

Corner of Milwaukee Street and East Washington Avenue, Madison, WI



Status: Pending Closing

Date Project Commenced: 2015

Completion Date: 2017

Number of Units: 90

Type & Size of Units: 1BR, 2BR

Ownership Type: Rental

Type of Development: Mid-Rise

Fresh Thyme Plaza (FTP) will be an architecturally significant mixed use development located at the highly visible corner of Milwaukee Street and East Washington Avenue in Madison, Wisconsin. FTP will consist of Fresh Thyme grocery store as the 28,000 square foot anchor retail tenant, 7,500 sq. ft neighborhood retail space, 202 underground parking stalls, and 102 market rate apartments. FTP is part of a larger mixed use development that is known as Union Corners.

Total Project Development Costs: \$28,811,933

Sources:

Mortgage - \$18,661,933

Investor Equity - \$6,000,000

Owner Land Contribution - \$2,500,000

Developer Self Financing - Deferred Fees - \$1,650,000



Organizational Structure

Gorman & Company was formed in 1984 to develop high quality, affordable multi-family housing communities. From the mid-1990s through the present, Gorman & Company has assumed the role of working collaboratively with state and local governments, as well as non-profit organizations, on significant, complex revitalization efforts and we have become one of the most respected multifamily development firms in the state.

Gorman & Company's integrated functions, including architectural design and construction, allow us to "collaboratively" design and develop highly successful developments. All of the parties sit at the same table to program a development from concept thru final execution, and we often engage our public and non-profit partners, as well as the surrounding community, in a design charrette process. For our client, they will have one point of contact, Ted Matkom, for all steps of the process. Of the over 60 projects that Gorman & Company has completed over the past 30 years, the company has never had a foreclosure, has never defaulted, and has never had the general partner replaced by the investor.

Gorman General Contractors, LLC serves as General Contractor on Gorman & Company, Inc. development projects. The company believes that the best way to ensure high quality and timely construction is to build our own projects. With accountability remaining in-house, it provides a greater attention to detail and we are better able to support each construction phase. Gorman has the ability to continually improve its construction practices with each successive development because everything is done in-house. Gorman & Company, Inc. has been serving as its own General Contractor for all construction projects for the last 16 years with Gorman & Company, Inc. either as Gorman & Company, Inc. or Gorman General Contractors, LLC. Gary J. Gorman, who is the sole shareholder of Gorman & Company, Inc., is also the sole member of Gorman General Contractors, LLC. Because it continues to build superior relationships with strong subcontractors, Gorman General Contractors, LLC is able to achieve top quality results and often finishes its projects ahead of schedule and below budget. Gorman's construction team consists of project managers, on-site field superintendents, and a Director of Construction - all of whom daily oversee work in progress. When challenges arise on the job site, Gorman General Contractors is positioned to quickly resolve issues through close collaboration with its in-house architectural staff.

Key Team Members

EDWARD (TED) MATKOM WISCONSIN MARKET PRESIDENT

Ted Matkom has held the role of Wisconsin Market President over the past six years with Gorman & Company and has also served as General Counsel for the past eight years. Ted has a wealth of experience in developing both residential and commercial real estate developments. Ted has served five years on the board of directors for Menomonee Valley Partners, the non-profit development entity designated to revitalize Milwaukee's Menomonee Valley industrial park. Ted has been President of The Corridor, Inc., a nonprofit organization that has been charged with helping to redevelop the "30th Street Corridor" in the heart of Milwaukee for the past three years. He has also been appointed for the past three years to the Board of Directors for the Milwaukee Area Workforce Investment Board, Inc.



Ted has a Bachelor of Arts in International Relations and Political Science from the University of Wisconsin-Madison, and a Doctorate of Law from Marquette University.

GARY J. GORMAN PRESIDENT

After completing his B.A. in Economics and Law Degrees from the University of Wisconsin at Madison, Mr. Gorman began his career as a practicing attorney focusing on representation of developers and real estate syndicators. In 1984 Mr. Gorman formed a firm for the purpose of developing and syndicating multifamily real estate projects. After the passage of the Tax Reform Act of 1986,

Mr. Gorman specialized in the development of affordable multifamily rental communities utilizing the tax credit created by Section 42 of the 1986 Tax Reform Act. Gorman & Company, Inc. is now a major developer of affordable rental housing as well as historic renovations. The firm has offices in Wisconsin, Illinois, Arizona, and Florida, as well as projects in six states. Gorman & Company, Inc. has in-house design and construction divisions that have successfully completed over \$350 million of new construction and major renovations. Its affiliated property management firm manages over three thousand units.



Mr. Gorman serves as a board member for Catholic Charities and Northern Bankshares, Inc. Mr. Gorman also serves as a member of the Steering Committee for the Housing Credit Group of National Association of Homebuilders (NAHB) and on the Advisory Board for the Federal Home Loan Bank of Chicago. In addition, Mr. Gorman previously served on the Board of Directors for the Madison Area Apartment Association, Credit Bureau of Madison, South Madison Community Development Corporation, and Business Education Partnership.

TOM CAPP**CHIEF OPERATING OFFICER**

Tom Capp has directed Gorman & Company's real estate development since 1994. Under his direction, the company has focused on urban revitalization, mixed-income housing, historic preservation and the preservation of affordable housing.

Prior to joining Gorman & Company, Mr. Capp was a Senior Associate at Camiros, Inc., an urban planning firm based in Chicago. Mr. Capp is a former public official having served as mayor of Fitchburg, Wisconsin, where he also served as chairman of the city's Planning Commission and chairman of its Economic Development Commission. As executive assistant to Dane County Executive Rick Phelps from 1993-1994, he directed land use and development policy for Dane County (Madison, Wisconsin and surrounding areas).



Mr. Capp has a degree in Economics and Political Science from the University of Illinois at Champaign-Urbana. Tom has served on many industry boards and commissions. He currently serves on the Board of Directors of the National Housing and Rehabilitation Association. In 2007 he was appointed by the White House as a Panel Expert for the Preserve America Summit, an initiative created by executive order to modernize our nation's approaches to historic preservation. He is a frequent speaker and presenter at conferences sponsored by state housing authorities, planning associations, and housing industry groups such as NCSHA, NH&RA, and IPED.

MEGAN SCHUETZ**DEVELOPMENT ASSOCIATE**

Megan Schuetz serves as Development Associate for Gorman & Company with primary focus on the Wisconsin and Arizona markets. Since 2006, Ms. Schuetz has worked under the direction of the Chief Operating Officer and Market Presidents in all markets to assist in building Gorman's presence nationwide. Ms. Schuetz coordinates developments from inception through completion including preliminary site research and proposals, funding applications, and due diligence associated with closings. Previous to her employment with Gorman, Ms. Schuetz worked as a marketing assistant and project coordinator at multiple firms in Madison, Wisconsin. She has previously attended the University of Wisconsin-Madison.

DUANE BUSCHER**FINANCIAL ANALYST**

Duane Buscher serves as Financial Analyst for Gorman & Company, focusing primarily on underwriting Low-Income Housing Tax Credit projects. Mr. Buscher works closely with the Market Presidents and Construction Accounting team at all stages of the development process to evaluate project feasibility and conduct proforma analysis. Mr. Buscher joined the team at Gorman & Company in September 2014, having most recently worked in a similar role as an Underwriter for the Missouri Housing Development Commission. Mr. Buscher has a BA in Psychology and a Master's Degree in Urban Planning from the University of Kansas.

JOYCE WUETRICH**DIRECTOR OF ASSET MANAGEMENT**

Joyce joined Gorman & Company in 1989 and currently is the Director of Asset Management. She directly supervises the management team for the management portfolio for Gorman & Company, as well as the coordination with the management companies in the markets outside of Wisconsin/Illinois. She is involved in the development process from the management perspective, insuring that developments are designed and built to insure long term sustainability. Joyce is involved in the budgeting, financial analysis, lender and investor relations. She also supervises the Human Resources functions, as well as the Compliance team and is a Certified Occupancy Specialist. Prior to joining Gorman & Company she was the legal administrator for a Madison-based law firm. Joyce holds a degree in accounting from Upper Iowa University and is a Certified Public Accountant. Joyce is an active member of the Wisconsin Institute of Certified Public Accountants, the Society of Human Resource Management, the Institute of Real Estate Management, the National Multi-Housing Council, Financial Executives International, NAHMA and Wisconsin Commercial Real Estate Women. She has served on various boards in the past, and is currently on the Board of Directors for the Badger Chapter of the American Red Cross.

**RON SWIGGUM****DIRECTOR OF CONSTRUCTION**

Ron has over 16 years of experience in project management, encompassing cross-functional projects, price/cost management, budgetary and competitive estimating, coordination of design professionals, space planning, life cycle costing, contract administration, development and training of personnel, strategic business planning, risk management, proformas, staff leadership, P&L oversight, and customer relations. Ron recently directed construction for the largest “Green Communities” Public Housing Authority development to date east of the Mississippi River and is currently overseeing construction GC for an innovative “workforce housing” development in Monroe County, Florida (Florida Keys). Ron also served as Construction Project Manager for award winning Gorman & Company affordable housing development in Glendale, AZ.



CHAD OBRIGHT**PROJECT MANAGER**

Chad has worked in the construction industry since 1989. Most of his experience is in new construction and remodeling of single family homes, duplexes and apartment buildings. In 2013, Chad completed the project management work on two scattered site projects (90 units combined) and in 2014 will be completing another project with 42 scattered site units. All of these focused in the economically challenged location on the north side of Milwaukee Wisconsin. Further, as a part of the 2013 projects Chad added to his commercial build out resume by managing both contracts and site construction for Gorman & Company's leasing center for the north side projects. Chad's specific areas of skill include: office coordination with field personnel, managing the competitive bid process to meet budgetary constraints; development and negotiation of contracts with subcontractors and suppliers; risk management; coordination and management of the RFI and submittal process; coordination of work with the architects/city inspectors/investment inspectors; monthly project invoice review/approval; and assisting in estimate budgeting for future projects to determine viability.

BEN MARSHALL**DIRECTOR OF ARCHITECTURE**

Ben has more than 16 years of experience in architectural design and construction administration. He is a registered Architect in Wisconsin and Arizona. His experience encompasses a wide range of commercial and residential building types. Since 2010, he has been the staff architect at Gorman and Company, Inc. specializing in multi-family housing and rehabilitation projects. Prior to joining Gorman and Company, Ben was with a firm recognized as a regional leader in the design of multi-family housing. He has been responsible for architectural design and construction administration for over 600 housing units in the past 7 years.

**MARC OTT****LEAD ARCHITECT, WISCONSIN**

Marc Ott has more than 18 years of experience in construction, and commercial and residential architectural design. For the past 13 years he has had a strong emphasis on multi-family housing while working with many of the industries leaders in Wisconsin and Iowa. In 2010 he completed the first Energy Start Certified Multi-Family housing development in the United States. Marc loves the challenges of finding creative ways and practical solutions to complex problems.



City Assistance Request

REZONING:

Based on our preliminary design review we feel that we are compliant with the R-3 zoning and that no variances will be necessary.

PURCHASE PRICE:

We would propose to purchase the entire property at closing of Phase I for the purchase price of \$850,000 in the form of a Seller Note that would be paid back by taxes generated by Phase I.

PUBLIC ACCESS TO WATERWAY:

Our current budget for these two phases does not include site improvements that would link the current river bike path to this parcel or create any infrastructure or improvements regarding public access to the waterway. However, it is our full intent to work with the City to incorporate these elements into the development.



Offering Price

Gorman & Company, Inc. proposes to purchase the entire property at closing of Phase I for the purchase price of \$850,000 in the form of a Seller Note that would be paid back by taxes generated by Phase I.

Contingencies that would need to be satisfied prior to closing include:

- Financing
- Title
- Geotechnical & Environmental



Timetable

PHASE I

MONTH	EVENT(S)
11/15/15	Selected as Developer
12/31/15	Finalize Purchase Contract for Site / Developer Agreement
1/1/16-6/30/16	Design
6/1/16-9/1/16	Financing Commitments Secured
9/15/16	Closing & Construction Commencement
8/1/17	Construction Completion & Occupancy

PHASE II

MONTH	EVENT(S)
9/1/17	Market Analysis
11/1/17-3/31/18	Design
3/1/18-6/1/18	Financing Commitments Secured
7/1/18	Closing & Construction Commencement
6/30/19	Construction Completion & Occupancy
9/1/19	Lease-up Complete



Estimated Value

PHASE I

Anticipated value at Year 7 projection - \$11,100,000

Projected taxes annually upon stabilization - \$259,000

PHASE II

Anticipated value at Year 7 projection - \$4,292,940

Projected taxes annually upon stabilization - \$95,000