

CITY OF MADISON LAND USE APPLICATION-LETTER OF INTENT

Tennyson Ridge – Part of 1902 Tennyson Lane City of Madison, Wisconsin

Project Team: Please see attached “Development Team” Exhibit for project team information for Tennyson Ridge Apartments (TRA). In addition, Tennyson Terrace, LLC is seller of the multifamily parcel and developer of the proposed single-family lots.

Existing Conditions: The site has not been in commercial use for many years and is the site of a former poultry research facility. The site hosts a number of dilapidated buildings and has become overgrown over the years. The existing structures will be removed during the development process.

Project Schedule: The project is scheduled to commence construction in fall of 2014 and be completed in fall of 2015.

Proposed Uses: TRA is proposed to consist of two, 3-story elevator-serviced apartment buildings with underground and surface parking. The site is also proposed to include 24 single-family lots.

Hours of Operation: Given that these are residential uses, hours of operation will be 24 hours per day, every day.

Building Square Footage: TRA proposes one 3-story, 30-unit building totaling 38,439 GSF and one 3-story 42-unit building totaling 50,202 GSF.

Number of Dwelling Units: TRA proposes 72 apartments. The overall project also includes 24 single-family residential lots.

Auto and Bike Parking Stalls: TRA proposes 72 underground parking stalls and 45 surface stalls for a total of 117, or 1.63 stalls per unit. TRA also proposes 1 bicycle parking stall per residential unit.

Lot Coverage & Usable Open Space Calculations:

- TRA lot size: 191,645 s.f./4.40 acres (100.00%)
- TRA Building Coverage 29,547 s.f./0.68 acres (15.42%)
- TRA Improvements Lot Coverage 104,382 s.f./2.40 acres (54.47%)
- TRA Usable Open Space 87,263 s.f./2.00 acres (45.53%)

Value of Land: Best current estimate of land value as provided by seller is \$610,000 for the TRA parcel and \$175,000 for the single-family residential land, totaling \$785,000.

Estimated Project Cost: Estimated project cost for Tennyson Ridge Apartments is \$11,744,500. The total project cost for the residential lot component of this site will be determined by the cost of the houses constructed. If the average cost of the 24 houses built is \$200,000, this would total \$4,800,000, resulting in a combined project cost of \$16,544,500.

Estimated Number of Construction and Full-Time Equivalent Jobs Created: With a common estimate of labor cost approximating 50% of the cost of a construction project, and an average wage rate of \$40,000 per year, the above referenced project cost would create approximately 207 one-year full-time equivalent jobs.

Public Subsidy Requested: TRA is requesting that \$350,000 be funded through tax incremental financing and \$779,833 be funded through some combination of AHTF, HOME and/or CDBG funding.

DEVELOPMENT TEAM

Tennyson Ridge – Madison, WI

The development team proposed for Tennyson Ridge brings a wealth of development experience to the project including extensive Section 42 development experience.

DEVELOPER

Dennis Hanson

Director, Lutheran Social Services of

Wisconsin and Upper Michigan, Inc.

647 W. Virginia Street, Suite 200

Milwaukee, WI 53204

dhanson@lsswis.org

Lutheran Social Services (LSS) has been providing services for more than 130 years. LSS owns and operates 28 HUD low income housing communities and several non-subsidized housing programs. In addition, LSS is property manager at two communities not owned by LSS, and provides HUD service coordination and/or case management services at more than 40 housing developments in Wisconsin and Upper Michigan.

PROJECT MANAGER/CO-DEVELOPER

Thomas W. Sather

President & CEO, The T.W. Sather Company, Inc.

6527 Normandy Lane, Suite 201

Middleton, WI 53719

(608)334-6132

sather@silverstonepartners.com

Tom has been a full-time professional real estate developer for more than 20 years. Tom has developed and co-developed seventeen Section 42 apartment projects in Wisconsin and Iowa and is President, CEO and majority shareholder of Silverstone Partners, Inc which owns and asset manages fourteen Section 42 apartment projects totaling more than 1,000 units. A list of Tom's development experience is attached.

ATTORNEY

Katherine Rist/Wayman Lawrence

Partner, Foley and Lardner

150 E. Gilman Street

Madison, WI 53703

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krist@foley.com; wlawrence@foleylaw.com

Katie and Wayman are partners specializing in Section 42 and other real estate matters at Foley & Lardner, S.C. Since the enactment of the Tax Reform Act of 1986 which created the Section 42 program, Foley and Lardner has represented investors, syndicators, lenders,

non-profit organizations, housing authorities and for-profit developers in hundreds of Section 42 transactions.

ACCOUNTING & TAX CREDIT ADVISOR

Don Bernards
Partner & CPA, Baker Tilly
Ten Terrace Court
Madison, WI 53707-7398
(608)240-2643
Donald.Bernards@bakertilly.com

Don is a partner in the Real Estate Group with Baker Tilly Virchow Krause, LLP, an affiliate of Baker Tilly International, the 8th largest network of independent accounting and consulting firms in the U.S. Don is the office's leading expert in client services relating to Section 42 projects and has helped to raise over \$500,000,000 of such funds over the past five years.

PROPERTY MANAGEMENT FIRM

Tom Klein
President, Oakbrook Corporation
2 Science Court
Madison, WI 53744
(608)238-2600
tklein@oakbrookcorp.com

Tom is the president of Oakbrook Corporation which is one of the Midwest's leading residential property management firms, managing over 7,000 apartments. Oakbrook Corp has managed all of Tom's Section 42 projects since their inception. A list of the affordable housing properties they currently manage is attached.

GENERAL CONTRACTOR

Jeff Donovan
Partner and Co-Founder, NorthCentral Construction
631 S. Hickory
Fond du Lac, WI 54935
(920)929-9400
jdonovan@northcentralconstruction.com

NorthCentral Construction is one of the most active apartment builders in the Midwest and specializes in Section 42 projects, having built and/or renovated more than 1,000 units for Tom alone. A list of affordable housing properties they have constructed is attached.

ARCHITECT

Stan Ramaker
Excel Engineering/Ramaker LLC
100 Camelot Drive
Fond du Lac, WI 54935
(920)920-539
stan@ramakerllc.com

Stan is another long time team member and specializes in Section 42 projects. Stan has also worked on projects with Tom totaling more than 1,000 units. A list of affordable housing projects is attached.

FINANCING/CIVIL ENGINEERING

Kurt Muchow

Principal, Vierbicher

400 Viking Drive

Reedsburg, WI 53959

kmuc@vierbicher.com

Kurt and Vierbicher have worked with Tom in the past in the role of coordinating environmental remediation grant funding and civil engineering work. Founded in 1976, Vierbicher provides planning and community development and economic development services, municipal and civil engineering, survey and GIS services and water and environmental related services.