

NORTHSHORE RENTALS, LLC

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To Whom It May Concern:

I own a property management company on Madison's north side. I'm writing intending to submit a Conditional Use alteration for our 40-unit, 25,578 sq ft building located at 2801 Dryden Drive (lot size 1.2 acres) in Madison, WI. This building has six two-bedroom units (\$750/month market value) and 34 one-bedroom units (\$620/month market value). We have two full-time employees: one manages the office operations and the other manages maintenance operations. There are also four part-time employees. The main office is open Monday through Friday 10am – 6pm and Saturday 9am-1pm. We hold office hours at 2801 Dryden Drive on Tuesdays and Thursdays from 1-2pm and more if needed. We also have a key keeper on-site who helps with community activities, mail and package distribution, and much more.

Currently, the Land Use Restriction Agreement limits the building to anyone 55+ and/or disabled. This was approved in 1988 when the building was built. We're looking to modify the restriction in order to allow 20% of the residents to be market rate.

When the building was built in 1989, it was involved in a 20-year program. This program allowed the owners to only pay 50% of the property taxes if the building was limited to a 55+ and/or disabled building. Shortly after we bought the building in 2008, this program ended in 2009 - although our building land use restriction remained 55+ and/or disabled until 2018.

With the building being limited to only that demographic, who are mostly on fixed incomes, it was impossible to raise the residents' rents enough to cover the additional 50% property taxes we were then required to also cover. It has been increasingly hard to keep the building 100% full, which is the only way we can work towards turning a profit and putting money back into the building for the residents. We were unsuccessful in getting a continued break on the taxes when we attempted in 2010.

Not only is there hail damage to our roof that needs to be replaced soon, but also there are a number of additional necessary improvements to the building – all that have been, or will be, funded at the expense of our other buildings if we can't get this restriction modified.

We believe that if 20% (8 of the total units) were market rate, we would be able to keep the building full. At any given time of the year, there are at least two or more units open due to unfortunate events, such as sicknesses and deaths. We've found that the majority of seniors who inquire about apartments usually start looking around three months in advance. So when an apartment opens up on very short notice, we're normally sitting with it vacant for a couple of months.

We feel that if we had the ability to offer an available unit to someone who is not included in the current Land Use Restriction Agreement (55+ and/or disabled), we would be able to keep the building full, the residents' rents at a rate they can afford and the building in good condition.

Thank you,

Todd Gebhardt
Owner
Northshore Rentals, LLC
