

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF STEVENS POINT

1300 Briggs Court, Stevens Point, WI 54481

ADMINISTRATIVE OFFICE:
TDD Relay: 1-800-947-3529
FAX: 715-341-4656
PHONE: 715-341-3444
www.stevenspoint.com

HI-RISE MANOR
MADISON VIEW
SCATTERED SITES
EDGEWATER MANOR

AGENDA

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT

Date: Tuesday, May 7, 2013, 4:00 PM

Location: Lincoln Center, 1519 Water Street, Stevens Point, WI 54481

1. Roll call.

Discussion and possible action on the following:

2. Report of the April 17, 2013 meeting.
3. Authorizing the a collateral account with Baird, for the Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee.
4. Proposal(s) for the purchase and redevelopment/remodel of Edgewater Manor, 1450 Water Street, Stevens Point, WI 54481. Proposals were due April 19, 2013 at 1:00 PM.
5. Adjourn.

PLEASE TAKE NOTICE that any person who has special needs while attending these meetings or needs agenda materials for these meetings should contact the Community Development Authority Office at 1300 Briggs Ct., Stevens Point, WI 54481, (715) 341-3444 Ex. 5 as soon as possible to ensure a reasonable accommodation can be made.

PLEASE TAKE FURTHER NOTICE that a quorum of the Common Council may attend this meeting.





Memo

Michael Ostrowski, Director
Community Development Authority
City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481
Ph: (715) 346-1567 • Fax: (715) 346-1498
mostrowski@stevenspoint.com

Community Development Authority of the City of Stevens Point

To: Community Development Authority Board of Directors
From: Michael Ostrowski
CC:
Date: 5/1/2013
Re: Agenda Item Summaries for May 7, 2013 CDA Board Meeting

1. Roll call.

Discussion and possible action on the following:

2. Report of the April 17, 2013 meeting.

The Board needs to approve the minutes from the prior meeting.

3. Authorizing the a collateral account with Baird, for the Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee.

Please see the attached email from Baird.

4. Proposal(s) for the purchase and redevelopment/remodel of Edgewater Manor, 1450 Water Street, Stevens Point, WI 54481. Proposals were due April 19, 2013 at 1:00 PM.

On April 19, 2013 the Board met to open proposals for the redevelopment/remodel of Edgewater Manor. Ultimately, three proposals were submitted. The proposals were as follows:

- Affordable Senior Housing of Central Wisconsin - \$1,555,000: with a \$243,000 investment into the property.
- Mendyke - \$525,000: with a \$2,00,500 investment into the property.
- Seramur - \$800,000, plus a \$300,000 City incentive: with a \$1,670,529 investment into the property.

We will be meeting to discuss and possibly take action regarding this item.

5. Adjourn.

Report of the Community Development Authority of the City of Stevens Point

Wednesday, April 17, 2013, 12:00 PM
City Conference Room
1515 Strongs Avenue, Stevens Point, WI 54481

PRESENT: Chairperson Halverson, Alderperson Stroik, Commission Hansen, Commissioner Molski, Commissioner Cooper, and Commissioner Onstad.

ABSENT: Commissioner Adamski.

ALSO PRESENT: Executive Director Michael Ostrowski, Kris Pethick, Tom Macak, Patt Cornwell, and Andrew Beveridge.

INDEX:

1. Roll call.

Discussion and possible action on the following:

2. Report of the March 5, 2013 meeting.
3. Allowing \$12,000.00 of loan funds, as a result of a foreclosure at 276 2nd Street North, to be held and rolled over to a new family at this location.
4. Update on the CenterPoint MarketPlace redevelopment project.
5. Approval of joint municipal agreement of the City of Stevens Point and Community Development Authority of the City of Stevens Point for Edgewater Manor, and acceptance of funds in the amount of \$1,521,500.00 to be used for the purpose of completing the CenterPoint MarketPlace redevelopment project.
6. Approval of contracts with AECOM for the purpose of environmental assessment and remediation activities on the former CenterPoint MarketPlace site.
7. Acceptance of the recommendation by the Plan Commission on April 1, 2013 and the approval of the Historic Preservation / Design Review Commission decision on April 3, 2013 for the construction of municipal parking lot 16 and the extension of Strongs Avenue.
8. Authorization to bid out the construction of municipal parking lot 16 and the extension of Strongs Avenue.
9. Authorization for the Chairperson and Executive Director of the Community Development Authority of the City of Stevens Point to approve/execute contracts and payments relating to the activities to carry out the CenterPoint MarketPlace redevelopment project.
10. Adjourn.

1. Roll call.

Present: Halverson, Stroik, Hansen, Molski, Cooper, and Onstad.

Not Present: Adamski.

2. Report of the March 5, 2013 meeting.

**Motion by Commissioner Cooper to approve the report; seconded by Commissioner Hansen.
Motion carried 6-0.**

3. Allowing \$12,000.00 of loan funds, as a result of a foreclosure at 276 2nd Street North, to be held and rolled over to a new family at this location.

Director Ostrowski stated that this is a request from Habitat for Humanity to hold over \$12,000 worth of loan funds for a new family at this location. The previous tenant was subject to foreclosure.

Mr. Macak, Habitat for Humanity said there is about \$80,000 in liens on the property. He said his main purpose is to see if they CDA is willing to roll over the funds, as CAP is doing, and second, if the CDA is willing to do so, the bid at the sheriff's sale will need to be enough to cover the loans on the property. He indicated that Habitat for Humanity does hold a right of first refusal on the property.

Commissioner Hansen asked if the tax liens will be paid off on the property. Chairperson Halverson said they would need to be satisfied.

Chairperson Halverson said that if the right of first refusal is not recognized by the Sheriff, then in his opinion he would not like to see the funds rolled over, because we will get the funds back sooner. Mr. Macak said there is the possibility that the CDA may get no funds back because Habitat only needs to bid enough to cover CAP's and Habitat's mortgage. The next bidder would only need to come in at one dollar over that bid.

Mr. Macak said Habitat is willing to cover all three loans with their bid.

Kris Pethick said this is an agreement that the CDA would hold the \$12,000 worth of funds for the new family.

Aldersperson Stroik clarified that the CDA has paid out the \$12,000, and that Habitat is trying to get it back through this bid process. Habitat is just looking for us to hold it for the next family. Mr. Macak said that is correct.

Commissioner Cooper asked if the \$80,000 in liens fall after the judgment of the mortgages. Mr. Macak indicated yes.

Commissioner Hansen said as long as the bid includes the property taxes, then we are ok.

Motion by Commissioner Hansen to authorize the holding of \$12,000 for a new family at this location, as long as the bid is at least \$47,000; seconded by Commissioner Molski.

Commissioner Hansen asked if there will be a title search prior to the foreclosure. Mr. Macak said one was done six or eight months ago. Commissioner Hansen said he would like to see one done again, or a letter report.

Motion carried 6-0.

4. Update on the CenterPoint MarketPlace redevelopment project.

Director Ostrowski gave an update on the CenterPoint MarketPlace redevelopment project regarding all of the costs that have been incurred and the timeline for phase 2 of the project. The

next steps in the process would be the outstanding environmental issues and the parking lot construction. Director Ostrowski said that AECOM had estimated that there are about \$575,000 of additional environmental costs; \$150,000 on former Dun-Rite, and \$425,000 on the former Normington and current MSTC site. Total environmental costs would be about \$720,000. The parking lot construction would be about \$800,000. The total estimated costs remaining on the project are about \$1.7 million. The City has borrowed the funds and is willing to appropriate the funds, which will be discussed in the next agenda item. It is not the full \$1.7 million, but rather \$1,521,500, as the CDA has received a brownfields grant from WEDC in the amount of \$178,500 for the project. Within AECOM's estimate, they have provided contracts to start dealing with the environmental concerns at all three locations, and those have been provided to you.

5. Approval of joint municipal agreement of the City of Stevens Point and Community Development Authority of the City of Stevens Point for Edgewater Manor, and acceptance of funds in the amount of \$1,521,500.00 to be used for the purpose of completing the CenterPoint MarketPlace redevelopment project.

Director Ostrowski said any surplus would go back to pay off the loan.

Commissioner Molski asked why it mentions Edgewater Manor. Chairperson Halverson said the Common Council was concerned about the selling of Edgewater Manor and what this agreement will do is that as part of the acceptance of funds, the Common Council must consent to the sale of Edgewater Manor.

Commission Hansen said that there will be no funds going towards Edgewater Manor, Chairperson Halverson said no funds will go to Edgewater Manor.

Director Ostrowski outlined the Edgewater RFP process.

Commissioner Hansen asked how close the \$1.5 million will get us to completing the project. Director Ostrowski said this should complete the project.

Director Ostrowski stated that most of the project will be completed this year, but there will be some ongoing operational costs and decommission costs relating to the environmental.

Commission Hansen stated that we should keep enough funds to cover these costs.

Motion by Commissioner Hansen to accept the funds and approve the agreement; seconded by Commissioner Onstad.

Roll call:

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, Onstad.**
- **Nays – None.**

Motion carried 6-0.

6. Approval of contracts with AECOM for the purpose of environmental assessment and remediation activities on the former CenterPoint MarketPlace site.

Director Ostrowski said the contract that was provided in the packet has been amended to include the public bidding process. The removal of the slab and soil will require us to bid out, and AECOM will need to draft those documents.

There are other contracts for the Normington component and the MSTC component. These are the contracts to carry out the activities that have been outlined in AECOM's estimate.

Aldersperson Stroik asked if they are requesting \$40,000 to remove the slab. Director Ostrowski said no, they will have to bid out that component. This contract is for additional testing to determine the actual extent of the contamination. This will determine how much soil will need to be excavated.

Aldersperson Stroik asked what the comfort level was that they will be able to complete the project and not come back for more money. Are we fairly certain that this \$700,000 will cover it. Director Ostrowski said they have already done the initial testing. This will be doing additional testing to determine the extent of the plume.

Aldersperson Stroik asked if the CenterPoint MarketPlace was still operating today, would this be an issue. Chairman Halverson said it was not known that the contamination levels were there, expected, but not confirmed. It was likely not going to be a viable shopping center due to market forces.

Chairperson Halverson said we could have gone through the condemnation process which would have driven down the acquisition price, but it would have taken 3-4 years, and at that point what do we have.

Motion by Commissioner Cooper to approve the environmental contracts with AECOM; seconded by Aldersperson Stroik.

Roll call:

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, Onstad.**
- **Nays – None.**

Motion carried 6-0.

7. Acceptance of the recommendation by the Plan Commission on April 1, 2013 and the approval of the Historic Preservation / Design Review Commission decision on April 3, 2013 for the construction of municipal parking lot 16 and the extension of Strongs Avenue.

Director Ostrowski said that the Plan Commission recommended approval of concept plan two with the ability to make modifications as we work with property owners.

Aldersperson Stroik asked how this parking lot will affect future development of the former Dunham's property. Is this going to drive up the sale price. Director Ostrowski said we have released two separate RFPs, one for the former Dunham's building and the other for the property to the east. This is very similar to what we are doing with Edgewater.

Aldersperson Stroik said that this will be a municipal lot and not tied to the building. Director Ostrowski said that it is anticipated to be a public parking lot, but if in a proposal the respondent requires some stalls, we will need to discuss that request at such time.

Director Ostrowski said this lot should help reduce some of the congestion in the Shopko parking lot.

Motion by Commissioner Hansen to accept the recommendation; seconded by Commissioner Onstad.

Roll call:

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, Onstad.**
- **Nays – None.**

Motion carried 6-0.

8. Authorization to bid out the construction of municipal parking lot 16 and the extension of Strongs Avenue.

Motion by Alderperson Stroik to authorize the bidding out of the construction of the parking lot and the extension of Strongs Avenue; seconded by Commissioner Molski.

Roll call:

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, Onstad.**
- **Nays – None.**

Motion carried 6-0.

9. Authorization for the Chairperson and Executive Director of the Community Development Authority of the City of Stevens Point to approve/execute contracts and payments relating to the activities to carry out the CenterPoint MarketPlace redevelopment project.

Director Ostrowski stated that as we move towards finalizing this project, there will need to be several contracts and agreements approved on a regular basis. Contracts that can be brought back to the Board will, but when timelines need to be met, mainly due to environmental concerns, these contracts will need to be executed to keep the project moving and reduce costs. Director Ostrowski stated that they would only sign contracts under the estimates that have been provided.

Alderperson Stroik said this is within the \$1.5 million. Director Ostrowski said that is correct.

Chairperson Halverson said that if there is a positive change order that significantly exceeds the signed contracts, we would bring that back to the Board for approval.

Director Ostrowski said that the main approvals that we would do are for additional environmental contracts to carry out the items outlined in AECOM’s estimates. These are what we would be approving, but not above the authorized funds.

Motion by Alderperson Stroik to authorize the Chairperson and Executive Director of the CDA to approve/execute contracts and payments relating to the activities to carry out the CenterPoint MarketPlace redevelopment project; seconded by Commissioner Cooper.

Roll call:

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, Onstad.**
- **Nays – None.**

Motion carried 6-0.

10. Adjourn.

Meeting adjourned at 12:47 PM.

Chairperson

Date

Secretary

Date

Michael Ostrowski

From: Schliepp, Andrew <ASchliepp@rwbaird.com>
Sent: Tuesday, November 27, 2012 8:56 AM
To: Michael Ostrowski
Subject: Collateral Accounts

Michael,

I wanted to send an email to sum up our conversation from yesterday. This stems from the Securities Control Agreement Community First Bank of Stevens Point is requesting Baird to sign in regards to the loan they have with the Children's Museum in Stevens point. It seems to state that if the Children's Museum would default on the loan, the interest of the two current Community development accounts held at Baird would go to the bank to pay for the remaining loan balance. I believe you and your department are already well aware of that. Baird's legal department reviewed the Securities Control Agreement presented by Community First Bank but will only sign off on it if the two current accounts are moved to a collateral account. The assets would just move over in kind, the interest would still be sent as it is now but the account title would read Community First Bank collateral account FBO City of Stevens Point Community Development Authority. This would mean that if the Community development Authority requests a large sum of principal, Community First bank would need to sign of authorizing the transaction due to the Security Control Agreement.

If you have any additional questions please let me know and I can have a person from Baird Legal explain how they view the Control Agreement in more detail if needed. I will follow up with another email that would have the necessary paperwork to complete.

Thanks

Andrew Schliepp, CFP®
Financial Advisor
Robert W. Baird & Co.
715-261-4828 . 800-845-4384
Fax 715-261-4850



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OFFER

**Proposal for Purchase and Redevelopment/Remodel
of
Edgewater Manor
1450 Water Street
Stevens Point, WI 54481**

Press
copy

From

Affordable Senior Housing of Central Wisconsin, Inc.
A Wisconsin Corporation
Attorney Philip I. Parkinson, President
8th West Davenport St. Suite 200
Rhinelander, WI 54501

(715) 362-8489

philipi.parkinson@gmail.com

Affordable Senior Housing of Central Wisconsin, Inc.

Attorney Philip I. Parkinson, President

8th West Davenport St. Suite 200

Rhineland, WI 54501

(715) 362-8489

philipi.parkinson@gmail.com

April 19, 2013

The Board Members of the Stevens Point Community Development Authority (CDA)

Andrew Halverson, Chair

Randy Stroik

George Hanson

Marge Molski

Paul Adamski

Dave Cooper

Carita Onstad

1515 Strongs Avenue

Stevens Point, WI 54481

RE: Request for Proposal for Redevelopment/Remodel of Edgewater Manor,
1450 Water Street, Stevens Point.

Dear CDA:

Enclosed herewith, please find our Proposal for the Purchase and Redevelopment/Remodel of Edgewater Manor. Please forward all notices and communications regarding this submitted proposal to my attention at the address listed above. Attached please find the signed Certification Sheet as requested.

Sincerely,



Philip I. Parkinson,
President

Affordable Senior Housing of Central Wisconsin, Inc.
Attorney Philip I. Parkinson, President
8th West Davenport St. Suite 200.
Rhineland, WI 54501
(715) 362-8489
philipi.parkinson@gmail.com

Certification Sheet

April 19, 2013

RE: Request for Proposal for Redevelopment/Remodel of Edgewater Manor,
1450 Water Street, Stevens Point.

I, the below signed, certify that:

1. All of the information contained in the proposal is true and correct; and
2. Affordable Senior Housing of Central Wisconsin, Inc., will proceed with the redevelopment/remodel as proposed and according to the schedule proposed if the proposal is selected; and
3. Affordable Senior Housing of Central Wisconsin, Inc., agrees to all terms and conditions, reservations, and stipulations contained in this Request for Proposal; and
4. The signatory is authorized to make the commitments and representations contained in the letter and in the proposal on behalf of the respondent.


Philip I. Parkinson
President

Redevelopment/Remodel Proposal for 1450 Water St., Stevens Point

Respondent Information & Qualifications

Affordable Senior Housing of Central Wisconsin, Inc.
8th West Davenport St. Suite 200
Rhineland, WI 54501
(715) 362-8489
philipi.parkinson@gmail.com

Affordable Senior Housing Information & Qualifications:

- a. The principals of Affordable Senior Housing proposes to enhance the Edgewater Manor property at 1450 S. Water St., Stevens Point, by adding assisted living opportunities to the independent senior housing option currently available at Edgewater Manor. Tenants with a need for assisted living care could receive up to 28 hours per week of supportive, personal, and nursing services in Residential Care Apartment Complex units or supervision, support services, and up to three hours per week of skilled nursing care in Community Based Residential Facility units. Affordable independent living units would continue to be offered at Edgewater Manor under this proposal, allowing the community to meet the needs of its elderly population on a number of needed levels of care.

This proposal will enhance the quality of life in the community without placing any additional burden on City of Stevens Point finances. The Affordable Senior Housing has adequate financing to purchase and remodel the site to accommodate assisted living units without city funding dollars.

In addition, the proposal will enhance the economy of the community. The residential care and community based residential facility portions of the facility will employ certified nursing assistants and other staff members, and will use other local health care services as needed. Affordable Senior Housing will be working with local providers to help residents obtain needed services. In addition, Affordable Senior Housing anticipate that by continuing to offer affordable housing and adding senior living options in the apartment complex, its vacancy rate (which is currently at 40 percent) will decrease. Increasing the number of tenants in turn will increase the number of visitors coming into the City of Stevens Point downtown and waterfront areas, resulting more traffic to area shops and businesses.

The principals of Affordable Senior Housing have extensive experience with senior housing projects. They have been involved in the development of assisted living projects throughout the state of Wisconsin since 1997. This includes work with Residential Care Apartment Complexes, Community Based Residential Facilities, and affordable independent senior housing projects. In the course of their work with these projects and senior population, they have worked with state and county governments to get appropriate support to meet the assisted living needs of the residents of these facilities.

Affordable Senior Housing agents have toured the property and spoken with residents to gain an appreciation for their needs and the best way to provide services to them and to

the community. It is the intent of Affordable Senior Housing to maintain the independent senior housing option currently available and complement it with two additional levels of senior housing. We will work with state and local agencies to provide services needed by residents and keep the units affordable.

There is a population of seniors in the Stevens Point area whose needs are currently not being met. Providing affordable independent living and appropriate levels of assisted living care will allow residents to stay in their own homes for as long as possible while receiving the level of care they need and deserve. This will be accomplished without straining the city's budget, and in a manner that enhances the economy of the downtown and waterfront areas, while providing affordable living options to the elderly.

b. Personnel

The Attorney for Affordable Senior Housing is:

Attorney: Philip I. Parkinson,
8th West Davenport St. Suite 200
Rhineland, WI 54501
(715) 362-8489
philipi.parkinson@gmail.com

The Architect for Affordable Senior Housing is:

Architectural Service
Jackson Case
3028 Stanley St.
Stevens Point, WI 54481

The Contractor for Affordable Senior Housing is:

Ludwig General Contracting, LLC
4824 Industrial Park Rd.
Stevens Point, WI 54481

The marketing and/or management for Affordable Senior Housing is:

Crystal Fountains Assisted Living, LLC
3380 Bridlewood Dr.
Plover, WI 54467

The Financial Consultant for Affordable Senior Housing is:

Mike Collins
Vice President
River Valley Bank
1130 East Grand Ave
Rothschild, WI 54474

c. Experience

Attorney Phil Parkinson:

Attorney Housing Authority for City of Rhinelander for 30 years.

Attorney for the City of Rhinelander for 30 years.

Administrator for the City of Rhinelander for 8 years.

Attorney private practice for 5 years.

Architectural Services has been in business since 1991. Some of the major projects they have completed are:

- The Lodge at Whispering Pines, a 48-unit RCAC located in Plover, WI.
- Arborwood Lodge, a 48-unit RCAC located in Wisconsin Rapids, WI.
- Arborview Court, a 50-unit CBRF/Memory Care located in Wisconsin Rapids, WI.
- An under construction project is a 20-unit addition to The Lodge at Whispering Pines. This project will be completed in 2013.

Ludwig General Contracting, LLC and it's member Tom Ludwig has been in business since 1997. Some of the major projects they have completed are:

- A four-unit addition to Whispering Pines, a 40-unit CBRF located in Plover, WI
- The Lodge at Whispering Pines, a 48-unit RCAC located in Plover, WI.
- Arborwood Lodge, a 48-unit RCAC located in Wisconsin Rapids, WI.
- Arborview Court, a 50-unit CBRF/Memory Care located in Wisconsin Rapids, WI.
- An under construction project is a 20-unit addition to The Lodge at Whispering Pines. This project will be completed in 2013.

d. Proposed ownership and marketing/management structure

Affordable Senior Housing will become the titled owner of the property.

Crystal Fountains Assisted Living, LLC (CFAL) will market and manage the property.

CFAL proposes to operate the Edgewater Manor with the same management team that operates its campuses in Plover and Wisconsin Rapids, with the addition of on-site managers at Edgewater Manor. CFAL currently cares for 189 senior citizens at its four locations. The four properties of CFAL are:

- Whispering Pines, a 40-unit CBRF located in Plover, WI
- The Lodge at Whispering Pines, a 48-unit RCAC located in Plover, WI.
- Arborwood Lodge, a 48-unit RCAC located in Wisconsin Rapids, WI.
- Arborview Court, a 50-unit CBRF/Memory Care located in Wisconsin Rapids, WI.
- An under construction project CFAL is currently working on is a 20-unit addition to The Lodge at Whispering Pines. This project will be completed in 2013.

At this time, all CFAL properties enjoy a very high occupancy and some facilities have a waiting list. CFAL is a provider of quality care to senior citizens in Central Wisconsin and partners with Community Care of Central Wisconsin (CCCW).

New development projects competed in the past five years involving this ownership and management/marketing team include:

- Whispering Pines, a 40-unit CBRF located in Plover, WI
- The Lodge at Whispering Pines, a 48-unit RCAC located in Plover, WI.
- Arborwood Lodge, a 48-unit RCAC located in Wisconsin Rapids, WI.
- Arborview Court, a 50-unit CBRF/Memory Care located in Wisconsin Rapids, WI.
- An under construction project they are currently working on is a 20-unit addition to The Lodge at Whispering Pines. This project will be completed in 2013.

Karen Trzebiatowski is currently the Director of Operation for CFAL. She is a registered nurse and has 33 years of experience with senior care within Central Wisconsin.

Proposed Redevelopment/Remodel

- a. The proposal from Affordable Senior Housing for the Edgewater Manor property at 1450 Water St., Stevens Point, adds two assisted living options to the affordable independent senior housing currently available at the site. Under our proposal, the building will house Residential Care Apartment Complex (RCAC) units and Community Based Residential Facility (CBRF) units as well as affordable independent living units.

Currently 60 percent of the 81 apartments are inhabited and are used for independent senior housing. Under our proposal, about 20 percent of the building's units will be converted to RCAC and 20 percent will be converted to CBRF. The remaining 60 percent will be used for independent senior housing.

- b. Under our proposal, current tenants will be able to remain in the building. Tenants will be allowed to stay in their present apartments until the buildings five floors are converted to varying levels of care. When the conversion occurs, residents will be allowed to choose to live on the floor with the level of care that best suits their needs. Vacant apartments will be remodeled and restored first to make them available to independent and assisted living. To allow for the efficiencies of keeping the independent living units and assisted living units grouped together, one floor of the five-story building will eventually be dedicated to RCAC care and one to CBRF care. The remainder of the units will be dedicated to affordable independent living for seniors. Modifications for handicapped accessible units and common areas will be expanded.

Assisted living services and independent senior housing are significant needs in the Stevens Point community. According to the 2010 U.S. Census, Portage County has a population of 70,019. Census information from 2011 shows that 12.9 percent of the population is over the age of 65. We anticipate a significant demand for affordable units within an aging population and a continued need for affordable independent senior housing. The addition of the RCAC and CBRF options will make Edgewater Manor's units viable for tenants with a need for a higher level of care. This proposal will make the

building's units attractive to a broader population and will help the frail elderly live a more independent life. They will be able to stay in their own homes, receiving continued care based on their level of need. The National Council on Aging notes that long-term services and supports allow individuals to live healthy, secure, and independent lives. These services include helping older adults accomplish everyday tasks, such as bathing, getting dressed, fixing meals, and managing a home. The number of individuals needing this support is expected to double as the population ages. These services will be available to residents of Edgewater Manor on a continuum of care.

The principals of Affordable Senior Housing have extensive experience with senior housing projects. They have been involved in the development of assisted living projects throughout the state of Wisconsin since 1997 and have worked with affordable housing projects throughout the state. They are experienced in working with state and county governments to get appropriate funding and support to meet the assisted living needs of the residents of these facilities.

The economic benefits of the proposal from Affordable Senior Housing of Central Wisconsin, Inc., include the absence of public funding. **This project will be completed entirely with private funds; no additional funding from the city is needed. This property may be part of a TIF district if that is to the advantage of the city, but that is not a requirement in this proposal. The proposal includes no request for any money from the City of Stevens Point.**

The proposal to bring assisted living and other levels of care to the apartments will help to reduce the building's 40 percent vacancy rate. A lower vacancy rate will mean more tenants and visitors will be in the area to utilize services and visit shops and businesses. The addition of RCAC and CBRF units will also enhance the economy through job creation by the addition of certified nursing assistant positions and other jobs. Local services and health care providers will be used in connection with the care of residents.

- c. After the redevelopment is complete, the project will be owned by Affordable Senior Housing which is a privately owned company and is subject to property tax.
- d. Under our proposal, no public improvements to the site will be needed. Property changes will include expanding the third, fourth, and fifth floors, as dictated by demand.
- e. Upon closing Affordable Senior Housing will proceed with an aggressive marketing campaign to fill available units. All current residents will be held to their current contracts and rents.
- f. We propose the following schedule for completion of the proposed redevelopment/remodel:
 - i. The first six months will be spent developing programs, training staff, marketing the building and developing new concepts.
 - ii. In the sixth month we propose to begin to rehab and remodel dwellings, making them more senior- friendly at a rate of four per month until all 81 units have been completely remodeled.

- iii. In the event that the remodeled dwellings are successfully filled, we propose expanding the third, fourth, and fifth floors to match the footprint of the current foundation. The expansion will include a commercial kitchen, dining areas, and common gathering areas, to provide additional services.
- g. The only changes to the current building structure is indicated in paragraph f-iii regarding the expansion of the third, fourth, and fifth floor.
- h. A project budget is attached and included on a USB flash drive.
 - i. The redevelopment/remodel will be completed with private funds. A bank letter of commitment is included with this proposal that will fund the purchase price of \$1,555,000 for Edgewater Manor and for future remodeling. River Valley Bank has used a principle for previous projects and is firmly supporting this purchase.
 - ii. The remaining amount, after the purchase of the building, of the \$1,800,000 shown on the River Valley Bank letter of commitment will be used to fund the remodeling project along with current and future tenant rental receipts. There will be no public incentive funding needed for any part of the remodeling project.
 - iii. Affordable Senior Housing will pay \$1,555,000 plus a donation to the Youth of Stevens Point for the property which will be financed by River Valley Bank as stated in the River Valley Bank letter of commitment.
 - iv. See attached operating budget and included on a USB flash drive.
 - v. The completed redevelopment is not intended to be sold in whole or part.
- i. The management plan is as follows:
Crystal Fountains Assisted Living will manage the property. The first six months will be spent developing programs, training staff, marketing the building, and developing new concepts.
- j. The operational management plan is as follows:
Crystal Fountains Assisted Living, LLC (CFAL) will own, market, and manage the property. CFAL proposes to operate the Edgewater Manor with the same management team that operates its campuses in Plover and Wisconsin Rapids, with the addition of on-site managers at Edgewood Manor.
- k. The proposed project schedule is as follows:
 - i. Upon closing on the property, the first six months will be spent developing programs, training staff, marketing the building and developing new concepts.
 - ii. In the sixth month the remodeling portion of the project will commence.
 - iii. The remodel of all 81 dwelling will be completed by the 26th month after the closing date.
- l. There are no conditions to performance.

Purchase Price

Affordable Senior Housing of Central Wisconsin, Inc. is offering to pay \$1,555,000 plus a donation to the Youth of Stevens Point for the property. Affordable Senior Housing of Central Wisconsin, Inc. will pay \$200,000 in earnest money within five days of this signed acceptance of this proposal.

Proposal Submission Fee:

Enclosed please find check in the amount of \$1,000 as our proposed submission deposit.

River Valley

April 17, 2013

To: City of Stevens Point, WI
Re: Edgewater Senior Housing Bid – Loan Pre-approval
Applicant Name: Affordable Senior Housing of Central Wisconsin, Inc.

River Valley Bank is pleased to communicate that a loan amount of one million eight hundred thousand (\$1,800,000) has been preapproved for the purpose of acquisition of the above stated property with the above applicant.

Purpose as defined by applicants:

"The purpose of the loan application / pre-approval is to ensure an "Affordable Senior Housing Complex" continues on the site and also to increase services to the existing and future tenants."

The prospective clients have given the bank all the necessary documentation:

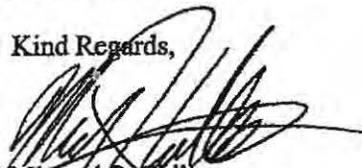
- Financial Statements
- Proforma
- Experience and Management Capabilities

If the applicant bid is accepted, all of the "typical" loan conditions would apply:

- Acceptable Appraisal
- Acceptable Title Insurance
- Acceptable Flood Plain Determination
- Acceptable Environmental Investigations – if necessary
- Final Loan Approval after review of above items

** The above list of items/conditions is subject to change after reviewing an accepted offer to purchase.

Kind Regards,



Michael P. Collins
Vice President

RIVER VALLEY BANK

Senior Apartment

2014

2015

	May	June	July	August	September	October	November	December	January	February	March	April	TOTAL
REVENUES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Number of Units	85	85	85	89	73	77	81	81	81	81	81	81	
Monthly Rent	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	
Total Monthly Revenues	\$34,450	\$34,450	\$34,450	\$36,570	\$38,690	\$40,810	\$42,930	\$42,930	\$42,930	\$42,930	\$42,930	\$42,930	\$477,000
Controllable Expenses													
Grounds Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Manager	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
Onsite Staff	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Miscellaneous Expense	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$20,400
Remodeling Fund						\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$84,000
Utilities	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$69,996
Total Controllable Exp	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$28,033	\$276,396						
FIXED EXPENSES													
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Property Taxes	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$40,000
Principal And Interest*	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$76,740
Total Fixed Expense	\$10,728	\$10,732	\$128,740										
NET PROFIT/LOSS	\$7,589	\$7,689	\$7,589	\$9,809	\$11,929	\$2,049	\$4,169	\$4,169	\$4,169	\$4,169	\$4,169	\$4,165	\$71,864
Running Total		\$15,378	\$23,067	\$32,876	\$44,805	\$46,854	\$51,023	\$55,192	\$59,361	\$63,530	\$67,699	\$71,864	

Senior Apartment

2015

2016

	May	June	July	August	September	October	November	December	January	February	March	April	TOTAL
REVENUES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Number of Units	81	81	81	81	81	81	81	81	81	81	81	81	
Monthly Rent	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$540	\$540	\$540	\$540	
Total Monthly Revenues	\$42,930	\$43,740	\$43,740	\$43,740	\$43,740	\$518,400							
Controllable Expenses													
Grounds Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Manager	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
Onsite Staff	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Miscellaneous Expense	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$20,400
Remodeling Fund	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$144,000
Utilities	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$69,996
Total Controllable Exp	\$28,033	\$336,396											
FIXED EXPENSES													
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Property Taxes	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,666	\$3,666	\$3,666	\$3,666	\$41,328
Principal And Interest*	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$76,740
Total Fixed Expense	\$10,728	\$11,061	\$11,061	\$11,061	\$11,061	\$130,068							
NET PROFIT/LOSS	\$4,169	\$4,646	\$4,646	\$4,646	\$4,646	\$61,936							
Running Total		\$8,338	\$12,507	\$16,676	\$20,845	\$25,014	\$29,183	\$33,352	\$37,998	\$42,644	\$47,290	\$51,936	

Senior Apartment

2016

2017

	May	June	July	August	September	October	November	December	January	February	March	April	
REVENUES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Number of Units	81	81	81	81	81	81	81	81	81	81	81	81	
Monthly Rent	\$540	\$540	\$540	\$540	\$540	\$540	\$540	\$540	\$550	\$550	\$550	\$550	
Total Monthly Revenues	\$43,740	\$44,550	\$44,550	\$44,550	\$44,550	\$528,120							
Controllable Expenses													
Grounds Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Manager	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
Onsite Staff	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Miscellaneous Expense	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$20,400
Remodeling Fund	\$12,000	\$3,000											\$15,000
Utilities	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$69,996
Total Controllable Exp	\$28,033	\$19,033	\$16,033	\$207,396									
FIXED EXPENSES													
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Property Taxes	\$3,666	\$3,666	\$3,666	\$3,666	\$3,666	\$3,666	\$3,666	\$3,666	\$4,032	\$4,032	\$4,032	\$4,032	\$45,456
Principal And Interest*	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$76,740
Total Fixed Expense	\$11,061	\$11,427	\$11,427	\$11,427	\$11,427	\$134,196							
NET PROFIT/LOSS	\$1,646	\$13,646	\$16,646	\$16,646	\$16,646	\$16,646	\$16,646	\$16,646	\$17,090	\$17,090	\$17,090	\$17,090	\$186,528
Running Total		\$18,292	\$34,938	\$51,584	\$68,230	\$84,876	\$101,522	\$118,168	\$135,258	\$152,348	\$169,438	\$186,528	

Senior Apartment	2017						2018						TOTAL
	May	June	July	August	September	October	November	December	January	February	March	April	
REVENUES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Number of Units	81	81	81	81	81	81	81	81	81	81	81	81	
Monthly Rent	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$560	\$560	\$560	\$560	
Total Monthly Revenues	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$45,360	\$45,360	\$45,360	\$45,360	\$537,840
Controllable Expenses													
Grounds Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Manager	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
Onsite Staff	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Miscellaneous Expense	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$20,400
Remodeling Fund													\$0
Utilities	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$69,996
Total Controllable Exp	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$16,033	\$192,396
FIXED EXPENSES													
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Property Taxes	\$4,032	\$4,032	\$4,032	\$4,032	\$4,032	\$4,032	\$4,032	\$4,032	\$4,435	\$4,435	\$4,435	\$4,435	\$49,996
Principal And Interest*	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$76,740
Total Fixed Expense	\$11,427	\$11,427	\$11,427	\$11,427	\$11,427	\$11,427	\$11,427	\$11,427	\$11,830	\$11,830	\$11,830	\$11,830	\$138,736
NET PROFIT/LOSS	\$17,090	\$17,090	\$17,090	\$17,090	\$17,090	\$17,090	\$17,090	\$17,090	\$17,497	\$17,497	\$17,497	\$17,497	\$206,708
Running Total		\$34,180	\$51,270	\$68,360	\$85,450	\$102,540	\$119,630	\$136,720	\$154,217	\$171,714	\$189,211	\$206,708	

Senior Apartment	2018						2019						TOTAL
	May	June	July	August	September	October	November	December	January	February	March	April	
REVENUES	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Number of Units	81	81	81	81	81	81	81	81	81	81	81	81	
Monthly Rent	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$570	\$570	\$570	\$570	
Total Monthly Revenues	\$45,360	\$46,170	\$46,170	\$46,170	\$46,170	\$547,560							
Controllable Expenses													
Grounds Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Manager	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
Onsite Staff	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Miscellaneous Expense	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$20,400
Remodeling Fund													\$0
Utilities	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$69,996
Total Controllable Exp	\$16,033	\$192,396											
FIXED EXPENSES													
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Property Taxes	\$4,435	\$4,435	\$4,435	\$4,435	\$4,435	\$4,435	\$4,435	\$4,435	\$4,878	\$4,878	\$4,878	\$4,878	\$64,992
Principal And Interest*	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$6,395	\$76,740
Total Fixed Expense	\$11,830	\$12,273	\$12,273	\$12,273	\$12,273	\$143,732							
NET PROFIT/LOSS	\$17,497	\$17,864	\$17,864	\$17,864	\$17,864	\$211,432							
Running Total		\$34,994	\$52,491	\$69,988	\$87,485	\$104,982	\$122,479	\$139,976	\$157,840	\$175,704	\$193,568	\$211,432	

Krista Mendyke

Edgewater Manor Proposal

Submitted: April 18, 2013

Public/Press Copy

Edgewater Manor Proposal

Cover Letter

Krista Mendyke

KJM Properties, LLC

2225 Eagle Summit

Stevens Point, WI 54482

715-343-8848

Email: krista.mendyke@gmail.com

Authorized Representative

James Mendyke

KJM Properties, LLC

2225 Eagle Summit

Stevens Point, WI 54482

Email: jim.mendyke@charter.net

I, Krista Mendyke, certify that all information submitted in attached proposal is true and correct, to the best of my knowledge. In addition, I certify that I will proceed with the redevelopment as proposed, if my proposal is selected. I also agree to all terms and conditions, reservations, and stipulations contained within the RFP document. Finally, I confirm that I (as well as my authorized representative) am/are authorized to make the commitments and representations contained in my proposal.

Respectfully,

Krista Mendyke

Edgewater Manor Proposal

KJM Properties Respondent Information and Qualifications

a. A Stevens Point native, I am passionate about providing senior's with a quality place to live and supportive services that allow them to remain independent and safe for as long as possible within an environment that is the most integrated with their local community.

As a property owner of:

Whitetail Senior Living – individual senior cottage-style apartments with clubhouse, and fitness facility.

Pioneer Apartments – individual senior spacious apartments overlooking the river in downtown Stevens Point. This multi-level historic complex offers full amenity package which includes three home-cooked meals daily, as well as transportation and housekeeping.

North Haven Assisted Living Campus – three building assisted living campus, which provides introductory, intermediate, end-stage and dementia care to seniors. Campus offerings include: Full assistance with activities of daily living, meals, activities, rounding physician care, full-time R.N., on-site therapy (contracted), which includes out-patient therapy available to the public.

We have made it our business to serve seniors within Portage County and beyond, from independence to the end of their journey. We have successfully provided senior housing and assistance with a model of consistent service and financial sustainability within Portage County for over 20 years.

We employ over 70 staff members and provide housing to one hundred fifty seniors within Portage County. We possess the financial stability to both purchase and operate Edgewater Manor with financial stability.

Our proposal is designed to accommodate current tenants by grandfathering their current lease and rent amount through their current lease period. Upon lease renewal, our financial plan would result in a 9% increase, which would still allow financially challenged seniors to remain in a remodeled and updated structure, for under \$600 per month. In addition, amenities will be made available, allowing them to have natural supports and potentially remain in their homes longer. With the proposed addition of air conditioning and improvement to public areas, a quality of life improvement is assumed.

We believe in continuing to provide safe, affordable senior housing. Edgewater Manor is a perfect fit for achieving our goal of serving our growing population of seniors that do not have access to a high level of financial resources.

Edgewater Manor Proposal

KJM Properties Respondent Information and Qualifications

b. The proposed Architect for the project is Grunwaldt and Associates, 3260 Church St., Stevens Point, WI 54481. Ph: 715-344-8647. Email (from website): www.grunwaldt.com. Proposed contractor: Altmann Construction, 5921 Plover Rd., Wisconsin Rapids, WI. Email (from website): www.altmannconstruction.com. The property will be marketed by our current KJM Properties marketing team, led by Julie Mouw, Director of Operations.

c. Both Architect and Contractor have vast experience with commercial new construction and remodel within Portage County and a long history of financial stability and excellent reputation.

d. Pioneer Place Apartments would be an example of remodel and re-purpose within the past five years. That property serves twenty-five seniors and runs at full capacity with a waiting list. Our North Haven Assisted Living Homes operates at 98% occupancy rate with our current marketing plan. Our White Tail Run property also operates at 100% capacity, with current waiting list. KJM Properties current marketing team would assume responsibility of marketing Edgewater Manor if proposal is accepted. this marketing effort will be led by Julie Mouw, Director of Operations.

Edgewater Manor Proposal

KJM Properties Proposed Redevelopment/Remodel

a. Building usage is proposed to remain affordable senior housing with available amenity package to allow tenant choice of utilizing natural supports and amenity supports to age in place if they choose to do so.

b. All apartments will be renovated. This includes new flooring, appliances, cabinetry, lighting, and bathroom remodel. First floor: common area will be painted and remodeled, dining area and main kitchen will be remodeled and expanded. New boiler and addition of air conditioning is proposed. All floors will be remodeled within common areas and laundry rooms will be retro-fitted to include better space utilization, including socialization areas.

c. It is our proposal that KJM Properties will own and operate Edgewater Manor upon completion of rehabilitation.

d. There are no public improvements proposed, nor do we request any TIF monies at this time.

e. Our proposal is committed to provide affordable senior housing. There is no plan to displace the seniors currently residing at Edgewater Manor. Our proposal allows seniors to remain in the building during rehabilitation and fulfill the extent of their lease at their current rental rate, with a nominal increase upon renewal.

f. See previous

g. Upon acceptance of proposal, architect will be confirmed and plans submitted within thirty days of closing.

Edgewater Manor Proposal

KJM Properties Proposed Redevelopment/Remodel

- h.** See attached spreadsheet (see Operating Budget iv. - narrative)
- i.** Uses of funds: Property rehabilitation, marketing, first twelve month cash flow.

ii. Sources of Funds

1. Private funds
2. TIF funding is not requested.
3. Additional private funds
4. See letter of intention from River City Bank (attachment B)

iii. Sources of Funds - Permanent or Take Out:

See attachment B

iv. Operating Budget

The Edgewater redevelopment/remodel will take six months to complete. Start of construction is estimated to begin January of 2014. July 2013 - January 2014, will be used to refine bidding and complete blue prints, architect design, apply for permits and state approved plans.

We anticipate operations to stabilize within twelve months of closing. The anticipated income, which includes rents, laundry, and vending machine revenue is projected to be \$626,198 during months twelve - twenty four. With expenses comprised of payroll, general operating operating expenses, utilities, and taxes, of \$570,732 resulting in a net profit of \$55,466. We expect that the income, expense, and net profits for the additional five years to be the same as the first stabilized year.

v. Once Edgewater manor renovation and remodel is complete, North haven Investments does not foresee a sale of the property.

i. Redevelopment Remodel Management Plan

Contractor: Altmann Construction

j. Previously addressed

k. See iv.

Edgewater Manor Proposal

KJM Properties Proposed Redevelopment/Remodel

l. Conditions to performance: any unforeseen conditions, structural, permit, or environmental issues which may impede ability move forward as planned.

m. It is our belief that our current proposal allows the current budget conscience seniors residing at Edgewater manor, as well as the vast number of additional Portage County seniors, as reflected in the recent Portage County housing study to benefit from clean, well maintained, affordable senior housing. Our project does not require TIF money to accomplish our goals. We would like to thank the CDA for allowing the opportunity for open bids on this project, and giving preference to the proposal which offers the most benefit to the current tenants and community.

4. Purchase price: Purchase price offer: **\$525,000**, to include all furnishings and equipment on premises. Stipulations include: Contingent upon receipt of additional offered permitted parking spots. Offer presented with \$10,000 earnest money. In addition to purchase price, we plan to invest \$2,005,000. (Two million five thousand), with ten percent contingency for cost overrun or savings for complete rehabilitation.

Please request additional information, which will be provided promptly.

Proposed close date: 30 days following acceptance of proposal.

River Valley

April 18, 2013

Krista Mendyke - President
Central Wisconsin Senior Living
2225 Eagle Summit
Stevens Point, WI 54481

Re: Cash Reserves / Credit Reference for Edgewater Bid – Stevens Point, WI

Dear Krista,

This letter is to confirm that River Valley Bank has verified your personal cash reserves to be in excess of \$525,000 for your potential project regarding the Edgewater Senior Housing bid in Stevens Point.

River Valley Bank would be excited about the opportunity to finance a project such as this. Given your financial condition and management expertise, a \$2 million dollar project would be well within your financial capability and credit worthiness.

Should anyone from the City of Stevens Point need to communicate with me in regards this verification and credit reference – I would be happy to discuss that upon your written authorization.

Good luck on the bidding process and I hope to hear from you soon.

Sincerely,



Michael P. Collins
Vice President

River Valley Bank

Attachment B

PUBLIC/PRESS COPY

RFP TO PURCHASE, REMODEL & OPERATE

EDGEWATER MANOR

1450 WATER ST

STEVENS POINT WI 54481

RFP to Purchase, Remodel & Operate

Edgewater Manor

1450 Water St.

Stevens Point, Wisconsin 54481

as an 81-unit apartment building and
all washers, dryers, stoves, refrigerators, lawn and maintenance
equipment, including, but not limited to, public kitchen equipment,
chairs, tables office equipment and lounge furniture currently on the premises and used to
operate the building. Tenant personal property excluded.

Contacts:

John Seramur
4931 Bonita Bay Blvd. #1702
Bonita Springs, FL 34134
239-495-8547 - Home
239-249-4121 - Cell

and

Brian Seramur
Seramur Family Ltd. Partnership
2026 County Rd. HH
Plover, WI 54467
715-573-9105 - Cell
715-544-1100 - Office

**Seramur Family Ltd. Partnership
2026 County Rd. HH
Plover, WI 54467**

April 15, 2013

Authorized Representative:

Contact:

John C. Seramur
4931 Bonita Bay Blvd, #1702
Bonita Springs, FL 34134
Phone: 239-495-8547
Cell: 239-249-4121
Email:
seramurj@comcast.net

and

Brian Seramur
2026 Cty Rd. HH
Plover, WI 54467
Phone: 715-544-1100
Cell: 715-573-9105
Email:
Brian@landmarkpropertymgmt.net

Gentlepersons:

The attached is our best effort to respond to your RFP to purchase/remodel and operate the Edgewater Manor at 1450 Water St., Stevens Point, WI 54481

All of the information contained in this proposal is true and correct.

The respondent will proceed with the remodel as proposed according to the schedule in the proposal if selected.

Respondent agrees to all the terms and conditions, reservations, and stipulations contained in the RFP document. The signatory is authorized to make the commitments and representations contained in this letter and the attached proposal on behalf of the respondent.

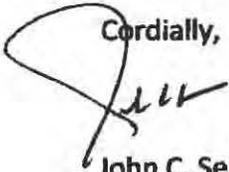
Please remember this is a remodel and when we get into the work of remodeling, we may find things that cost more or ways to do things more effectively, thus many of our estimates are just that and we reserve the right to change them if needed. This will not affect the quality of the finished project.

It is hoped that you take into consideration that we have spent over \$350,000 to purchase the property next door to help solve the parking problems. Further, combining these two properties into one parcel with the proposed land swaps creates a spectacular site for future development.

A hotel, office, or luxury condo could be built there, taking advantage of the Wisconsin River, the park and Green Circle Trail when the time is right.

Everything is negotiable. We would be happy to work with the City if there are any problems with our proposal or recommendations to improve this transaction.

Cordially,

A handwritten signature in black ink, appearing to read 'J. Seramur', written over a large, stylized loop.

John C. Seramur

The Team

The team that will be used to complete the Edgewater renovation will be the following:

Mallery-Zimmerman Law Firm
4941 Kirschling Ct.
Stevens Point, WI 54481
Phone: 715-295-0676

Gruenwalt & Associates, LLC, Architects
3260B Church St.
Stevens Point, WI 54481
Phone: 715-344-8647

E. B Sommers, General Contractor
5100 Heffron Street
Stevens Point, WI 54481
Phone: 715-344-5465

All are local with excellent track records. We plan also to use local subcontractors wherever possible. This has always been our philosophy.

It is planned that this property will be professionally managed by Landmark Property Mgmt. LLC which is owned by Brian L. Seramur. Landmark is located in The Windsor Center, 2026 County Rd. HH, Plover, WI 54467.

Brian has 20 years experience in property management. His company oversees 750 apartments and 200 mobile home sites located in six different communities in central and northern Wisconsin. We expect to have a full-time on-site couple managing the day-to-day activities and taking care of tenant needs; part-time cleaning and maintenance people will be hired on as "as needed" basis.

It is hoped that title will be held in the Seramur Family Limited Partnership (SFLP), however, we reserve the right to have it titled in a single entity LLC, if need be, due to possible problems being addressed by environmental studies. This entity will be owned by SFLP.

Proposal

Seramur Family Limited Partnership has been in the housing rental business for thirty years. It currently owns and operates eight apartment projects of varying sizes and two mobile home parks in Portage County.

One only needs to inquire of the City of Stevens Point or the Village of Plover police or other agencies and they will find that our properties are properly managed and compliant with all codes and regulations. All properties are well maintained and landscaped. All repairs and maintenance is done in a timely manner.

A majority of SFLP properties were built by or rehabilitated with the deep involvement of SFLP principles.

SFLP has built and remodeled many properties in the past 30 years, most recently, we have completed the 216-unit Windsor Apartments located on the southwest corner of Hoover Avenue and County Rd. HH, Village of Plover.

We are currently finishing a 25,000 sq. ft. strip center at the same location. These properties are managed and marketed by Brian L. Seramur and Landmark Property Mgmt, LLC. John Seramur and a partner were responsible for the rehabilitation of the historic Hotel Whiting.

The Edgewater property will remain in our portfolio with no intention to sell. We hold our properties and continuously update to keep them competitive. The Edgewater, when completed, is expected to be one of our premier properties.

The Project

Let's start with the 81-apartments. We plan to completely remodel these units. The basic floor plan (including handicapped units) will be maintained. It is what it is; primarily, these are very small one bedroom units. There isn't any feasible way to make them bigger. We will try to make them appear larger by opening up the kitchen and making an eating area part of the kitchen cabinets and sink area.

We will install new kitchen cabinets and all new appliances, including dishwashers, microwaves, and garbage disposals. Flooring will be completely replaced with new carpet and ceramic-like tile in the kitchen and bath. We are planning to cover cement block walls to eliminate the prison feeling of the block. We will completely paint the units and refinish woodwork. We will furnish new blinds for all windows. All appliances will be Energy Star rated, if available. Further, we will install other energy conserving devices that are recommended by an energy

audit. We plan on replacing the current electrical heating units and thermostats in all of the apartments, and add air conditioners. These will keep the apartments comfortable in the summer and eliminate the need of putting in and taking out window units.

The hallways on all five floors will be cleaned, painted, and made to look new. The common lounges on each floor will be decorated and new furniture brought in where needed.

The laundry room will be redecorated and more washers and dryers added.

The HVAC for the common areas of the building need new units and controls. This will be done to correct some long time problems and hopefully conserve energy.

The first floor common areas will be upgraded. A new entrance or significant redecorating is part of the plan as is redecorating the lounge and making it more user-friendly. We also plan on changing the dining room into a fitness center open 24/7 for the tenants. Yes, it is our plan to lower the average age of the tenants without disturbing current tenants.

The outside area between the wings will be dressed up with a patio, landscaping, new gas grills, and new furniture. We plan to replace most of the landscaping, sprinkler system and extensively remodel the parking lot. With the property we purchased next door and some land swaps, we believe we can provide 130-car parking for the building. The commitment to replacing existing bad blacktop and redoing the parking lots is over \$300,000.

There are no additions planned. The existing storage shed might have to be moved for new parking plans. No layout or building site changes are planned. The parking lot site plan is attached as Exhibit 1.

The advantage to the City is that this property currently pays no taxes and is draining the resources of the CDA. With the sale and development, the property will pay a significant amount of real estate taxes over time and the City adds to its affordable housing and stops cash drain.

Currently the property is about two thirds full with rent paying tenants. We will work with these people and try to keep them. We will hold their rents for at least a year, hopefully longer. We would like to get the remodeling done all at once, however, this won't work with having people living there.

As we complete units, we will encourage existing tenants to move into new units. If they are not interested, we will do some of the work such as air conditioning, heating units, and thermostats within their current apartment and let them stay. Those units will be completed when they move out.

A majority of the work will be completed the first year. It is hoped that all of the work will be completed by the end of year two. The primary holdup will be the tenants' cooperation in wanting to move to remodeled units.

The purchase price that we are willing to pay is \$800,000. The minimum of the financial aid that is needed is \$300,000.

We will also need satisfactory solutions to environmental issues. The City will be responsible for any environmental problems that occurred before the title transfer to SFLP.

The City will trade to the Stewardship Land Trust (see attached Exhibit 2) the approximate 6,550 sq. ft. of river front land for the approximate 6,620 sq. ft. of land extending the parking lot and maintaining an easement for the Edgewater to use the existing dock or platform. The City will deed this additional land plus the approximately 5,015 sq. ft. of land to the North of parking lot with easement and the present Edgewater land under one certified survey. The easement for Green Circle Trail will be eliminated as all of the trail is on City property. If there are any costs to moving the Trail, they will be borne by the City.

We will bear the cost of engineering and rebuilding the entrance parking lot with lighting and landscaping. We further plan on adding parking to the South of the Edgewater which will exit through the property to the South parking lot which we have purchased to make this work.

The City will work with the County to reserve 20 parking spaces in the lot located on the Southeast corner of Water St. and Arlington Place.

My son and I will actively handle the remodel and rent up. Helping us will be E.B. Sommers, a third generation contracting firm, well known to the City. We also plan on working with Gruenwalt & Associates, a local firm we have worked with before. They designed the Windsor Center that we are currently completing.

My son and his firm, Landmark Property Mgmt., LLC will oversee the Edgewater Apartments, as he does our other units in five cities. We will also have a couple living on the property to manage day-to-day activities and tenant needs.

Onsite management is used at our other properties and is very effective. The managers are able to respond quickly to tenant problems and give a sense of security to the tenants.

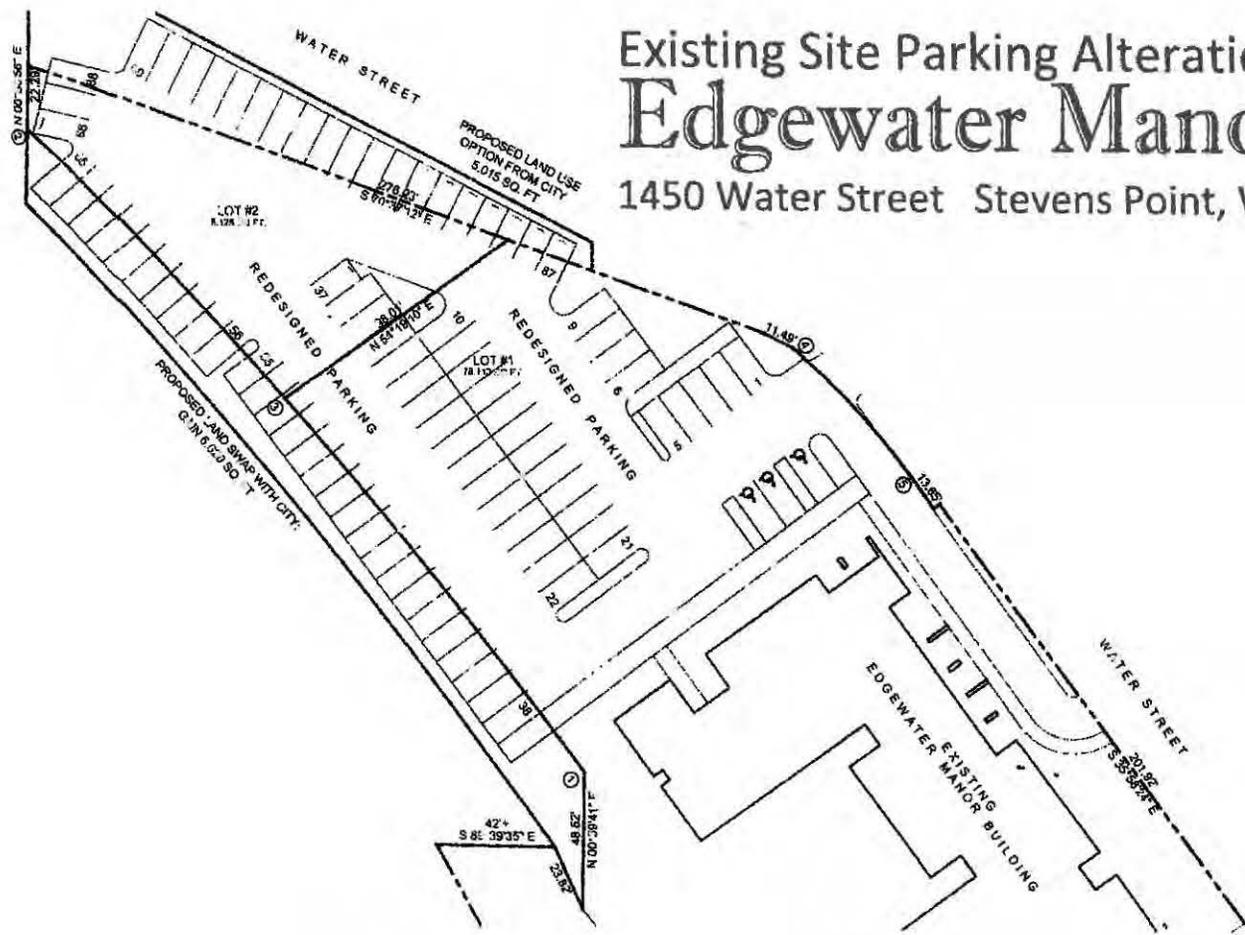
As stated earlier, we would like to wrap up all work in one year, maximum two years. The variable is tenant cooperation in moving to remodeled apartments.

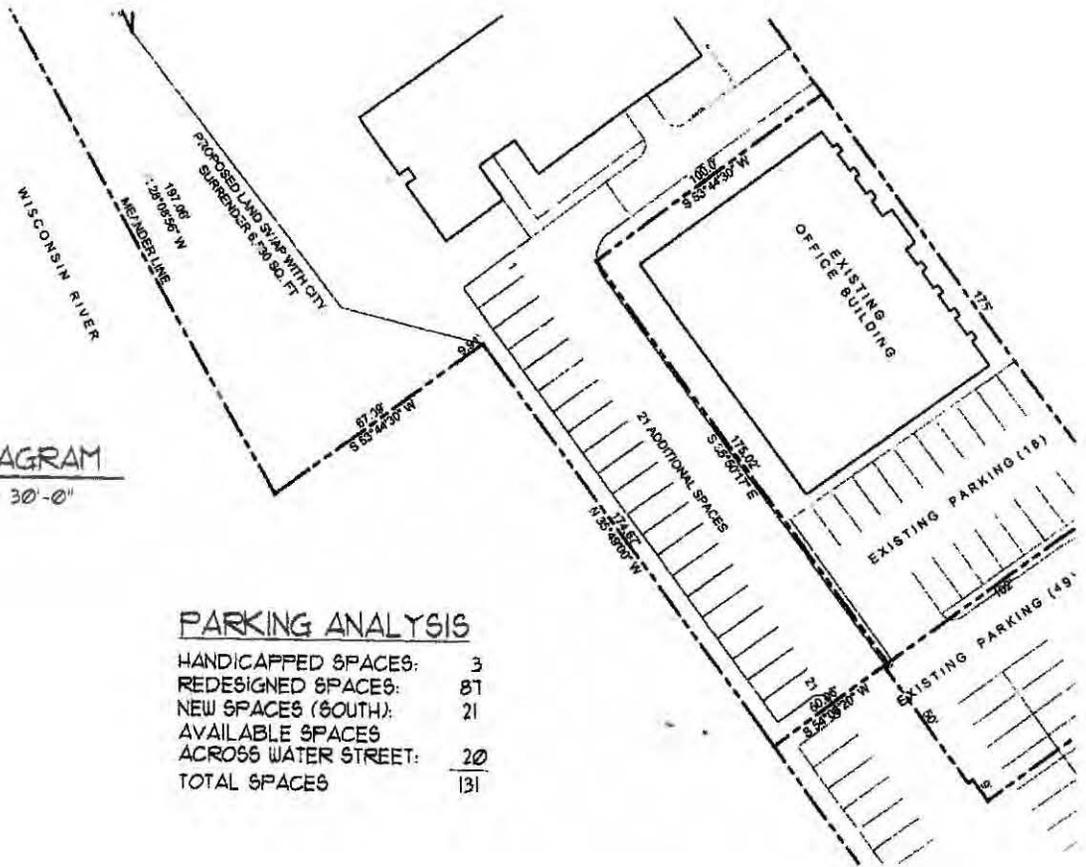
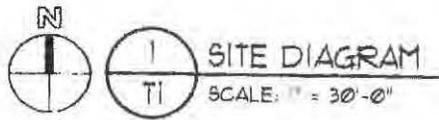
This will be an "all cash" transaction for both the purchase and remodeling. The funds are on deposit at Associated Bank and can be verified and pledged or whatever the City would like.

Exhibit 1 - Parking Lot Site Plan

Existing Site Parking Alterations for Edgewater Manor

1450 Water Street Stevens Point, Wisconsin





PARKING ANALYSIS

HANDICAPPED SPACES:	3
REDESIGNED SPACES:	87
NEW SPACES (SOUTH):	21
AVAILABLE SPACES ACROSS WATER STREET:	20
TOTAL SPACES	131

Exhibit 2 - Proposed Land Swap

Edgewater Manor - 1450 Water St. Parking Expansion



0 25 50 100 Feet
City of Stevens Point
Community Development
Department

-  Proposed City Property
-  Proposed Developer Property
-  Other Property

Parcel Lines
Green Circle
Trail Re-Route



This map was compiled by the City of Stevens Point's Community Development Department for reference purposes only. The accuracy of this map is not guaranteed and the City makes no express or implied warranties of any type regarding this map. Furthermore, the City is not liable for any direct or indirect damages suffered related to the use of this map.

2012 Aerial

Exhibit 3 - E. B. Sommers Construction Estimate Per Unit and Total Project

E. B. SOMMERS INC ESTIMATE FORM

JOB NAME: EDGEWATER MANOR

DATE: 3/20/2013

ADDRESS:

ESTIMATOR: MARK SOMMERS

SHEET 1 OF 2

QTY	DESCRIPTION	LABOR	MATERIAL	SUBS	NOTES
	1 BED UNITS				
	PLASTER WALLS			600	
	NEW SHELVING	152	188		
	REMOVE OLD	35	20		
	PANTRY SHELVING	76	90		
	2-WINDOW BLINDS	114	85		
	REMOVE TOILETS AND RESET	70	50		
	REMOVE SINK AND RESET	70	70		
	MISC PLUMBING MATERIALS	70	60		
	CLOSET DOOR KNOBS	38	30		
	PAINTING			380	
	SHOWER RODS	35	26		
	VARNISH DOORS			200	
	REMOVE CABINETS	340	30		
	NEW CABINETS	450	1,468		
	ABOVE TOILET SHELVING	50	150		
	1 X 4 BLOCKING	40	35		
	CAULKING	35	25		
	TRIM FOR AIR CONDITIONER	120	65		
	CLEAN UP	100	20		
	DRYWALL REPAIRS	200	100		
	MICROWAVE HOOD DUCTING	90	60		
	FLOOR COVERINGS AND BASE BD			1,784	
		\$2,085.00	\$2,572.00	\$2,964.00	\$7,621.00
					x 81 UNITS
					\$617,301.00

E. B. SOMMERS INC ESTIMATE FORM

JOB NAME: EDGEWATER MANOR
 ADDRESS:

DATE: 3/20/2013
 ESTIMATOR: MARK SOMMERS
 SHEET 2 OF 2

QTY	DESCRIPTION	LABOR	MATERIAL	SUBS	NOTES
	LIFT RENTAL & SAWING COSTS		\$ 6,000		
	DUMP FEES	\$ 1,500	\$ 2,800		
	BLADES		\$ 800		
	DECK REPAIR	\$ 1,000	\$ 1,000		
	WINDOW AWNINGS	\$ 9,450	\$ 54,000		
	FRONT DRIVE UP CANOPY	\$ 1,080	\$ 7,000		
	PARKING LOT REPAIRS			\$ 171,500	
	LIBRARY REMODEL			\$ 6,000	
	PLUMBING			\$ 30,000	
	NEW CONTROLS FOR EXISTING			\$ 30,000	
	NEW AIR CONDITIONER			\$ 20,000	
	ELECTRICAL			\$ 169,315	
				\$ 53,703	
	APPLIANCES	\$ 27,135	\$ 151,875		
	ARCH FEES			\$ 20,000	
	PERMITS			\$ 7,000	
	REMODEL MEETING ROOM IN TO WORK OUT CENTER			\$ 45,000	
	NEW EXERCISE EQUIPMENT			\$ 15,000	
	LAUNDRY ROOM REMODEL			\$ 5,000	
	LANDSCAPING			\$ 35,000	
	NEW ENTRY FOYER			\$ 30,000	
	PARKING LOT LIGHTS			\$ 14,070	
	ENTRY PHONE SYSTEM			\$ 30,000	
	FULL TIME SUPRVISOR	\$ 48,000			
	OVERHEAD & PROFIT			\$ 60,000	
		\$88,165.00	\$223,475.00	\$741,588.00	\$1,053,228.00
	81 - 1 BEDROOM UNITS				\$617,301.00
		TOTAL BUDGETED COSTS			\$1,670,529.00
Revised:	4/15/2013	NOTES: ADD \$40,000.00 FOR OFFICE PARKING LOST RESURFACING			

Exhibit 4 - Annual Stabilized Operating Budget

Annual Stabilized Operating Budget	
	Income
Rent	\$508,800
Laundry	\$11,520
Vending	\$2,880
Total Income	\$523,200
Vacancy 7%	\$36,624
	\$486,576
	Expenses
Legal	\$1,000
Training	\$400
Travel	\$200
Accounting	\$2,400
Telephone	\$3,600
Office/Post	\$3,500
Advertising	\$8,400
EE Benefits	\$6,000
Mgmt Fee	\$20,000
Labor	\$24,000
Cable	\$28,000
Soda	\$2,400
Water	\$5,000
Sewer	\$10,000
Electric	\$10,000
Gas	\$16,000
Maint	\$24,000
Supplies	\$5,000
Elevator	\$10,000
Sec Doors	\$1,200
Trash	\$3,000
Electric	\$1,000
Plumb	\$3,000
Heating	\$2,000
Insurance	\$11,000
RE Taxes	\$50,000
Misc	\$7,000
Repl Reserv	\$24,328
Total Expenses	\$282,428
Net Operating Income	\$204,148
Rental Income & Expenses will adjust accordingly for inflation & COLA over 5 years	