

Village Board

SPECIAL Meeting Notice and Agenda

Village of Cross Plains
2417 Brewery Road, PO Box 97
Cross Plains, WI 53528
(608) 798-3241

Monday, July 6, 2015
7:00 pm

I. Call to Order, Roll Call, and Pledge of Allegiance

II. General Business

1. Consideration of a Development Agreement with The Gallina Companies to redevelop the property located at 1400 Bourbon Road as approved by TIF Redevelopment Grant Application #2015-02:

a. Discussion regarding Development Agreement.

b. The Village Board may meet in Closed Session pursuant to 19.85(1)(e) of Wisconsin Statutes to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically to discuss the Development Agreement.

c. Reconvene into Open Session: To take action, if appropriate, concerning item(s) discussed in Closed Session.

2. Discussion and action regarding 2015 Appointments to Boards, Commissions, and Committees.

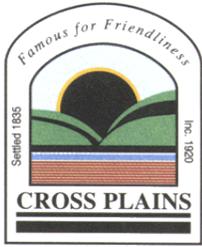
III. Closed Session

1. The Village Board will meet in Closed Session pursuant to 19.85(1)(c) of Wisconsin Statutes to consider employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, specifically regarding the 2014 Performance Evaluation of the Village Administrator/Clerk-Treasurer.

2. Reconvene into Open Session: To take action, if appropriate, concerning the item(s) discussed in Closed Session.

IV. Adjournment

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related Open Meetings Law. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the Village Hall at (608) 798-3241 or matt@cross-plains.wi.us.



Village of Cross Plains
PO Box 97, 2417 Brewery Road
Cross Plains, WI 53528
Phone: (608) 798-3241
Fax: (608) 798-3817

Memorandum

To: Village Board of Trustees
From: Matthew G. Schuenke, Village Administrator/Clerk-Treasurer
Date: July 1, 2015
Re: Village Board Meeting – **July 6, 2015**

II. General Business

1. Consideration of a Development Agreement with The Gallina Companies to redevelop the property located at 1400 Bourbon Road as approved by TIF Redevelopment Grant Application #2015-02:

a. Discussion regarding Development Agreement – Included within your packets is the proposed Development Agreement with the Gallina Company to redevelop 1400 Bourbon Road into an apartment building. This was last discussed by the board at its meeting on June 22nd and tabled until this special meeting at the request of the Developer.

This agreement provides an upfront contribution from the Village to the Developer in the amount of \$650,000 as authorized by the board in the approval of the application. Additional language is provided to require a letter of credit until such time that the project has stabilized. The Developer has also provided some information within your packets for review regarding their market analysis. This analysis was presented and discussed in detail at the last meeting. Additionally, Staff has provided several newspaper articles and plans from other communities regarding the development of apartment buildings in Tax Increment Districts.

The Developer has not signaled acceptance of the contribution as of yet. The request by the developer to delay decision on the agreement was to allow them more time to get bids for the project to better define their construction costs as well as revisit the purchase price for the land with the seller. These actions combined with the increase in expected rents discussed on June 22nd will allow them to better refine their response to the contribution to be provided and discussed in the meeting Monday night. Following discussion in Open Session with the Developer regarding the agreement, the Village Board may if it chooses go into Closed Session to further discuss the document.

b. The Village Board may meet in Closed Session pursuant to 19.85(1)(e) of Wisconsin Statutes to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically to discuss the Development Agreement.

c. Reconvene into Open Session – To take action, if appropriate, concerning item(s) discussed in Closed Session.

2. Discussion and action regarding 2015 Appointments to Boards, Commissions, and Committees

– A vacancy remains on the Public Safety Committee and two vacancies (one regular and one alternate) on the Zoning Board of Appeals.

III. Closed Session

1. The Village Board will meet in Closed Session pursuant to 19.85(1)(c) of Wisconsin Statutes to consider employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, specifically regarding the 2014 Performance Evaluation of the Village Administrator/Clerk-Treasurer.

2. Reconvene into Open Session – To take action, if appropriate, concerning the item(s) discussed in Closed Session.

DEVELOPMENT AGREEMENT
BETWEEN
VILLAGE OF CROSS PLAINS, WI
AND
GALLINA CORPORATION

THIS AGREEMENT entered into this _____ day of _____, 2015 by and between the Village of Cross Plains, WI (hereinafter referred to as VILLAGE) whose principal place of business is 2417 Brewery Road, Cross Plains, WI 53528, a Wisconsin municipal corporation, and Gallina Corporation, or its assigns (hereinafter referred to as DEVELOPER) whose principal place of business is 101 East Main St., Suite 500, Mount Horeb, WI 53572, a Wisconsin Corporation.

RECITALS

WHEREAS, Developer intends to purchase Parcel #113-0707-033-0474-1 (1400 Bourbon Road, Cross Plains, WI), also known as the “Development Property”;

WHEREAS, Developer desires to construct a 65,500 square foot (approximate), 53-unit, two to three-story apartment building, and associated site improvements, on the Development Property (hereinafter sometimes referred to as the “Facility”);

WHEREAS, the Village desires to assist Developer in the construction of the Facility as shown in the attached Exhibit A and B and incorporated herein by reference;

WHEREAS, the Village has created Tax Incremental Financing District #3 pursuant to Wis. Stat. § 66.1105, which provides authority and establishes procedures by which the Village may exercise powers necessary and convenient to carry out the purposes of the Tax Increment Law, including Developer Incentives and which includes a Project Plan, which Project Plan, as so approved, and as may be amended from time to time, is hereby incorporated by reference into this Agreement and which is on file at the Village;

WHEREAS, development of the Facility within the boundaries of TID#3 will benefit the community through the elimination of blight, unhealthy, or unsafe conditions; increased property values and tax revenue; diversifying the Village’s housing supply; and the promotion of economic opportunity;

WHEREAS, said Facility cannot occur without the assistance of the Village, as set forth in this Agreement;

WHEREAS, the Village believes that improvements to the Development Property within TID#3 is in the best interests of the Village and its residents and in accordance with the public purposes and conditions of applicable State and local laws;

WHEREAS, this Agreement is intended to outline the duties and responsibilities of the Village and Developer in order to facilitate the construction of the Facility within TID#3;

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each does hereby covenant and agree with the others as follows:

ARTICLE I DEFINITIONS

As used in this Agreement or in the Exhibits attached hereto, the following terms, shall have the following meanings:

AGREEMENT: The Development Agreement by and between the Village and Developer, which is this Agreement as amended and supplemented from time to time.

DEVELOPER: Gallina Corporation who intends to acquire Parcel #113-0707-033-0474-1 (1400 Bourbon Road, Cross Plains, WI), as known as the "Development Property," or its successors and assigns.

DEVELOPMENT COST: Those costs authorized pursuant to Wis. Stat. §66.1105 and as enumerated in the development budget set forth in Section E of Exhibit A.

DEVELOPMENT INCENTIVE: Shall have the meaning as applied in the Project Plan of Tax Increment Financing (TIF) District #3, and subsequent amendments.

DEVELOPMENT INCENTIVE PAYMENT: A payment made by the Village to the Developer as an incentive to construct the Facility on the Development Property.

DEVELOPMENT PROPERTY: The real property described in Exhibits A and B to this Agreement, including land and improvements, known as Parcel #113-0707-033-0474-1 (1400 Bourbon Road, Cross Plains, WI).

EXHIBIT A. Tax Incremental Financing Application, 2015-02, as submitted by Developer, and approved by the Village.

EXHIBIT B. The General Development Plan (GDP) as allowed under the Planned Development District-Residential Zoning District and as approved by the Village of Cross Plains Village Board for the Facility and the Development Property.

FACILITY: The construction of a 65,500 square foot (approximate), 53-unit, two to three-story apartment building, and associated site improvements, by the Developer within the Village Tax Increment District #3 described in Exhibits A and B.

SITE IMPROVEMENTS: The plan for site and building improvements to the Development Property described in Exhibit A and Exhibit B.

TAX INCREMENT: Shall have the meaning given in Wis. Stat. §66.1105(2)(i), as applied solely to the Development Property and Development Costs involved in this Agreement.

TID#3: Village of Cross Plains Tax Increment District #3 and Project Plan adopted by the Village, as certified by the Wisconsin Department of Revenue.

TOTAL DEVELOPMENT TAX INCREMENT: The actual Tax Increment collected from the Development Property from the date of execution of this Agreement through termination of this Agreement.

VILLAGE: The Village of Cross Plains, Wisconsin, a Wisconsin municipal corporation.

VILLAGE DEVELOPMENT INCENTIVE COSTS: The Development Incentive Payment plus interest costs and financing fees associated with the debt service incurred by the Village for its payment under the obligations of this Agreement.

ARTICLE II VILLAGE OBLIGATIONS

In order to assist with the construction of the Facility and as an incentive to the Developer, the Village agrees to undertake the following obligations:

- A. **DEVELOPMENT INCENTIVE PAYMENT.** As a Development Incentive, the Village agrees to pay to Developer a onetime payment of six hundred fifty thousand dollars (\$650,000.00). This Agreement and the Developer Incentive Payment herein shall be a special and limited obligation of the Village and not a general obligation of the Village.
- B. **PAYMENT DATES.** Payments under Article II, Section A shall be due on October 1, 2015, to be deposited into a construction disbursement account maintained by Developer's title company.
- C. **PROPERTY ASSESSMENT.** The Village agrees to uniformly apply tax assessment procedures and practices with respect to the Development Site and the Development Property in accordance with state law regarding property tax assessments.

ARTICLE III DEVELOPER OBLIGATIONS

In consideration of the obligations of the Village as set forth herein, the sufficiency and receipt of which is hereby acknowledged, Developer shall:

- A. **PROPERTY ACQUISITION.** The Developer shall acquire Parcel #113-0707-033-0474-1 (1400 Bourbon Road, Cross Plains, WI). Proof of land ownership shall be provided to the Village prior to receiving Development Incentive Payments described in Article II, Section A of this Agreement.
- B. **ENVIRONMENTAL REMEDIATION.** The Developer shall be responsible for all costs and work to demolish the existing structures on the Development Property and for all environmental remediation required to demolish the existing structures and construct the Facility as described in Exhibit B.
- C. **CONSTRUCT PRIVATE DEVELOPMENT.** Subject to the force majeure provisions of Article XI, Paragraph B, before January 1, 2017, Developer shall complete the construction of the Facility according to the plans (Exhibits A & B), which are incorporated herein by reference. The Developer shall expend Development Costs resulting in the assessed value (land + improvements) of the Development Property of not less than \$4,600,000.00 (excluding personal property). Failure by the Developer to purchase the Development Property and complete the construction of the Facility according to the plans (Exhibits A & B) shall be deemed a breach of this Agreement and the Village shall be entitled to call on the Letter of Credit subject to the provisions of Article IV to recoup all previous Development Incentive Payments.

- D. FINANCING. The Developer shall provide to the Village proof of loan and financing approval from a lender of the Developer choosing for purchase of the Development Property and the construction of the Facility prior to receiving Development Incentive Payments described in Article II, Section A of this Agreement. Developer may assign its rights to receive the Development Incentive Payment to such lender; and in such event, the Village shall make such payment directly to such lender.
- E. PENALTIES AND FEES. Subject to the force majeure provisions in Article XI, Paragraph B, if the Developer does not construct or cause to be constructed the Facility and associated improvements that result in at least four million six hundred thousand dollars (\$4,600,000.00) of assessed value of land and improvements (excluding personal property) on the Development Property by January 1, 2017; or at any time during the term of this Agreement the Development Property does not maintain at least a \$4,600,000.00 of assessed value of land and improvements (excluding personal property), the Developer agrees to provide the Village a payment equal to the difference between the projected tax revenues from all taxing jurisdictions anticipated if the \$4,600,000.00 of land and improvements assessed value guarantee on the Development Property had occurred less the actual amount of tax revenues generated from the land and improvements on the Development Property. The penalty and fee shall continue to be enforced in each calendar year the Development Property does not maintain at least a \$4,600,000.00 of assessed value of land and improvements (excluding personal property). The Facility and associated improvements shall be completed before January 1, 2017. The penalty shall first apply to the 2017 property assessment, 2018 property tax payments, and continue each year thereafter until termination of this Agreement. If the Facility and associated improvements result in an assessed value of land and improvements exceeding \$4,600,000, taxes paid on the amount exceeding \$4,600,000 will offset, by a corresponding amount, any future penalty and fee.
- F. PAYMENT OF PROPERTY TAXES & FEES. The Developer shall timely pay all annual property taxes in full for the Development Property. Any fees imposed on the Developer as described in Article III, Section E of this Agreement, shall be paid to the Village by December 31st in any year in which the penalty and fees applies. Failure by the Developer to pay annual property taxes or fees shall be deemed a breach of this Agreement and the Developer shall repay to the Village all previous Development Incentive Payments.
- G. USE OF DEVELOPMENT SITE. The Developer shall obtain all necessary zoning, building, or engineering permits and approvals from the Village, and applicable state or federal agencies. The Facility and use of the Development Property shall at all times conform to the Village Zoning Code, Building Code, and all other Village ordinances, together with applicable state and federal laws and regulations. The Village agrees to timely process all applications submitted by the Developer and not unreasonably delay the same.
- H. OBLIGATION TO MAINTAIN AND REPAIR FACILITY. Developer shall at all times after construction of the Facility, or any part thereof, keep and maintain the Facility in good repair and maintenance. Developer shall also make or cause to be made from time to time all necessary repairs thereto so as to maintain the Facility in its intended use and usable form, absent ordinary wear and tear.

- I. **INSURANCE.** Developer, its successors and assigns, shall purchase or cause to be purchased and continually maintain in effect, insurance against such risks, both generally and specifically, with respect to the Facility in such amounts to allow Developer to reconstruct the Facility in the event of damage or destruction and which shall include, but not be limited to: Casualty Insurance, Comprehensive General Liability Insurance, Physical Damage Insurance, Builder's Risk Insurance, and all other forms of insurance required by the State of Wisconsin for entities such as the Developer from time to time during construction and operation of the Facility. In the event the Facility is damaged or partially or fully destroyed, and subject to the rights of the Developer's lender, Developer shall cause the insurance proceeds from such loss to be used to promptly repair, replace, reconstruct, and restore the Facility to its original condition. Subject to Article XI, Paragraph B, below, and provided Developer's lender consents, reconstruction of the Facility will be commenced within six (6) months of the date of the destruction or damage, and shall be completed within one (1) year from such date; provided, however, that if such reconstruction cannot reasonably be completed within such one (1) year period, Developer shall have such additional time as is necessary to complete such reconstruction so long as the reconstruction was commenced within six (6) months of the date of the destruction or damage and Developer thereafter diligently pursues such reconstruction to completion. However, in no event shall the reconstruction be completed later than twenty-four (24) months from the date of destruction. The Facility shall be of the same quality as set forth in Exhibits A and B and have a total assessed value (less personal property) as set forth in Article III, Paragraph C above.
- J. **INDEMNIFICATION/HOLD HARMLESS.** The Developer, during the term of this agreement, shall defend, indemnify and hold the Village, its elected and appointed officials, officers, employees, authorized representatives or volunteers and each of them harmless from and against all losses, suits, actions, damages, demands, interest, attorney fees, claims, liabilities, expenses and costs of whatsoever kind or nature whether arising before, during or after completion of the Facility and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part or claimed to be caused, occasioned, or contributed to in whole or in part, by reason of any act, omission, fault or negligence whether active or passive, of Developer or of anyone acting under its direction or control or on its behalf in connection with or incident to the performance of this Agreement or in any way related to the Facility or Development Property.
- K. **PAYMENT OF PROFESSIONAL FEES.** Developer shall pay the actual cost incurred by the Village for all professional fees and costs related to the review and approval of the Facility (Exhibit B), Tax Incremental Financing Application (Exhibit A), and this Agreement within sixty (60) days after the date of this Agreement. This amount shall not exceed \$10,000.00.
- L. **TRANSFER RESTRICTION DURING TERM OF THIS AGREEMENT.** In addition to any other limitation on assignment or sale of the Development Property or any portion thereof, if prior to termination of this Agreement, Developer intends to sell, transfer or convey the Development Property or any portion thereof to any person or entity in any manner which would render the Development Property exempt from property taxation, the Developer shall repay to the Village all previous Development Incentive Payments to the Village on or before the date of sale, less all Tax Increment payments received by the Village prior to such sale or transfer. Developer shall obtain the prior express written consent of the Village for such sale, transfer or conveyance. Should Developer sell, transfer or convey the Development Property or any portion thereto prior to the termination of this Agreement, Developer's obligations herein shall not be released unless the Village has entered into an agreement with the purchaser acceptable to the Village.

- M. RIGHT OF ACCESS. The Developer shall grant the Village right of access and utility easements to the Development Property, at no cost to the Village, for the purposes of installing public utility improvements, sidewalks, or trails as described in Exhibit B.

ARTICLE IV LETTER OF CREDIT

- A. ACKNOWLEDGMENTS. The parties acknowledge and agree that the Tax Increment received by the Village from the Development Property is intended to be sufficient to pay the Village those sums which the Village has incurred in the development of TID #3, including the Village's obligations under Article II, Section A, including interest costs and financing fees associated with the debt service necessary for the Village to pay its obligation under Article II, Section A. The parties agree that solely for purposes of this Agreement, the amount the Village considers Village Development Incentive Costs is \$775,000.00.
- B. DEVELOPER TO PROVIDE LETTER OF CREDIT. To ensure that the Village recovers the Village Development Incentive Costs, within thirty (30) days after the date of this Agreement, Developer shall provide the Village with an irrevocable letter of credit (the "Letter of Credit"), and shall maintain the Letter of Credit until no longer obligated to do so as provided in Article IV, Section D, below. The Letter of Credit shall be in a form reasonably approved by the Village, shall be from a federally-insured financial institution (the "Bank"), and shall be in an amount not less than the Village's Development Incentive Payment under Article II, Section A of this Agreement. The Letter of Credit shall be payable at sight to the Village, shall authorize partial draws, and shall include a provision requiring that the Village be given written notice not less than forty-five (45) days nor more than sixty (60) days prior to expiration of the Letter Of Credit. The Letter Of Credit shall be payable to the Village at any time upon presentation of the following: (i) a sight draft drawn on the Bank in the amount to which the Village is entitled under Article IV, Section C, below; (ii) an affidavit executed by the Village President certifying the Village's request under subs. (i), above; and (iii) the Letter of Credit. Failure to have in place the Letter of Credit pursuant to the conditions herein, within thirty (30) days after the date of this Agreement, shall make this Agreement null and void and of not further force and effect.
- C. VILLAGE ENTITLEMENT TO DRAW ON LETTER OF CREDIT. The Village shall be entitled to draw upon the Letter of Credit only following a Triggering Event (defined below), in an amount not to exceed the Unreimbursed Village Development Incentive Cost (defined below). As used herein, the term "Unreimbursed Village Development Incentive Cost" shall equal the Village Development Incentive Cost under Article II, Section A, minus the Total Development Tax Increment collected on the Development Property received by the Village through the date of the Triggering Event. As used herein, the term "Triggering Event" means the commencement of an action concerning the Development Property which effect would be the conveyance to any third party pursuant to a judgment including but not limited to a foreclosure action or a deed in lieu of foreclosure. A "Triggering Event" shall also include failure of the Developer to purchase the Development Property and complete the construction of the Facility according to the plans (Exhibits A & B) under the provisions of Article III, Section C of this Agreement.

- D. TERMINATION OF OBLIGATION TO MAINTAIN LETTER OF CREDIT. Developer's obligation to provide and maintain the Letter of Credit in favor of the Village under this Article IV shall terminate upon the issuance of a certificate of occupancy for the Facility.

ARTICLE V BINDING EFFECT/COMPLETE AGREEMENT

This Agreement shall inure to the benefit of and shall be binding upon the Village, the Developer and their respective successors and assigns. This Agreement represents the entire Agreement between Developer and the Village and shall not be amended, changed or modified except as provided herein. This Agreement shall not be affected, modified or impaired on the happening from time to time of any event, including without limitation, the following:

- A. Failure to give notice to any party of default under the terms of the Agreement.
- B. The waiver of payment or performance of any obligations contained in this Agreement.
- C. The extension of time for payment of any amount or performance of any obligation under this Agreement.
- D. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, compromise with creditors or readjustment of, or similar proceedings affecting Developer or its assets, any allegation or contest as to the validity of the Agreement in any such proceeding.
- E. To the extent permitted by law, the release or discharge of Developer from the obligations or observation of any obligation, covenant or agreement contained in this Agreement or arising by operation of the law.

ARTICLE VI AMENDMENT, CHANGES, MODIFICATIONS

This Agreement may be amended or any of its terms modified only by a written document duly authorized, executed and delivered by the Village and the Developer.

ARTICLE VII FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS

The Village and Developer agree that they will, from time to time, execute, acknowledge, deliver or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of this Agreement.

ARTICLE VIII EXECUTION AND COUNTERPARTS

This Agreement may be simultaneously executed in several counterparts, each of which shall be original and all of which shall constitute one and the same instrument. Each party to this Agreement hereby expressly represents and warrants that it executes the Agreement with full and complete authorization of their respective entities.

ARTICLE IX DEFAULT

- A. **REMEDIES ON DEFAULT.** In the event of any default in or breach of this Agreement or any of its terms or conditions, by any party hereto or any successor in interest to such party, such party shall cure or remedy such default or breach within sixty (60) days of written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specify the time period of not less than sixty (60) days in which the default may be cured by the defaulting party. In case such action is not taken or is not diligently pursued or the defaulted breach cannot be cured or remedied within the aforesaid time, the non-defaulting party may institute such proceedings as may be necessary or desirable in its opinion to cure the default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations. If such a proceeding is commenced, the prevailing party in such proceeding shall be entitled to recover from the other party its reasonable costs incurred in such proceeding, including attorney fees.
- B. **RIGHTS AND REMEDIES.** The rights and remedies of the parties to this Agreement whether provided by law or provided by the Agreement, shall be cumulative and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it at the same or different times of any such remedies for the same event of default or breach or any other party. No waiver or breach of any term or condition of this Agreement shall operate as a waiver of any other breach of such term or condition, or of any other term or condition, nor shall any failure to enforce any provisions hereunder operate as a waiver of such provision or any other provision hereunder.

ARTICLE X TERMINATION

This Agreement shall terminate and be of no further force and effect upon the earlier of:

- A. Closure of TID#3 by the Village of Cross Plains, or,
- B. December 31st, 2035, or,
- C. By mutual written agreement of the Village and Developer; or
- D. Collection of Tax Increment payments in an amount sufficient to repay to the Village the Development Incentive Payment, amortized over ten (10) years at an interest rate not to exceed the actual interest rates obtained by the Village to secure the financing to meet their Development Incentive Payment obligations.

ARTICLE XI MISCELLANEOUS

- A. **TRANSFER OF AGREEMENT.** This Agreement shall be assignable by Developer with the consent of the Village Board of the Village of Cross Plains which consent shall not be unreasonably withheld. Should Developer sell, transfer or convey the Facility and Development Property prior to the termination of this Agreement, all subsequent owners of the Facility and Development

Property shall be bound by the terms and conditions of this Agreement. It shall be the responsibility of the seller to notify the buyer of said Agreement, and conditions of transfer, prior to transfer of ownership. The Village hereby consents to the assignment of this Agreement to the Oregon Community Bank, or any subsequent Lender, as collateral for financing the purchase and development of the property. The Developer may assign this Agreement and all rights hereunder to a single purpose entity which will run and operate the Facility; and upon such assignment, Gallina Corporation shall have no further obligations or liabilities hereunder. All such liabilities and obligations shall be assumed by such assignee.

- B. ENFORCED DELAY. No party shall be considered in breach or default of its obligation in the event of enforced delay in the performance of such obligations due to causes beyond its control and without its fault including, but not restricted to: Acts of God, acts of the public enemy, acts of the Federal government, fires, floods, epidemics, quarantine restrictions, strikes, embargoes and severe weather, and omissions/acts of third parties. In the event of the occurrence of any such enforced delay, the time or times of performance of any of the obligations of the party shall be extended for the period of the enforced delay as determined by the other party, provided that the party seeking the benefit of the enforced delay shall have first notified the other party thereof and the cause or causes thereof and requested an extension of the period of the enforced delay.
- C. WISCONSIN LAW/VENUE. This Agreement shall be deemed to have been made in the State of Wisconsin, and its validity, construction, performance, breach and operation shall be covered by law of the State of Wisconsin. Venue for any dispute involving this Agreement or any other document executed pursuant to this Agreement shall be in Dane County Circuit Court, Wisconsin.
- D. NOTICES, DEMANDS. All notices, demands or other communications under this Agreement shall be sufficiently given or delivered when hand delivered or when mailed by first class mail, postage prepaid, as indicated below:

Village: Matt Schuenke
Village Administrator/Clerk-Treasurer
2417 Brewery Road
Cross Plains, WI 53528

Developer: Joseph Gallina, Chief Executive Officer
Gallina Corporation
101 East Main Street, Suite 500
Mount Horeb, WI 53572

- E. ENVIRONMENTAL. Nothing in this Agreement is intended to, nor shall result in, any alteration or modification of Developer's responsibility or liability for environmental clean-up or costs in accordance with applicable law.
- F. SEVERABILITY. If any, part, term, or provision of this Agreement is held by a court of competent jurisdiction to be illegal or otherwise unenforceable, such illegality or un-enforceability shall not affect the validity of any other part, term or provision and the rights of the parties will be construed as if the invalid part, term, or provision was never part of the Agreement.

- G. NOT PRIVATE RIGHT OR CAUSE OF ACTION. Nothing contained herein shall be interpreted or construed to create any private right or any private cause of action by or on behalf of any person not a party hereto.
- H. Nothing contained in this Agreement constitutes a waiver of the Village's sovereign immunity under applicable law. Moreover, nothing contained herein shall waive the rights and defenses to which the Village may be entitled under law, including all of the immunities, limitations, and defenses under Wis. Stats. §893.80 or any subsequent amendments thereof.
- I. The Village does not, in any way or for any purpose, become a partner, employer, principal, agent or joint venturer of or with the Developer.
- J. The Village may record a copy of this Agreement, or a memorandum thereof, in the Register of Deeds Office. All costs of recording shall be paid by Developer.

Village of Cross Plains Rental Demand Study

Prepared for:
Village of Cross Plains
& The Gallina Companies

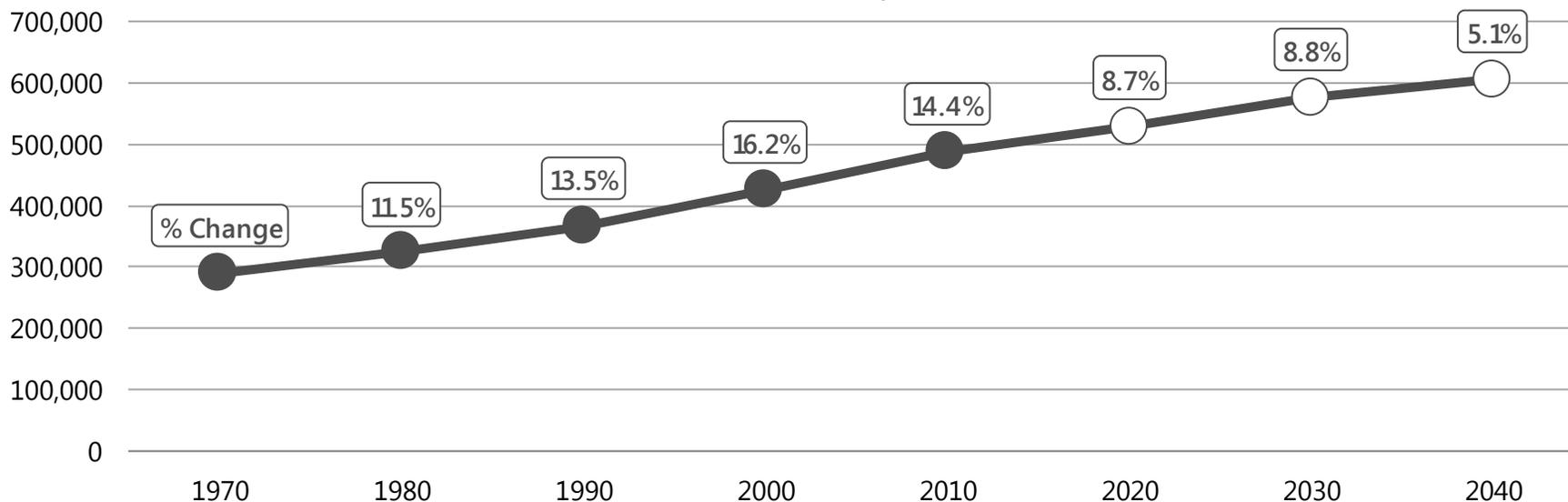
Prepared by:
Meicher Real Estate LLC

June 22, 2015

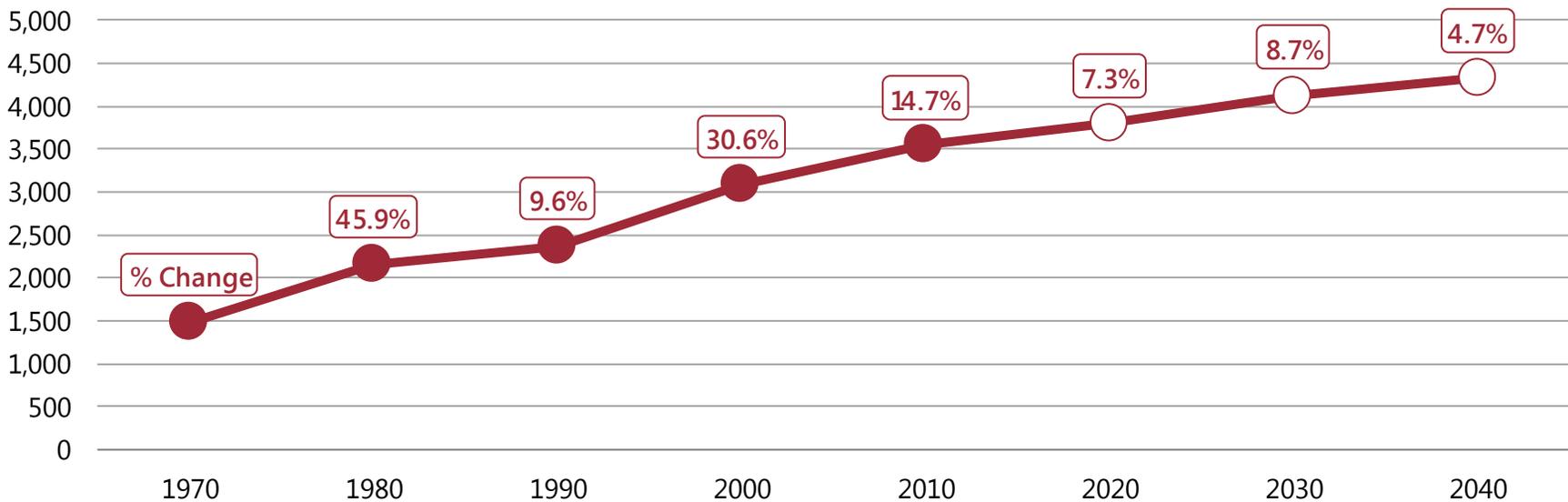


Population History & Projections

Dane County



Village of Cross Plains

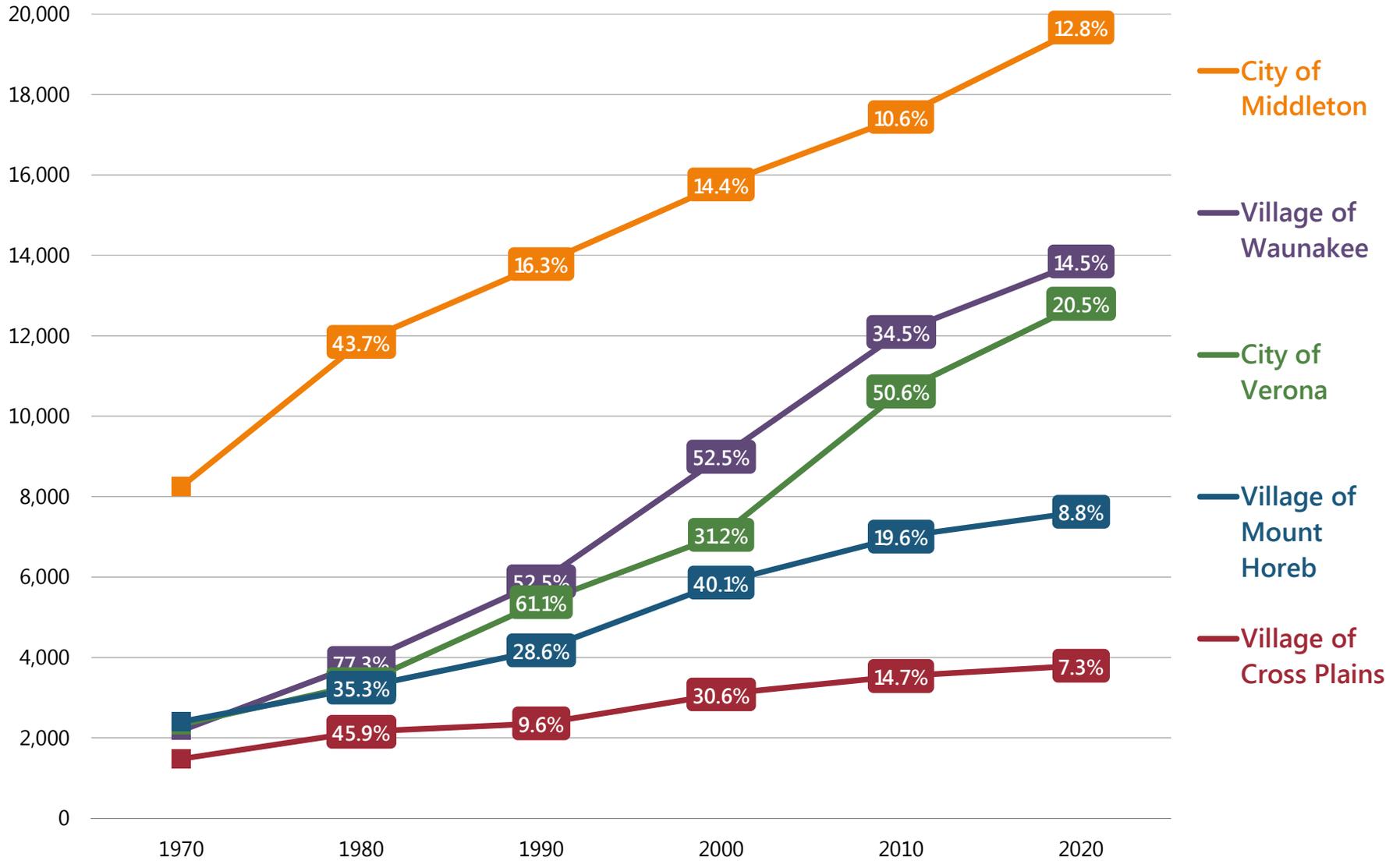


Source: U.S. Census (historical) & WI DOA (projections)

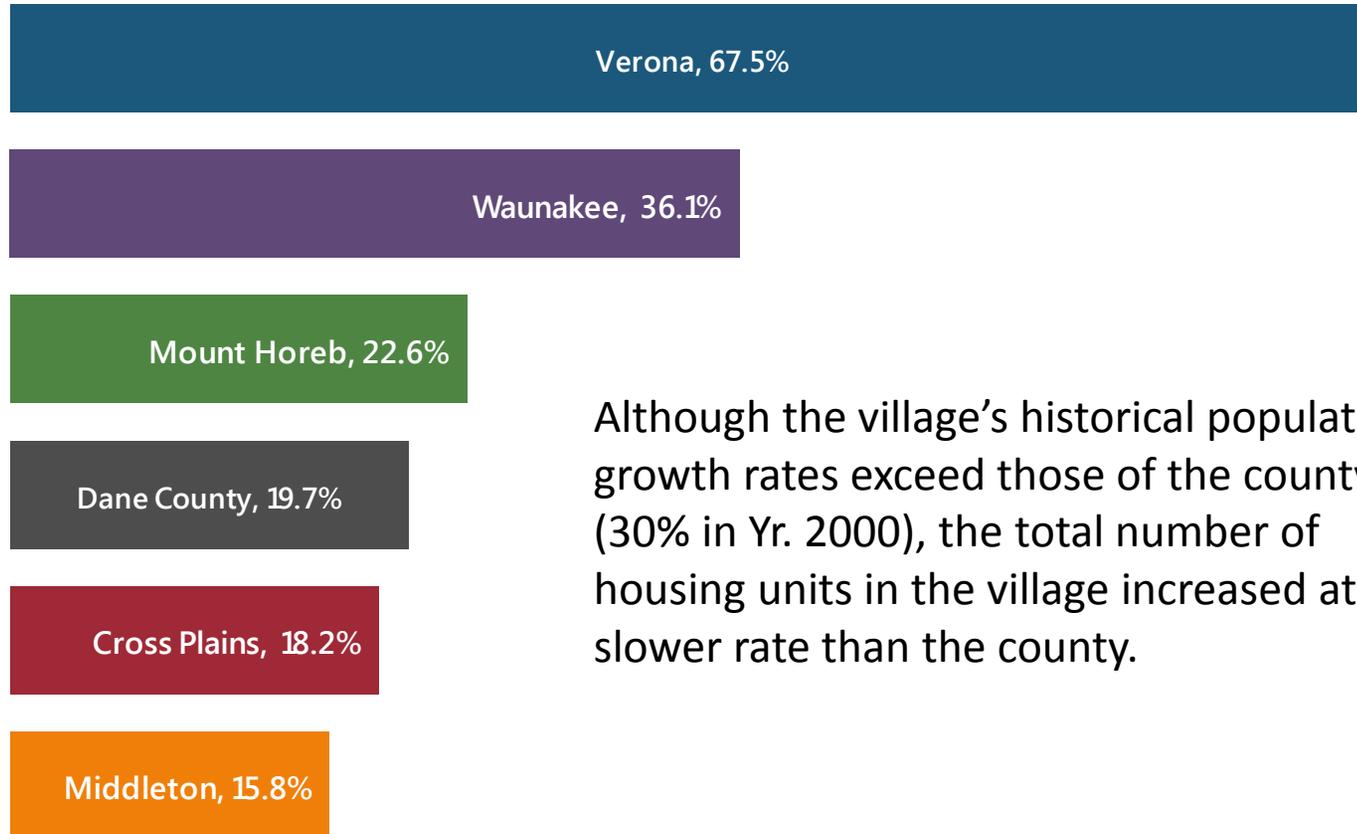
Population

- Population growth rates within the Village have exceeded the County during 3 of the 4 prior decades, projected to be similar to the County going forward.
- Note many suburban communities experience periods of spikes or stagnant growth based upon housing stock availability (new subdivisions, apartments or condominium developments). The following slide displays the population growth rates of comparable suburban markets.

Population History & Projections Comparable Communities



Housing Unit Growth, 2000-2010

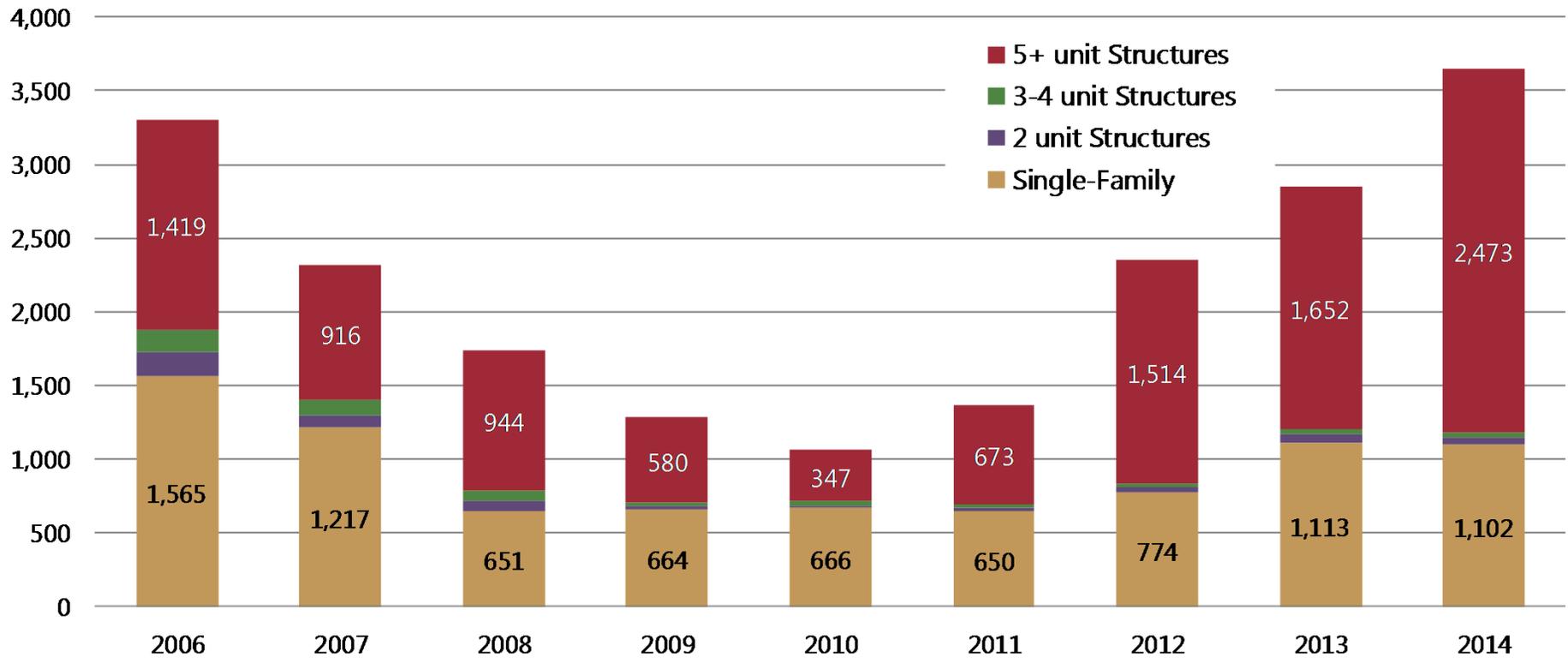


Although the village's historical population growth rates exceed those of the county (30% in Yr. 2000), the total number of housing units in the village increased at a slower rate than the county.

Source: U.S. Census, 2000 & 2010

Residential Building Permits, 2005-2014 Dane County

	2006	2007	2008	2009	2010	2011	2012	2013	2014
% Growth: All Permits	-28%	-30%	-25%	-26%	-18%	29%	71%	21%	28%
% Growth: MF Permits	-21%	-37%	-1%	-43%	-37%	83%	119%	10%	46%
% of All Permits for MF	53%	47%	63%	48%	37%	53%	67%	61%	70%



Source: SOCDs

Building Permits

Dane County

- The boom in new housing construction in the years prior to the recession consisted of primarily new single-family and condominium units (owner-occupied in multi-family structures)
- Post-recession, a majority of the new multi-family units are renter-occupied

Cross Plains

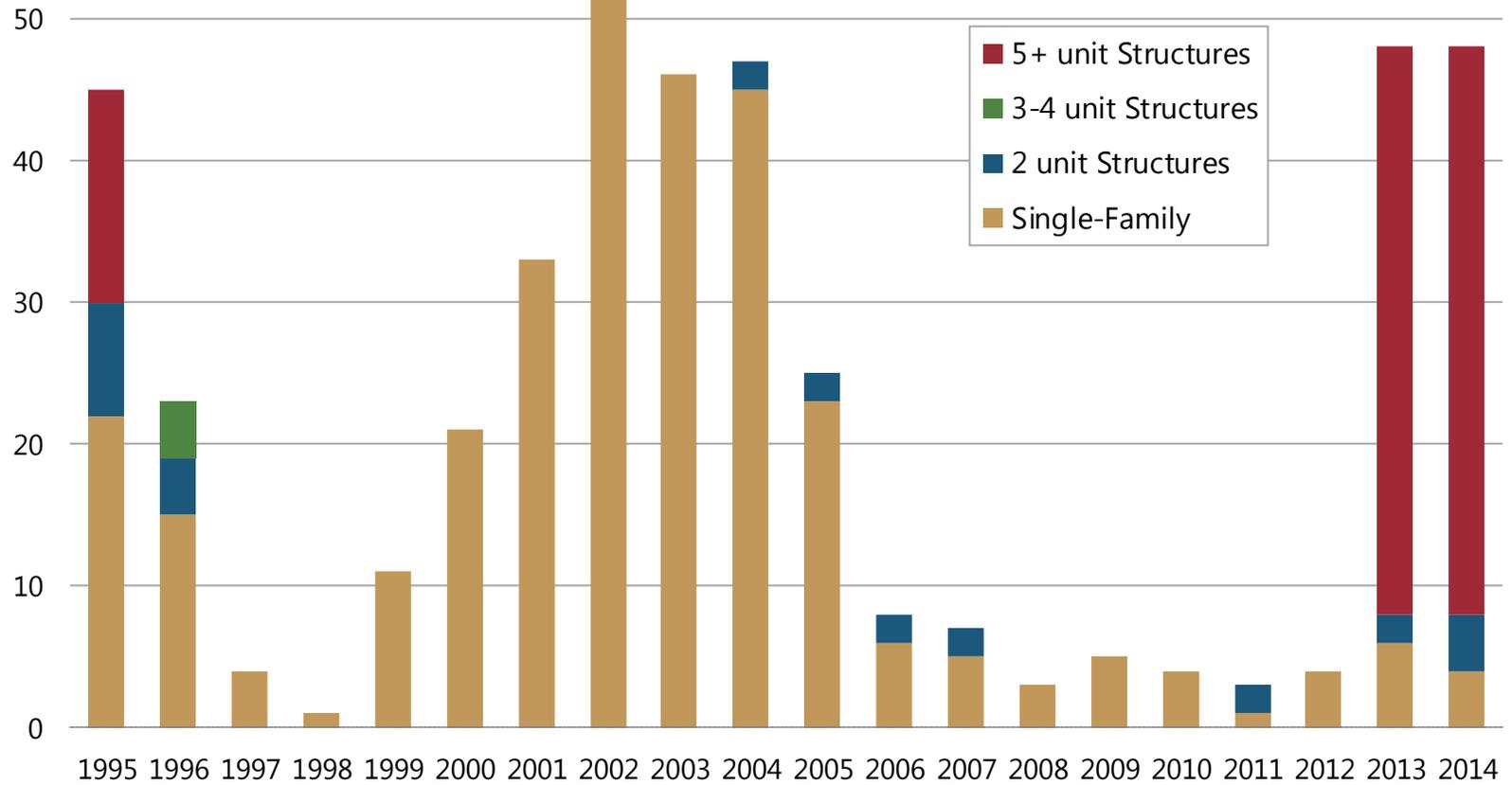
- Less than 5 permits total were issued annually from 2008 to 2012
- Multi-family permits in 2013 & 2014 represent the Zander Place apartment complex and the Milestone Senior Living Facility
- Aside from a handful of duplexes, no multi-family construction occurred from 1996 to 2012

Surrounding Communities

- No MF permits issued in any of the surrounding communities from 2007 to 2010
- Many new multi-family complexes built since 2010

Residential Building Permits, 1995-2014

Village of Cross Plains



Source: SOCDs

Comparable Suburbs:
Total # of Multi-Family Permits only, 2005-2014



Waunakee*, 0

*SOCDS data missing 74-unit complex built in 2014

Source: SOCDS

Growth Projections

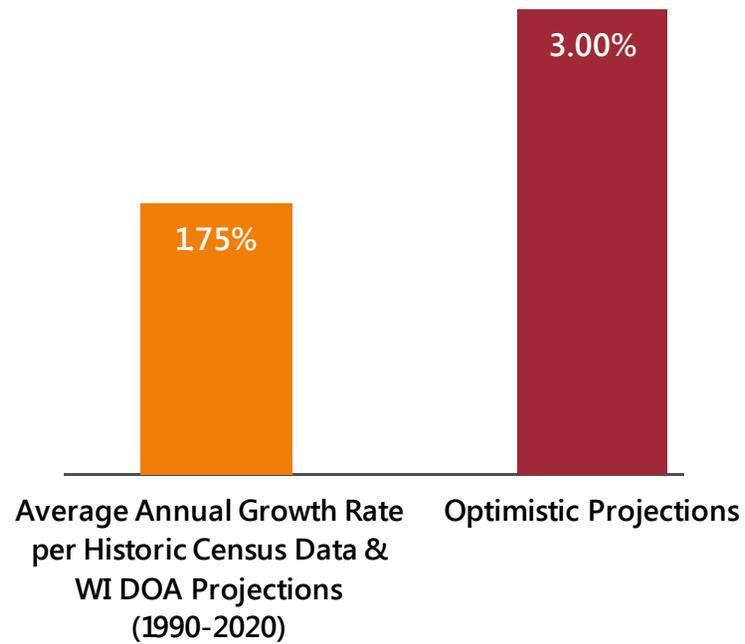
- The following charts display the units required for a 1.75% and 3.00% population growth rate based on historic statistics
- Zander Place & Milestone Senior are the only new MF projects in over 10 years, thus potential demand could exceed projections

Statistical Year-to-Year Projections									2014-2020	
		2013	2014	2015	2016	2017	2018	2019	2020	Total
Total Housing Units		1,527	1,554	1,581	1,609	1,637	1,666	1,695	1,724	
Cross Plains Population Growth Rate	1.75%									
Total Additional Units Required:			27	27	28	28	29	29	30	197
Ratio of MF Units Required per:										
ACS - Cross Plains Ratio	32.5%		9	9	9	9	9	9	10	64
ACS - Dane County Ratio	39.3%		11	11	11	11	11	11	12	78
Building Permits - Dane County Ratio	54.5%		15	15	15	15	16	16	16	107

Optimistic Year-to-Year Projections									2014-2020	
		2013	2014	2015	2016	2017	2018	2019	2020	Total
Total Housing Units		1,527	1,573	1,620	1,669	1,719	1,770	1,823	1,878	
Cross Plains Population Growth Rate	3.00%									
Total Additional Units Required:			46	47	49	50	52	53	55	351
Ratio of MF Units Required per:										
ACS - Cross Plains Ratio	32.5%		15	15	16	16	17	17	18	114
ACS - Dane County Ratio	39.3%		18	19	19	20	20	21	21	138
Building Permits - Dane County Ratio	54.5%		25	26	26	27	28	29	30	191

Village of Cross Plains Growth Projections

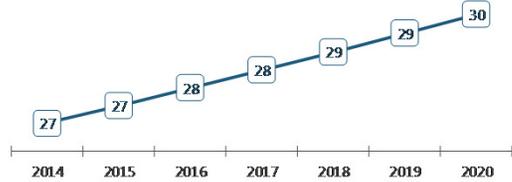
Annual Population Growth Rates



Projected # of New Housing Units Required - Year 1

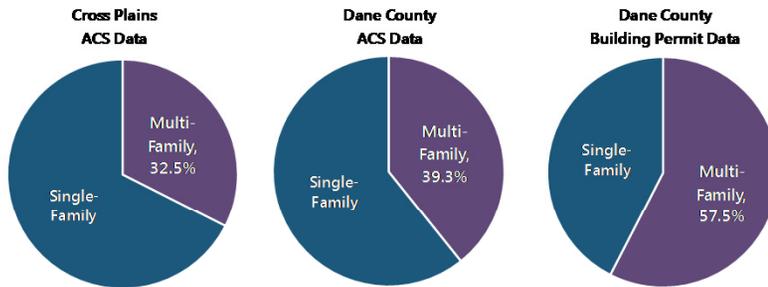


Projected # of New Housing Units Required - Years 1-7

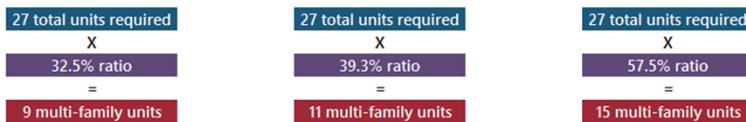


Projected # of New Multi-Family Housing Units Required

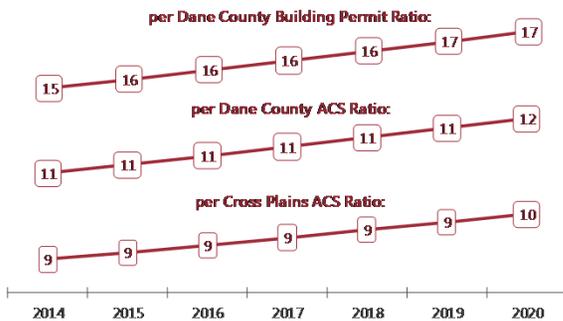
Based on Ratio of Single to Multi-Family Units per:



of New Multi-Family Units Required - Year 1



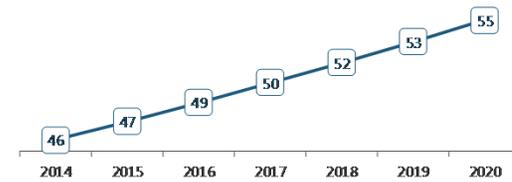
of New Multi-Family Units Required Annually through 2020



Projected # of New Housing Units Required - Year 1

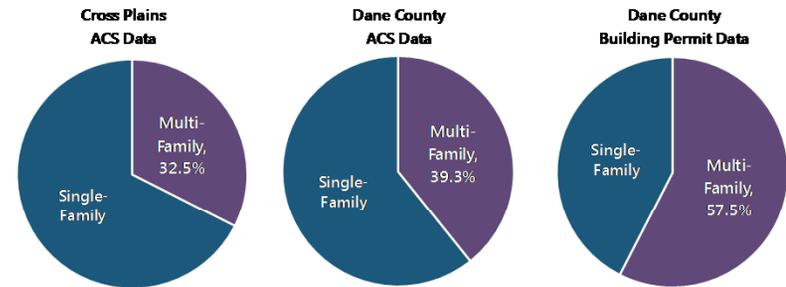


Projected # of New Housing Units Required - Years 1-7

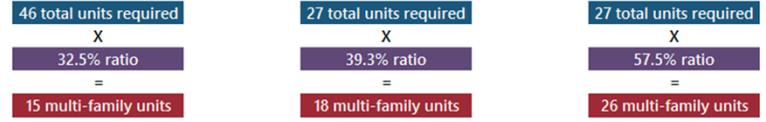


Projected # of New Multi-Family Housing Units Required

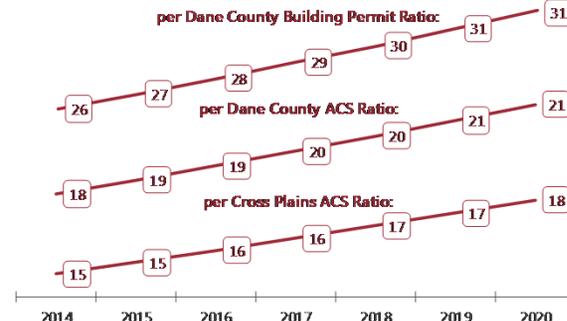
Based on Ratio of Single to Multi-Family Units per:



of New Multi-Family Units Required - Year 1



of New Multi-Family Units Required Annually through 2020



Retrospective Growth Requirements 1995-2015

- The following charts display the retrospective units required from 1995 – 2015 based upon the same 1.75% and 3.00% population growth rate statistics
- Zander Place & Milestone Senior are the only new MF projects in over 20 years, thus this chart displays the lack of units made available and potential pent up demand

Retrospective Growth Requirements					1995-
		1995	2005	2015	2015 Total
Total Housing Units		1,228	1,443	1,696	
Cross Plains Population Growth Rate		1.75%			
Total Additional Units Required:			215	253	468
Ratio of MF Units Required per:					
per ACS - Cross Plains Ratio		32.5%	70	82	152
per ACS - Dane County Ratio		39.3%	85	99	184
per Building Permits - Dane County Ratio		57.5%	124	145	269

Optimistic Growth Requirements					1995-
		1995	2005	2015	2015 Total
Total Housing Units		1,228	1,596	2,075	
Cross Plains Population Growth Rate		3.00%			
Total Additional Units Required:			368	479	847
Ratio of MF Units Required per:					
ACS - Cross Plains Ratio		32.5%	120	156	275
ACS - Dane County Ratio		39.3%	145	188	333
Building Permits - Dane County Ratio		57.5%	212	276	488

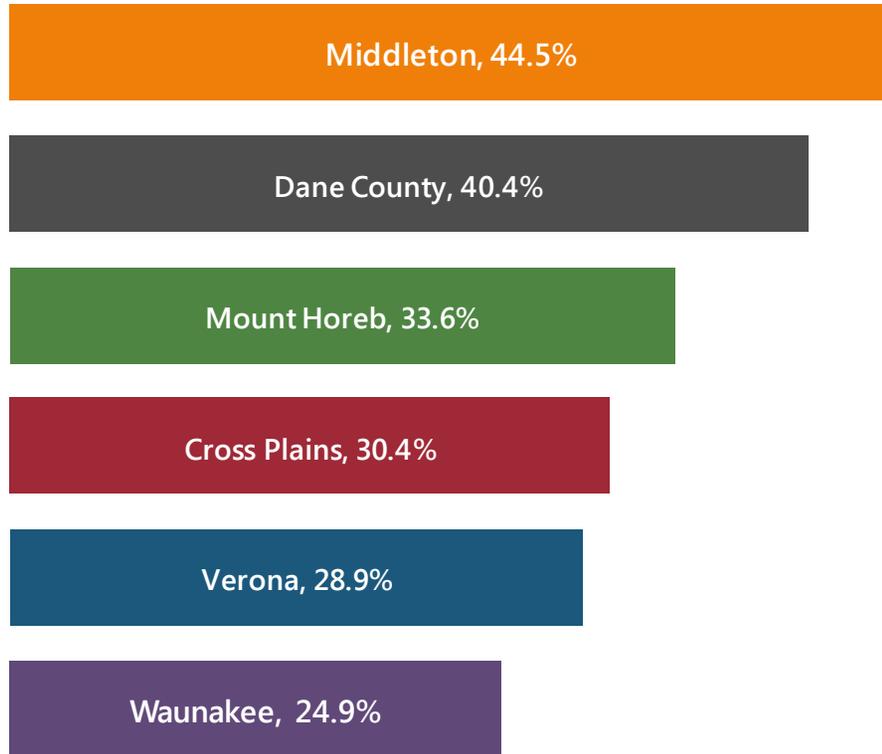
Statistical Growth Summary & Conclusions

- **Cross Plains Growth in Population & Housing Units**
 - Similar trends to county and other suburban communities
 - Although slower growth than other suburban communities
- **Analysis of Building Permits**
 - Indicates similar trends
 - Cross Plains having slower growth trends compared to other suburban communities
 - Permits Issued for Cross Plains appears to follow available SF lots / subdivisions
 - Multi-family permits for Cross Plains have been non-existent for almost 20 years
- **Growth Projections based upon Statistical Analysis**
 - Projections going forward at a growth rate of 1.75%/year
 - Indicate an annual increase of MF unit potential of 9-15 units per year
 - Total number of units over the next 5 years of 64-107 units
 - Projections going forward at a growth rate of 3.00%/year
 - Indicates an annual increase of MF unit potential of 15-30 units per year
 - Total number of units over the next 5 years of 114-191 units
 - Retrospective Growth analysis 1995-2015
 - At 1.75% growth - Indicates Cross Plains could have absorbed 152-269 MF units
 - At 3.00% growth – indicates Cross Plains could have absorbed 275-488 MF Units
- **Conclusion**
 - Population & Housing trends – CP Growth slower than suburban communities – mainly due to lack of supply
 - Building permit analysis – CP permit stats slower growth trends – mainly due to lack of supply
 - Growth Projections – indicate some pent up demand due to lack of supply as well as going forward demand

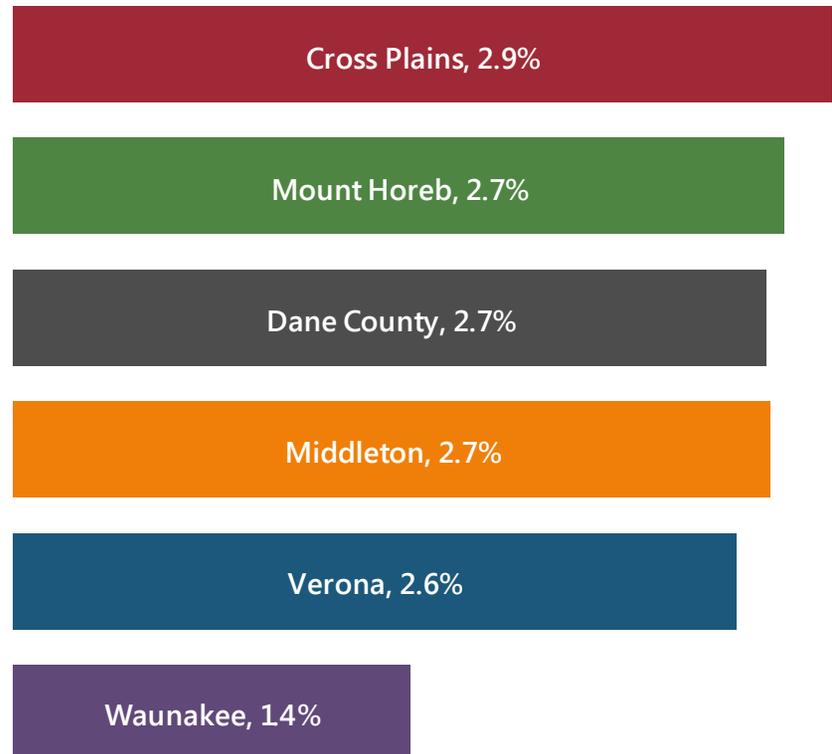
Vacancy Rates

- Vacancy rates are considered to reflect the true nature of a given market
 - High vacancy typically reflects a saturated market with too much supply
 - Low vacancy typically reflects a market with strong demand and equal or too low supply

% of All Housing Units Renter Occupied

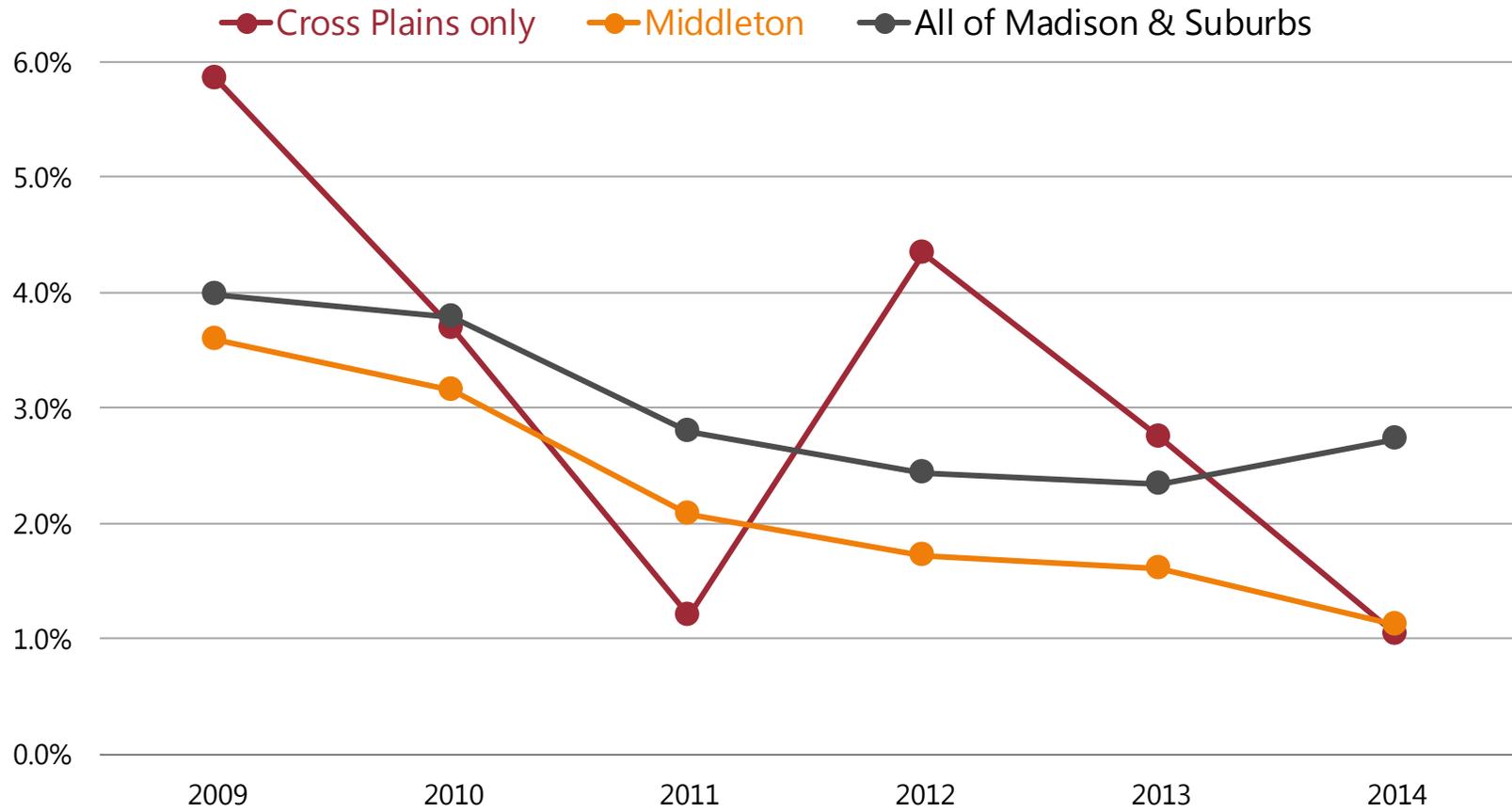


% of All Housing Units Vacant & For Rent



Source: U.S. Census, 2000 & 2010

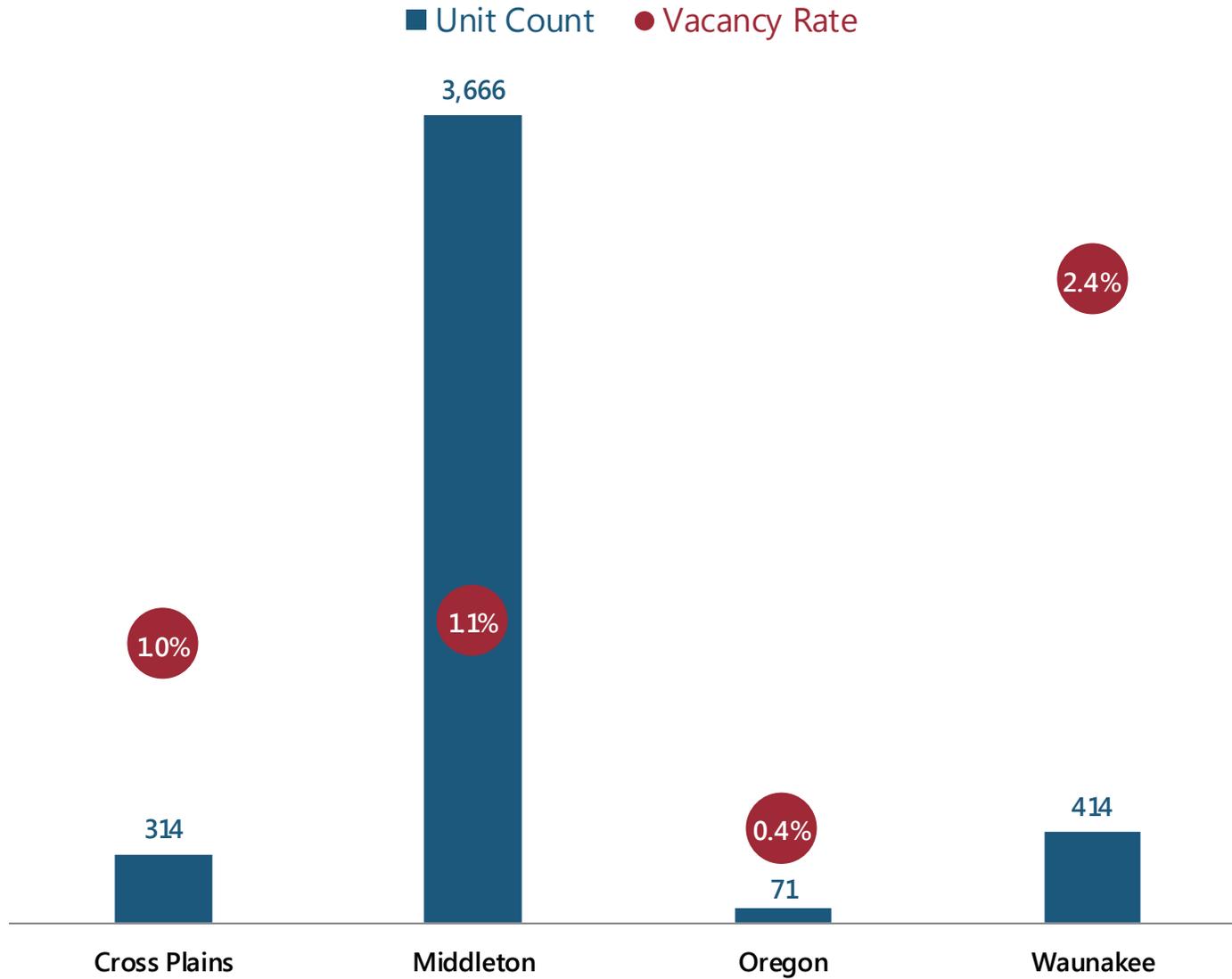
Multi-Family Vacancy Rates, 2009-2014



Segregated historical data for Mount Horeb, Verona & Waunakee not available

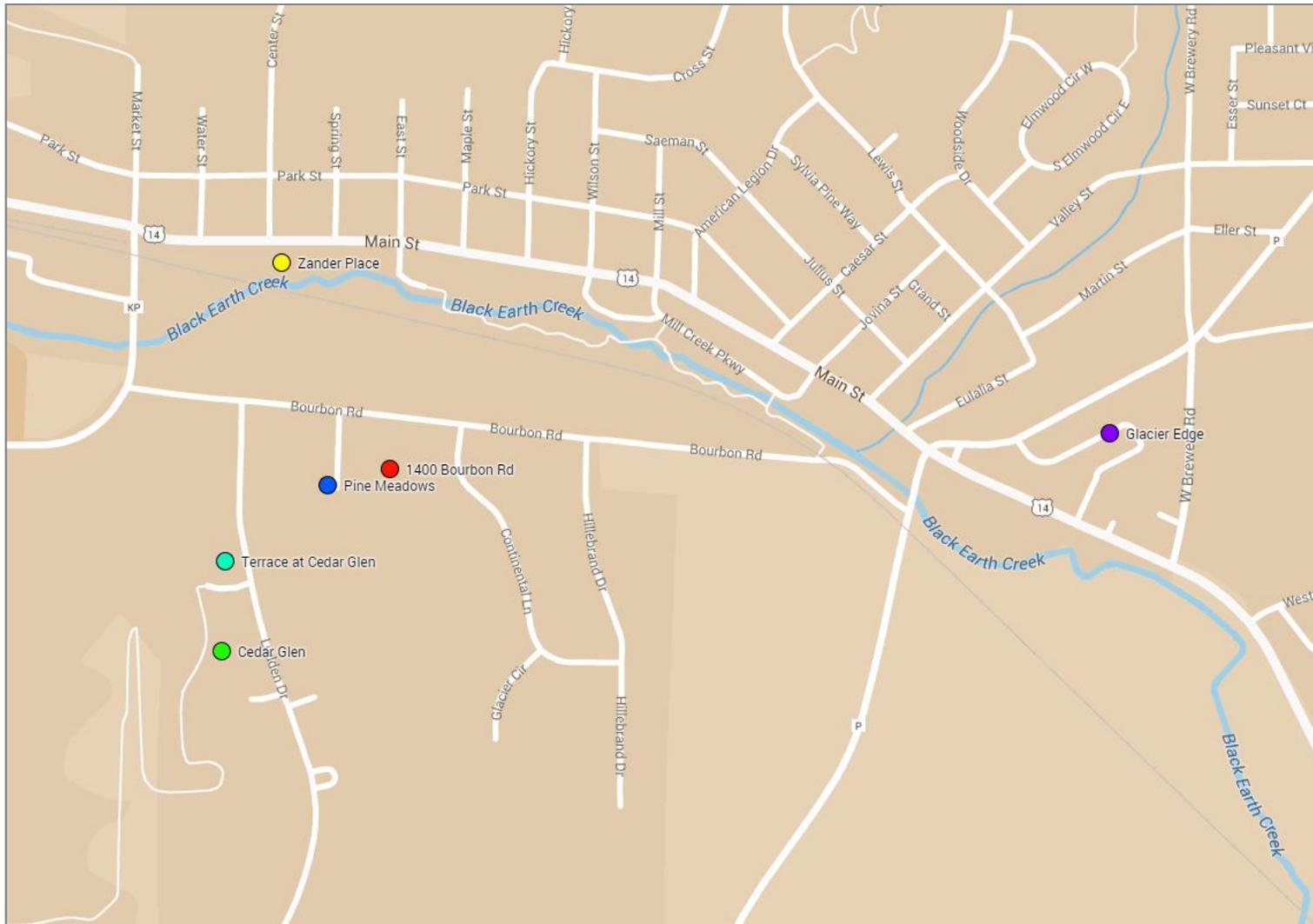
Source: Madison Gas & Electric

MG&E Multi-Family Survey, 4th Quarter 2014

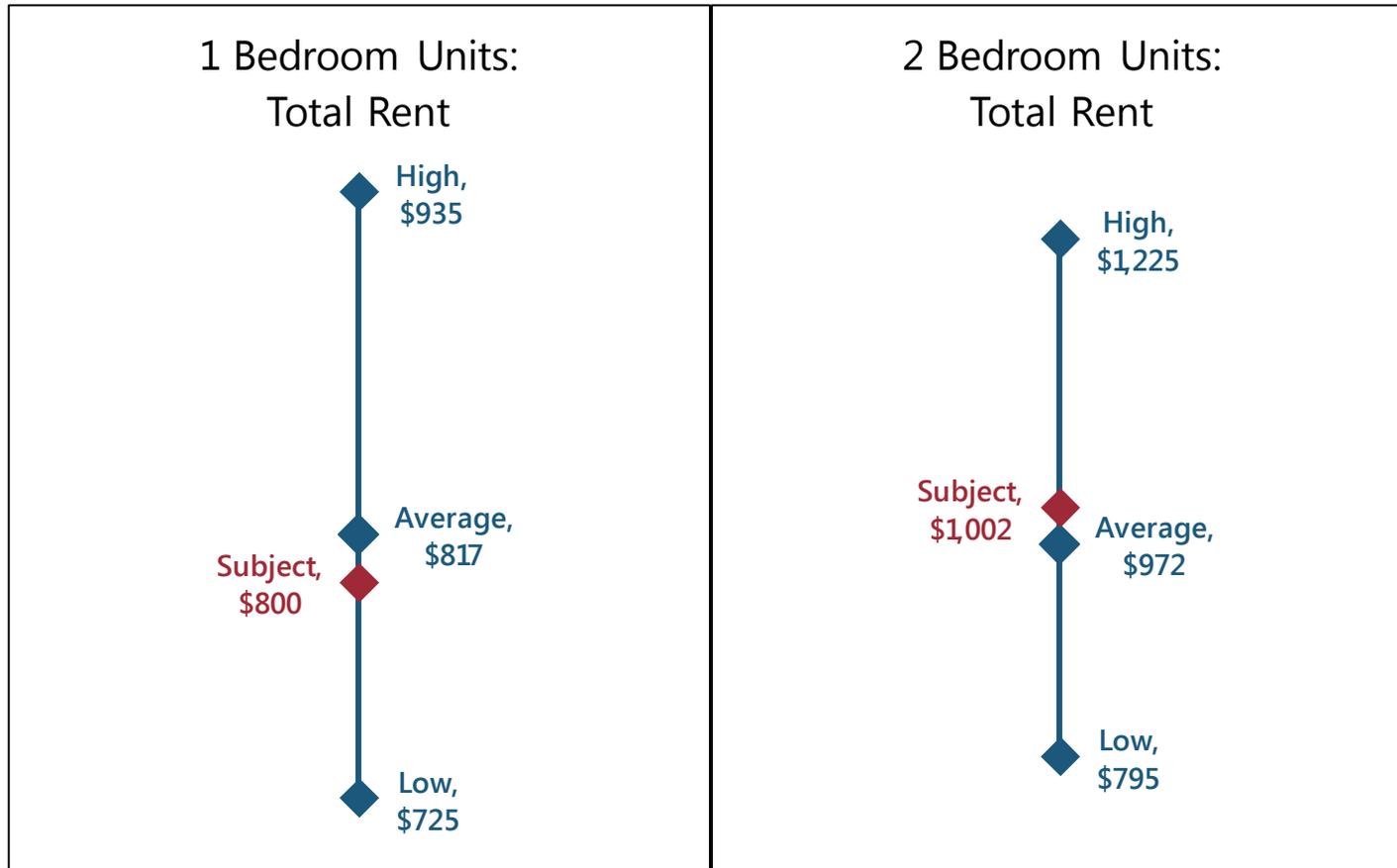


Source: Madison Gas & Electric

Comparable Rental Survey - Cross Plains Map of Property Locations

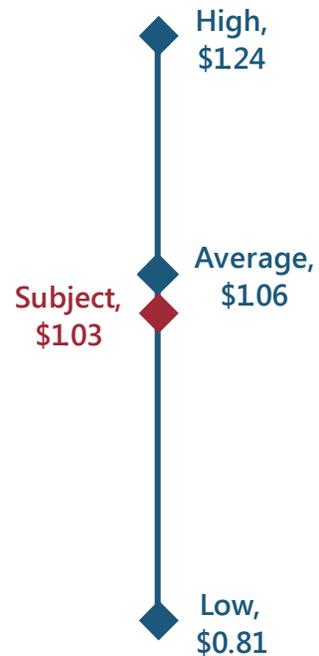


Comparable Rental Survey - Cross Plains Total Monthly Rental Rates

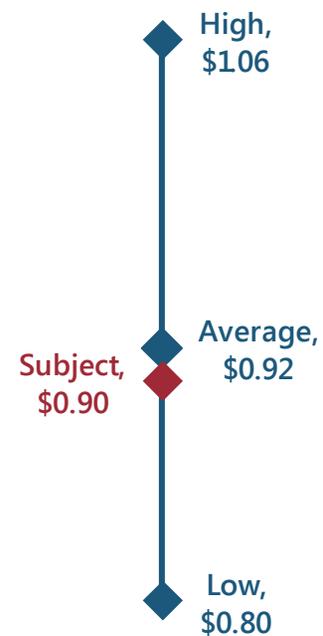


Comparable Rental Survey - Cross Plains Monthly Rental Rates per Sq. Ft.

1 Bedroom Units:
Rent per Sq Ft



2 Bedroom Units:
Rent per Sq Ft



Zander Place Apartments
1300 Main Street, Cross Plains, WI



Building Details

Total Apartment Units	45	Gross Building Area (SF)	51,459
Year Built	Proposed	Lot Area (Acres)	1.25
Above Grade Levels	3	Units per Acre	36
Below Grade Levels	1		

Unit Mix

#	Unit Type	Unit Size (SF)	Monthly Rent	Rent / SF	Rent / Bed
3	Studio	607 - 607	\$760 - \$785	\$1.25 - \$1.29	\$760 - \$785
15	1 Bedroom	735 - 745	\$835 - \$925	\$1.14 - \$1.24	\$835 - \$925
21	2 Bedroom	1,011 - 1,184	\$1,075 - \$1,225	\$1.06 - \$1.03	\$538 - \$613
6	2 Bedroom + Den	1,286 - 1,286	\$1,295 - \$1,295	\$1.01 - \$1.01	\$432 - \$432

Lease-Up / Occupancy Trends	33% pre-leased, opening in August 2015
Management	Forward Management
Parking	47 surface stalls & 36 underground stalls
Comments	New August 2015 with reported lease up of 33%. Three-story building with underground parking; apartments feature include LVT flooring, granite countertops, private laundry, patio/balcony, and stainless steel appliances.

Cedar Glen Apartments
1825-1833 Ludden Drive, Cross Plains, WI



Building Details

Total Apartment Units	59	Gross Building Area (SF)	62,946
Year Built	1989	Lot Area (Acres)	3.81
Above Grade Levels	2.5	Units per Acre	15
Below Grade Levels	1		

Unit Mix

#	Unit Type	Unit Size (SF)	Monthly Rent	Rent / SF	Rent / Bed
10	Efficiency	495 - 550	\$620 - \$620	\$1.25 - \$1.13	\$620 - \$620
39	1 Bed Ranch or Loft	727 - 900	\$725 - \$725	\$1.00 - \$0.81	\$725 - \$725
10	2 Bed Ranch or Loft	1,024 - 1,064	\$890 - \$910	\$0.87 - \$0.86	\$445 - \$455

Lease-Up / Occupancy Trends	99% for 4 years
Management	Gallina Management, Inc.
Parking	80 surface stalls & 28 underground stalls
Comments	Two-story with loft building with underground parking; community features include fitness center and coin operated laundry; apartments feature include patio/balcony, dishwasher, private laundry with two-bedroom units.

Terrace at Cedar Glen
1837 Ludden Drive, Cross Plains, WI



Building Details

Total Apartment Units	40	Gross Building Area (SF)	37,064
Year Built	1994	Lot Area (Acres)	3.23
Above Grade Levels	2	Units per Acre	12
Below Grade Levels	0		

Unit Mix

#	Unit Type	Unit Size (SF)	Monthly Rent	Rent / SF	Rent / Bed
16	1 Bed / 1 Bath Townhome	708 - 708	\$745 - \$765	\$1.05 - \$1.08	\$745 - \$765
24	2 Bed / 1 Bath Townhome	970 - 970	\$845 - \$865	\$0.87 - \$0.89	\$423 - \$433

Lease-Up / Occupancy Trends	100%
Management	Banyan Management Group
Parking	Surface & garages
Comments	Two-story townhouse buildings, locked entryways, intercom access, patio/balcony, private laundry, dishwasher, garage parking available, pets allowed.

Pine Meadows Townhomes
312 Pine Meadows Court, Cross Plains, WI



Building Details

Total Apartment Units	24	Gross Building Area (SF)	27,278
Year Built	1992	Lot Area (Acres)	2.14
Above Grade Levels	2	Units per Acre	11
Below Grade Levels	0		

Unit Mix

#	Unit Type	Unit Size (SF)	Monthly Rent	Rent / SF	Rent / Bed
14	2 Bedroom	1,000 - 1,000	\$795 - \$795	\$0.80 - \$0.80	\$398 - \$398
10	3 Bedroom	1,200 - 1,200	\$925 - \$925	\$0.77 - \$0.77	\$308 - \$308

Lease-Up / Occupancy Trends	100%
Management	Badgerland Apartments
Parking	Surface only
Comments	Two-story townhouses with private entrances, patio, community laundry, furnace and central air conditioning.

Glacier Edge Apartments
42 Glacier Edge Square, Cross Plains, WI



Building Details

Total Apartment Units	8	Gross Building Area (SF)	16,533
Year Built	2004	Lot Area (Acres)	0.53
Above Grade Levels	3	Units per Acre	15
Below Grade Levels	1		

Unit Mix

#	Unit Type	Unit Size (SF)	Monthly Rent	Rent / SF	Rent / Bed
8	2 Bedroom	1,100 - 1,100	\$995 - \$995	\$0.90 - \$0.90	\$498 - \$498

Lease-Up / Occupancy Trends	100%
Management	All Star Properties
Parking	Surface / Underground
Comments	Three-story mixed-use building with 5,000 sq ft first floor commercial space; amenities include 9 ft ceilings, gas fireplace, dishwasher, central air conditioning, patio/balcony, community laundry, elevator, and underground parking stall.

Madison & Main
301 East Main Street, Waunakee, WI



Building Details

Total Apartment Units	74	Gross Building Area (SF)	86,350
Year Built	2014	Lot Area (Acres)	2.23
Above Grade Levels	3	Units per Acre	33
Below Grade Levels	1		

Unit Mix

#	Unit Type	Unit Size (SF)	Monthly Rent	Rent / SF	Rent / Bed
5	Studio	472 - 554	\$650 - \$750	\$1.38 - \$1.35	\$650 - \$750
33	1 Bedroom	751 - 907	\$880 - \$935	\$1.17 - \$1.03	\$880 - \$935
5	1 Bedroom + Den	986 - 1,125	\$1,015 - \$1,065	\$1.03 - \$0.95	\$508 - \$533
31	2 Bedroom	1,054 - 1,203	\$1,075 - \$1,195	\$1.02 - \$0.99	\$538 - \$598

Lease-Up / Occupancy Trends	96%
Management	Oakbrook Corporation
Parking	Surface & Underground
Comments	Opened in December 2014; 3-story building with 3,700 sq ft commercial space on 1st floor; apartment features include private laundry, patio/balcony, stainless steel appliances, granite countertops, cable & high speed internet access included, and underground parking.

Vacancy and Rent Comparable Summary & Conclusions

- **Cross Plains Vacancy**

- Current Vacancy for CP 1.00% - reflects approximately 5 total units vacant
- Current Vacancy for Madison & Suburbs 2.7%
- Similar trends to county and other suburban communities
- Slightly higher vacancy rate compared to other suburban communities
- % of renter occupied units similar to most suburban communities, lower than Dane Co. and Middleton

- **Analysis of Rent Comparables**

- 1 Bedroom units range
 - 708-907 Square feet – Average of 773 square feet
 - \$725 - \$935 – Average of \$817
 - \$.81-\$1.24 per square foot – Average of \$1.06 per square foot
- 2 Bedroom unit range
 - 970-1,203 Square feet – Average of 1,057 square feet
 - \$795 - \$1,225 – Average of \$972
 - \$.80-\$1.06 – Average of \$.92 per square foot
- 1400 Bourbon Road Rents
 - Slightly below average
 - Above most existing MF units due to age & amenities
 - New MF comparable rents above 1400 Bourbon projections – possibly related to location and/or amenities

- **Conclusion**

- Vacancy – CP similar to suburban market and lower than Madison Metro Market
- Rent Comparables
 - 1400 Bourbon projected rents near market averages
 - 1400 Bourbon may have more upside on projected rents compared to other new facilities

1400 BOURBON ROAD APARTMENTS

RENT COMPARISON

June 22, 2015

<u>Unit type</u>	<u>Final Unit S.F.</u>	<u>No. of Units</u>	<u>REVISED Rent/Unit</u>	<u>Previous Rent/Unit</u>	<u>Variance</u>	<u>REVISED Rent / S.F</u>	<u>Previous Rent / S.F.</u>	<u>Variance</u>
A - 2Bd / 2 bath	1,111	4	\$1,050.00	\$1,025.00	\$25.00	0.95	0.93	0.02
A1 - 2BD / 2 bath	1,139	4	\$1,060.00	\$1,025.00	\$35.00	0.93	0.93	0.00
B - 2 Bd/ 2 bath	1,240	3	\$1,050.00	\$1,025.00	\$25.00	0.85	0.84	0.01
C - 1BD / 1 bath	783	9	\$830.00	\$800.00	\$30.00	1.06	1.03	0.03
C1 - 1 Bd / 1 bath	811	3	\$835.00	\$800.00	\$35.00	1.03	1.02	0.01
D - 2BD / 2 bath	1,089	6	\$1,025.00	\$975.00	\$50.00	0.94	0.89	0.05
E - 2BD / 2 bath	1,063	11	\$1,030.00	\$975.00	\$55.00	0.97	0.91	0.06
G - 2BD / 2 bath	1,068	6	\$1,020.00	\$1,000.00	\$20.00	0.96	0.91	0.05
L - 1BD / 1 bath	723	1	\$825.00	\$800.00	\$25.00	1.14	1.11	0.03
K - 2BD / 2 bath	1,271	3	\$1,075.00	\$1,050.00	\$25.00	0.85	0.83	0.02
Q - 2BD / 2 bath	1,090	3	\$1,050.00	\$1,025.00	\$25.00	0.96	0.94	0.02
Totals	54,641	53						
Total Averages	1031		\$988.02	\$952.36	\$35.66	0.96	0.92	0.04
1 Bdrm Averages	784.85	13	\$830.77	\$800.00	\$30.77	1.06	1.03	0.03
2 Bdrm Averages	1110.95	40	\$1,039.13	\$1,001.88	\$37.25	0.94	0.90	0.04
Total Annual Rent Potential			\$628,380.00	\$605,700.00	\$22,680.00			



PROJECTS IN THE TIF PIPELINE

Mike Davis – City Administrator & Director of Community Development
April 9, 2014



Middleton Station Apartments on Terrace Ave.



Middletown Station Apartments on Terrace Ave.



Base Value: \$284,200

Est. Improvement Value: \$6,200,000

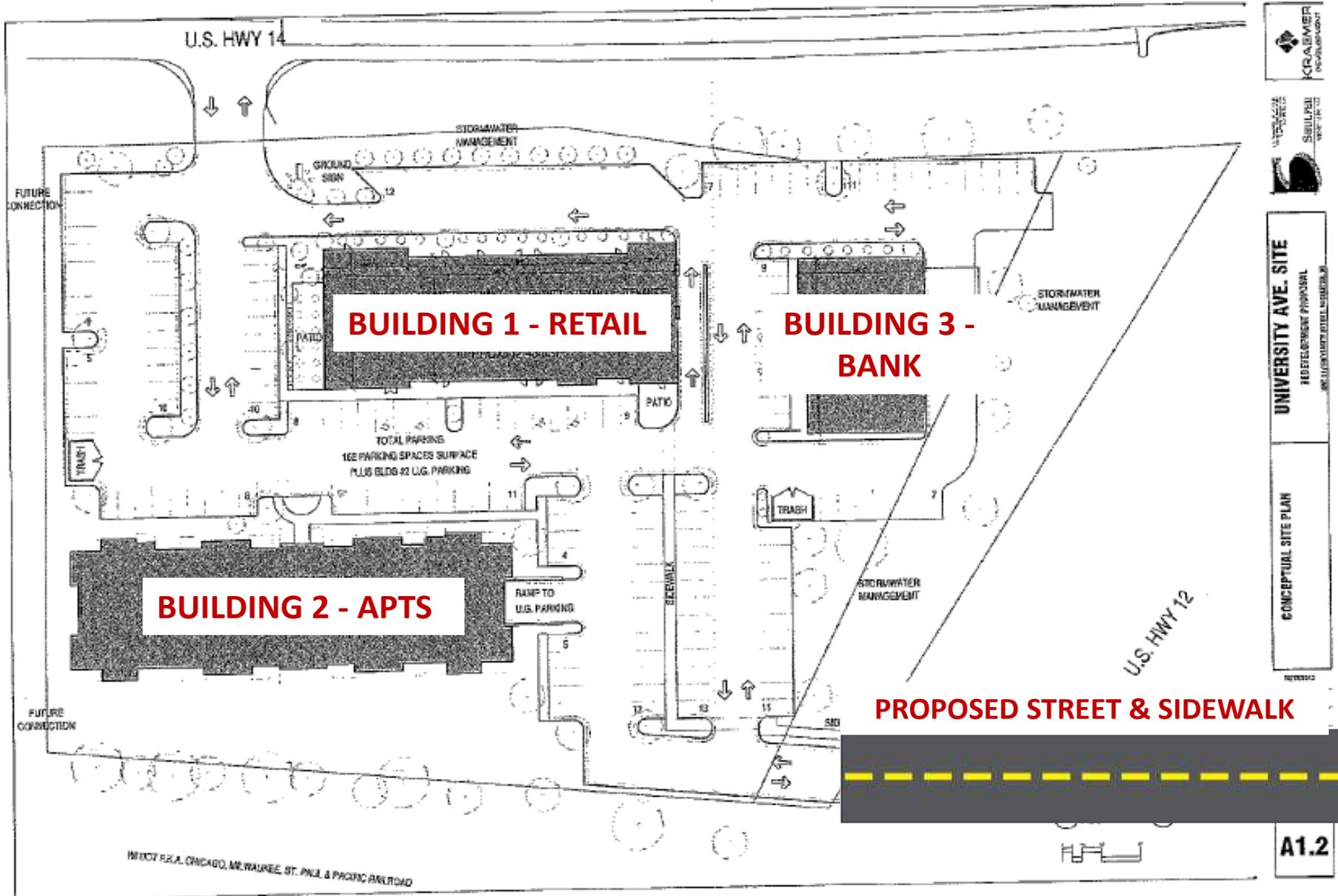
Estimated Incremental Value: \$5,915,800

Estimated Payback Timeline: 10.95 years

PREFINISHED MILL WORK SITE – APARTMENTS, RETAIL & BANK



PREFINISHED MILL WORK SITE – APARTMENTS, RETAIL & BANK



PREFINISHED MILL WORK SITE – RETAIL & BANK PARCEL



HWY 14 OFFICE BUILDING



Base Value: \$803,374
Est. Improvement Value: \$3,500,000

Estimated Incremental Value: \$2,696,626
Estimated Payback Timeline: 9.33 years

PREFINISHED MILL WORK SITE – APARTMENT PARCEL

(IMAGE BELOW IS HERITAGE SENIOR APARTMENTS, ALSO BY MSP REAL ESTATE)



Base Value: \$320,489

Est. Improvement Value: \$3,800,000

Estimated Incremental Value: \$3,479,511

Estimated Payback Timeline: 8.8 years

Esser Place

Compass Properties

(IMAGE BELOW IS CURRENT SITE)



Base Value: \$10,183,200

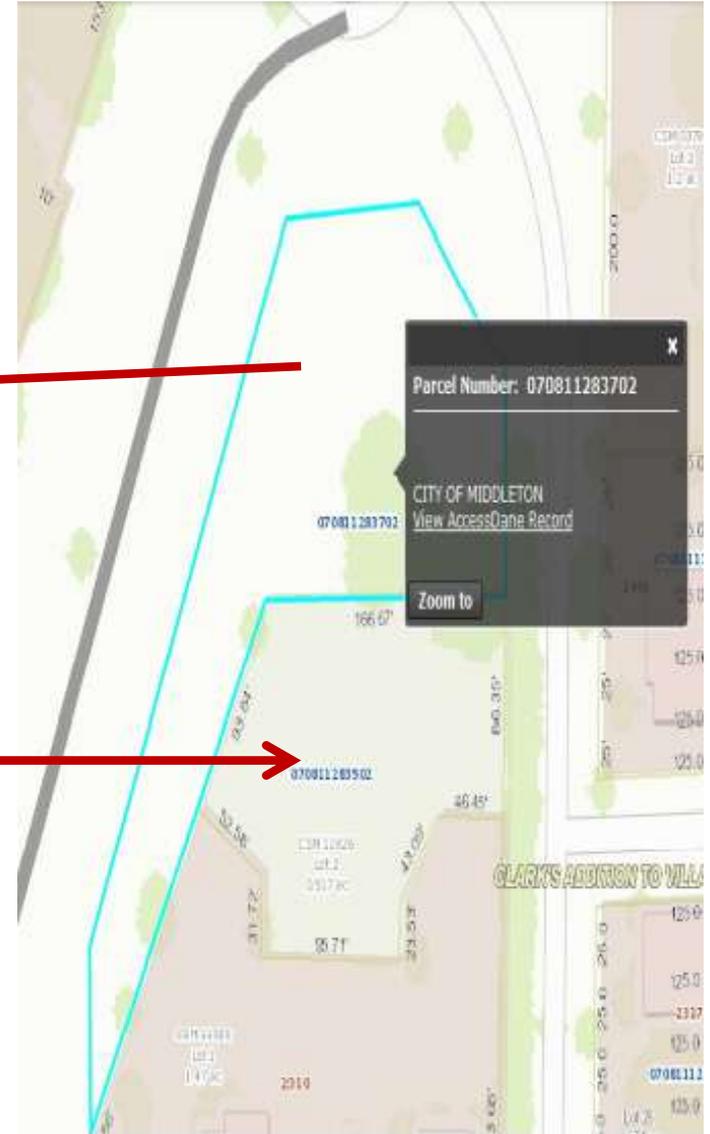
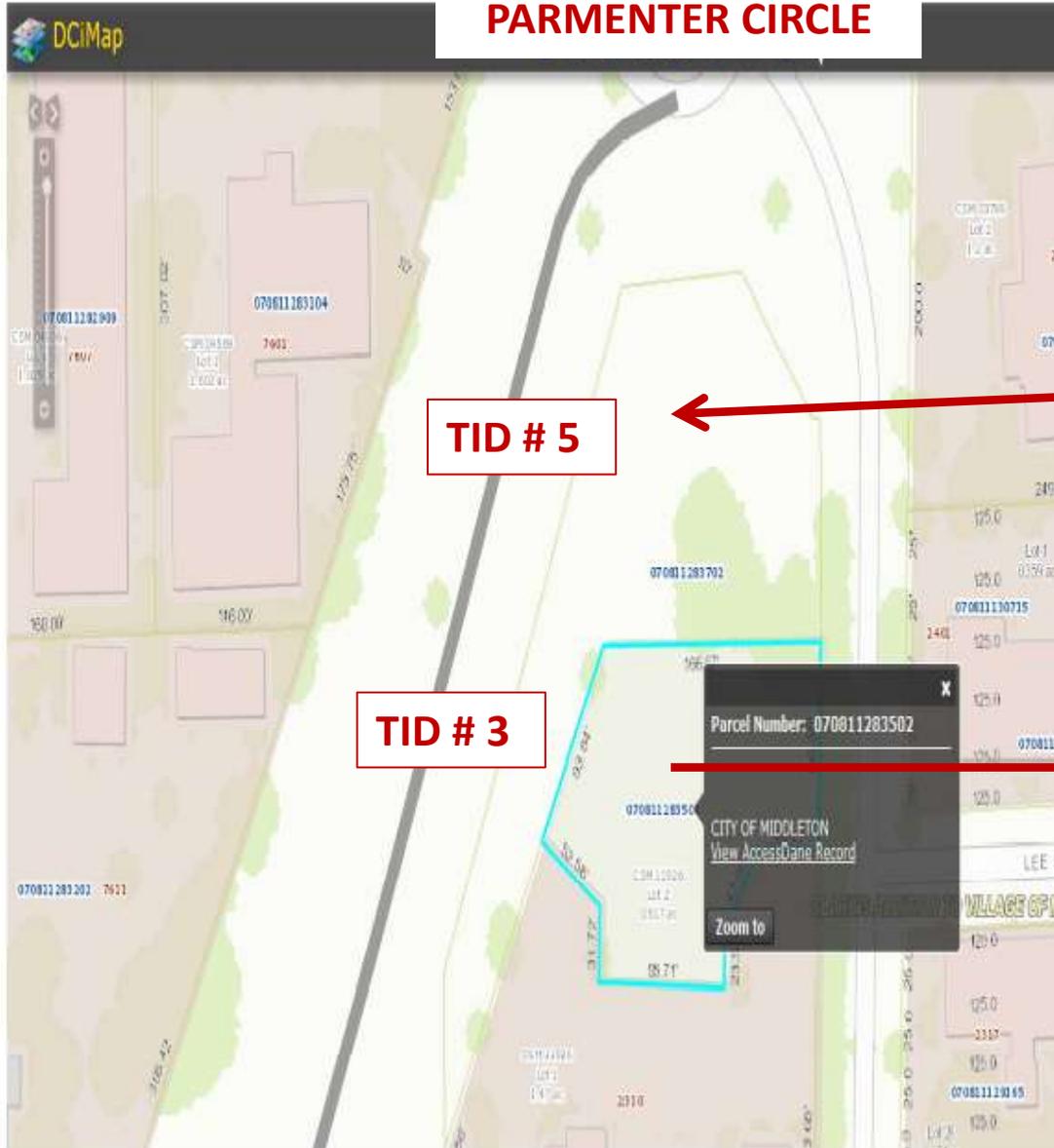
Est. Improvement Value: To Be Determined

Est. Incremental Value: To Be Determined

Est. Payback Timeline: To Be Determined

PARMENTER CIRCLE APARTMENTS PHASE II

PARMENTER CIRCLE



PARMENTER CIRCLE APARTMENTS PHASE II



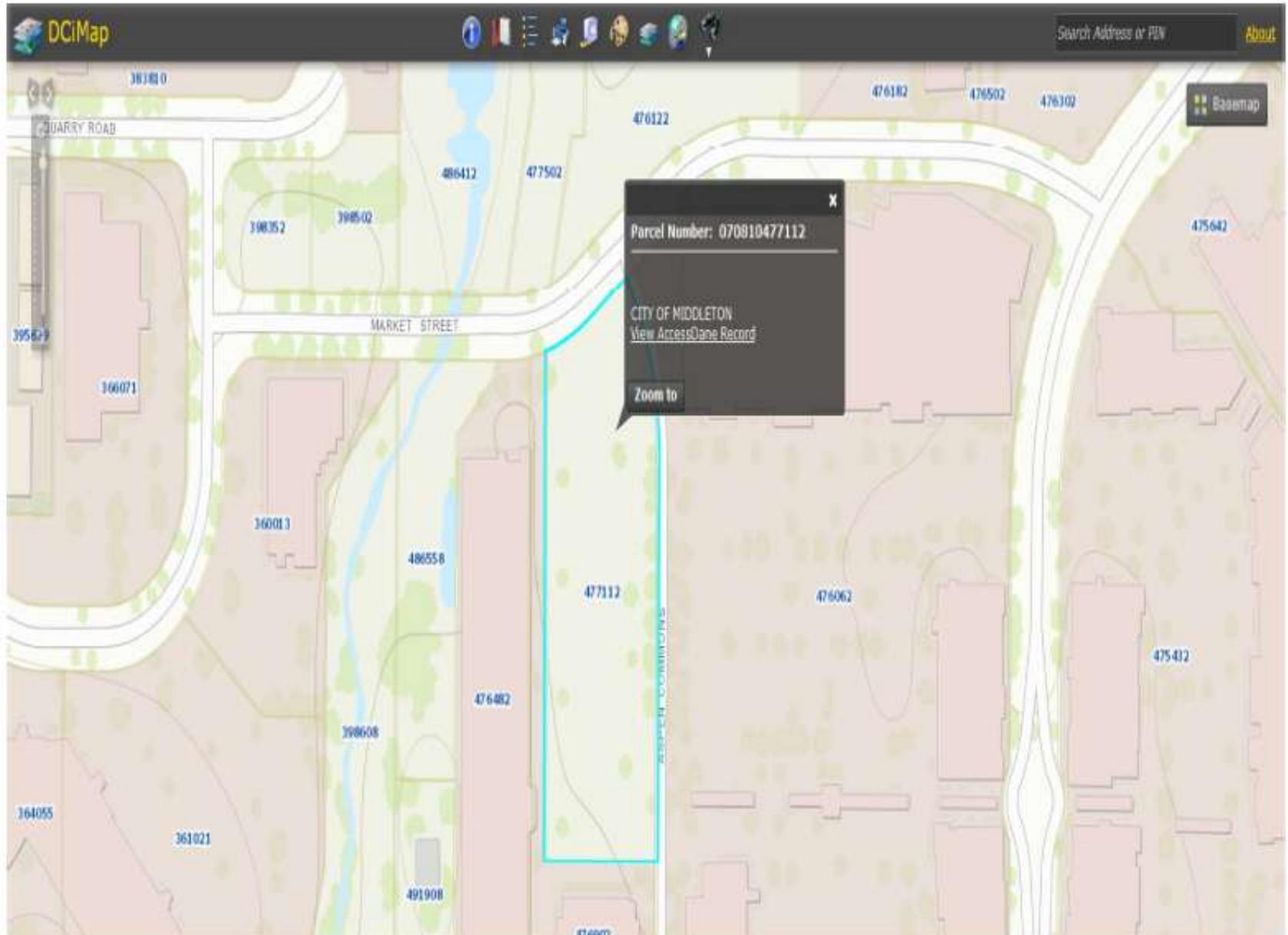
1 EAST ELEVATION ALONG PARMENTER
SCALE: 1/8"=1'-0"



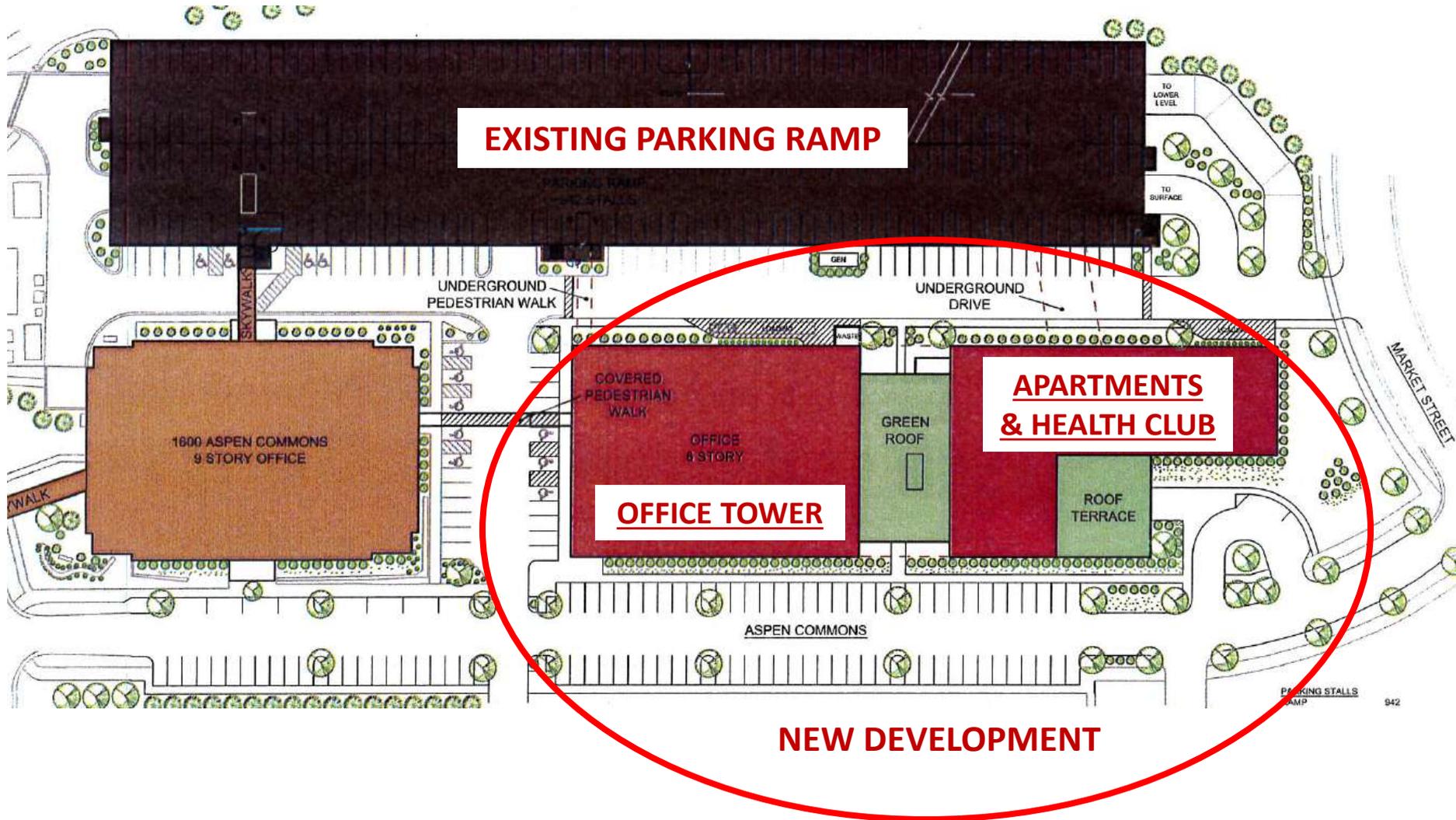
2 NORTH ELEVATION
SCALE: 1/8"=1'-0"

Base Value: \$283,700 (Excludes 2nd Lot-TBD) Estimated Incremental Value: \$5,977,994
Est. Improvement Value: \$6,261,694 Estimated Payback Timeline: 9.73 years

ASPEN COMMONS OFFICE, RESIDENTIAL & HEALTH CLUB



ASPEN COMMONS OFFICE, RESIDENTIAL & HEALTH CLUB



ASPEN COMMONS OFFICE, RESIDENTIAL & HEALTH CLUB



Building Rendering
Aspen Commons
November 25, 2013

Base Value: \$1,031,000

Est. Improvement Value: To Be Determined



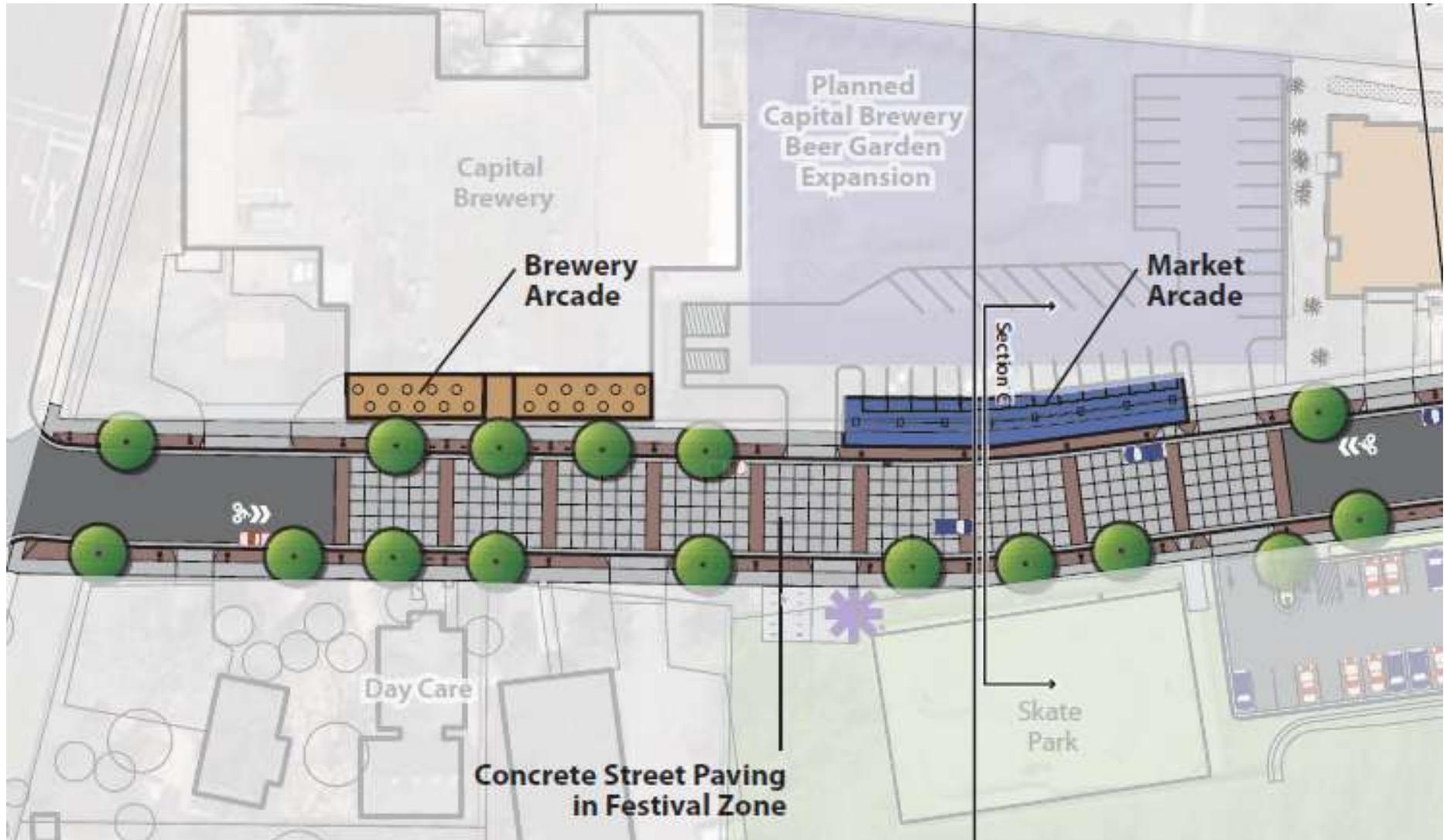
T. Wall Properties



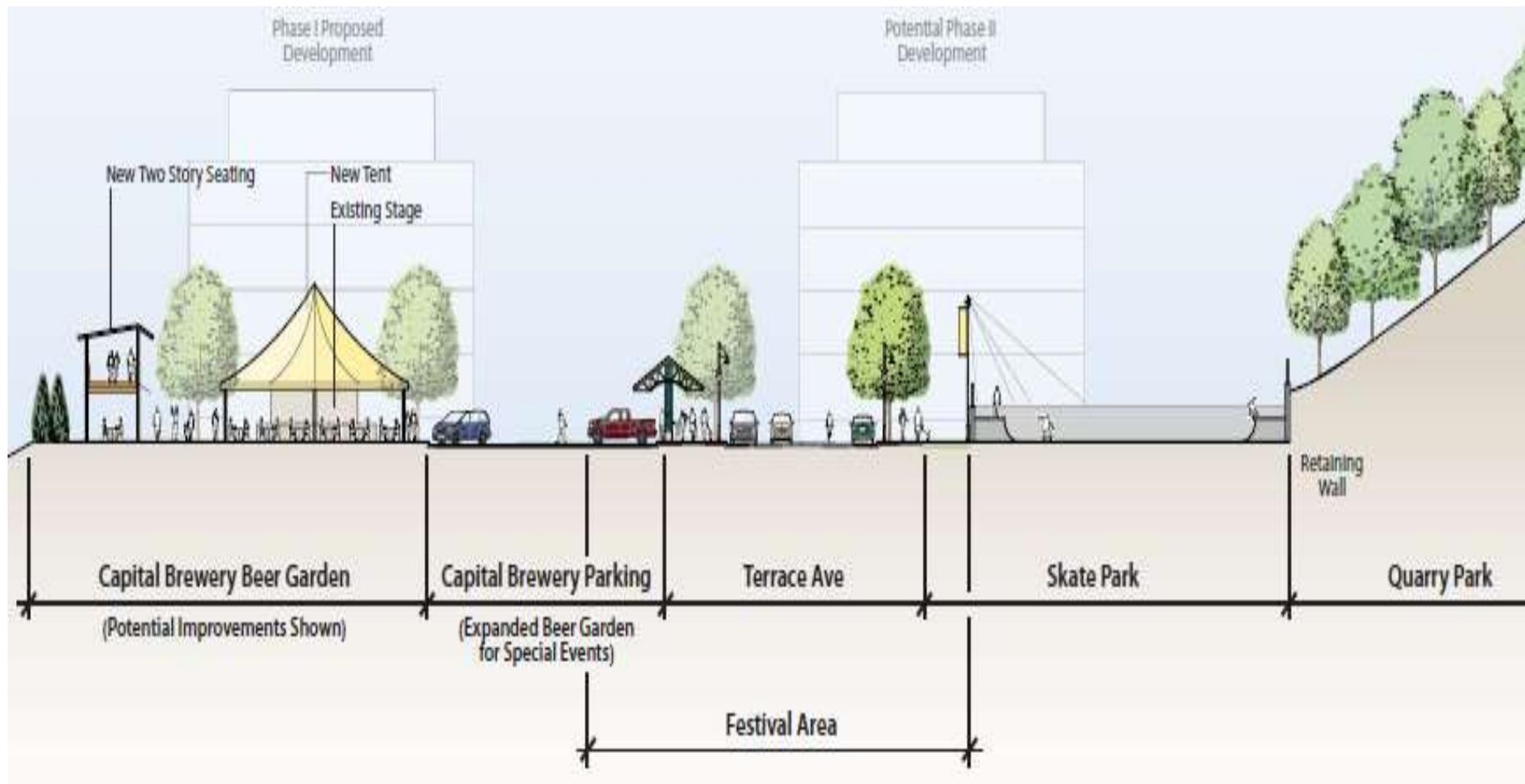
Est. Incremental Value: To Be Determined

Est. Payback Timeline: To Be Determined

CAPITAL BREWERY REDEVELOPMENT & TERRACE AVE. REDEVELOPMENT



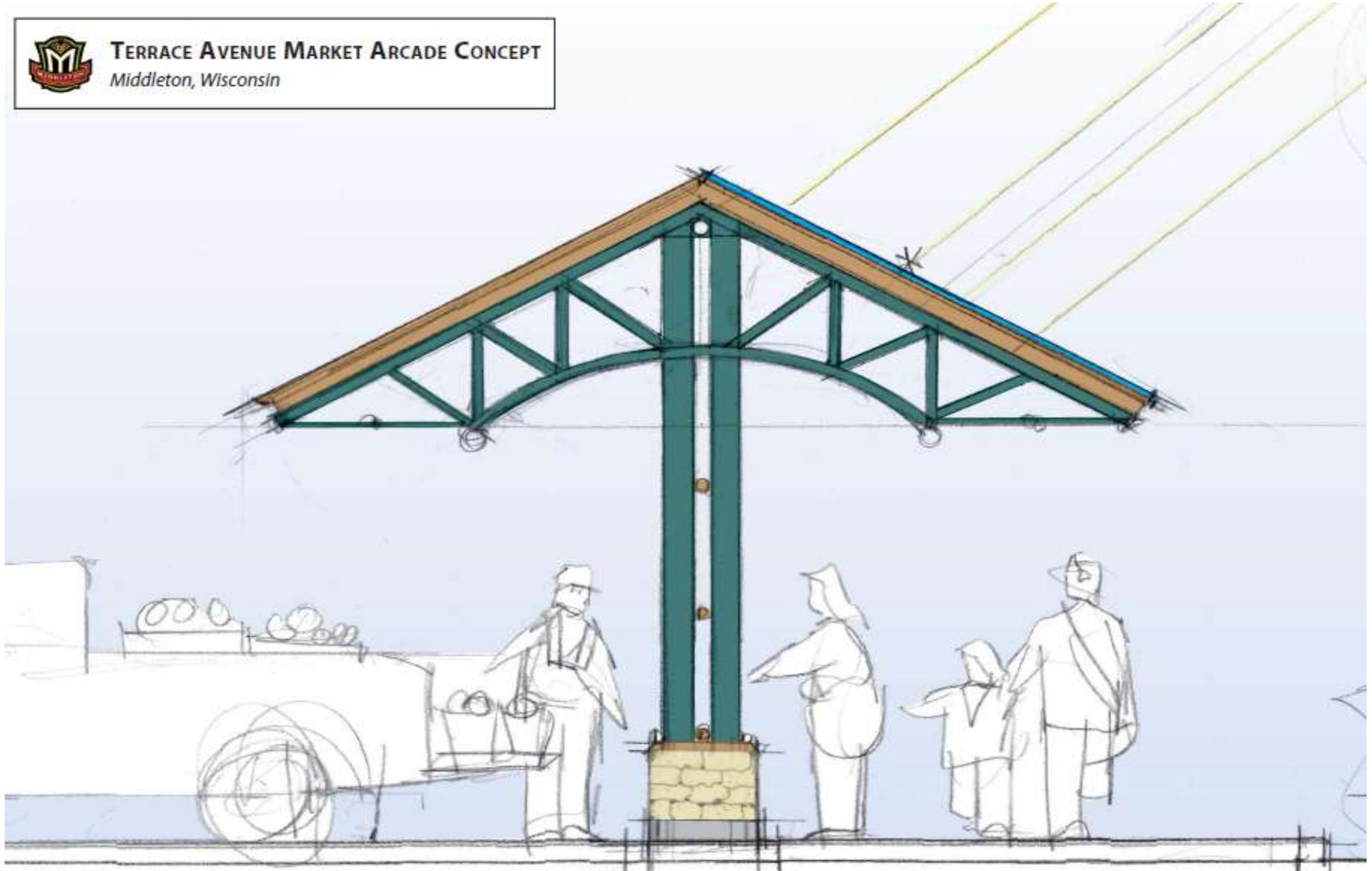
CAPITAL BREWERY REDEVELOPMENT & TERRACE AVE. REDEVELOPMENT



CAPITAL BREWERY REDEVELOPMENT & TERRACE AVE. REDEVELOPMENT



TERRACE AVENUE MARKET ARCADE CONCEPT
Middleton, Wisconsin



CAPITAL BREWERY REDEVELOPMENT & TERRACE AVE. REDEVELOPMENT



Base Value: \$1,103,800

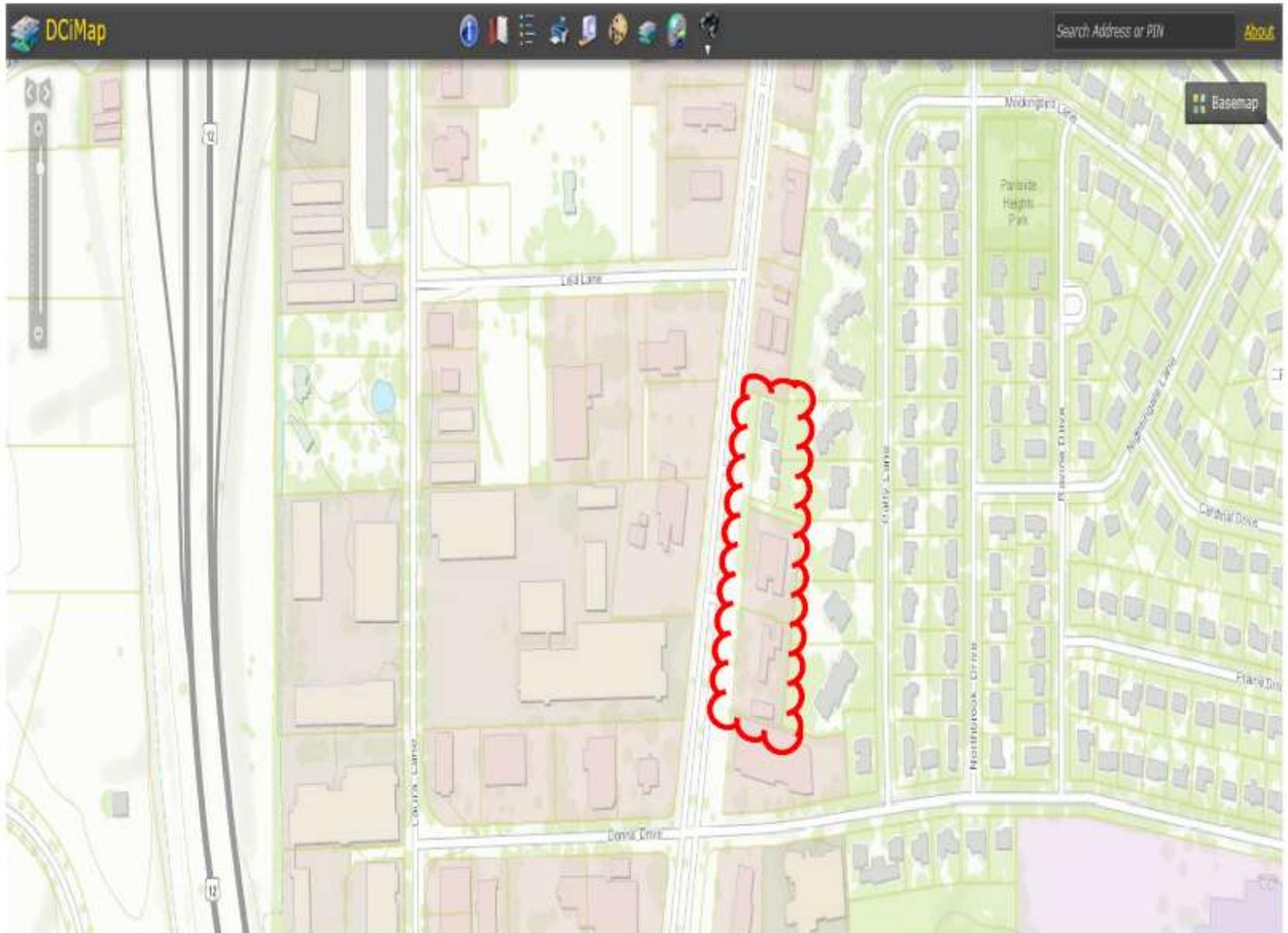
Est. Improvement Value: To Be Determined

Est. Incremental Value: To Be Determined

Est. Payback Timeline: To Be Determined



OLD COLONIAL MOTEL SITE REDEVELOPMENT



OLD COLONIAL MOTEL SITE REDEVELOPMENT



Base Value: \$966,400

Est. Improvement Value: To Be Determined

Est. Incremental Value: To Be Determined

Est. Payback Timeline: To Be Determined

Groundbreaking held for luxury Monona apartments on Yahara River with 'destination' eatery



MAY 23, 2014 11:45 AM • BY [KAREN RIVEDAL](#) | [WISCONSIN STATE JOURNAL](#)

Another new restaurant from Tim Thompson will occupy the ground floor of a \$22 million, mixed-use riverfront development in Monona featuring 121 luxury apartments and advanced erosion control strategies.

Thompson co-owns the [Free House Pub in Middleton](#) and just opened [The Flying](#)

[Hound in Fitchburg](#). Both feature a European focus with a draft-beer focus and menus with German and English influences.

Robin Pharo, a Madison native and sustainable building operations expert, said the restaurant for her new Monona development, to be known as Treysta on the Water, will have similar themes.

"It's meant to be a destination restaurant," she said. "It will be in the vein (of the other restaurants) with a full-service bar and brunch on Saturdays and Sundays."

City officials and Pharo held a groundbreaking ceremony Thursday for the project, slated for completion in early 2015. Fitchburg-based Tri-North Builders will be the general contractor.

The building also is slated to be the state's first mixed-use development to achieve a "Clean Clear Waters" designation, a new certification requiring the advanced use of best practices in erosion control, landscape conservation and storm water management.

It's administered by the Madison Area Builders Association and the Wisconsin Environmental Initiative, with third-party verification of standards.

"Madison area lakes are a vital asset to our region's livelihood," WEI Executive Director John Imes said in a statement. "By educating builders and developers about the easy steps that can be taken to avoid harmful effects during the construction process, we can help improve the quality of our lakes."

The site for the four-story, 79,000-square-foot building is on the 400 block of West Broadway, adjacent to Lottes Park. It's the former home of the Hickory Lane Mobile Home Park, which closed in 2007 with residents moved out under pressure from a former developer.

Beyond the planned restaurant and retail stores on the building's first floor, and 24-hour-a-day concierge services for the apartment tenants who live above it, the 5-acre site will boast amenities including public and private boat slips, boats for rents, an expanded riverfront boardwalk and an outdoor public performance space for concerts and other events.

"I grew up on the East Side, so it's really exciting for me to bring something to Monona that really is going to be a showplace for the area," Pharo said.

The Monona City Council will spend about \$300,000 to help build some of the public amenities, and the city also provided \$1.5 million in taxpayer incentives to help defray costs of underground parking, utility upgrades, and fire safety and soil improvements.

Imes said strategies for landscape conservation and storm water management will include:

- Protecting on-site storm sewer inlets with straw bales, silt fencing or equivalent measures
- Using permeable materials such as brick pavers, flagstones or porous paving for 40% of all walkways, patios and driveways
- Using native landscape plantings
- Providing infiltration system for rooftop run off using rain gardens, drain tile or ponds
- Providing on-site supervision and coordination during site clearing, grading, trenching, paving and installation of utilities to ensure green building measures are implemented.

The Vineyards of Cambridge materializing

By Sydney Krieger Hometown News LP | Posted: Thursday, August 14, 2014 11:30 am

A 73.5-acre residential community development project with a winery/park /bike trail concept is in for the Village of Cambridge final stages of approval.

The project known as, “The Vineyards at Cambridge” is the result of careful planning and a design concept melded from a UW-Madison Landscape Architect graduate student, the Village of Cambridge, developer Bill Ranguette and vintner Frank Peregrine.

The unique concept of The Vineyards at Cambridge is the first of its kind in Dane County.

The development includes Cambridge Winery LLC, comprised of 32 acres of vineyards, a wine tasting room, production facility, aging cellar and an outdoor patio overlooking the vines and water features.

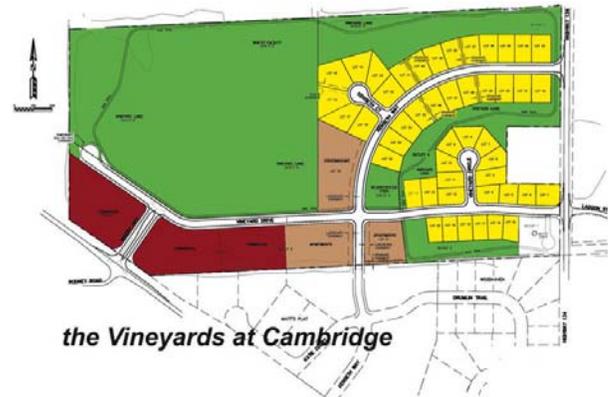
This area will be designed to host larger gatherings such as weddings or office parties.

Around the winery will be multi-use mixed business/ residential/commercial, 20 residential (10,000 square feet) single family home lots, and 27 estate home lots up to 25,000 square feet.

There will also be park areas, zoning for 18 condominium residences and multifamily residences for 72 rental units. All will include upscale amenities such as underground parking, and will be surrounded by vineyards, parkland and over a mile of bicycle paths that will link with the Glacial Drumlin and Cam-Rock bike trails.

The development is located behind Woodhaven neighborhood and Matts Platt on the west side of the village with access from Highway 12/18 at Kenseth Way and two access points on Highway 134 behind the water tower.

A future access to the winery is planned on Highway 12/18 across from Rodney Road.



The Vineyards at Cambridge map

The Vineyards at Cambridge will offer space for a vineyard and winery as well as areas for commercial development, housing, apartments and park space.

The original winery concept came about when the Village of Cambridge's Economic Development Coordinator Linda Begley-Korth applied to UW- Madison to have the village partake in a yearlong capstone project in the Landscape Architect program.

The grant would involve graduate students and offer new perspectives regarding land use and community expansion through their graduate projects.

The Village of Cambridge won a grant award for the 73.5 acres Cambridge has held in the northwest quadrant of the village as part of the future planning since the 1990s.

Student Theresa Hong came up with the concept of combining a winery with residential to meet the vision for expansion, growth and interest to draw new business residents to the community.

On June 14, 2013, Begley-Korth read an article in the Wisconsin State Journal describing a project involving a winery in the Waunakee area and its lack of support from area residents.

"It was serendipity," insisted Begley-Korth. "The timing was perfect."

Winemaker Frank Peregrine of Madison had been working for some time on a winery and tasting room proposal for Westport and was pleasantly surprised to hear from Begley-Korth just a couple of days after the news article appeared.

"I was very excited when Linda contacted me," said Peregrine. "I could hardly believe it!"

When Begley-Korth contacted Peregrine in June of 2013 she told him the village was very interested in his ideas and would "welcome him with open arms."

After meeting with members of the Cambridge Village Board, Peregrine realized what the village had in mind was much larger and more complex than his original vision.

"The village wanted residential as well as commercial development," said Peregrine. "I was a little out of my depth."

Peregrine contacted his associate, developer Bill Ranguette from Waunakee. Ranguette and Peregrine had worked together on various projects over the course of several years and Ranguette brought a great deal of experience ranging from multi-family residences, golf courses, resorts and single family development projects to the table.

Ranguette was intrigued by the project and agreed to partner with Peregrine.

The partners started working on project plans early last fall that would fulfill both Peregrine's vision and the list of criteria the Village of Cambridge needed to fit with the village Comprehensive Growth Plan.

There were many hours of planning, design, zoning, environmental and archaeological studies, working with the village to move the project forward. This was done to fit residential and business

re-quirements for the village and the concept and ideas to provide the proposed Cambridge Winery support for retail and agricultural operations.

“The project began in earnest in September 2013,” said Ranguette who will oversee the general development project. “Permits, rezoning and approval from the Department of Transportation, Dane County, Department of Natural Resources and feasibility studies were necessary.”

Ranguette went on to say that the Vineyards at Cambridge is a two-phase project. The first phase includes building the winery, ag site operations and buildings; planting vines; and putting in place the infrastructure needed to tie into the utilities and sewer and the home site preparations.

The second phase will include the multi-use commercial corridor along Highway 12/18.

“The Vineyards of Cambridge, LLC is the overall development,” Ranguette explained. “The Cambridge Winery, LLC will be separate from the residential development and the winery will be maintained and run by Peregrine, but is still a part of The Vineyards at Cambridge.”

Future homeowners in The Vineyards at Cambridge will contract their own builders, Ranguette explained.

“Frank and I are partners and developers in the multi family, condominium and mixed-use business residential properties,” said Ranguette. “The single family and estate lots are available for purchase and development individually.”

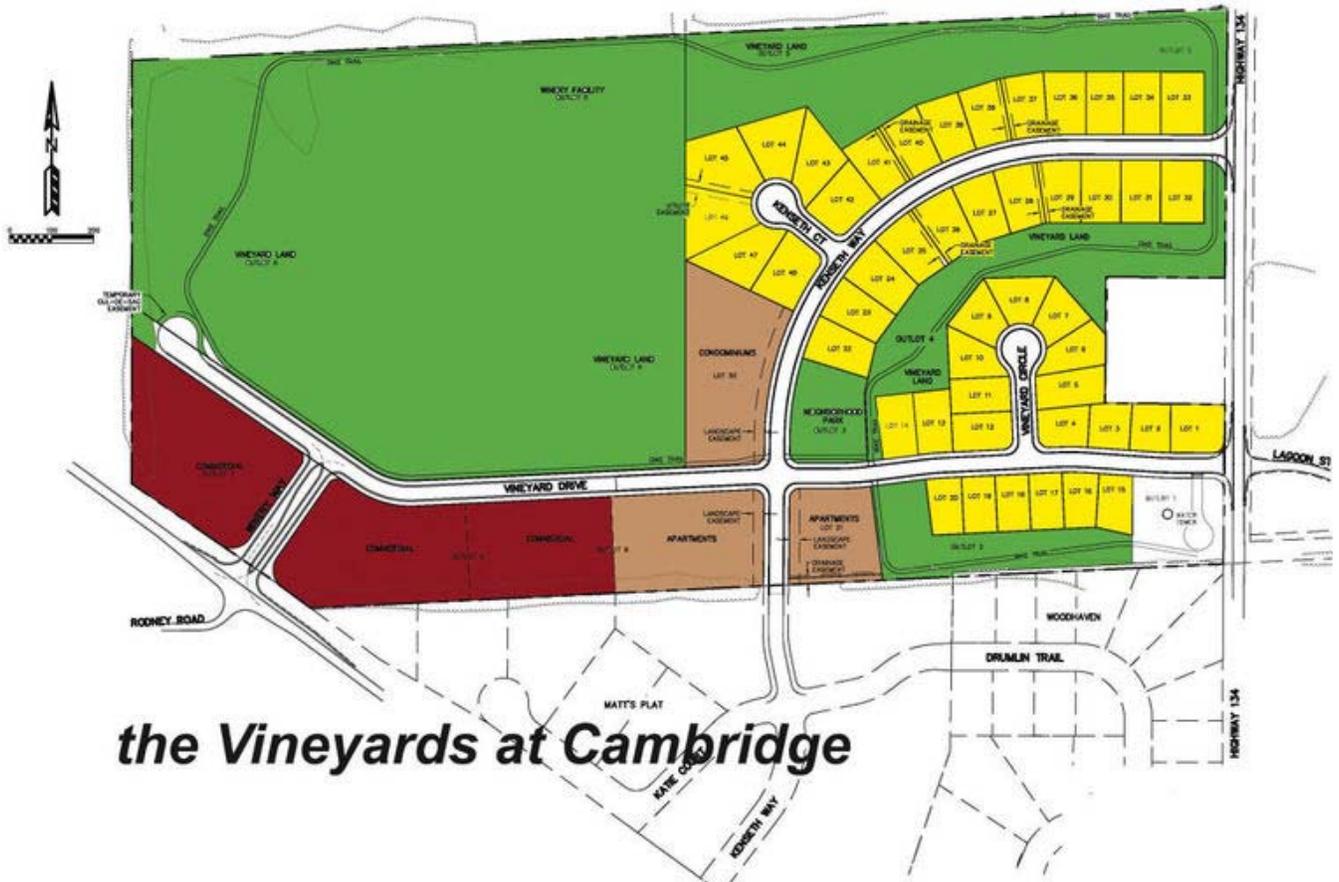
Peregrine has started a venture in Madison called Cambridge Winery - a retail preface to the winery and tasting room to be built in Cambridge to help establish his presence as a vintner and retailer.

“The retail store will be open next month on the corner of Whitney Way and Gilbert Street, off the Beltline (in Madison),” said Peregrine. “This will give us an opportunity to create awareness of our products and support for the project in Cambridge. We will have some of our California wines available right away since it takes a lot of years to establish vineyards.”

Ranguette said it always takes longer to get a project moving than anticipated; after a year of working on it, the development in Cambridge will finally break ground in the middle of September.

“We need to have the infrastructure in place for the winery and residential,” he said. “Sewer ties, roads and access, excavation for the winery, vines and subdivision sites requires moving a lot of earth,” Ranguette explained. “The first of the vines will be planted in spring of 2015 and will continue over three to five years.”

For more information on the Vineyards at Cambridge contact Bill Ranguette at (608) 225-0611 or by e-mail at branguette@gmail.com; visit the Web site at thevineyardsatcambridge.com or contact Exclusive Real Estate Group Inc. for real estate inquiries at (608) 225-0611.





A wealth of upscale apartments headed for downtown Waukesha

By [Tom Daykin](#) of the Journal Sentinel
Jan. 24, 2015

Waukesha — Ken Miller was a bit worried when he built the 42-unit [Kendal Lofts](#) apartments in downtown Waukesha.

The monthly rents, ranging from \$1,150 to \$1,875, were about 40% higher than what the downtown market had ever seen, Miller said.

But the four-story building quickly leased out all of its apartments within six months of its fall 2013 opening, Miller said.

Now, other developers are bringing higher-end apartments to the downtown Waukesha area. They're tapping strong demand from empty nesters looking to downsize and younger professionals who are part of a generation more attuned to urban living.

"Lots of urban professionals — younger people — want to get into downtown," said developer Terrence Wall.

Wall wants to build the 202-unit Fox Head Residences at 211-227 W. Maple Ave., near Carroll University, about four blocks south of downtown. The four-story project, which would include retail space and a parking structure, would be developed on a 3.4-acre parcel that includes two vacant industrial buildings that would be demolished.

Fox Head Residences would have studio, one-bedroom and two-bedroom units. The monthly rents haven't been set but would likely range from \$900 to \$1,200, according to the Waukesha Department of Community Development.

Wall initially proposed 260 apartments and has twice [reduced the proposal](#) in response to concerns from city officials and nearby residents.

If the development wins Common Council approval, his Middleton-based firm, T. Wall Enterprises LLC, would begin construction of the first phase this spring, with the second phase to begin in 2016. The council is to review the revised proposal at its Feb. 19 meeting.

The apartments would include extensive soundproofing, along with amenities such as stainless steel kitchen appliances and programmable thermostats, Wall said. The development would include a community room, fitness center, cafe and chapel, said Wall, who plans to seek city financing for the site's environmental cleanup work.

'Definitely a market'

Fox Head Residences, with an estimated cost of \$20 million to \$25 million, would be the largest of four high-end apartment projects in the works for the downtown area. Those projects total just over 300 units.

[Sterling Investment](#) Real Estate LLC is proposing a 57-unit addition to its Main Street Plaza Apartments, 234 W. Main St., and a new 30-unit building at the southeast corner of Corrina Blvd. and Buckley St.

The four-story Main Street Plaza expansion would have 54 one- and two-bedroom apartments on the upper floors, along with a parking structure and street-level retail space. Also, Sterling plans to convert some unused retail space in Main St. Plaza's first phase into three apartments.

The four-story Corrina Blvd. building, along with a penthouse level, would have 30 apartments on the upper floors and first-floor parking.

The monthly rents haven't been finalized but would likely range from \$1.15 to \$1.23 a square foot, according to Sterling. So, a unit with 1,000 square feet would rent for about \$1,150 a month.

The city Redevelopment Authority approved the two Sterling developments in August. But the firm hasn't yet brought the proposals to the Plan Commission and Common Council for their review.

Sterling co-owner Marcus Felker couldn't be reached for comment.

The firm may have been delaying those Waukesha plans until completing its Worthington Apartments development in downtown Oconomowoc, said Jeff Fortin, Waukesha's community development specialist. The Worthington was completed in late 2014.

Meanwhile, Berg Management Co. is building two levels with 22 apartments atop a former parking structure at 260 South St., with the parking stalls being converted into retail space.

Known as Prairieville Apartments, those units will be completed by July, said Catherine Huelsman, Berg general manager. The apartments will range in size from 515 square feet to 1,433 square feet, with rents projected to range from \$775 to \$1,788, according to the firm.

Berg is seeing full occupancy in the 250 apartments it manages, Huelsman said. Most of those units are in the downtown area, and "the quality of renters keeps going up," she said.

"There definitely is a market for high-end apartments," Huelsman said.

The downtown market has a vacancy rate of about 1.5%, Wall said, citing his firm's recent market study.

"It's startling how little development has occurred, really, in a long time," Wall said.

Downtown's amenities

Waukesha's downtown and its nearby neighborhoods feature some larger apartment buildings — including Mountain Village, River's Edge, Riverwalk Apartments, Main Street Plaza, The Landing and Avalon Square — that were built during a roughly 15-year period starting in the early 1990s.

Those projects total nearly 1,200 units, with most done by local developer Bryce Styza.

Some of Styza's buildings were financed in part with loans from the Wisconsin Housing and Economic Development Authority, which required him to set aside dozens of apartments for low- and moderate-income renters. Avalon Square was built for seniors, including some who need assisted living and memory care services, while The Landing includes condominium units.

A 2011 marketing study commissioned by the city found that downtown was attracting young professionals who want to live near its new restaurants, night life and events "as opposed to previous trends of people selecting these areas because of lower prices," said Fortin.

The new wave of upscale apartment development will draw more people who will patronize downtown's shops and restaurants, Wall said.

At Kendal Lofts, which overlooks the Fox River, residents include people who've moved to the Waukesha area to take jobs at GE Healthcare and other major employers, Miller said.

Wall, whose firm operates higher-end apartments in the Madison area and Green Bay, expects to attract some of those same types of renters to Fox Head Residences. The name refers to the former Fox Head Brewery, which once operated at that site.

"Waukesha is growing," he said. "It definitely has a huge need for new apartments and high-quality apartments."

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Find this article at:

<http://www.jsonline.com/business/a-wealth-of-upscale-apartments-headed-for-downtown-waukesha-b99430779z1-289674151.html>

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St. Francis to provide \$9.9 million to help finance apartment project

By [Tom Daykin](#) of the Journal Sentinel
June 19, 2015

The City of St. Francis would provide \$9.9 million to help finance over 300 high-end apartments overlooking Lake Michigan under a new proposal that would also help pay off city debt from other [lakefront area projects](#).

Kenosha-based Bear Development LLC is seeking to build the [apartments](#) on 11 acres between the Park Shore condominium development at S. Lake Drive and E. Howard Ave., and The Landing condos at S. Lake Drive and E. Denton Ave.

Bear wants to build 315 units, ranging from studios to three-bedroom apartments, in three buildings developed in three separate phases. Each building would have up to five stories, with two levels of underground parking.

Under the financing proposal, Bear would be allowed to recover \$9.9 million of its costs through annual partial property tax rebates. Once Bear has recovered those funds, all property taxes from the development would flow to the city's general fund, its school district and other local governments.

Along with helping pay for Bear's apartments, the city funds also could be used to pay for public space with lakefront views at the development site, Mayor CoryAnn St. Marie-Carls said Friday.

Bear President S.R. Mills has estimated the apartments would be a \$45 million project. It would have a guaranteed value of \$28.5 million, the financing proposal said.

The rents could be \$1,300 to \$1,800 a month. Bear hopes to begin first-phase construction next spring, with the entire project likely taking about five years to complete.

The Bear project would be within a 474-acre tax incremental financing district near the city's lakefront. The financing district and the proposed funding for Bear's project would need Common Council approval.

That financing district would include the former Stark Investments headquarters, 3600 S. Lake Drive, which Las Vegas-based Molasky Group is converting into space leased for a new Milwaukee-area FBI office.

The Common Council last year approved giving Molasky \$2.5 million in city funds to help finance the \$9 million project. Molasky will receive the money through partial property tax rebates over 18 years.

The financing district covers other proposed development sites, including the former City Hall, 4235 S. Nicholson Ave., and Mandel Group Inc.'s vacant lot bordered by S. Lake Drive, S. Packard Ave. and E. Howard Ave.

In 2007, the city borrowed \$4.9 million to do street work and other public improvements in the lakefront area, and to buy about 120 acres of undeveloped land from Wisconsin Energy Corp. Property taxes from new projects, including Mandel Group's planned supermarket, were to pay off that debt.

So far, there's been little development, forcing the city to use its cash reserves to make debt payments. With interest, that current debt is \$5.1 million, which could be paid down with property taxes from the Bear and Molasky projects.

An open house on Bear's project will run from 6:30 to 8 p.m. Tuesday at St. Francis Civic Center, 3400 E. Howard Ave.

A Community Development Authority public hearing on the financing district proposal is scheduled for June 30. Final city review would be in August.

Find this article at:

<http://www.jsonline.com/business/st-francis-to-provide-99-million-to-help-finance-apartment-project-b99522845z1-308466531.html>

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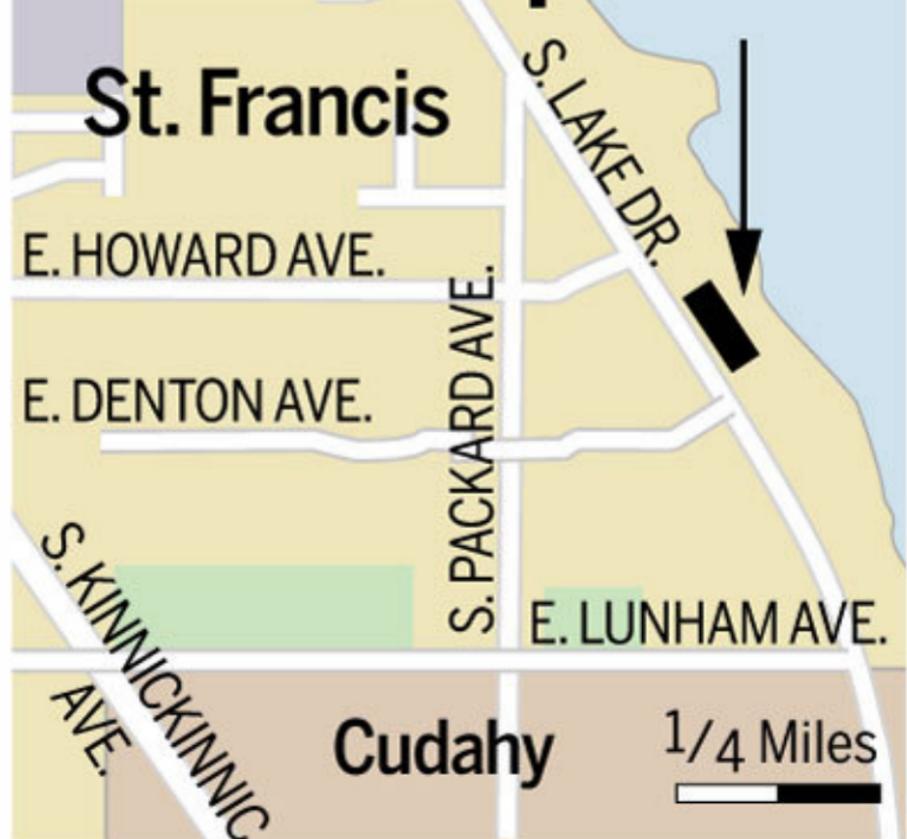
Financial aid

Bear Development, which plans to build over 300 upscale apartments overlooking Lake Michigan, would recover \$9.9

million of its costs through annual partial property tax rebates.



Lake Michigan
Proposed apartments





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Downtown Delafield is booming



Delafield was a "no-brainer" when Ward's House of Prime was looking for a second location, according to restaurateur Brian Ward. The restaurant is increasing its outside seating capacity with the addition of an outdoor patio. Photo By Todd Ponath



By Kelly Smith

June 23, 2015

City of Delafield —About two years ago when Milwaukee restaurateur Brian Ward decided to open a second location for his popular Ward's House of Prime steakhouse, Ward and his marketing business partner, D.J. Martin, were looking for a location between Mequon and Cederburg, north of the city.

Until they found Delafield.

"It was a no-brainer," said Martin.

"Once we got here, we knew it was going to be Delafield," he added.

Martin said he and Ward became enamored with Delafield's quaint, small-town atmosphere, punctuated by the colonial-style architecture of the buildings built by Bob Lang, and the slow-paced, laid-back culture of Lake Country.

"In Milwaukee, when people go out to dinner, a lot of times it is before they go to some other event, like a Bucks game or the theater. Out here, when people go out to dinner it is *the* event. Dinner here may last hour or an hour half, in Milwaukee it may be 45 minutes," Martin observed.

The recent announcement that an outdoor patio is being built in front of the restaurant — which will increase its outside seating capacity to 130 diners — is indicative of the economic rebound that has been going on in downtown Delafield since the Great Recession of 2008.

By the end of this year, about 180 high-end apartment units will have been built in downtown Delafield during the past four years.

Within the past 31/2 years, three new restaurants have opened downtown and a fourth, The Lumber Inn, expanded to double its original size.

In August 2014, the Steiner group, the city's largest landlord, announced it had signed new leases with six downtown businesses.

They included The Barn Owl, Le Petit Pas Ballet Studio, Aeva Couture Party/Bridal Shop, Century 21 and Healthy for Life. Another tenant, Arte, expanded its space at Wells Street from 1,135 to 2,060 square feet.

"Wow," is the one word that downtown business owner Rick Lieblang used to describe the boom.

For a quarter-century, Lieblang, a former city alderman, has owned Lieblang Leather and Pro Cleaners, and he has seen downtown Delafield have its ups and downs.

"We are very lucky in Delafield. We have a great location, the interstate (I-94), and being located halfway between Milwaukee and Madison, and we have wealth in the community," he said.

In addition to its location, three developers have been key to Delafield's recent economic success, according to Ed McAleer, who served as the city's mayor for 14 years.

"They came along at the right time," he said.

Those developers are Jason Steiner, Joe McCormick and the Neumann Companies owned by Mark Neumann and his son Matt.

Steiner has been described by City Planner Roger Dupler as "The Ben Cartwright of our Ponderosa."

In late 2007, in the midst of the near-collapse of the country's economy, the Steiner family company, Ace World Group of Cudahy, purchased nearly all of the downtown buildings owned by investor/developer Bob Lang.

During the 1990s and early 2000s, Lang had rejuvenated downtown Delafield by building nearly a half-dozen colonial Williamsburg-style buildings to provide warehouse and office space for his card, calendar and candle company that had become the hottest new items in gift shops across the country.

A new era

The Steiners' purchase of the Lang property began a new era in the city's economy, according to Dupler.

Instead of small retailers selling "wicker baskets and scented candles," Steiner occupied the Lang buildings with high-end professional, financial, legal and communication service companies as well as retailers offering specialty products and merchandise that began attracting new consumers to the city, according to Dupler.

After Steiner came McCormick, the soft-spoken, laid-back Madison developer who introduced the city to the concept of building high-end apartment buildings in the midst of the downtown business district. The Neumann Companies made their contribution with high-end apartments on the west edge of the city.

The new commercial and residential tenants downtown have created a "buzz" that is attracting more potential for the city, according to Libertyville, Illinois, developer John McLindon, of Streetscape USA.

He thinks the city can attract high-income urban professionals who are interested in raising their families in a rural atmosphere as well as wealthy, older "empty nesters" interested in retiring in a rural community with some of the amenities of a more-urban area.

Urban amenities

Martin and Ward are trying to enhance those urban-area amenities. They are working with their next-door neighbor, Revere's Wells Street Tavern, to establish Wells Street as a destination for summer outdoor dining.

With the new patio in front of Ward's House of Prime, both establishments will have large outdoor dining capacity.

In addition, they agreed to provide live entertainment with the dining on alternating weekdays and Saturdays.

Dupler acknowledges there could be parking and congestion issues if the efforts by restaurant owners are successful.

However, he quickly added, those are the kinds of issues city officials are willing deal with as part of a booming downtown economy.

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Downtown Waukesha apartment plan wins initial city approval

By [Tom Daykin](#) of the Journal Sentinel
June 29, 2015 7:00 a.m.

A three-story, 47-unit apartment building planned for downtown Waukesha is being recommended for approval by a city panel.

The city Redevelopment Authority has endorsed the project from developer Bryce Styza. It will next go to the Plan Commission before the Common Council reviews the proposal.

The building would be developed at the southeast corner of Corrina Blvd. and Buckley St., near the Fox River. That's the same site where Brookfield-based Sterling Investments planned a 31-unit apartment building before dropping its proposal.

It would be the latest in a series of [higher-end apartment developments](#) in the downtown area.

Find this article at:

<http://www.jsonline.com/blogs/business/310125571.html>

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