

Schierholz and Associates, Inc.

PO Box 60969

Colorado Springs, CO 80960

August 1, 2022

City of Marshall- The City

Attn: Sharon Hanson, City Administrator

344 West Main Street

Marshall, MN 56258

Mailed certified return receipt and electronically

TO WHOM IT MAY CONCERN- Time is of the essence

REQUEST FOR MATCHING FUNDS FOR GRANT APPLICATION

Schierholz and Associates, Inc. (SAA) dba Broadmoor Valley has accepted a grant award of \$500,000 from Minnesota Housing for the purpose of infrastructure improvement of the manufactured housing community. As part of the agreement, we have agreed to a covenant that will maintain the community as a manufactured housing community for 25 years. The stated goal in the scope of work is to design and implement sustainable and cost-effective improvements for the benefit of the residents of Broadmoor Valley. Sustainable and cost-effective improvements will assist in the requirement by Minnesota Housing to maintain affordable rents.

We have since retained Bolton and Menk to perform studies and engineering services to examine every aspect of the infrastructure and make recommendations on priorities and costs.

It is assumed by all parties, that this current grant award will be insufficient to cover all the costs associated with water, sewer, and electrical utility improvements as well as improvements for the replacement of street surfacing within said manufactured housing community.

Discussions with Bolton and Menk indicate that their initial assessment agrees that more capital will be required. Bolton and Menk has advised us to maintain the road surfaces as we have been to minimize double expenditures. We must plan for more capital now. Bolton and Menk initial estimate suggest that total funds of at least \$2,200,000 will be required.

It is extremely important for the City and/or County to contribute the maximum amount of leverage capital.

Although Minnesota Housing has not issued a RFP for 2022, we have verbal assurance that the RFP will be issued late August and the request will need to be submitted on or before September 30, 2022. We intend to apply for the Grant. We are requesting assistance from all sources both human capital and monetary capital.

A letter commitment with the dollar amount of leverage funds is requested by September 15, 2022. Since we expect the grant request to be at least \$1,700,000. We are requesting leverage funds of \$170,000 from the City and/or County.

The timing that we are promised from Bolton and Menk is as follows: Task 1 – Topographic Survey complete by September 1st, 2022. Task 2 – Preliminary Engineering Report- September 15th, 2022

The September 15th report will outline the infrastructure repair/replacements needed and an estimate of costs. This report will form the basis for our request for funding.

Our current projected schedule with Bolton and Menk assumes we will receive the additional funding requirement to complete the project. We plan to proceed with engineering designs required so that we can begin construction in 2023. If we delay the engineering design phase, it will likely push construction to commence in 2024. We need to have an extremely powerful proposal request for funding from Minnesota Housing. Leverage is a large important factor that will give us a greater chance of acceptance.

If we go forward Task 3.1 Final Design would be completed by November 18th, 2022. Task 3.2 Final Plans 60% Plan Review would be completed by December 15th, 2022. 100% Plan Review would be completed by February 1, 2023. Then Phase I Bidding/Construction would be scheduled for the Spring of 2023.

The cost of the work commenced after September 15th would be almost half of the total bid. If we were not able to get additional funding those funds would be wasted. We would then have to create a new design for a much scaled down plan.

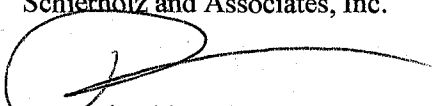
Following is an example of a winning bid in 2021. Woodland Terrace was a winner last year. The community has 61 lots. The project received \$350,000 from the City of Richfield for leverage of 25%. The total project cost is \$1,392,675, or \$22,830 per lot.

We believe replacement cost of the Broadmoor Valley Community would be over \$40,000 per lot. With licensed lots of 178, it translates into replacement cost of at least \$7,120,000. We estimate that repair and replacement would be far less. It is estimated that the total project cost for infrastructure repair and/or replacement would be \$2,200,000. The project cost per lot would be only \$12,360.

Thank you for all your support and assistance.

Sincerely,

Schierholz and Associates, Inc.



By Paul Schierholz, President

Enclosure: copy of Bolton and Menk Contract

Cc: Residents of Broadmoor Valley

Thomas F. DeVincke

Kevin Stroup