

APRIL 22, 2024

City of Watertown

Finance Committee 5:30pm

Greater Watertown Community Health Foundation
Neighborhood Plan Update

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GWCHF Vision





GWCHF

Our Vision:

Thriving communities where everyone has a fair and just opportunity to be as healthy as possible.

"Health equity means increasing opportunities for everyone to live the healthiest life possible, no matter who we are. where we live, or how much money we make.,,



Development Plan

Great Watertown Community Health Foundation's Vision four Housing.

- Deliver diverse housing types to accommodate a variety of lifestyles, age groups, formats, and price points.
- Integrate public health and community character.
- Build a model for sustainable and positive environmental impacts by providing housing, parks, and community uses within walking distance.
- Blend multi-modal transportation options into design.
- Preserve environmental systems.



Section 2

Development Plan & Site Layout



Previous Development Option

As presented to City Staff in Dec 2023.

Option (1)

ADOPTED PLAN

Housing Choices 100 rental apts, 20 for-sale townhomes, 24 for-sale twins, 39 for-sale singles

Total New Roofs 183

Estimated Taxes \$783,000

Need from City PayGo Blighted TID. Mixed Use TID for infrastructure installation

Previous Layout

December 2023.

- Multiple east/west streets,
- Includes townhomes.
- No higher-value lots.



Development Plan

March 2024.

This plan:

- creates highest tax increment.
- is Developers' preference, ie., no town homes.
- meets GWCHF's vision and goals.
- creates greatly needed housing options for citizens of Watertown.

APARTMENTS, TWIN HOMES & SINGLE FAMILY HOMES

Housing Options

- 96 rental apartments
- 18 for-sale twins
- 78 for-sale singles

Total New Roofs 192

Estimated Taxes \$914,000 upon construction

completion

UPDATED

Site Layout March 2024



- Multiple higher-value lots.
- · One east/west street.
- · No townhomes.
- · Highest tax increment.

Multi-Family Development

- 96 units.
- Infrastructure thru developer financed TIF.
- 2025 anticipated construction start.













Multi-Family Development

Proforma

But for the City's infrastructure installation, the Multi-Family development would not be financially feasible.

Riverside Apartments

Development Information and Assumptions

April 4, 2024

BASIC PROJECT INFORMATION	-
Units	96
Туре	Family Market Rate
Address	Hoffman Rd
City, State	Watertown, WI
Site Area (acres)	6.00
Building Gross Sq. Ft. (excluding parking)	119,994
Parking Spaces - Attached	32
Parking Spaces - Detached Garage	0
Parking Spaces - Surface	TBD

PROFORMA ASSUMPTIONS	
Construction Hard Cost/SF	\$140.01
Total Development Cost/Unit	5212,296
Operating Expenses (per unit per month)	\$587
Annual Rent Increase	3.00%
Annual Expense Increase	3.00%
Stabilized Vacancy	5.00%
Sales Price - Cap Rate	6.25%

FINANCING ASSUMPTIONS	
Construction Loan Rate	1.000%
Construction Loan Term (Approx. Months)	30
Permanent Mortgage Rate	5.750%
Permanent Mortgage Amortization (years)	30
Permanent Mortgage Term (years)	7

INVESTMENT RETURNS	
Cash on Cash (10 yr avg)	6.67%
IRR.	11.16%

Unit Type	Otty	Sq. Ft.		Rent		Rent/Si
1 Bedroom - Lower	12	730	5	1,250	\$	1.71
1 Bedroom - Upper	28	795	5	1,275	5	1.60
2 Bedroom - Lower	12	1,010	5	1,575	5	1.56
2 Bedroom - Upper	12	1,075	5	1,600	\$	1.45
2 Bedroom - Lower - Garage	4	1,010	5	1,675	5	1.66
2 Bedroom - Upper - Garage	4	1,075	\$	1,700	5	1.58
3 Bedroom - Lower - Garage	12	1,285	5	1,900	5	1.48
3 Bedroom - Upper - Garage	12	1,350	5	1,925	\$	1.43

- 36

OTHER REVENUE ASSUMPT	IONS .				
Type	City		Rate		Per Year
Parking / Storage	0	5	-	\$	•
Fet move-in fee	G.	5	-	5	10.5
Pet fees (per mo)	0	5	0.00	5	
Amenity fee	0	5		5	

CONSTRUCTION AND LEASE-UP SCHEDULE	1000 1000 100
Construction Begins	09/01/24
Construction Complete	09/01/25

Twin Homes Development

- 18 units.
- Infrastructure thru GWCHF and municipal funding.
- 2025 anticipated construction start.



Twin Homes Development

Proforma

But for the City's infrastructure installation, the Twin Homes development would not be financially feasible.

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Single Family Homes Development

- 78 units.
- Infrastructure thru GWCHF and municipal funding.
- 2025 anticipated construction start.







Single Family Homes

Proforma

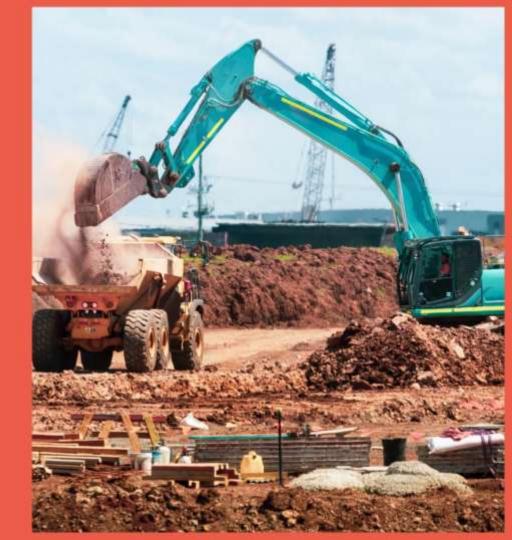
But for the City's infrastructure installation, the Single Family Homes development would not be financially feasible.

	Full Cost	Percent	Discounted Lot	Percent	Difference
Final Sales Price	\$475,000		\$410,000		\$65,000
Commissions & Closing Costs	-\$16,625	-3.50%	-\$14,350	-3.50%	
Proceeds at Closing	\$458.375		\$395,650		
Home Construction Cost	-\$275,000	-57.90%	-\$275,000	-67.10%	
General Conditions on Site	-\$7,000	-150%	-\$7,000	-1.70%	
Lot Cost	-\$85,000	-17.90%	-\$30,000	-7.30%	-\$55,000
Interest Expense & Carrying Cost	-\$12,000	-2.50%	-\$8,000	-2.00%	
Harbor Homes OH per Home	-\$35,000	-7.40%	-\$35,000	-8.50%	
Profit	\$44,375	9.30%	\$32,000	9.90%	

Section 3

Infrastructure

Phased Installation



Infrastructure Phasing

Phased installation affords City time for budgeting.



Infrastructure Costs Projected.

	Phase 1	Phase 2	Phase 3	Total Project
Linear Feet	2316	1449	435	4200
Mass Grading and Water Management	\$ 1,348,230.00	\$ 	\$ -	\$1,348,230.00
Water and Sewer	\$ 1,200,685.20	\$ 726,772.80	\$250,582.00	\$ 2,178,040.00
Curb, Gutter, Road	\$ 511,325.00	\$ 320,425.00	\$ 87,050.00	\$ 918,800.00
Gas and Electric	\$ 137,800.00	\$ 85,800.00	\$ 31,200.00	\$ 254,800.00
Landscape, Professional Fee's and Contingency	\$ 828,298.04	\$ 209,439.56	\$ 67,526.40	\$1,105,264.00
Total	\$ 4,026,338.24	\$ 1,342,437.36	\$436,358.40	\$5,805,134.00

Section 4

Construction Phasing



Construction Phasing

with Infrastructure Phasing



INFRASTRUCTURE

· Phase 1 begins

SINGLE FAMILY

10 under construction

TWIN HOMES

. 6 under construction

MULTI-FAMILY

96 under construction

SINGLE FAMILY

- . 10 from prior yr completed
- · additional 12 completed
- · additional 12 started
- cumulative completed 22

TWIN HOMES

- 6 from prior yr completed.
- additional 6 completed
- · additional 6 started
- · cumulative completed 12:

MULTI-FAMILY

- . 96 from prior yr completed
- · cumulative completed 96

INFRASTRUCTURE

· Phase 2 begins

SINGLE FAMILY

- . 12 from prior yr completed
- · additional 12 completed
- · additional 12 started
- · cumulative completed 46

TWIN HOMES

- 6 from prior yr completed
- · cumulative completed 18

INFRASTRUCTURE

· Phase 3 begins

SINGLE FAMILY

- · 12 from prior yr completed
- · additional 12 completed
- · additional 10 started
- cumulative completed 70

SINGLE FAMILY

- . 10 from prior yr completed
- · cumulative completed 80

Section 5

Term Sheets



Term Sheet

Riverside Apartments Development.

City of Watertown - Riverside Apartments Development Developer Agreement Summary Term Sheet Draft: April 18, 2024

- A. Parties: City of Watertown (the "<u>Vity</u>") Horizon Development Group, Inc. (the "Developer")
- B. Property: Develope has an optime to purchase a 7"-same and 6the "Zaganta") that is the northern power of a larger oil. Same redevelopment ains (the "Redevelopment Site") powerably leased at 700 Helfman Drive in the City of Wasertone (Jeffman County Tex Identification Norther 391-3815-0814-001). The balance of the property is being abused for the development of a resolutest and dedication, which will be the subject of a different development agreement and is not a part of the Propert.
- C. Project Description: The project (the "Exages") consists of '96 sensal apartment units in finer, 24-sent buildings to be constructed in a might plane as above conceptually as Early-ball (the "Concept Plane"). Each buildings will be two others and contain approximately \$4.000 square finer constraining of 10 one-bedroom/vice-buildings will be received to the containing of the other buildings of a fine-bedroom/vice-buildings or indice containing of the co
 - Developer's total investment will be approximately \$20.36 million. To commute the Proyect, Developer shall provide approximately \$4.8 million in equals.
- b. Purpose: This term shoot (the "Intra Shoot") continue the basic obligations and composabilities of the Parties for developing the Property and completing the Propert, which are to be incorporated onto a formal development agreement (the "Development Agreement") between the Parties for the Propert Data Term Shoet is not bushing on either party but, instead, represents their innessions with temport to the unitant of a bushing Development Agreement.

E. Conditions Precedent:

- Developer has secured a purchase option for the Property and has until May 1, 2025, to close on the sale.
- 2. The Property currently is example from real property taxes and has an assessed value of \$0.00.
- In collaboration with the City, the Genter Waterione Community Health Foundation prepared the Waterions Scalewart Side Conceptual Neighborhood Plan (the "Singabothood Plan") expressing the Property and nonvascular area.
- Developer has indicated convent in developing the Propurty consumer with the Neighborhood Plan and has provided the City with concepts plans and flavoural inflamman for construction of the Project.
- The Property is classified as Bivertude Mixed Use on the Forest Land Use May adopted as part of the Watertown Computatorive Plan and is seemd PO (Planted Office & Institutional).
- To implement the Propert, the Property will need to be resoned to PO (Planced Development) (the "Reconsts")
- Prior to the crustion of a Tax limitation District (the "TID") that would include the Property sile.
 Property will need to be formally subdivided (the "Pia") from the rest of the Balanwingsment Science.

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Term Sheet

Riverside Residential Subdivision Development.

City of Watertown - Riverside Residential Subdivision Development Developer Agreement Summary Toron Sheet Brail: April 18, 3034

- A. Parties: Oil of Walestons the "Clar").
- Greater Waterlown Community Shalfs Foundation the "Developer")
- B. Freporty: Developer owns a 46.5-acre sin properly located at 700 Hudison Drive in the City of Watertown Gefferson Courts Tax Home/Lostous Number 291-0815-0814-0013 (benefoper saturals to unit.) off the northern "" acres for the development of a rooted spacement propert, the "Agentments"), which will be the subject of a different development agreement and in any a part of this Project. The remaining 41.5" serie that are the subject of this Term West (the "Trauget,") will be better subdivided as
- C. Purpose: The term short the "Earn Elect") outlines the basic obligations and expossibilities of the Forter for developing the Property and completing the Property which are to be incorporated way a formal development agreement (the "Development Agreement") between the Parties for the Propert. This Term Short is not hinding on either party but, remail, represents their betomines with respect to the comment of a bending Development Agreement
- B. Project Description: The project offer "Engage") common of 30 angle famile forms and 18 twin houses for a read 96 uses to be construent over 2 shares the "Phase") with respecting infrastructure. consistent with the "Concept Development Play" as shown on Exhibit 1. Developer to suggest with two halder (the "Balders") to construct the horses. Although preformance by the Buildon in required in this Taxes Short and the contemplated Development Agreement, the Builders are not a page to either. and Developer shall accome all responsibilities with impact to the type, quality, and trining of aniconstruction to be performed by the Hubbers.
- 1. Infraeturate for the Proper preerally pressure of a plan of solub cision, route, subreality, escendights. potable water lines, names server time, interessets management facilities, electric service, natural. gar service, and telecommunications service. It also conside of a public yeak, and realizing path along the periodeter of the Property. Developer will construct those in 3 Phases over 5 years as shown on Eichibit 2 i the "Desalt passed Schoolsie"). The total cost is entireated to be 85 8 softion as down on Exhibit Fithe "Infrastructure Cost Estamates").
- 2. The Wi single family forms will in size vary from 1,000 sq. B. to 2,400 sq. B. to one- and tecr-story configurations on loss of approximately \$,700 eq. ft. Ohe "Single Earth! Horses"). Approximately 16. different models will be offered with nations options for each available to horses. The Builder will vary the see of designs and polore to second a nuncermosa agreement. Typical floreplane and elevations are shown in Exhabit 4, and the Builder's extrested cost of construction for a typical way. including the cost of the lot, is provided in Edulini 5 the "Zeptal M. Construction Cost"). Further, the Builder shall construct and offer complete borner that ment the "Mississer, Construction and Finall, Standardy' as drawn on Exhibit 6. These hones that to 2027 shall have a base sale prior of \$410,000 or less other "Base M. Privat").
 - a. Harring with those former constructed in 2026 and than for such coloraguest calendar trees. for flace SF Prior view he increased to the annual Shafter bules as measured by the U.S. Bureau of Labor Business for some other similar redex to be determined in the Development Agreement) without prior approval of the City provided that the Builder's profit is within industry standards.

Section 6

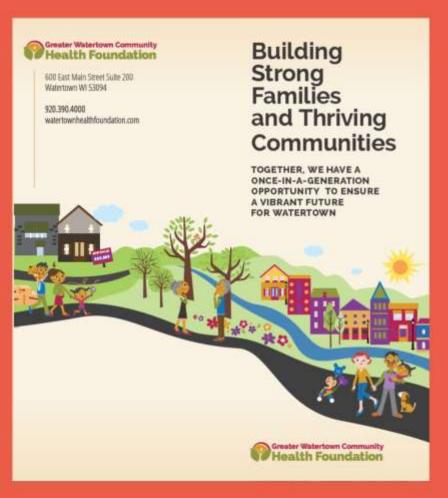
Next Steps



Next Steps

Key project milestones May - Aug 2024





City of Watertown -

Thank you for your partnership and guidance as we collectively work to transform a vacant parcel, add significantly to the tax base, and make a truly positive impact on housing for the future of Watertown.

Greater Watertown Community Health Foundation
Tina Crave - President & CEO
Nate Peters - Chief Financial Officer