



43 E 7th Avenue
Sawdust District
Development Proposal

16 April 2021



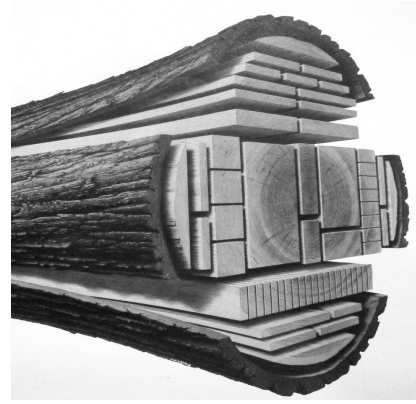


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DEVELOPER CREDENTIALS

The development of the River North section of the Sawdust District will truly be transformational to area and will serve as a catalyst for further development. Understanding the importance of this property to the community, we have assembled a team of developers capable of accomplishing this plan that will bring commercial space mixed with a range of residential opportunities with an estimated overall value of \$34 million within 3 years.

The overall design seeks to provide a unifying framework that responds to the local history of the district from both an architectural perspective of the existing historical buildings, but also acknowledging the lumber industry that brought Oshkosh to its prominence in the early half of the 20th century. The Wesenberg Architects team has been responsible for the overall design concept and site plan and will serve as the project architect for all of the elements. The past several years the Wesenberg Architects team has grown to 5 full-time architects, four of which each have over 25 years of experience respectively.

The growth of the Wesenberg team hasn't been limited to just the Architectural side. The Wesenberg Homes side has grown to over 8 dedicated staff members in addition to the numerous subcontractors and suppliers. Over the past two years the Wesenberg Homes team constructed over 100 homes, mostly in Oshkosh and the immediate surrounding areas. Part of this included the Preserve condominium subdivision which has started the last of the 23 condo units within 18 months. The Wesenberg Homes skill set includes construction project management, marketing, and interior design. It is this team that will take on primary responsibility for the 34 condominium units located along the riverfront.

YBR Properties has agreed to partner and take responsibility for completing two adjoining mixed-use buildings along south main street as well as construct a two-story apartment unit on the south-east parcel of the site. While this entity is relatively new it has been able to accomplish a fair amount since its inception. The YBR team is leasing up Block 800 in downtown Appleton which included roughly 9,000 sf of commercial space and 28 residential units. The team just celebrated the ground breaking of the Brin project in downtown Menasha which includes 8,800 sf of commercial space with 43 market rate apartments.

Managing members of YBR Properties includes the leadership team of CR Structures Group, a commercial contractors who will construct their buildings. CR Structures has well establish track record of completing commercial and industrial projects through north-east Wisconsin.

Finally the Wesenberg Architects team will partner with Andy Dumke, of Alliance Development, and Tim Hess, with Invista Analytics, to complete the two two-story apartment units along 9th Avenue. As local examples, different combinations of this team have collaborated on the Beach Building, the Granary redevelopment, and most recently Smith School.

TEAM MEMBERS



Chet Wesenberg, AIA

Chet is a licensed architect and developer with over 25 years of experience. He started his career working for the the Alexander Company and Kenton Peters + Associates in Madison before opening his own firm in Oshkosh in 2004.

Originally a one-man show working from his basement, the Wesenberg team has grown substantially and has recently restructured into two collaborating divisions, the Wesenberg Architects team, and the Wesenberg Homes team.

Collectively the Wesenberg team is capable of designing the entire range of building projects and is capable of constructing single family on up to mid-sized commercial projects.

Recent local projects include finishing a 23 unit condominium planned development on Oshkosh's west side, contracting the Beach and Granary redevelopments, and constructing the Sanctuary Aquatics building on the north side.

Chet lives with his wife Rebecca and 3 kids in Oshkosh.



Timothy Hess, PhD

Tim is a consulting real-estate analyst, academic statistician, dabbles personally in development, and serves as the business manager of the Wesenberg team.

Earning his doctorate from UW-Madison, he has authored manuscripts and speaks frequently on topics of valuation, development incentives, and historic preservation.

Tim is a co-founder of Invista Analytics, a network of consulting analysts with expertise in statistics, econometrics, accounting and operations research. Over the past several years he has been associated with local projects including the Beach Building, the Washington Building, the Granary, the Aviation Plaza redevelopment, and presently Smith School.

Tim is an emeritus board member and past-president of Habitat for Humanity of Oshkosh and took the leadership role in bringing the ReStore to Oshkosh. He lives in Oshkosh with his two kids, and splits time between here and Milwaukee with his fiancée and 'bonus kid'.



Andy Dumke

Andy has been a professional real estate developer for nearly 30 years. He is a partner in Alliance Development, a leading commercial developer having developed over \$200 million in real estate. He also co-founded Northpointe Development which has completed 958 multi-family apartment units with an additional 162 units in progress.

Andy and his wife Allison raised three children in our community and they both proudly still call Oshkosh home.



Kip Golden

Kip is the executive Vice President and Co-Owner of CR Structures Group based out of Appleton. He has more than 20 years of experience in the commercial and light industrial construction industry. Kip leads business development and client relation efforts at CR Structures Group. His responsibilities include cultivating new business opportunities in all markets throughout northeast Wisconsin; directing the development of strategic alliances with clients, business partners and industry-specific associations; and managing pre-construction activities subject to the planning, designing, budgeting, permitting, financing and scheduling of projects.

Kip is also a managing member of YBR Properties. Recent and present projects include Block 800 in Appleton which is nearing completion, the Brin in Menasha which recently celebrated breaking ground, and the Miles Kimball redevelopment in Oshkosh.



Molly & Brett Hildebrandt

Brett and Molly have recently committed themselves into the development realm and by all accounts dove headfirst. In addition to owning and managing a residential rental portfolio, the pair serve as managing members of YBR Properties and take primary responsibility for seeking investors, leading marketing efforts, and assisting in the organization's strategic planning.

Again their relatively short tenure has resulted in positive results with the successful completion of Block 800, the recent groundbreaking of The Brin project in Menasha, the upcoming development of Banta I, and their recent approval of Tax Increment Financing for the Miles Kimball redevelopment project which is right across from this project on South Main in Oshkosh.

Brett and Molly live and are raising their children in Oshkosh.

LEGAL STRUCTURE

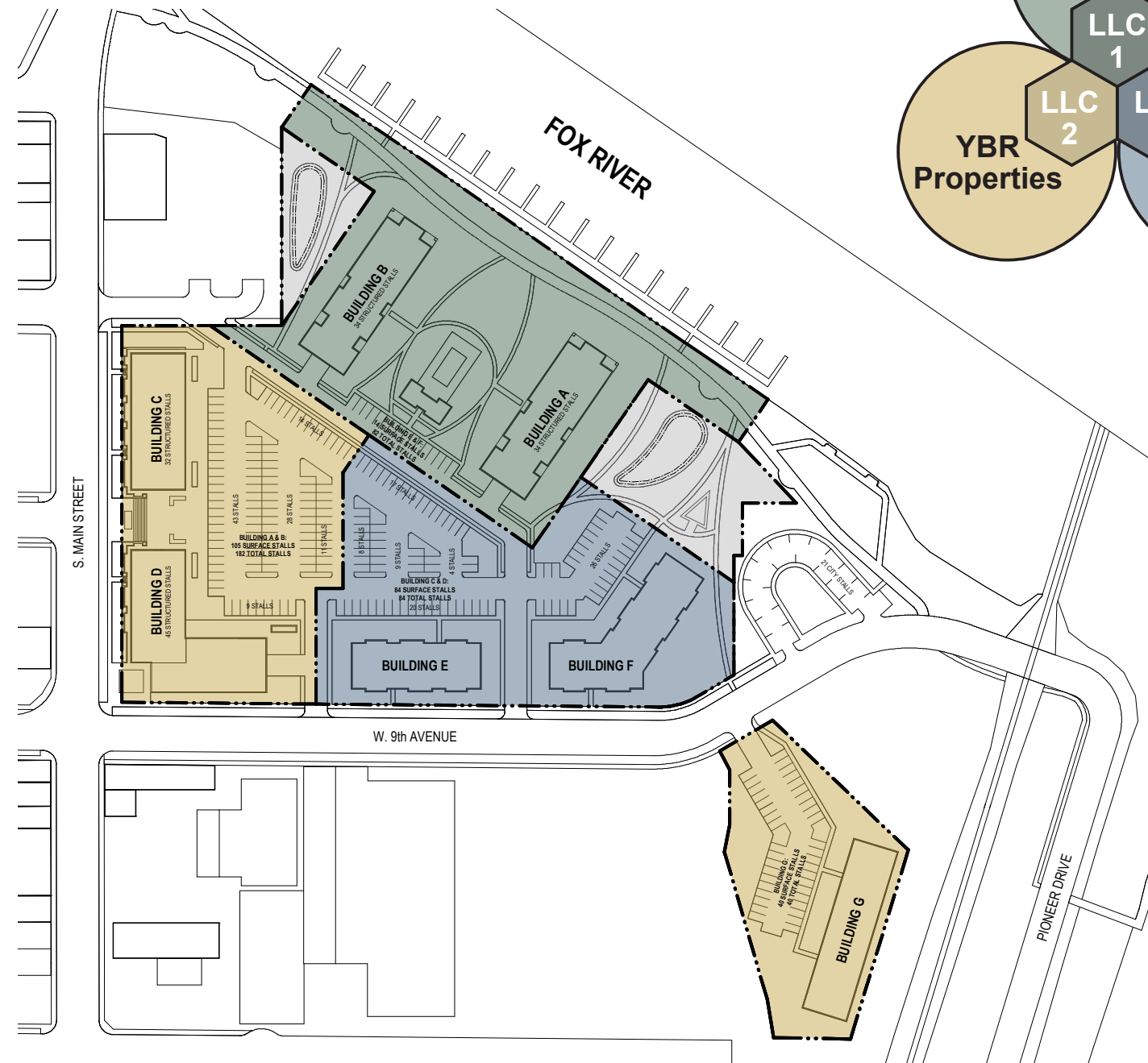
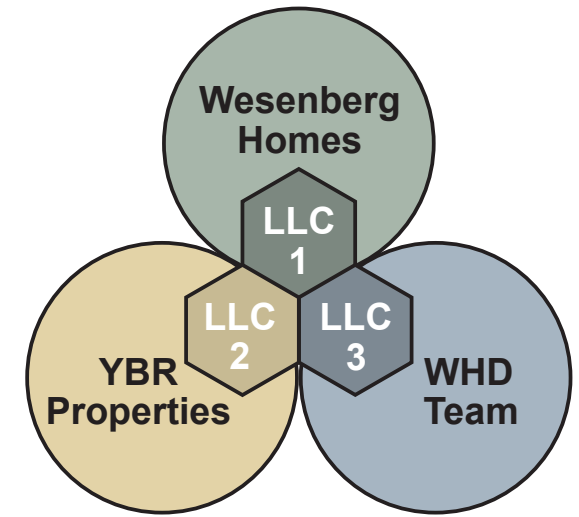
The proposed development will be carried out by three different development teams with some overlap. Each of the teams will ultimately create individual limited liability companies under chapter 183 of the Wisconsin Statutes. These separate LLCs will own and operate their respective portions of the development separately but will have several cooperative agreements in place for parking and shared maintenance of the storm water facilities.

First, the **Wesenberg Homes** team will take primary responsibility for the development of the condominium units (**buildings A & B**) along the riverfront. Ultimately the ownership of the condominium units as well as the common areas will be with a new limited liability company with each condominium unit owner owning 1/34-th of the LLC. The condominium LLC will also own and manage the boat docks along the river. Unit owners will be offered first chance to own a slip. Excess boat slips will then be offered for lease to the general public.

To be clear, in order for the condominium LLC to be able to obtain the riparian rights and place the boat docks the condo LLC must possess ownership of the waterfront land. We are proposing that the RDA / City of Oshkosh sell this land to the development team but then create an easement to provide the public permanent access to the riverwalk.

The **YBR Properties** team will take primary responsibility for the development of the 2 mixed-use buildings along south main (**buildings C & D**) as well as the two-story apartment unit on the parcel south of 9th avenue (**building G**). A new LLC will be created for the ownership and operations of these buildings. Members of the YBR team will likely invest and retain ownership of a portion of this LLC. In addition, it is anticipated that outside investors will also be sought and provided a percentage of ownership.

Finally the **WHD Team**, consisting of Mr. Wesenberg, Mr. Hess, and Mr. Dumke, will take responsibility for the development of the two-story apartment buildings on the north side of 9th avenue (**buildings E & F**). Again, a new LLC will be created to own and operate the properties. We anticipate that the WHD team will maintain majority ownership of this new LLC, though it is possible that some outside investors could also be brought in.



PROJECT DESCRIPTION

Our plan for the River North Development is to construct 7 primary buildings and 1 accessory building that will provide diverse housing opportunities and commercial space. The overarching goal is to provide waterfront views to every building.

Two four-story condominium units above underground parking are proposed along the river bank (**buildings A & B**). The first three stories will contain 5 dwelling units while the top floor will house 2 penthouse units for each building. Each building will have 34 underground parking stalls while sharing a total of 14 surface stalls to the south. Between the two units will be a pool with adjacent accessory clubhouse building for use by the condominium owners. Total investment into both buildings is estimated at \$14.6 million.

Two mixed use buildings will be constructed along south Main Street (**buildings C & D**). The southern building on the corner of 9th and Main would be constructed first. This 'L'-shaped four-story building has a 15,130 sf footprint. On the first floor along south main would be 7,950 sf of commercial space. The remaining floor space along 9th avenue would contain 5 apartment units. The upper 3 floor would house another 37 one and two bedroom apartment units as well as a rooftop patio for tenant use. A total of 45 underground parking stalls are proposed. Estimated investment into this building is \$10.8 million

To the north, an adjacent 3 story mixed use building is proposed with 10,245 sf footprint. Here the entire first floor would serve a commercial use. A total of 18 apartment units are proposed on the second and third floors. The two buildings will be connected by a glass bridge serving the second and third floors. The underground parking will also be connected to that of building D and add an additional 32 stalls. Estimated investment for this building is \$6 million.

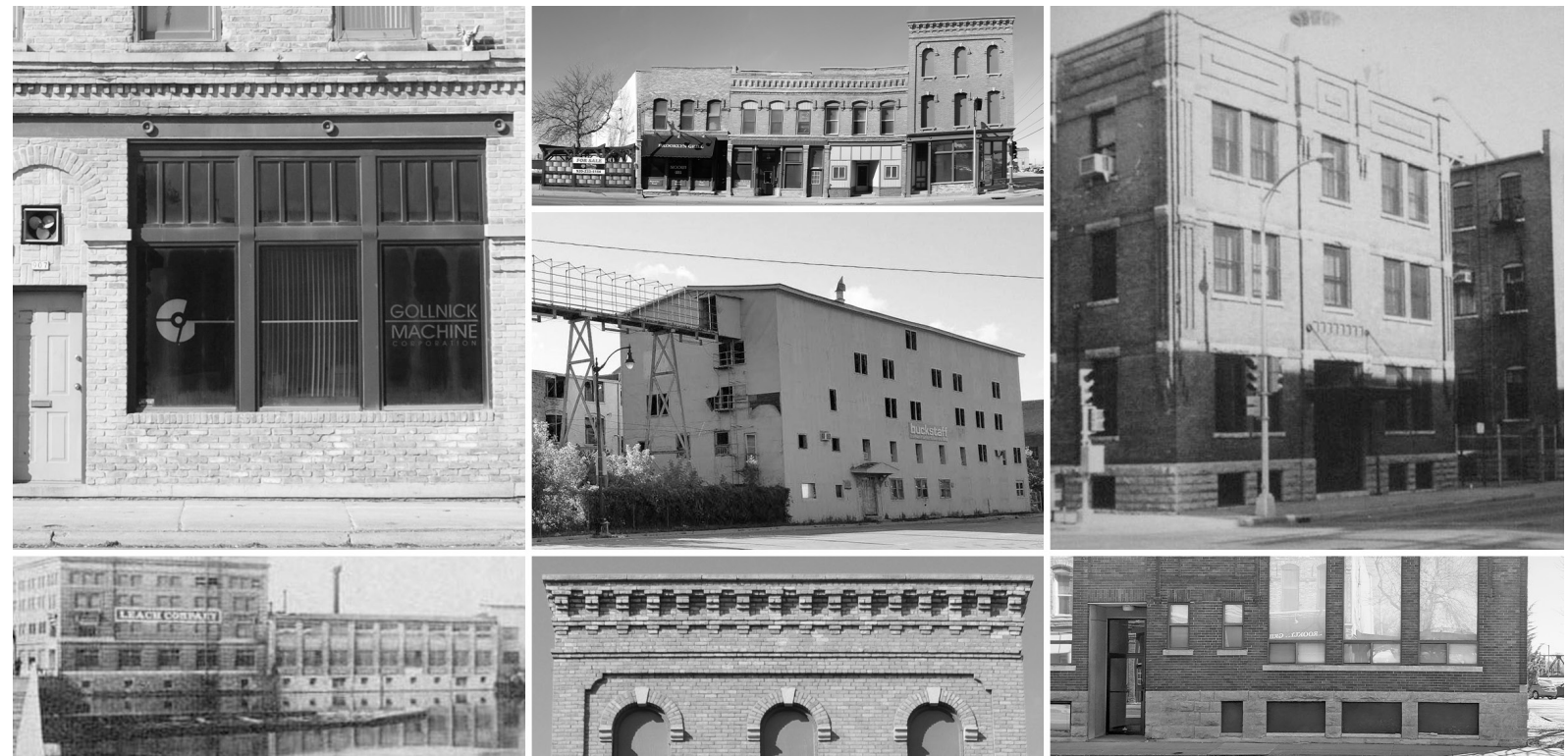
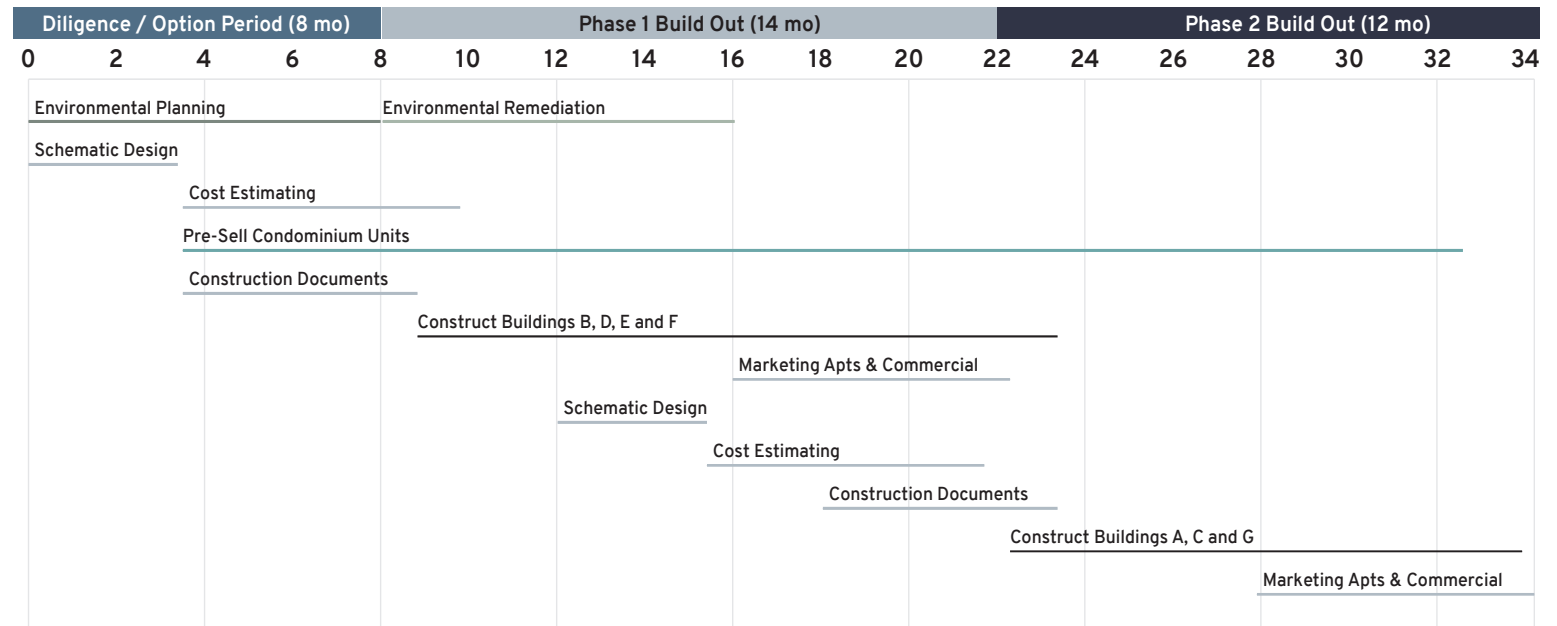
Three two-story apartment buildings are proposed along 9th Avenue. Building E will have 16 units, building F will have 24 units, and building G will have 20 units. Surface parking will be provided for these buildings. Total investment across these three buildings is \$6.7 million.

In total, 243 surface parking stalls are being proposed to serve the entire development not including the intended city parking to the east.

After conversations with AECOM, it is our understanding that the proposed buildings will require geopiers because of the soil conditions with fill. It is anticipated that the overall additional costs is between \$1.6 and \$2 million for this. In addition, our understanding is that there is no contamination that must be removed from site. The site design and amount of underground parking was carefully considered such that we estimate that and soils produced via excavating will be able to remain on site. We further anticipate working with the city to apply for EPA and or WEDC brownsfield and Idle Sites grants to address and specific capping that may need to be performed.

Overall we estimate a \$38.1 million investment on this site. In light of this we propose a purchase price of \$1.

Preliminary Project Schedule



CONCEPT PLAN

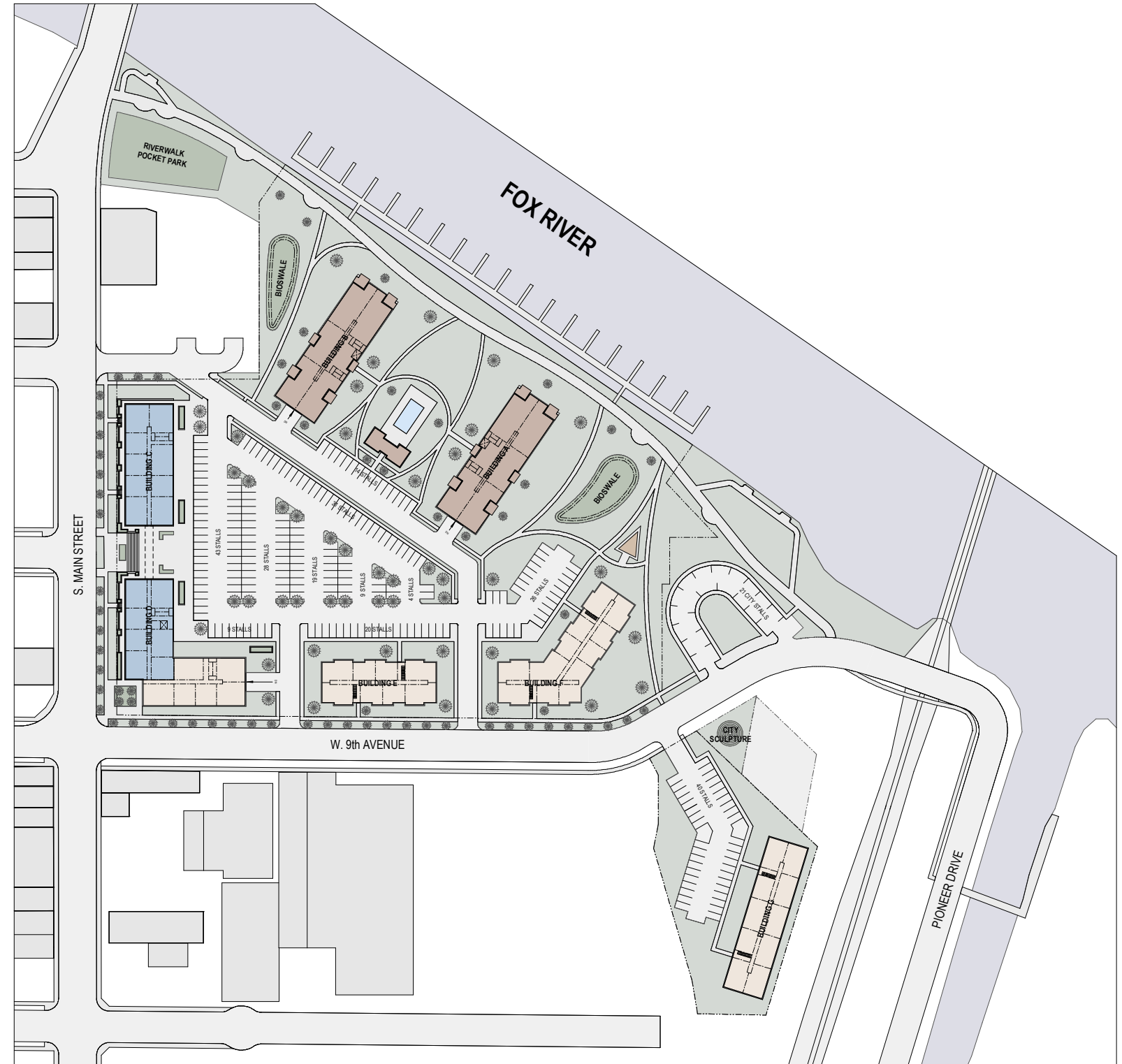
The proposed River North Development creates a sense of place within architectural character unique to its site, the Sawdust District and the City of Oshkosh providing an attractive new gateway to the district and downtown.

It's important to maximize the fresh aesthetic advantage of new construction while being respectful of the historic nature of the existing district. Architectural materials and proportions are complementary of past and present historic buildings found along Main Street and throughout the Sawdust District. The proposed aesthetic character is a blend of brick and stone masonry anchoring buildings to their site with large expanses of glass, metal panels and wood accents paying homage to the history of their place.

The Master Plan provides a development which respects and maintains the city grid with enduring street facades along Main Street and 9th Avenue. In contrast and screened from the street front, a tree lined central court organizes vehicular parking while condominium buildings sit askew along river front property offering the entire development to take advantage of waterway views and providing direct pedestrian access to the river and Riverwalk system. Two, three and four story buildings offer a higher density development in support of preserving additional green space for its residence and the community at large.

In serving multiple markets, including mixed-use commercial space and higher end residential apartments along Main Street, owner occupied condominium buildings along the Fox River and medium rate apartments set back towards the lake shore this River North Development provides equal opportunity and a broad mix of living solutions for the community it serves. A mix of surface and structured parking will support the residents and commercial development while bike storage solutions, pedestrian paths and amenities will be located throughout the development.

The proposed development draws the City Center south across the Fox River into a revitalized North Shore. While the architectural design provides an attractive new gateway to the district and downtown Oshkosh providing a maximum return on real estate investment.





Site Axonometric View



RIVER PERSPECTIVE FACING SOUTH

Condominium buildings along the riverfront were inspired by the masonry warehouse buildings and Buckstaff manufacturing facilities historically found in the Sawdust District.



RIVERFRONT ELEVATION



RIVERWALK PERSPECTIVE VIEW FACING EAST



MAIN STREET PERSPECTIVE FACING SOUTH-EAST
Primary street facades are complementary to the historic proportions and materials commonly found along Main Street Oshkosh.



SOUTH MAIN STREET ELEVATION



9TH AVENUE PERSPECTIVE FACING NORTH-EAST

Brick warehouses historically found in the Sawdust District inspired the architectural forms and materials used for the 9th Avenue Apartments.



9TH AVENUE STREET ELEVATION

FINANCING PLAN

Given three different legal entities will complete this proposal the overall financing strategy will be diverse. At an overall estimated cost of \$38.1 million, we anticipate the need to bring in approximately 15% or roughly \$5.7 million in equity to bring the project to fruition. Although each group may have differing strategies, likely sources will come from developer cash, sweat equity, or outside investor contributions.

Initial projections demonstrate the need to ask for city participation in two forms in order to make the project feasible. First we anticipate requesting Tax Incremental Financing (TIF) assistance to assist with soil condition, site contamination, and other extraordinary projects costs. We also ask that the city partner with the development teams in assisting with coordination of the brownsfield team with the Wisconsin Economic Development Corporation and the WI Department of Natural Resources in hopes that we can obtain additional EPA and/or Idle Sites grants to assist with environment remediation costs.

As noted in the project description section, each of the three major development elements will be constructed in two phases and thus will provide some time to raise necessary capital for the second phases.

For the condominium element, initial conversations with Wesenberg Home's typical lender suggest that with the sweat equity being proposed through the Wesenberg Team, 5 total units would need to be pre-sold, or roughly 30%, in order for the bank to provide financing and start the project. Given Wesenberg Homes previous track record with condominiums we anticipate this can be easily completed within the option period time frame.

For the mixed-use buildings along main street the YBR Properties team also has a solid track record of obtaining investors to obtain the needed capital. This was the strategy for the Block 800, the Brin, the Banta, and the Miles Kimball projects. Also similar to their previous projects it is anticipated that a fair portion of the needed capital will come from sweat equity either directly from the development team and sometimes from the individual subcontractors.

The WHD team anticipates that through a combination of personal investment and sweat equity that the team will be ready to proceed with the first phase by the end of the proposed option period. Should additional unforeseen costs arrive it is possible this team will also solicit outside investors to complete the capital stack.

Again the overall project provides a diverse range of housing options including unique riverfront ownership opportunities through the condominium project, and both high and mid-range apartment living options. The Wesenberg Homes team has dedicated marketing staff to facilitate the condominium sales. We anticipate that local Realtors will also be thrilled to assist in the marketing efforts for these units. The apartments and commercial space will be marketed through a combination of online and social media platforms as well as local print media.

In light of the substantial proposed investment and anticipated total valuation this project will provide we offer \$1 for the property.

CITY GOALS & VISION

The proposal directly addresses many of the goals and visions called for in both the City of Oshkosh Comprehensive Plan, the City Center Corridors Plan, the Oshkosh Riverfront Visioning Summary, the Imagine Oshkosh Center City Master Plan, and most specifically, the Sawdust District Master Plan. We highlight some of the objectives achieved below:

- Provides a sense of place with an architectural character inspired by the unique history of the Sawdust District.
- Enhances the Riverfront and provides an attractive appearance from the water.
- Reestablishes the historic proportions and building materials found along Main Street and activates the street front with commercial uses.
- Provides an attractive gateway feature at 9th and Main Street as well as an entry point for the Riverwalk along South Main Street.
- Provides opportunities for mixed uses including commercial and retail spaces with provisions for public parking and a variety of options for multi-family residential markets.
- Provides shared open spaces with amenities for bicycle and pedestrian connections to the Riverwalk.
- Boat slips enhance Riverwalk activities and reinforce the historic nature of the waterway as a primary resource for the City of Oshkosh.
- Public sculptures help identify places of interest and support the revitalization of the Sawdust District.