

April 15, 2021

Allen Davis

Director of Community Development

Kelly Nieforth

Economic Development Manager

Redevelopment Authority of the City of Oshkosh

Department of Community Development

215 Church Avenue, Room 201

Oshkosh, WI 54901

Subject: Sawdust District Redevelopment

Redevelopment Authority Members:

Enclosed is a proposal for redevelopment of a parcel at the River North Subdistrict, within the Sawdust District in the City of Oshkosh. Our plan includes a complete construction management service, from the planning and design, to construction and management of a seven building, 338 unit multi-family complex.

Please See attached proposal for details, and contact me at (608) 374-4200 with any questions.

Sincerely,

Jacob R. Buswell

Red Earth, LLC



Red Earth LLC



City of Oshkosh

Sawdust District Redevelopment

Proposal for Development

Red Earth, LLC
1201 N. Superior Ave.
Tomah, WI 54660

Jacob Buswell
Site & Project Coordinator
jake.buswell@allamericandoitcenter.com
(608) 374-4200



River North Subarea
43 E. 7th Avenue
City of Oshkosh, WI 54902



Red Earth, LLC and Americon Construction are positioned to give the City of Oshkosh the benefit of a centralized ownership that handles the entire project, from the RFP stage to the final stabilization of the properties. The companies and team members involved in this project are outlined in this proposal. With extensive background in acquisition and development, commercial construction and property management, our team will provide the City of Oshkosh confidence in this initial RFP concept.



DEVELOPER



Red Earth, LLC
Jacob Buswell
1201 N. Superior Ave.
Tomah, WI 54660

(608) 374-4200
jake.buswell@allamericandoitcenter.com

Red Earth, LLC was formed specifically for the purpose of developing a multi-family complex in Oshkosh Wisconsin. The five members involved have over 100 combined years of experience in the multi-family construction and management industry. Between operating Americon Construction and 3 Amigos Property Management, the team at Red Earth will deliver the results expected in this project.

GENERAL CONTRACTOR



Americon Construction
Matthew Buswell
1201 N. Superior Ave.
Tomah, WI 54660

(608) 377-7201
mbuswell@americonconstructionco.com

Since 1980, Americon has constructed almost every type of building imaginable, including thousands of apartment units, and hundreds of thousands of square feet of office/retail space. Americon's core belief is that a contractor must have strong relationships with project subcontractors in order to receive the best possible end results. The Americon team seeks the highest integrity and quality of work attainable.

PROPERTY MANAGEMENT



Three Amigos Property Management
Todd Page
403 Gillette St.
LaCrosse, WI 54603

(608) 781-1275
todd.page@allamericandoitcenter.com

3 Amigos Property Management is a staff of professionals including Site and Project Coordinators, Financial Analyst, Director of Properties, Leasing Representatives and Maintenance Technicians. Our team manages over \$100 million worth of properties in and around La Crosse County. 3 Amigos Management provides instant notification of service requests, a business center, online payment and a DNA registry of all on-site tenants' pets.



Knothe & Bruce Architects, LLC
Kevin Burow, AIA, LEED A.P.
7601 University Ave. Suite 201
Middleton, WI 53562

(608) 836-3690
info@knothebruce.com

ARCHITECT

Knothe & Bruce is an award-winning architecture and design firm involved in a wide range of multi-family projects – from historic renovations to modern mid-rise apartments, and from student housing to senior housing campuses. Regardless of the project or locale, Knothe & Bruce have collaborated closely with clients since 1974, focusing on design for the market, future residents, and the community.

CUSTOMER REFERENCES

TOM PINION

City Engineer & Planning
City of Baraboo
101 South Blvd.
Baraboo, WI 53913
(608) 393-9945



Lynn Street Apartments
Multi-Family Complex

JARROD HOLTER

City Engineer/Dir. Pub. Works
City of Onalaska
415 Main St.
Onalaska, WI 54650
(608) 781-9530



Abbey Court
Multi-Family Complex

SCOTT A. HEINIG

Village Administrator
Village of Holmen
421 S. Main Street
Holmen, WI 54636
(608) 526-4336



Grasslands Apartments
Multi-Family Complex

GRASSLANDS APARTMENTS

Project Type: Multi-Family Apartments
Project Owner: 3 Amigos Property Mgt.
Builder: Americon Construction
Location: 1614 Prairie Place, Holmen, WI
Project Completion: 2018

- 104 Total Units

Amenities Include:

- Pet Wash/Groom Station
- Lounge with Bar Area
- Commons Area/Game Room
- Outdoor Patio with Firepit
- Indoor Underground Parking
- Theater Room



ABBEY COURT APARTMENTS

Project Type: Multi-Family Apartments
Project Owner: 3 Amigos Property Mgt.
Builder: Americon Construction
Location: 2101 Abbey Court, Onalaska, WI
Estimated Project Completion: 2023

- 333 Total Units

Completed to Date:

- (2) 24-unit, (1) 40-unit,
- (1) 80-unit (under const. 2021)

Amenities Include:

- Resident Clubhouse
- Outdoor Pool with Lounge
- Indoor Hot Tub & Sauna
- Fitness Center
- Kitchenette with Dining Area
- Commons Area/Game Room
- Theater Room
- Indoor Underground Parking





Red Earth, LLC Members Holding a 20% Ownership



TODD D. PAGE

Financial Analyst / Managing Partner

Bachelor of Science - Business Administration - UW - Eau Claire. Magna Cum Laude, Certified Public Accountant Degree

Vice President - All American Lumber, Inc. - 1984-2019. Instrumental in taking Norwalk Lumber from \$188,000 annual sales to over \$30 million in annual sales with All American Lumber.

Partner - 3 Amigos Management - Proforma projections, finance reports analyst



JACOB R. BUSWELL

Site & Project Coordinator

Bachelor of Science - Business Administration - UW-LaCrosse

Vice President of Operations - All American Lumber, Inc.

Board of Directors - Tomah (WI) Chamber of Commerce 2013-2015

Chairman of Board of Directors - Wisconsin Retail Lumberman's Association and Wisconsin Lumber Dealers Education Foundation

Co-Owner - Rapid River Apartments, LLC.





RICHARD J. BEYER

Site & Project Coordinator

Director / Member - River Bank 2016-2020. River Bank has just under \$1 Billion dollars of assets in its portfolio. Currently is a River Bank Senior Advisor.

Involved in real-estate since 1991. Acquired, built, redeveloped thousands of units totaling over \$500 million in property value.



MATTHEW B. BUSWELL

Construction Specialist


Bachelor of Science - Business Mgt. & Economics - UW-LaCrosse
Degree in Construction Management - University of Minnesota
Project Manager - Ebert Construction, Minneapolis, MN 2012-2014
Board of Directors - Union Bank 2019-2020
Board of Directors - River Bank 2020-Current
Vice President of Construction - Americon Construction: Duties include overall supervision of Project Managers, Superintendents, field staff. Over the past 15 years managed or involved in multiple projects totaling near \$100 Million.



BRIAN L. BUSWELL

Project Executor

Bachelor of Science - Business Administration - UW- LaCrosse
Founder & CEO - All American Lumber, Inc. 1980-present
 All American Lumber consists of Americon Construction, All American Do it Center 3 retail locations & All American Steel (manufacturing plant in Tomah, WI)
Co-Owner - 3 Amigos Property Management & Affiliated Entities
 Past Monroe County Board Supervisor, Recipient of Lieutenant Governor's Excellence Award in Historical Preservation. Co-owner of Affiliated Entities with value of over \$100 million property value. Past Board of Directors member for Do it Best Corp., a \$4 Billion hardware and lumber cooperative.

 **IRS** DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 01-15-2021

Employer Identification Number:
86-1493887

Form: SS-4

Number of this notice: CP 575 B

RED EARTH LLC
TODD D PAGE MBR
1310 W WISCONSIN ST
SPARTA, WI 54656

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 86-1493887. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

03/15/2022

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

DEVELOPER LEGAL STRUCTURE



Form **SS-4**
(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number
(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)
▶ Go to www.irs.gov/FormSS4 for instructions and the latest information.
▶ See separate instructions for each line. ▶ Keep a copy for your records.

OMB No. 1545-0003

EIN

| | | | | | | | |
|---|--|--|-------|---|---|---|--|
| Type or print clearly. | 1 Legal name of entity (or individual) for whom the EIN is being requested <u>Red Earth, LLC</u> | | | | | | |
| | 2 Trade name of business (if different from name on line 1) | 3 Executor, administrator, trustee, "care of" name | | | | | |
| | 4a Mailing address (room, apt., suite no. and street, or P.O. box) <u>1310 West Wisconsin Street</u> | 5a Street address (if different) (Don't enter a P.O. box.) | | | | | |
| | 4b City, state, and ZIP code (if foreign, see instructions) <u>Sparta, WI 54656</u> | 5b City, state, and ZIP code (if foreign, see instructions) | | | | | |
| | 6 County and state where principal business is located <u>Monroe County, Wisconsin</u> | | | | | | |
| | 7a Name of responsible party <u>Todd D. Page</u> | 7b SSN, ITIN, or EIN <u>393-58-5214</u> | | | | | |
| | 8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | |
| | 8b If 8a is "Yes," enter the number of LLC members <u>5</u> | | | | | | |
| | 8c If 8a is "Yes," was the LLC organized in the United States? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | |
| | 9a Type of entity (check only one box). Caution: If 8a is "Yes," see the instructions for the correct box to check. <input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Estate (SSN of decedent) _____ <input checked="" type="checkbox"/> Partnership <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> Military/National Guard <input type="checkbox"/> State/local government _____ <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government _____ <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises _____ <input type="checkbox"/> Other (specify) ▶ _____ Group Exemption Number (GEN) if any ▶ _____ | | | | | | |
| 9b If a corporation, name the state or foreign country (if applicable) where incorporated | State _____ Foreign country _____ | | | | | | |
| 10 Reason for applying (check only one box) <input type="checkbox"/> Started new business (specify type) ▶ <u>LLC</u> <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Other (specify) ▶ _____ <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____ | | | | | | | |
| 11 Date business started or acquired (month, day, year). See instructions. <u>January 15, 2021</u> | 12 Closing month of accounting year <u>December</u> | | | | | | |
| 13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14. <table style="width:100%; border:none;"> <tr> <td style="text-align:center;">Agricultural</td> <td style="text-align:center;">Household</td> <td style="text-align:center;">Other</td> </tr> <tr> <td style="text-align:center;">0</td> <td style="text-align:center;">0</td> <td style="text-align:center;">0</td> </tr> </table> | Agricultural | Household | Other | 0 | 0 | 0 | 14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$5,000 or less in total wages.) If you don't check this box, you must file Form 941 for every quarter. <input type="checkbox"/> |
| Agricultural | Household | Other | | | | | |
| 0 | 0 | 0 | | | | | |
| 15 First date wages or annuities were paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) _____ ▶ | | | | | | | |
| 16 Check one box that best describes the principal activity of your business. <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input checked="" type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Other (specify) ▶ _____ | | | | | | | |
| 17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided. <u>Real Estate Ownership and Management</u> | | | | | | | |
| 18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," write previous EIN here ▶ _____ | | | | | | | |
| Third Party Designee | Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form. | | | | | | |
| | Designee's name <u>Jack D. Buswell</u> | Designee's telephone number (include area code) <u>(608) 269-1200</u> | | | | | |
| | Address and ZIP code <u>101 West Oak Street, Sparta, WI 54656</u> | Designee's fax number (include area code) <u>(608) 269-1591</u> | | | | | |
| Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete. | | Applicant's telephone number (include area code) <u>608-269-5028</u> | | | | | |
| Name and title (type or print clearly) ▶ <u>Todd D. Page, Member</u> | | Applicant's fax number (include area code) | | | | | |
| Signature ▶ _____ | Date ▶ _____ | | | | | | |

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 16055N

Form **SS-4** (Rev. 12-2019)



State of Wisconsin
DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Corporate & Consumer Services

FILING FEE \$170.00

Please check box to request Optional Expedited Service [] + \$25.00

FORM 502

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

Sec. 183.0202 Wis. Stats.

Executed by the undersigned for the purpose of forming a Wisconsin limited liability company under Ch. 183 of the Wisconsin Statutes:

Article 1. Name of the limited liability company:

Red Earth, LLC

Article 2. The limited liability company is organized under Ch. 183 of the Wisconsin Statutes.

Todd D. Page

Article 3. Name of the initial registered agent:

Article 4. Street address of the initial registered office:

(The complete physical address, including street and number, if assigned, and ZIP code. A PO Box, in the same city or town, may be included as part of the address, but is insufficient alone.)

1310 West Wisconsin Street
Sparta, WI 54656

Article 5. Management of the limited liability company shall be vested in:

(Select and check (X) the one appropriate choice below)

[] a manager or managers

OR

[X] its members

Article 6. Name and complete address of each organizer:

Todd D. Page
1310 West Wisconsin Street
Sparta, WI 54656

Organizer's signature

Organizer's signature

This document was drafted by Jack D. Buswell

(Name the individual who drafted the document)

OPTIONAL - This document has a delayed effective date:

(up to 90 days after received date)

NOTE: The articles of organization may contain only that information required under items 1 through 6. The company may create a separate operating agreement that includes additional information.

Office Use Only

ARTICLES OF ORGANIZATION - Limited Liability Company

Arndt, Buswell & Thorn, S.C.
101 West Oak Street
P.O. Box 349
Sparta, WI 54656

▲ Please provide an email or postal mailing address for the filed copy of the document.

Your **phone number** during the day: (608) 269-1200

INSTRUCTIONS (Ref. sec. 183.0202 Wis. Stats. for document content)

Please use **BLACK** ink. Submit one original to State of WI-Dept. of Financial Institutions, Box 93348, Milwaukee WI, 53293-0348, **with the \$170.00 filing fee**, payable to the department. Filing fee is **non-refundable**. (If sent by Express or Priority U.S. mail, please visit www.wdfi.org/contact_us/ for current physical address). This document can be made available in alternate formats upon request to qualifying individuals with disabilities. The original must include an original manual signature. Upon filing, the information in this document becomes public and might be used for purposes other than those for which it was originally furnished. If you have any questions, please contact the Division of Corporate & Consumer Services at 608-261-7577. Hearing-impaired may call 711 for TTY.

Article 1. The name must contain the words “limited liability company” or “limited liability co.” or end with the abbreviation “L.L.C.” or “LLC”.

Article 2. This statement is required by sec. 183.0202(1).

Articles 3 & 4. The company must have a registered agent located at a registered office in Wisconsin. The address of the registered office is to describe the physical location where the registered agent maintains their business office. Provide the street number and name, city and ZIP code in Wisconsin. P O Box addresses may be included as part of the address, but are insufficient alone. The company may not name itself as its own registered agent.

Article 5. Indicate whether management of the company will be vested in a manager or managers, or in its members. Select only one choice. (Ref. sec. 183.0401, Wis. Stats.)

Article 6. Print or typewrite the name and complete address of each organizer. At least one organizer is required to sign the document, although all organizers may sign.

If the document is executed in Wisconsin, sec. 182.01(3), Wis. Stats., provides that it shall not be filed unless the name of the drafter (either an individual or a governmental agency) is printed in a legible manner. If the document is not executed in Wisconsin, enter that remark.

This document may declare a delayed effective date. To do so, complete the statement. The delayed effective date may not be before, or more than 90 days after, the document is received by the Department of Financial Institutions for filing.

PROPOSED LAND USE: MULTI-FAMILY HOUSING COMPLEX

Proposed Project: Multi-Family Complex. The Complex will have approximately 338 units throughout seven buildings, plus outdoor pool and clubhouse building.

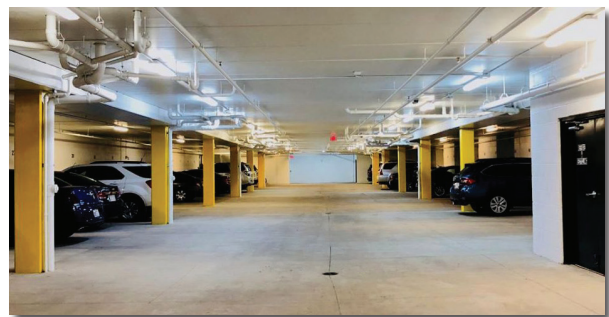
Identification: Sawdust Apartments (Final name and logo subject to change)



Project Details: Located on this parcel within the River North Subarea will be Class-A Apartment Buildings, including an outdoor pool with lounge and clubhouse. Featured amenities include fitness center, hot tub and sauna, community/common area, theatre room, pet wash/groom station, bike rack parking/bike repair station and kitchenette. Additionally, residents have access to secure, private underground parking. Not only will it be aesthetically appealing from both nearby land and water views, but it will strengthen the tax base while increasing the downtown population. Nearby businesses of all kinds will benefit by the increased foot and vehicle traffic in the area.

Construction Materials: We build to hold properties. We do not construct to sell in the short term. Because we are a long term owner of our projects, we use high quality design and high quality materials to last generations. We build to accommodate quality tenants. Our units exceed code requirements for sound-proofing between units by filling floor systems with cellulose, and using sound board and sound channel in hallways, ceilings and common walls.

Exterior Aesthetics: The exterior features brick with either LP SmartSide and/or James Hardie Cement Board siding. We do not use vinyl siding or industrial steel siding on our apartment buildings.





are anticipated to be used to raise the elevation of this unique area. With completion of the project, they will be capped with a hard surface or topsoil with sod. The result will be an elegant concept combined with an eye toward the environment.

Sawdust Apartments will have multiple electric car charging stations with the infrastructure to have available to service all parking stalls.

Environmental Cost: The site contains sawdust and other contaminated soils. While the undesirable soils are unfortunate, they can be utilized to the benefit of the project, and not put further stress on the environment. If you look close at the rendered photo to the left, you will notice a raised area between the buildings. This area is designed to be a peaceful quiet area, an area without traffic, a place to slow down. A great deal of these affected soils



Timetable for Construction: We would use a phased approach. The first phase would begin with two 48-unit buildings (Buildings 1 and 2) each connecting to the clubhouse. The second phase would consist of constructing the center core, including a 48-unit and 82-unit building (Buildings 7 and 4). The third phase would complete the project with a final 48-unit and (2) 32-unit buildings (Buildings 3, 5 and 6). Expected total completion timeline would be five years.

Case: In a recent TIF project we structured, our team broke ground within a couple weeks of taking property ownership and completing the development agreement. Please note that this timeline followed months of municipality and DNR approvals prior to the development agreement being finalized.





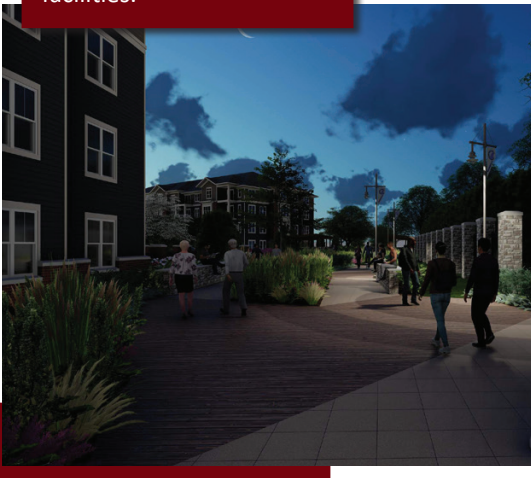


The elevated green space between the buildings is a peaceful, quiet area without traffic.



The project is close and convenient to many downtown restaurants, shopping and government facilities.

The majority of parking is designed to be centered between the buildings, enhancing the aesthetics from outside the Sawdust Apartment Complex.



A park like feel will surround all of the buildings. Walkways with landscaping lead to many usable outdoor spaces.



A beautifully landscaped walk has been designed to provide privacy for Sawdust Apartment Residents.

Indoor Amenities Include:

- (7) 4-Story Apartment Buildings: Ranging from 32 units to 82 units per Building
- Approximately 310 Underground Parking Stalls: A Range of 24 to 78 per Building, Depending on Building Size, and Electric Car Charging Stations.
- The Clubhouse features a Fitness Center, Hot Tub and Sauna, Common Area/Game Room, Theater Room, Pet Wash/Groom Station, Kitchenette and Management Office.



The City of Oshkosh's Riverwalk will pass alongside this complex.



The Clubhouse is conveniently located, facing the center of the complex, and has a view of the Fox River.



Outdoor walkways have a plaza-looking appearance from the center of the complex to outlying areas.



Outdoor common space is perfect for business professionals or students looking to escape working indoors, or looking for quiet or social time.

Outdoor Amenities Include:

- Swimming Pool, Dog Run Area, Outdoor Lounge/Shared Plaza, Bike Rack Parking
- Approximately 186 Parking Stalls, which include Handicap Spaces
- City Owned, Developed and Maintained Game Areas Including: Playground Structures, Basketball and Pickleball Courts (Open to the Public)



Adjacent public amenities maintained by the city of Oshkosh to include playground, basketball and pickleball courts.

A) **City Participation:** The proposed and intended use of the property is the construction and management of a 338-unit luxury apartment complex with approximately a \$35 million dollar assessed value. This value is based on the closest comparison, a 2019 tax assessment of approximately \$94,263 per unit for the Anthem Luxury Living property plus approximately \$9,000 per unit for our added amenities, building design, and aesthetics. Since the city and the developer do not control actual assessed values, upon completion and stabilization of the entire project the developer guarantees a minimum conservative assessed value of \$32 million dollars, which is anticipated to yield approximately \$816,000 in total real estate taxes annually (estimated mill rate \$.0255 per \$1,000 of assessed value).

1. We request the city participation to be in the form of a “Pay Go Reimbursement” of 80% of the annual taxes paid by owner for up to 20 years. City shall be obligated to pay TIF incentive up to 17% of the total estimated \$59,150,000 of expenses incurred and paid by the developer/owner. We request the city reimburse the owner on or before September 1st of each year. TIF incentive payments shall not exceed 17% of the total estimated \$59,150,000 of expenses incurred or exceed a maximum cumulative amount of \$10,055,500.
2. The annual 80% tax reimbursement will start when the tax assessment is adjusted following the completion of the first building.
3. Example TIF Structure: (Mill rate, assessment, and timeline are variable items)

| TIF YEAR | YEAR | TAX YEAR | ASSESSMENT | APPROX. TAX | REIMBURSEMENT | NET TAX PER YR |
|----------|------|----------|-----------------|-----------------|-----------------|----------------|
| 1 | 2022 | 2021 | - | - | - | - |
| 2 | 2023 | 2022 | \$4,560,000.00 | \$116,280.00 | \$93,024.00 | \$23,256.00 |
| 3 | 2024 | 2023 | \$10,120,000.00 | \$258,060.00 | \$206,448.00 | \$51,612.00 |
| 4 | 2025 | 2024 | \$13,680,000.00 | \$348,840.00 | \$279,072.00 | \$69,768.00 |
| 5 | 2026 | 2025 | \$18,240,000.00 | \$465,120.00 | \$372,096.00 | \$93,024.00 |
| 6 | 2027 | 2026 | \$26,030,000.00 | \$663,765.00 | \$531,012.00 | \$132,753.00 |
| 7 | 2028 | 2027 | \$29,070,000.00 | \$741,285.00 | \$593,028.00 | \$148,257.00 |
| 8 | 2029 | 2028 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 9 | 2030 | 2029 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 10 | 2031 | 2030 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 11 | 2032 | 2031 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 12 | 2033 | 2032 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 13 | 2034 | 2033 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 14 | 2035 | 2034 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 15 | 2036 | 2035 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 16 | 2037 | 2036 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 17 | 2038 | 2037 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 18 | 2039 | 2038 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 19 | 2040 | 2039 | \$32,110,000.00 | \$818,805.00 | \$655,044.00 | \$163,761.00 |
| 20 | 2041 | 2040 | \$32,110,000.00 | \$818,805.00 | \$120,292.00 | \$698,513.00 |
| | | | TOTALS: | \$13,237,815.00 | \$10,055,500.00 | \$3,182,315.00 |

* ASSESSMENT AND MILL RATE ARE NOT EXACT, WHICH COULD LENGTHEN OR SHORTEN TIF LIFE

* TOTAL REIMBURSEMENT CAN NOT EXCEED \$10,055,500.00

B) **Financial Ability:** We have discussed the potential TIF structure and scope of this project with multiple banks. Each bank has indicated a strong desire to be involved in this project. Due to our past success and strengths in the multi-family market we are confident that if the TIF is structured as indicated above (or a close variation) we will be able to start this project in a timely manner. In order for this project to be financially feasible, the TIF is required to help offset the extraordinary costs of development due to the poor soil conditions, including: over excavation and capping of contaminated burden, water table issues, geo-piers in lieu of conventional foundations, out of the ordinary techniques for sound proofing due to the rail spur. Without the Pay Go TIF, our proforma will not generate the cap rate needed for a bank to finance this project.

1. The owners of Red Earth LLC have a combined ownership in over \$120 million dollars' worth of income property. The managing entity is known as 3 Amigos Property Management.
2. All American Lumber Inc., which is a closely related firm has an annual revenue of over \$33 million per year, has a book value of over \$6 million, and a \$4 million dollar line of credit.
3. Americon is a General Contractor and a division of All American Lumber, with annual sales of \$10 -15 million dollars.

C) **Target Market:** A majority of our new development projects are typically marketed to young professionals, small families, and people up to retirement age or over.

Excerpts from the Oshkosh Market Study, *Envisioning North Jackson*, state that:

“Many rental options appear to focus on households earning between \$25,000 and \$49,000 per year. On the other hand, households earning more than \$75,000 per year appear to be underserved by the housing market, an opportunity to fill a market-rate housing gap. With the addition of high-quality units in this market - above \$200,000 for ownership options and above \$1,500 per month for rental options – the study area may be able to absorb a share of Oshkosh’s housing demand. The question is whether an environment can evolve in the study area that is conducive to housing in these ranges.”

In summary, we believe the Sawdust Apartment complex will help bridge this gap. The property will help the city retain a portion of the population which live in other communities and commute to Oshkosh for work. Our rents could vary between \$1,100-\$1,900/month depending on the location and size of the unit.

D) **Purchase Price:** Due to the extraordinary costs to develop this site, we are requesting a purchase price of \$1.00. Included with the purchase is the expectation the City continue developing the Riverwalk the length of the property. We would also request the city own, develop and maintain the parcel closest to the rail spur. In our site plan we suggest using this area for a city park that would not only serve residents of Sawdust Apartments but children and adults in the nearby neighborhood.

In any project there are only so many dollars available. It should be frankly stated a purchase price of a dollar would spur development and maintain funds for the planned development. Funds for a land purchase would certainly have to be reallocated which would change the planned development.

OUR ROLE IN SUPPORTING THE CITY OF OSHKOSH'S VISION:

"The team at Red Earth, LLC is confident that our 41 years of construction history combined with our 30 years of multi-family development and management will fulfill the vision of the City of Oshkosh. Our timeless designs, construction techniques, and use of quality building materials are steps we take to increase the value of our properties.

Our proposal helps address some of the current challenges the City of Oshkosh identified in the Oshkosh Market Study. We believe our team of professionals is suited to develop, manage, and own the Sawdust Apartments for many decades to come. This project will reinvest in the success of downtown Oshkosh, increase the tax base and bring new residents into the city.

We would like to thank the City of Oshkosh for the opportunity to submit a development proposal for the Sawdust District."

*Jacob Buswell
Site Project Coordinator*

