



April 16, 2021

Mr. Alan Davis
Ms. Kelly Neiforth
Mr. Brian Westmann
Director of Community Development
City of Oshkosh
215 Church Ave.
Oshkosh, WI 54903

Re: 43 E. 7th Avenue, Sawdust District, City of Oshkosh, WI

Ladies & Gentlemen:

In response to the Request for Proposal for the above-captioned site (the “RFP”), Tadych Investment Partners, LLC and Gryboski Builders, Inc. are pleased to present the following proposal for your consideration.

SECTION 1 – DEVELOPER QUALIFICATIONS

Development Team and Experience: *Tadych Investment Partners, LLC (“TIP”)* – TIP is the real estate investment and development firm owned and operated by Jason Tadych. Mr. Tadych has more than 20 years of commercial real estate investment and development experience. His experience spans several product classes and includes the acquisition and development of investment grade properties having an aggregate value in excess of \$175,000,000. **Exhibit A** includes additional background information on Mr. Tadych and information on some of Mr. Tadych’s prior projects.

TIP will be a co-developer of the Project. Mr. Tadych will hold an ownership interest in the Project Company.

Gryboski Builders, Inc. (“GBI”) – GBI was founded in 1964 and is a second generation family business owned and operated by brothers, Steve and Bob Gryboski. The company is best known for designing, building and remodeling the finest homes in Northeastern Wisconsin. The principles of uncompromised craftsmanship, style, quality and client experience are the core values that have driven the company culture for more than 50 years. Additional information regarding GBI, including photo galleries of its work, can be found at www.gryboskibuilders.com.

GBI will be a co-developer and the general contractor for the Project. Steve and Bob Gryboski will each hold an ownership interest in the Project Company.

studio de l:u – studio de l:u, an architecture and interior design firm owned and operated by Paul De Leeuw, AIA, will be the architect for the Project. Mr. De Leeuw and his team bring more than 15 years of architectural and design expertise to the Development Team. Mr. De Leeuw’s experience includes several urban mixed-use projects as well as many notable private residences.

First Weber - Grant Schwab and Megan Lang of First Weber Realtors of Oshkosh will be engaged to provide local real estate advisory and brokerage services for the Project.

Legal Structure: The developer of record will be a to-be-formed limited liability company (the “Project Company”) established for the limited purpose of purchasing the site, developing, and constructing the Project, and selling the completed residences to third party buyers.

As noted above, Jason Tadych, Steve Gryboski, and Bob Gyrboski will hold the controlling interests in the Project Company. It is expected that one or more third party investors will hold non-controlling interests in the Project Company.

SECTION 2 – THE PROJECT

Project Description: The Project is a 30 unit residential condominium development on roughly 4.4 acres of the subject site. The Project includes 12 “townhouse-style” homes (the “Townhouses”) and 18 “flats-style” homes (the “Flats”). The Townhouses will be located in five 2-3 unit, at-grade buildings sited directly adjacent to the Riverwalk. The Flats will be located in three 6 unit, multi-story buildings sited to the south of, and across the driveway from, the Townhouses. The Project will also include docks for the exclusive use of the owners and an outdoor amenity space designed to accommodate tennis/pickle ball courts, a covered seating/grilling patio and a fire pit patio.

The Townhouses will feature:

- 3 and 4 bedroom floorplans with first floor master suite
- Urban Loft, Transitional, or Traditional interior finish options
- 10’ high first floor ceilings
- 8’ tall interior doors on first floor
- Designer flooring and tile showers
- Open main floor plan focusing on river views
- Expansive window lines to maximize natural light
- Full masonry fireplace and chimney

- Outdoor and/or 3 season living space options
- Optional bonus room over garage for additional storage
- Attached two stall garages with room for guest parking in driveways

The Flats will feature:

- 3 bedroom, 2 bathroom single level floor plans
- Expansive open concept kitchen, dining & living spaces offering waterfront views
- Generous balconies
- Gas fireplaces
- Urban Loft, Transitional, or Traditional interior finish options
- 10' high ceilings
- 8' tall interior doors
- 24/7 electronic access control at all exterior doors, elevators and garage doors
- At-grade, elevator serviced, indoor heated parking structure offering 2 spaces per unit

Based on our market research and numerous conversations with local real estate professionals, the market is ripe for a first-class, maintenance-free home ownership option in downtown Oshkosh. Accordingly, we designed the Project to offer three different types of homes (Townhouse corner, Townhouse interior, and Flat) to attract buyers with various needs, wants and budgets. We envision prices ranging from the low \$600,000's for a 2,200 SF second story Flat to more than \$850,000 for a 2,800 SF corner Townhouse with upgraded finishes.

The Project is intended to be developed in several phases (likely west to east). The sizes of the building footprints are intentionally similar to provide flexibility if the market exhibits greater demand for any particular type of home. For purposes of this proposal, the Project Company has assumed 3 phases. Phase 1 includes 5 Townhouses, 6 Flats, the docks and half of the private drive on the site plan. Phase 2 includes 4 Townhouses, 6 Flats, the outdoor amenities and the balance of the private drive. Phase 3 includes 3 Townhouses, 6 Flats and the balance of the landscape buffers. The Project Company will need to pre-sell at least 50% of the units in a phase prior to commencing construction on such phase.

Conceptual Plans:

A conceptual site plan and preliminary sketches of the Project are included on **Exhibit B**. Please understand that the site plan and sketches are very preliminary in nature and are primarily intended to provide guidance with regard to massing and density of the Project. The architectural details, material selections and color palette for the Project will require further refinement.

Project Timeline: The following timeline provides a framework of major milestones for the construction and development of the Project:

Award of Project:	July 1, 2021
Sign PSA and Developer Agreement:	September 1, 2021
Inspection Period Expires:	February 28, 2022
Closing on Land:	March 31, 2022
Begin Phase 1 Construction	May 1, 2022
Complete Phase 1 Construction	April 30, 2023
Begin Phase 2 Construction	May 1, 2024
Complete Phase 2 Construction	April 30, 2025
Begin Phase 3 Construction	May 1, 2026
Complete Phase 3 Construction	April 30, 2027

Sources and Uses of Funds: A preliminary cost budget and capitalization plan for the Project follows:

Sources:

Sponsor Equity	\$1,042,386
Investor Equity/Subordinated Loan	\$3,128,250
Senior Construction Loan	<u>\$16,682,544</u>
Total Sources	\$20,853,180

Uses:

Land Acquisition	\$10,000
Site Construction Cost	\$1,200,000
Building Construction Cost	\$15,888,000
Financing Cost	\$1,025,880
Other Soft Cost	\$854,900
Contingency	\$854,400
Sales & Marketing	<u>\$1,020,000</u>
Total Uses	\$20,853,180

Based on current budgets Project Company needs to sell all 12 Townhomes for \$825,000 and all 18 Flats for \$600,000 to cover the cost of the Project. Accordingly, Project Company’s profit on the Project is entirely reliant upon the TIF grant requested below.

SECTION 3 – CITY PARTICIPATION

Site Acquisition: We propose to acquire the site from the City on the following terms and conditions:

Purchase Price: \$10,000.00

Inspection Period: The Project Company shall have 180 days from the execution and delivery of the purchase and sale agreement to complete its due diligence investigations of the site,

confirm the financial feasibility of the Project, and secure development approvals for the Project. During the first 60 days of the Inspection Period, the City and the Project Company and their respective designers and engineers shall work together to determine the size and configuration of the site, the Riverwalk and the utility infrastructure required to serve the Project.

Developer Assistance: Project Company and the City shall enter into a mutually agreeable TIF/Development Agreement addressing items described below.

Closing Date: The closing shall occur within 30 days after the expiration of the Inspection Period.

Brokerage/Consulting Fees: None.

Developer Assistance:

In order to move forward with the Project, the Project Company respectfully requests the following:

- Prior to closing, City shall procure a “No Further Action” letter or equivalent from the DNR for all recognized environmental conditions on the site. Said letter shall be in form and substance acceptable to Project Company.
- City shall reimburse Project Company for any incremental development costs incurred due to any recognized environmental condition at the site (i.e. vapor mitigation, soil remediation, handling and/or disposal of hazardous materials, on-going monitoring, etc.)
- Prior to closing, City shall vacate the Pioneer Drive ROW
- City shall grant Project Company a permanent, exclusive easement to construct and operate not less than 30 boat docks on the Fox River as generally shown on the site plan
- City shall not allow fishing and/or loitering on the Riverwalk in front of the Project
- City shall work with Project Company to construct the Riverwalk as close to the river as practical as generally depicted on the site plan and shall upgrade shoreline erosion control structures
- City shall commence Riverwalk and shoreline construction prior to closing and complete same within 180 days after closing
- City shall extend water, sanitary sewer and storm sewer infrastructure to the property line
- City shall provide a “pay – go” TIF grant to Project Company in an amount equal to 75% of the incremental tax revenue generated

by the Project for 20 years following the completion of the initial phase of the Project

- City shall grant Project Company a right of first refusal to acquire the balance of the site located east of Main Street and north of E. 9th Ave.

* * * *

This Proposal is non-binding, and that the agreement of the parties, when reached will be embodied in a definitive purchase and sale agreement and a development agreement executed by the parties.

We look forward to the opportunity to partner with the City of Oshkosh on this exciting Project.

Respectfully,

TADYCH INVESTMENT PARTNERS,
LLC

By: *Jason Tadych*

EXHIBIT A

(See Attached)

EXHIBIT B

(See Attached)

JASON TADYCH – PROFESSIONAL PROFILE

Mr. Tadych founded Tadych Investment Partners, LLC (“TIP”) in 2014. TIP is a closely held commercial real estate investment and development firm based in De Pere, Wisconsin. Since its inception, TIP has placed more than \$6,800,000 in cash equity from private investors into investment grade commercial real estate projects with an aggregate value exceeding \$23,000,000.

Prior to founding TIP, Mr. Tadych was an owner and principal of United Development Group, LLC (“UDG”) and a managing principal of UDG Opportunity Fund I, LLC and UDG Opportunity Fund II, LLC (together the “UDG Funds”). UDG is a tenant driven retail shopping center developer. The UDG Funds are the investment vehicles UDG employed to develop more than 20 retail shopping centers across the Upper Midwest and Northern Plains States. Mr. Tadych was the principal in charge of land acquisition, leasing, project underwriting and the legal affairs of UDG and the UDG Funds.

Prior to joining UDG, Mr. Tadych was the General Counsel and Chief Investment Officer for WG&R Holdings in Green Bay, Wisconsin. WG&R Holdings is the holding company that owns and operates WG&R Furniture, WG&R Bedding Company, and several special purpose real estate entities. In this role Mr. Tadych managed all legal affairs of the company and all real estate matters for the company’s 450,000 square feet of leased and owned retail and industrial real estate.

Prior to joining WG&R, Mr. Tadych served as the Senior Vice President and Project Principal for Panattoni Development Company in Denver, Colorado. In that role Mr. Tadych was charged with the oversight of all aspects of the company’s office and industrial operations in the Rocky Mountain region. Those responsibilities included development, acquisitions, dispositions, leasing and asset management of 1,400,000 square feet of investment grade commercial real estate.

Mr. Tadych began his real estate career as a commercial real estate attorney and practiced law for 8 years. His practice focused on the representation of private and institutional clients in complex commercial real estate transactions across the nation. Mr. Tadych earned a Bachelor of Science in Business Administration from Washington University in St. Louis, Missouri and a Juris Doctor from Northwestern University School of Law in Chicago, Illinois.

Mr. Tadych grew up in Green Bay, WI, is an alumnus of Premontre High School and now resides in Ashwaubenon, Wisconsin with his wife and twin daughters.

320 EAST COLLEGE AVENUE – APPLETON, WISCONSIN

320 East College Avenue is an approximately 80,000 square foot, Class A mixed use building under development. It will contain 39 luxury apartments, 1 commercial suite, and 44 indoor, heated parking stalls. Construction is scheduled to commence in the third quarter of 2020. The project is capitalized with a combination of private investor equity, a TIF grant from the City of Appleton and long-term bank debt.

Total investment in the project will exceed \$12,500,000.



102 N. BROADWAY – DE PERE, WISCONSIN

102 N. Broadway is a 54,000 square foot, Class A mixed use building. It contains 29 luxury apartments, 2 commercial suites, and 27 indoor, heated parking stalls. Construction commenced in July of 2016 and was completed in August of 2017. The project was capitalized with a combination of private investor equity, a TIF grant from the City of De Pere and long-term bank debt.

Total investment in the project exceeds \$6,500,000.



MILE HIGH BUSINESS CENTER - DENVER, COLORADO

Mile High Business Center is the re-development of the 100 acre former Samsonite Corporate Campus in Denver, Colorado. It was purchased with a vision to transform the site from an outdated corporate headquarters and manufacturing plant into a Class A, light industrial, warehouse and distribution park. Mile High Business Center is located adjacent to I-70 in the heart of Denver's largest and most active industrial submarket. Today, Mile High Business Center accommodates over 1,000,000 SF of state-of-the-art warehouse and distribution space.

In addition to the vertical development outlined above, the project involved the acquisition and lease-back of the campus, the formation of a special taxing district and the issuance of a tax-exempt infrastructure bond, the construction and dedication of a public ROW and regional drainage structures, significant environmental remediation, several separate construction loans and both private and institutional capital partners.

Total investment in Mile High Business Center exceeded \$50,000,000.



GATEWAY PLAZA AT MERIDIAN - DENVER, COLORADO

Gateway Plaza at Meridian is a 143,000 SF, class A office building located in the southern suburbs of Denver, Colorado. The building was purchased as a redevelopment and re-positioning opportunity. The building was originally constructed as a single tenant building with a cafeteria and three-story atrium. Shortly after acquisition, the cafeteria was recaptured and structural floors were added to the atrium thereby adding more than 10,000 rentable SF to the building and creating one of the largest floor plates in the submarket. Additionally, all finishes in the lobby and common areas were updated and a new fitness center was installed in the garden level of the building. After stabilizing the asset by renewing two existing tenants at premium rents and securing a new investment grade tenant for the majority of the vacancy in the building, it was sold for a substantial profit.

Total investment in Gateway Plaza at Meridian exceeded \$25,000,000

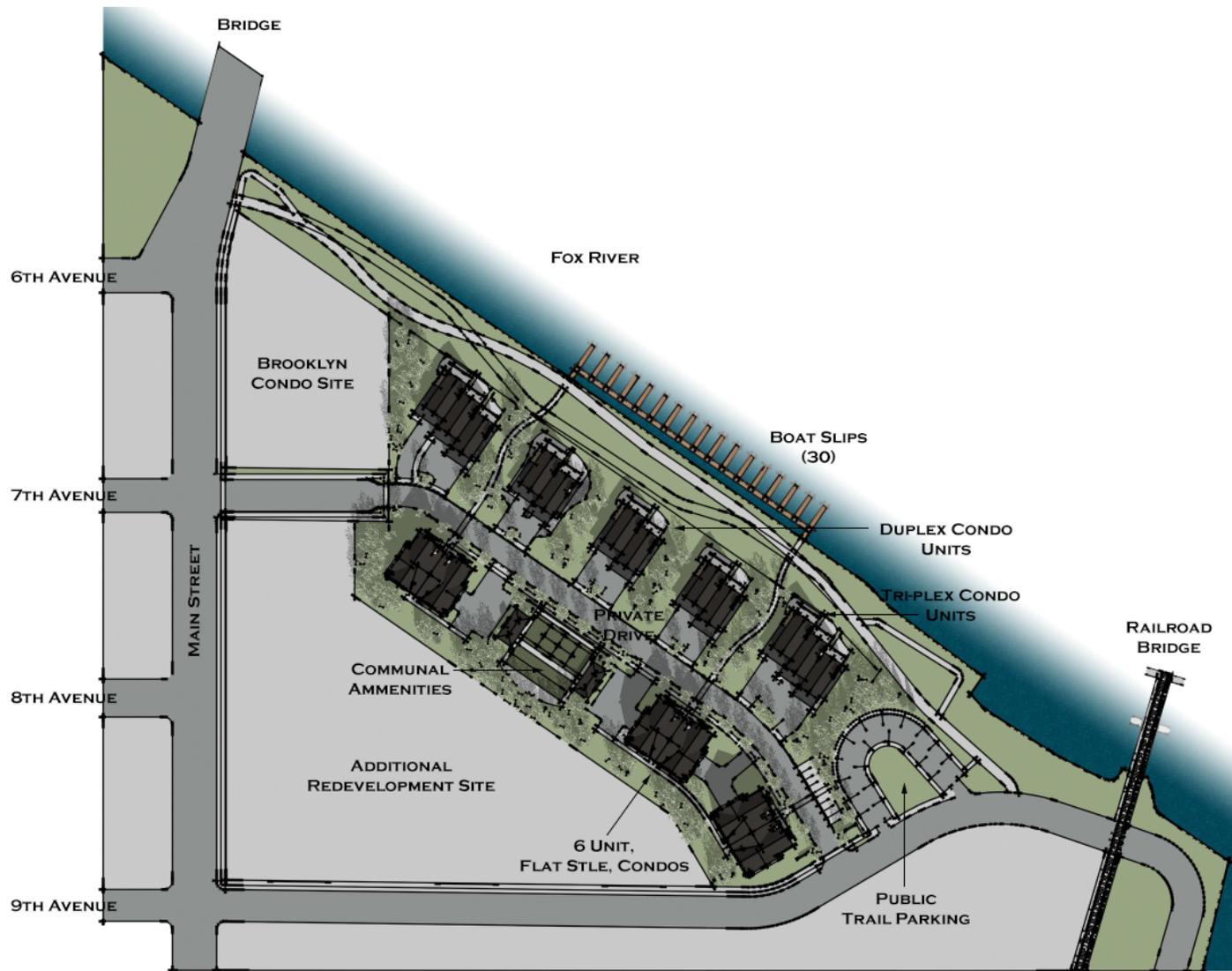


AURORA LOAN SERVICES BTS - SCOTTSBLUFF, NEBRASKA

This project is a 175,000 square foot build-to-suit office/call center for Aurora Loan Services in Scottsbluff, Nebraska. The building is a two story, concrete tilt up structure. This facility houses a call center, data recovery and storage, a capture center, and a cafeteria for roughly 1,000 employees. The facility includes significant security systems, an emergency generator and UPS system, 18” raised flooring, and substantial telephone and fiber optic services.

Total investment in this Project exceeded \$20,000,000.





PROPOSED REDEVELOPMENT SITE PLAN

