

Westtown Place Apartments



WESTTOWN PLACE
— A P A R T M E N T S —



Forest City
Economic Development

Workforce Housing in Forest City

- **Forest City's Major Employers:**

- Winnebago Industries
 - 3M Distribution Center
 - Waldorf University
 - CDI
 - Mosaic
 - Lichtsinn RV
- Employers are hiring with good wages and benefits
 - Employees are commuting up to 40 miles
 - Employee Recruitment and Retention are challenged to lack of available housing

Winnebago Industry Changes due to Workforce Issues

- Winnebago Industries moves 50 – 100 jobs to Lake Mills
- Wire Prep Department moves to production facility in Waverly, IA
- Winnebago moves Class A motorhome production to Oregon
- Winnebago opens office in Minnesota

Forest City Continues to Address Housing

- Forest City Economic Development (FCED) conducts Rental Housing Inventory
- Vacancy Rates are shown to be in Days not Months
- FCED contracts for a Rental Housing Study
- With Results, FCED sends out an RFP for new Rental Housing

Maxfield Research Rental Housing Study

TABLE 1 DEMAND FOR GENERAL OCCUPANCY RENTAL HOUSING PRIMARY MARKET AREA 2015 to 2025			
Demand From Household Growth			
Projected HH growth under age 65 in the PMA 2015 to 2025			0
(times) Proportion Estimated to Be Renting Their Housing ¹	x	26%	
(equals) Projected Demand for Rental Housing Units	=		0
Demand From Existing Households			
Number of renter households in the PMA, 2015	=	643	
(times) Estimated % of renter turnover between 2015 & 2025 ²	x	50%	
(equals) Existing Renter Households Projected to Turnover, 2015 to 2025	=	324	
(times) Estimated % Desiring New Rental Housing	x	20%	
(equals) Demand From Existing Households	=	65	
Total Demand From Household Growth and Existing Households			65
(plus) Rental demand from outside Market Area	+	30%	
(equals) Total Demand for Rental Housing in the PMA	=	93	
(times) percent of PMA Demand Capturable in Forest City	x	80%	
(equals) Total Demand for Rental Housing in Forest City	=	74	
		Deep-Subsidy	Shallow-Subsidy
(times) Percent of rental demand by product type ³	x	26%	23%
(equals) Total demand for new general occupancy rental housing units	=	19	17
(minus) Units under construction or approved*	-	0	0
(equals) Excess demand for new general occupancy rental housing	=	19	17
		Market Rate	
		51%	
		38	

Study Shows a need for at least 74 New Rental Housing Units



¹ Data: Renter households under age 65 in 2010

Plan A - Rental Housing Request for Proposal

Rental Housing Request for Proposals Distributed August 2015

- Site Information
- Community Amenities close to Site
- Potential Development Incentives



Plenty of Companies Came to Look but FCED Received No Proposals

Plan B – We Can Do It Ourselves!

FCED To Create Westtown Place, LLC Workforce Rental Housing Development

Two Buildings – 24 Apartments Each

- 6 – One Bedroom One Bath \$750 per month
- 36 – Two Bedrooms Two Bath \$950 per month
- 6 – Three Bedrooms Two Bath \$1,150 per month

48 Apartments Total

- 44 - Indoor Parking Spaces \$50 per month
- 40 – 4'x9' Indoor Storage Units \$25 per month

Westown Place, LLC

- Formed to own this project
- Similar structure to North Central Iowa Rail Corridor, LLC
- Class of Members
 - Class A Members
 - 50 Units – Community Investors
 - 1 Unit – Dave Kingland (FC Properties) - Developer Fee
 - 1 Unit – Eric Kingland (Kingland Construction) – Developer Fee
 - 52 Units Total
 - Class B Member
 - 36 Units – Forest City Economic Development



Project Development Team

PROJECT DEVELOPMENT TEAM



David L. Kingland

> FC Properties - Co-developer
> Past President, Forest City Economic Development, Inc.

In March 1998, David Kingland, a Forest City native, returned to his roots and assumed the presidency of Manufacturers Bank & Trust Co (MBT). Dave has 47 years of banking experience serving as senior ending officer and as Bank President. In 2013 Dave retired after 15 years as President/CEO and now serves as Vice-Chairman of the Board of Directors.

Dave owns Commercial Property and Farmland in North Iowa. He has also invested and served as mentor for several startup companies. He was the driving force behind the North Central Iowa Rail Corridor, LLC organization as well as the purchase financing structure. He led the equity offering meetings and was a primary contact for community investors.



Mike Stott

> Architect, SB&A Architects

SB&A ARCHITECTS was formed in 2010 to establish the goal of providing comprehensive services to public and private clients. Although a general practice firm, the firm has extensive experience with Senior Living, Office/Commercial, Multi-Family Housing, Religious and Education facilities.



Eric Kingland

> Co-Developer
> President - Kingland Construction Services

Eric moved to Forest City to become President of Holland Contracting in 2001. In 2013 he opened his own construction company bringing 20+ years of experience in Pre-Construction Estimating Project Development and Project Management.

Since opening in 2013 KCS has completed several construction projects. The largest of these are a \$3+ Million Building Complex for Lichtsinn Motors new RV Center in Forest City and a \$4.6 Million Public School project in Charles City. KCS Staff brings over 70 years of experience to construction projects.



David K. Arndt, CPA

> DK Arndt CPA, PC

Mr. Arndt has been a certified public accountant since 1984. He began his career in Minneapolis, MN where he became the manager of a regional certified public accounting firm. He moved to Forest City in 1992 to work with a local CPA. He acquired the practice in 1994 and incorporated the firm under the name D.K. Arndt, P.C. in 1996.

He is the managing shareholder of D.K. Arndt, P.C. and is responsible for the quality of services provided. His strong sense of commitment to client services is the driving force behind the success of D.K. Arndt, P.C. and its clients.



Forest City Economic Development

> Co-Developer
> Managing Member

Projects have included expansion of the Nerem Industrial Park, development and ownership of Industrial buildings in excess of \$2.2 million. FCED has also coordinated the development of several housing projects, including management of a \$1.5 million Infrastructure Fund.

FCED has been the managing member of the North Central Iowa Rail Corridor, LLC formed in 2011. FCED was responsible for coordination of the Purchase and Operating Agreements to acquire and lease the 28-mile rail corridor. This also included a \$1 million Equity offering in \$25,000 units to accredited investors that funded one-half of the purchase. The Westown Place equity offering will use the same structure as North Central Iowa Rail Corridor.



Beth A. Bilyeu

> Executive Director,
Forest City Economic
Development, Inc.

Beth has been the Director in Forest City, IA for the past 13 years. She holds an Associate of Arts degree in Marketing from North Iowa Area Community College and completed work for her Bachelor of Arts in Business from Buena Vista University. In addition, Beth has achieved certification by the National Development Council in Economic Development Financing as well as Housing Development Financing.



Project Costs

Uses of Funds

Land Acquisition	\$70,000
Sitework	487,000
Building Construction	\$5,800,000
Contingency	\$325,000
Professional Fees	\$125,000
Construction Interest	\$175,000
Outside Amenities	\$63,000
Misc. Project Expense	<u>\$55,000</u>
TOTAL	\$7,100,000

Project Funding

Sources of Funds				% of Total
Equity Investment		Rate		35%
FCED	Land - Other Funds		\$900,000	
Equity Investors	50 Investors @\$25,000 per Unit	4%	\$1,250,000	
City of Forest City Infrastructure Investment	Water, Sewer and Street		\$300,000	
Long Term Debt				65%
Bank Loan	20 Year Term	5%	\$3,900,000	
City of FC/IFA Loan		2%	\$750,000	
Total				\$7,100,000

IFA Workforce Rental Housing Loan



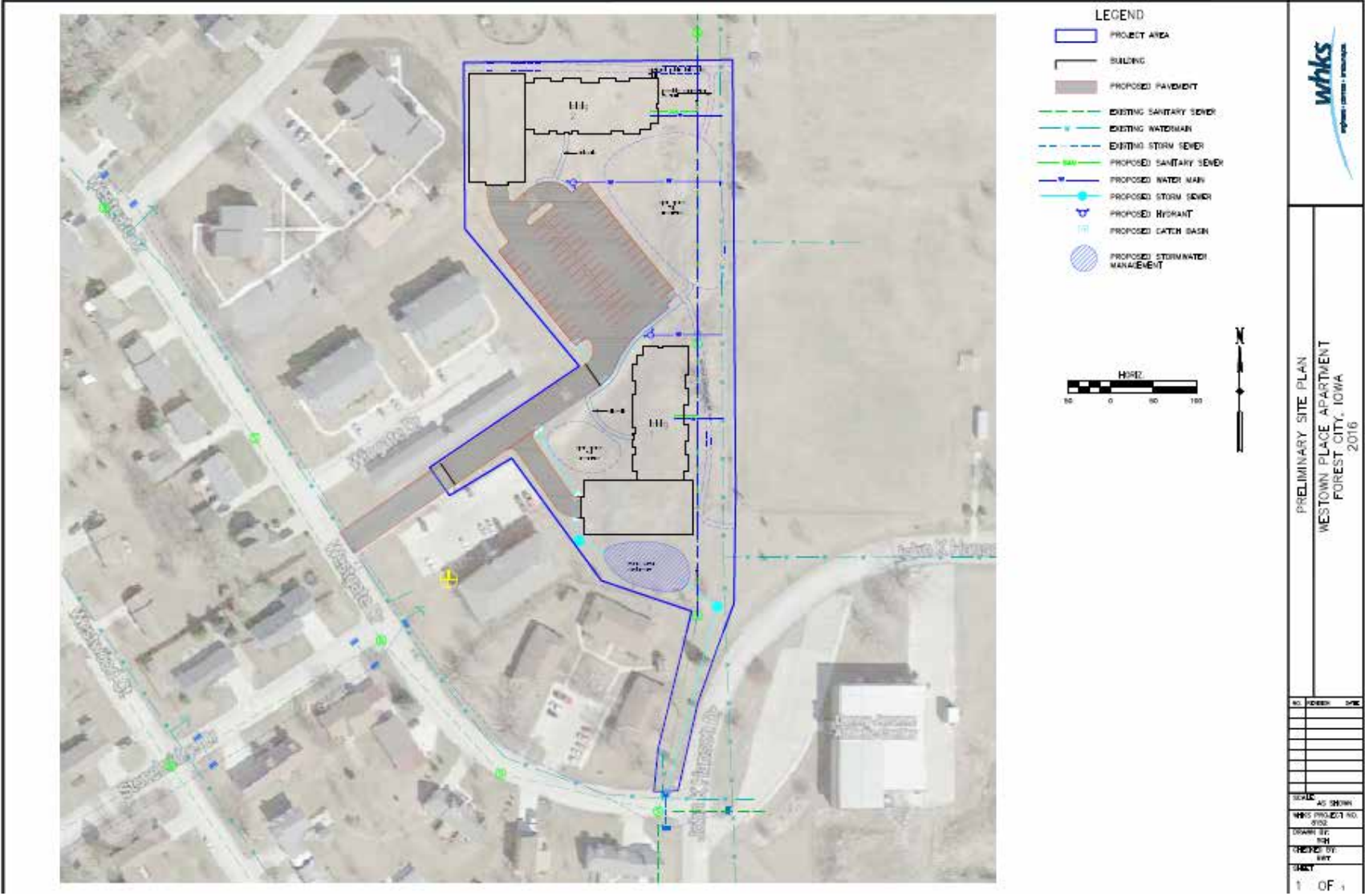
Forest City receives \$751,000 in housing loan

This is the FCED property proposed for a market rate rental housing project in Forest City.

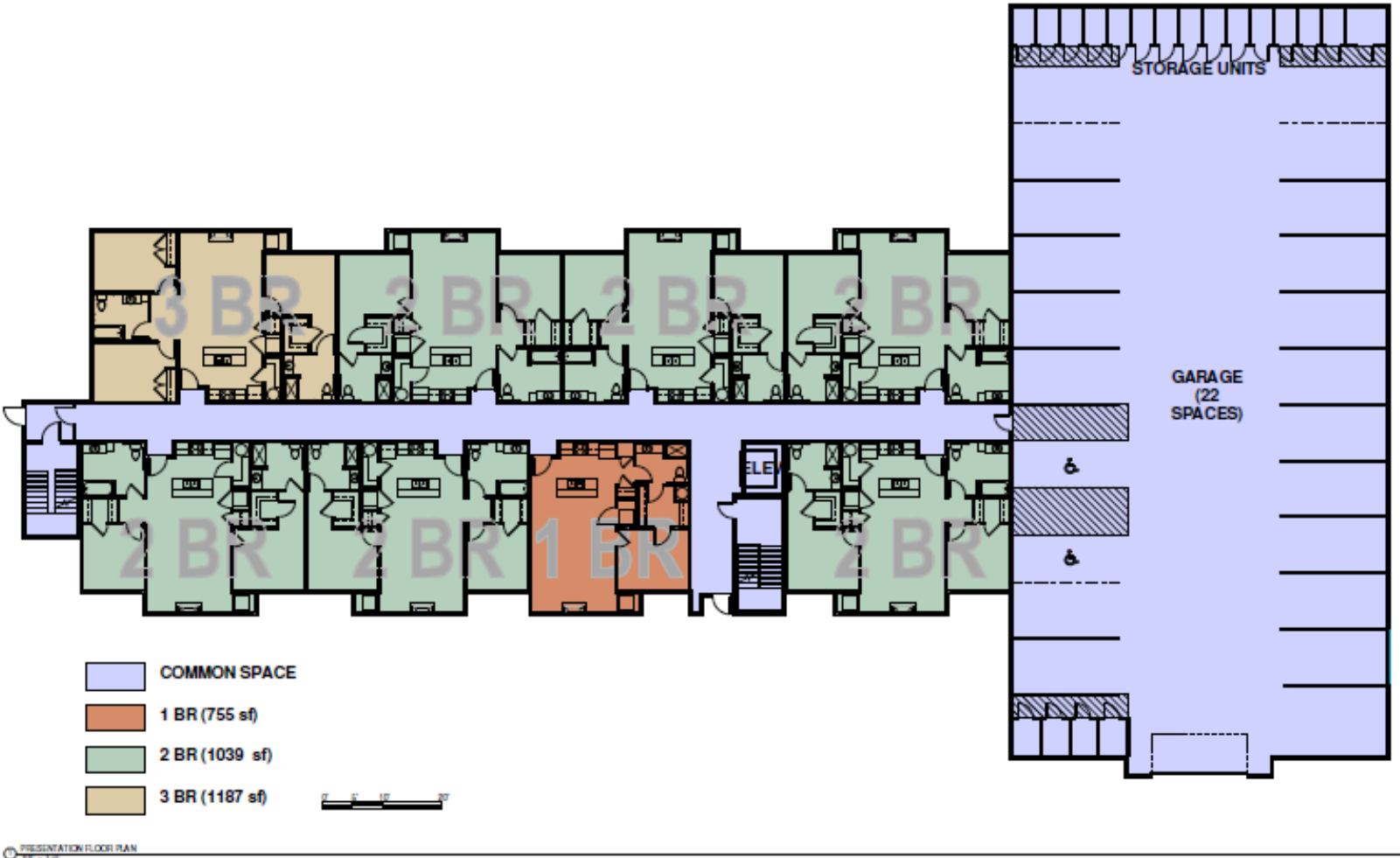
FOREST CITY - The city of Forest City will receive a \$751,000 low interest loan from the Iowa Finance Authority to help build 36 workforce housing units, a news release issued today.



Westtown Place Apartments



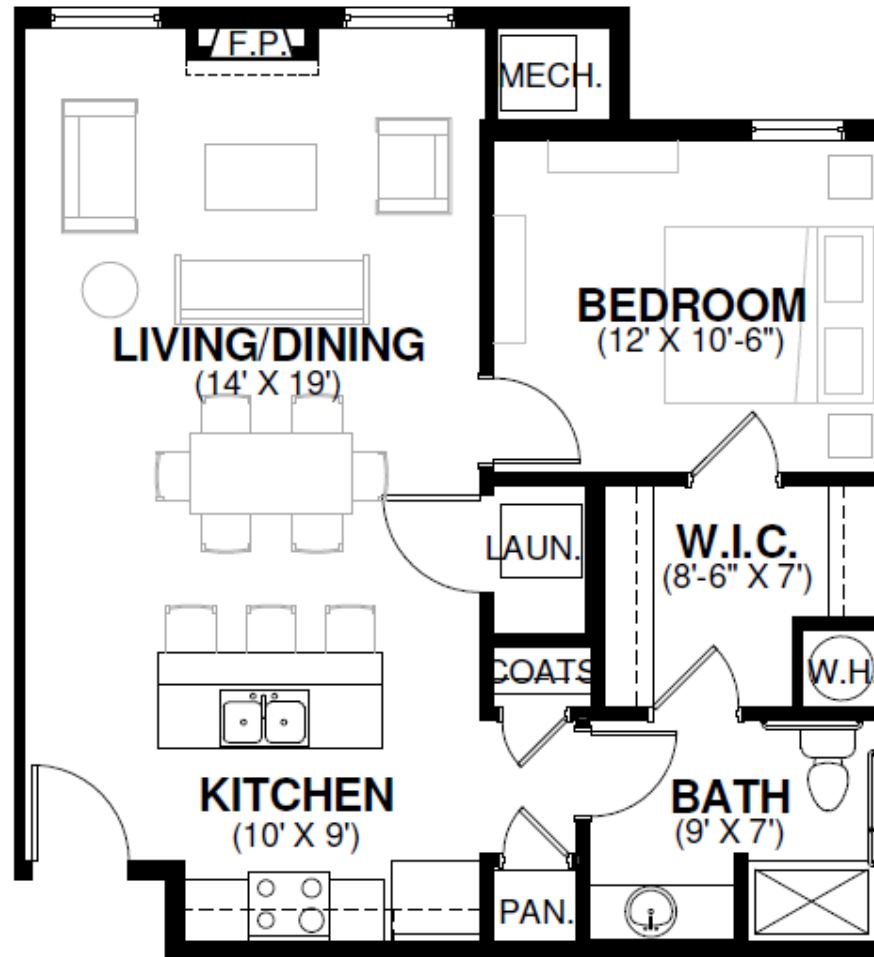
Westtown Place Apartments



PRESENTATION FLOOR PLAN
10-19

Westtown Place Apartments

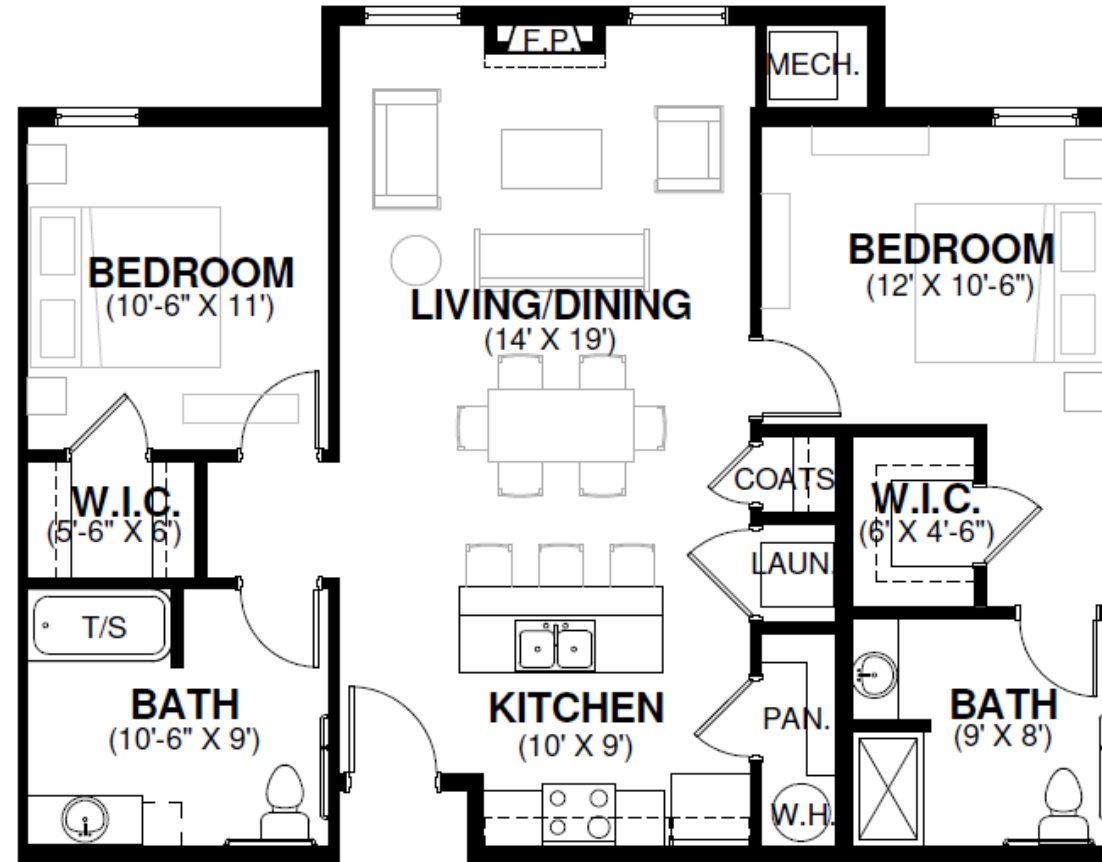
1 Bedroom
1 Bath
\$750



755
Square
Feet

Westtown Place Apartments

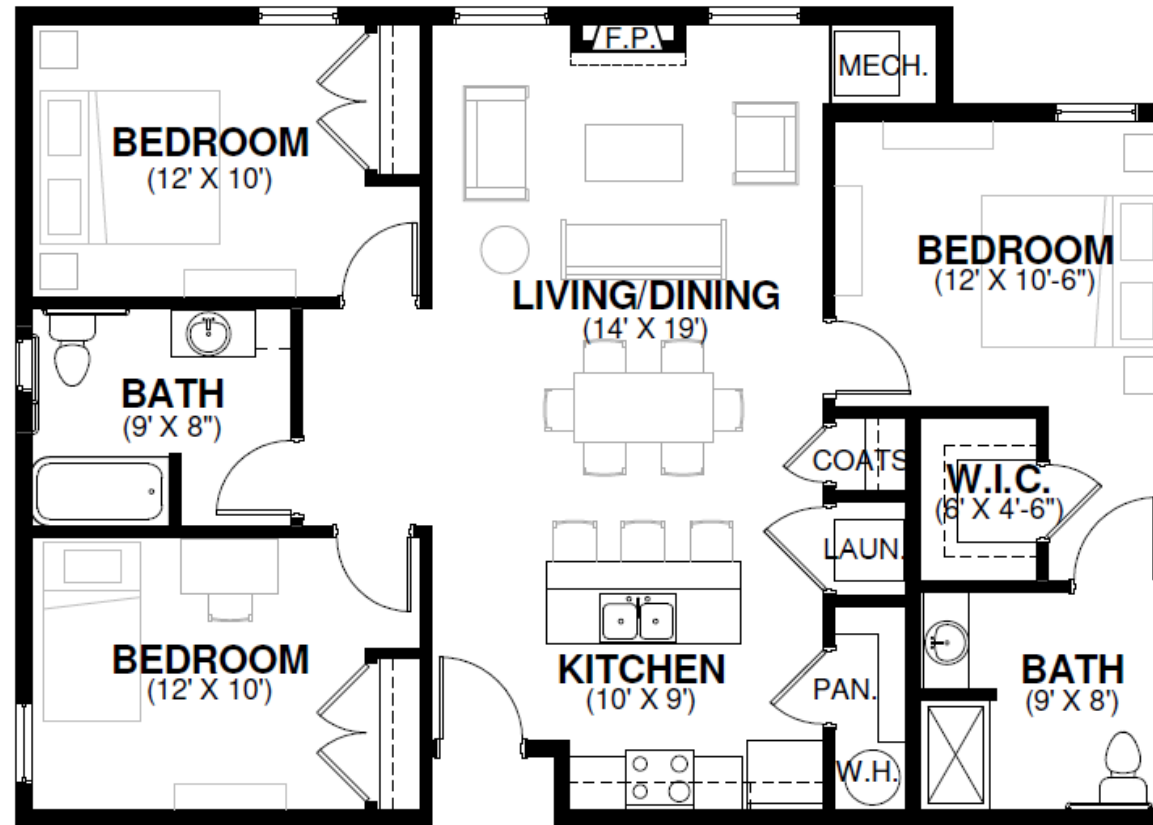
2 Bedroom
2 Bath
\$950



1,026
Square
Feet

Westtown Place Apartments

3 Bedroom
2 Bath
\$1,150



1,180
Square
Feet

Westown Place Apartments

Included in Each Apartment

- Refrigerator
- Electric Glass Top Stove
- Microwave over the Stove
- Dishwasher
- Garbage Disposal
- Stacked Washer and Dryer



Questions?