

May 16, 2019

City Administrator
444 9th Street
PO Box 38
Windom, MN 56101

Re: Request for Proposal: Private Developer for Multi-family Housing located on Cottonwood Lake Drive and N. Redding Avenue (Overflow Parking Lot south of the Community Center)

To Whom It May Concern:

Please consider this letter and the enclosed proposal as our expression of interest in the aforementioned project and subject property.

We appreciate your consideration and look forward to presenting on Tuesday, May 21.

Sincerely,



Wade Behm
Director of Construction
Hegg Companies



Hegg Companies | 1300 W 57th Street, Suite 100 | Sioux Falls SD 57108
www.heggcompanies.com

**Private Developer Proposal for the Overflow Lot
Cottonwood Lake Drive and N. Redding Avenue**

Section 6 Submittal Requirements – Narrative

Please answer the following:

1. What is your organization and management approach to the Project?
 - a. Hegg Companies will take the lead on this project. Wade Behm will be primary point of contact for the team. His contact information will be provided on the next page.
 - b. Healthy Efficient Homes LLC will provide assistance with design, energy efficiency consultanting and certifications.
 - c. Design Team – Design will be by VanDeWalle Architects. VanDeWalle is one of the top multi-family design firms in the region and has a strong working relationship with all of our team members.
 - d. There will be a single purpose entity created to purchase the land and own the project. That entity will be created at a later date.
 - e. Management Team, Legal Team, Other Consultants – These team members will be named at a later date.
 - f. We manage our construction projects using a Construction Management model. The hallmark of that model is that we do not self perform work, rather, we prequalify and solicit bids from a wide array of local and regional, qualified trades and vendors to assemble the best team possible to deliver the project. This assures our project stakeholders that they are getting excellent bid coverage & best value.

Site management is executed by an experienced Superintendent, who is responsible for coordination, quality control and timeliness of delivery.

Our executive team stays very close to our projects, making it a point to perform site visits weekly, if not more! As schedules and safety allow, we often invite our project stakeholders along on job walks to assess progress and maintain an active role in project delivery.

2. What is your general schedule for completion of the Project following acquisition?
 - a. Given the funding gap in this project, it is necessary to apply for a Minnesota Workforce Housing Grant. Application and award for these grants lands in the Fall of 2019. If awarded, we would expect to complete property acquisition and design promptly thereafter. Design and permitting processes will take us through the winter and we would expect to commence construction in the Spring of 2020.

- b. For a project of this size and nature, we would expect completion in approximately 11-months from ground breaking. Resident move-ins would be able to start in Late-Winter to Spring of 2021.
 - c. That schedule allows for the necessary inspections, commissioning and compliance for the various programs this project will participate in.
3. Description of a general financing plan including any anticipated or potential financing sources (sources and uses private and public):
 - a. We anticipate using traditional bank financing combined with private equity for the basic project funding. We expect that we will bring the project to local and regional lenders, paying special attention to those lenders that already participate in the City of Windom.
4. Description of marketing approach to secure tenants:
 - a. A variety of marketing approaches will be utilized. Once we determine the programs that will be required for a successful project, we will enlist the services of a property management group to create a marketing plan.
 - b. From experience, the basic tools involved in leasing a property of this nature may include a project specific website, Facebook, Facebook Marketplace, Craigslist, local media advertising, working with Human Resources offices at the key local employers, working with the Housing Authority and direct mail marketing to name a few.
 - c. We also make it a point to promote pre-leasing and actively report on the project during construction to keep potential residents apprised of the project progress.
5. What is the proposed purchase price and the explanation of the purchase price for the Project property? (Please describe your financing gap).
 - a. One of the key assumptions in our pro forma includes a land purchase prices of \$100,000. The land purchase would be contingent on successfully obtaining the Minnesota Workforce Housing Grant and the Energy Efficiency Credits.
 - b. While high construction costs for a project like this are a large driver, they are not the largest component of the gap. Rents that are lower than regional average cannot provide for the revenue necessary to construct, operate and provide returns for a complex of this nature. Additionally, construction costs are increased by certain programmatic elements required by the funding sources.
6. What is the proposed amount and description of financial assistance requested from the City? (Please describe your financing gap).
 - a. In order to make this project feasible, we will require participation from the City of Windom and affiliated entities:

Attachment	Check List
Site Plan	Yes
Colored Rendering	Yes
Floor Plans – Or Concept	Yes
Financial Sources and Uses	Yes
Resume of Developer	Yes
Anticipated Project Schedule	Yes
Additional Attachments if Applicable	Yes

Section 7 Reservation and Disclosures

Reservation

Issuance of this RFP does not commit the City of Windom to enter into a Development Agreement, pay any costs incurred in the preparation of a response to this request, or to procure or contract any services or supplies. The City reserves the right to reject any and all proposals and to make recommendations for changes in any proposal submitted, to waive informalities or irregularities, and may, in the process of this recommendation, allow the developer to make such recommended changes in its proposal. The City reserves the right to require additional information from developer, financial or otherwise, and to hold meetings with any developer to review the offer and development proposal, and to waive any of the requirements set forth herein.

The City may, at the conclusion of its review, recommend that the City Council, in conjunction with appropriate legislative process, enter into a Development Agreement with the selected developer.

As an equal opportunity/affirmative action employer, the City prohibits discrimination on the basis of race, creed, color, sex, age, religion, sexual orientation, marital status, disability, or national origin. Minority and women's business enterprises will be afforded full consideration and are encouraged to respond.

Disclosure of Proposal Content

After the deadline for submissions of proposals, the contents of the proposals will be placed in the public domain and open for inspection by the public. Trade secrets or proprietary information that are recognized as such and are protected by law may be withheld if clearly identified as such in the proposal.

Disposition of Proposals

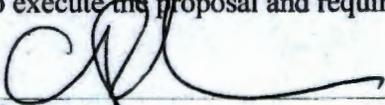
Exhibit A

Proposal Submittal Signature Form

This proposal is hereby submitted by **Hegg Companies** (name of company, LLC or LP) in response to the City of Windom's Request for Proposal.

**Private Developer Proposal for the Overflow Lot
Cottonwood Lake Drive and N. Redding Avenue**

Signature(s) on this form notify the City of Windom, MN that the following are duly authorized to execute the proposal and required documentation.


Signature

G. Wade Behm
Printed Name

5-16-2019
Date

Exhibit B

Listing of Lawsuits or Litigation within the Past Five Years

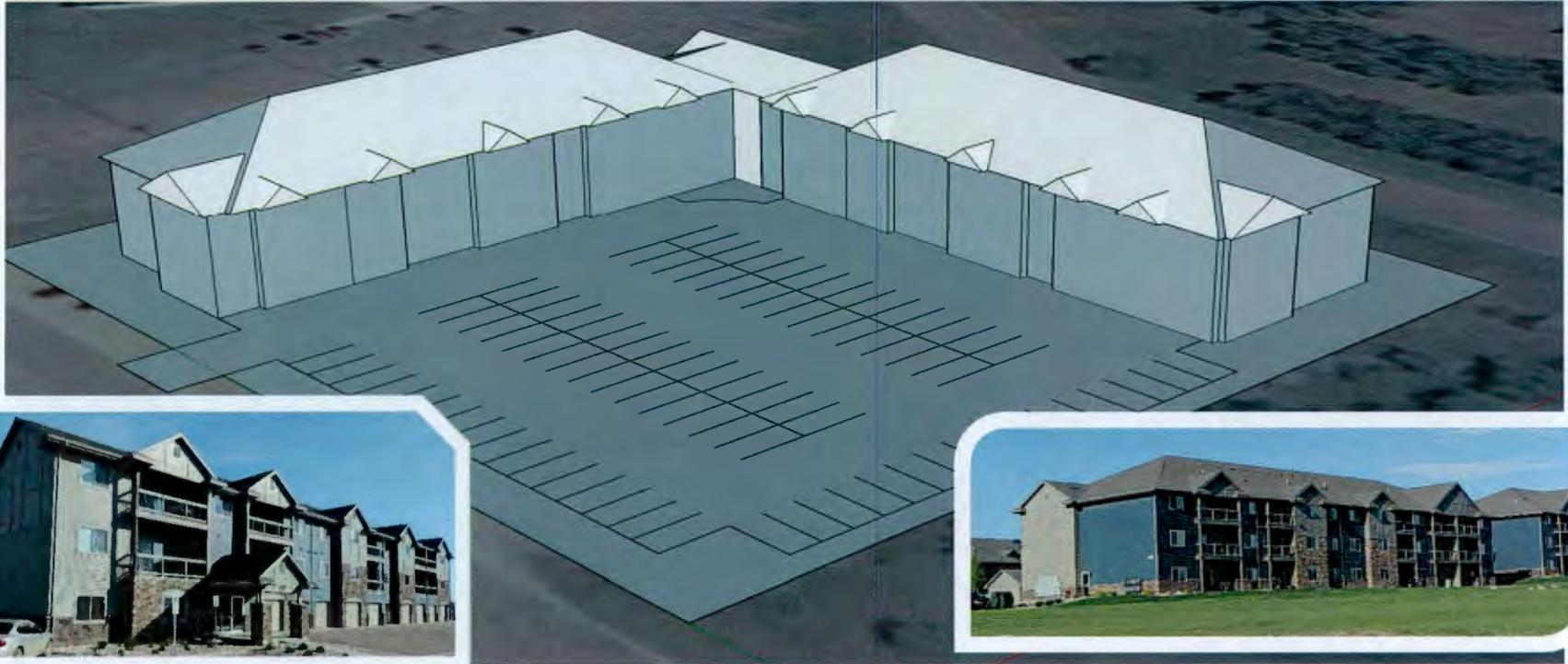
Lawsuit or Litigation

Hegg Companies is currently has a lawsuit pending against a former agent owing to Hegg Companies a split on real estate commissions.

Status or Outcome

Case is pending.

Comments



PRIVATE DEVELOPMENT PROPOSAL

For Multi-Family Housing at Redding Avenue North

(Overflow Parking Lot South of the Community Center)



Hegg Companies | 1300 West 57th Street, Suite 100 | Sioux Falls, SD 57108

www.heggcompanies.com



Windom
Community
Center

Tegels
Park

Cottonwood Lake Dr

Project Description

- 3 Stories
- 52 Apartments
- Central Connector Building with Office, Elevator, Fitness Center & Community Room
- 20 Attached Garage Stalls
- 88 Surface Parking Stalls

Precedent Imagery

Provided as a representation of intended product



Redding Avenue N

Our Team

- Hegg Companies – Lead Developer
 - Paul Hegg
 - Tom Bahrenfuss
 - Wade Behm

- Healthy Efficient Homes LLC – Co-developer
 - Chris Johnson
 - Jim Johnson

- VanDeWalle Architects
 - Brad Dietzenbach
 - Katie Krantz, AIA, NCARB
 - Travis Stuntebeck



Paul Hegg

Hegg Companies

Paul Hegg began his career in 1993 with Hegg Companies, Inc. in Sioux Falls, SD, selling and leasing all types of commercial real estate properties. He has served as the President and CEO since 2002.

Paul has led the family-owned company in hospitality management over the last two decades. He is responsible for the oversight, asset management and strategic leadership of Hegg Hospitality. The portfolio currently includes ten hotels, two Hilton Garden Inns, a SpringHill Suites and Courtyard by Marriott in Sioux Falls, a Hilton Garden Inn in Sioux City, Iowa and Rapid City, South Dakota, a Holiday Inn Express & Suites and Staybridge Suites in Omaha, Neb., a Hyatt Place in Lincoln, Neb., and a GrandStay Hotel & Suites in Luverne, Minn.

Paul has been innovative in his creation and use of a private equity fund for the purpose of purchasing and developing hospitality projects in the Midwest. He has worked with both regional and national debt and equity firms to use this unique investment platform to develop and acquire hospitality and other real estate development in the Midwest.

Paul holds the professional designation of Certified Commercial Investment Member (CCIM) and has real estate certifications in South Dakota, Minnesota, North Dakota and Nebraska. He graduated from Gustavus Adolphus College with a Bachelor's Degree in Business Management.



Tom Bahrenfuss

Hegg Companies

Tom Bahrenfuss joined Hegg Companies in March 2018 as the Chief Financial Officer of Hegg Hospitality Management, LLC and oversees all financial aspects of hotel development, acquisition, and management. Tom had over 12 years of public and private accounting experience, as well as 2 years of insurance industry experience prior to joining Hegg Companies. Tom specializes in project management, financial reporting, and internal controls and has worked with a variety of industries in his time as a CPA, where he performed a range of services for clients including audits, reviews, compilations, agreed upon procedures, and due diligence procedures.



Tom is the current President of the South Dakota CPA Society and a member of the American Institute of Certified Public Accountants. He is also a member of the audit committee for the Sioux Falls Area Community Foundation and board member for the South Dakota Chapter of the March of Dimes.

Tom graduated from Northwestern College in Orange City, IA with a Bachelor of Arts degree in Accounting.



Wade Behm

Hegg Companies

Wade Behm has 25-years experience leading construction teams in a variety of industries, including Multi-Family, Office, Retail, Hospitality, Industrial and Public Works. He also has extensive experience in leading development teams in private equity projects. Wade has a unique combination of skills earned from many years of guiding project stakeholders through the complex processes of design, entitlements, construction and facility management.



Wade has been a stakeholder committee member on a number of planning and zoning initiatives for the City of Sioux Falls. He is also currently an advisory board member for the Construction Management program at Southeast Technical Institute. His passion for empowering our youth also has him active with the youth wrestling programs in the area, most recently as Tournament Director for the SDWCA State Wrestling Tournament.

Wade graduated from the University of Nebraska with a Bachelor of Science degree in Construction Engineering.



Chris Johnson

Healthy Efficient Homes LLC

Chris Johnson has been with Integro Services Group, Inc., and Healthy Efficient Homes LLC since 2009. Chris manages the subsidiary Johnson Environmental and is responsible for new construction HERS ratings. The majority of his career has consisted around the residential construction industry, managing construction sites to planning and developing neighborhoods.



His passion for the building science, has lead him to helping builders construct high performance homes that they can show their energy efficiency data in a manner that their customers understand. Chris has delivered sessions though out the Midwest at such conferences as the Duluth Energy and Design, Minnesota Code Officials Training, along with providing training programs for building supply companies, Realtors and Homebuilders. The topics include Building Science, Energy Efficient Home Programs and 2012 Code compliance.

Chris holds a RESNET rater license, a LEED for Homes license and BPI certifications.



Jim Johnson

Healthy Efficient Homes LLC

Jim Johnson has been in the construction business since he began roofing with his Father at the age of 14.

After pursuing other careers, Jim returned to building homes in 1990 and has built over 200 homes. He received an Award of Excellence from the Home Builders Association of the Sioux Empire when participating in the Parade of Homes.

In 2009 Jim and his son Chris became RESNET HERS raters and began rating ENERGY STAR homes.

Jim is a licensed Home Inspector and Building Official.



Brad Dietzenbach

VanDeWalle Architects

Brad is a partner at the firm with experience in schematic design, design development, construction documents, contract development, construction administration, estimating, and inspection services. Mr. Dietzenbach also oversees daily operations of the firm, project development and scheduling, and client relations. He had three years of experience with another architectural firm prior to joining Van De Walle Architects in 1996.



Education:

Northern State University: A.S. Pre-Architecture, 1994; Northern State University: B.S. Industrial Technologies, 1996



Katie Krantz

VanDeWalle Architects

Katie is a partner at the firm with a full range of experience in the architectural field including: design, project management, construction documents, and construction administration. She joined the firm in July 2008 after receiving her Master of Architecture degree from North Dakota State University. Katie's credentials include LEED AP BD+C and PHIUS Certified Passive House Consultant (CPHC), the most stringent energy accreditation in the US which focuses on high performance, low energy design.



Education: North Dakota State University, Master of Architecture, 2008,
B.S. in Environmental Design, 2007

Certifications: U.S. Green Building Council: LEED Accredited Professional, 2009
PHIUS Certified Passive House Consultant, 2016

Registrations: Licensed Architect in South Dakota (#13253), Iowa (#06777), North Dakota (#2352), Minnesota (#51158), Wyoming (C-2948), Colorado (ARC.00403782) & Nebraska (A-4750)



Travis Stuntebeck

VanDeWalle Architects

Travis is a project manager with experience in construction documents, schematic design and design development with the most recent version of Building Information Modeling (B.I.M.) software, and construction administration. He graduated from Southeast Technical Institute in 2001 and accepted a position at Van De Walle Architects. Mr. Stuntebeck is a LEED Accredited Professional demonstrating a thorough understanding of green building techniques, the LEED Green Building Rating System, and the certification process governed by the U.S. Green Building Council (USGBC).



Education: Augustana College: Pre-Architecture, 1999 Southeast Technical Institute: A.S. Architectural Engineering Technology, 2001

Certification: U.S. Green Building Council: 2009; LEED Accredited Professional



Project Team Organization

Hegg Companies will take the lead on this project. Wade Behm will be primary point of contact for the team. His contact information will be provided on the next page.

Healthy Efficient Homes LLC will provide assistance with design, energy efficiency consulting and requisite certifications.

Design Team – Design will be by VanDeWalle Architects. VanDeWalle is one of the top multi-family design firms in the region and has a strong working relationship with all of our team members. We have included a larger selection of their capabilities in an appendix to this Proposal.

There will be a single purpose entity created to purchase the land and own the project. That entity will be created at a later date. We acknowledge the assignment provisions of the RFP.

Management Team, Legal Team, Other Consultants – These team members will be named at a later date.



Primary Point of Contact

Wade Behm
wade@behm.net
605-366-6252



Proposers Experience

Specific Roles:
VanDeWalle Architects
lead the design

Wade Behm was the
Project Executive

The Cascade at Falls Park

(605) 338-4411 VANDEWALLEARCHITECTS.COM



VanDeWalle Architects LLC
ARCHITECTURE • PLANNING • INTERIORS

There are many challenges to work through and multiple layers to consider when designing a mixed use building. Not only did our team need to design the building, but this project also included a courtyard, parking garage, and streetscape on both sides of the project. The building's exterior design is modern and complements the surrounding properties. The building is designed in an angled "L" shape along 2nd Street to provide outstanding views overlooking Phillips Avenue, Falls Park, and the Levitt band shell. All apartments are designed with decks to

capitalize on the views, and at the bend in the "L" is a relaxing courtyard. The main floor of the building is designated for commercial space; designed with large storefronts and "board walk" patios along Phillips Avenue, perfect for walkability and a boutique atmosphere. The building is anchored at the bend by a large "Class A" commercial space. It extends out from the main building and features a large outdoor patio and roof-top deck overlooking the park.

Client
Lloyd Companies

Location
Sioux Falls, South Dakota

Sector
Mixed-Use, Multi-Family

Square Footage
184,511 sq. ft. Building A
67,689 sq. ft. Building B
100,896 sq. ft. Underground Parking



Proposers Experience

Specific Roles:
VanDeWalle Architects
lead the design

Wade Behm was the
Project Executive

Park 88

(805) 339-4411 VANDEWALLEARCHITECTS.COM



VanDeWalle Architects LLC
ARCHITECTURE • PLANNING • INTERIORS

Park 88 is a large housing project, comprised of a 113-unit apartment building and four 12-unit townhouses, for a total of 161 living units. This development is located in the rapidly expanding West Des Moines area.

The development was designed with community in mind, from the larger corridors to lobby areas on each floor and

community gathering spaces. A community center is the hub of the development. Residents have access to a movie room, kitchen, and exercise room. Outside amenities include a pool, playground, tennis court, and sheltered gathering areas. The development also includes both surface and underground parking for the apartments, and tuck-under garages for the townhomes.

Client
Lloyd Companies

Location
West Des Moines, Iowa

Sector
Multi-Family Housing

Square Footage
144,316 sq. ft. Apartments
(4) 18,013 sq. ft. Townhomes



Proposers Experience

Specific Roles:
VanDeWalle Architects
lead the design

Wade Behm was the
Project Executive

Phillips Lofts

(805) 338-4411 VANDEWALLEARCHITECTS.COM



VanDeWalle Architects LLC
ARCHITECTURE • PLANNING • INTERIORS

Located in Downtown Sioux Falls, Phillips Lofts is a mixed use development design that provides a wide array of unique living styles and experiences. The main level includes a generous retail space, fitness center, guest suite and a range of units from one to two bedrooms, many with

entrances directly to the outside. Floors two through four provide one and two bedroom units with open living space, fireplaces, generous windows, and spacious decks with views of Falls Park, Downtown Sioux Falls, and St. Joseph Cathedral.

Client
Lloyd Companies

Location
Sioux Falls, South Dakota

Sector
Mixed Use, Multi-Family

Square Footage
103,206 sq. ft.
88 Units



Proposers Experience

Specific Roles:
VanDeWalle Architects
lead the design

Wade Behm was a
member of the project
team

Uptown Exchange Lofts

(605) 338-4411 VANDEWALLEARCHITECTS.COM



Uptown Exchange Lofts were designed to meet the downtown urban living demand in the City of Sioux Falls. Located on Main Street, it provides a total 30 units with retail space on the main floor. The building site is within walking distance to many downtown events, businesses, and Falls Park. Interior and exterior finishes were selected to provide an upscale "urban" feel while maintaining a tight budget.

Client
Lloyd Companies

Location
Sioux Falls, South Dakota

Sector
Mixed Use, Multi-Family

Square Footage
48,360 sq. ft.
30 Units



Proposers Experience

Below is a comprehensive list of projects performed by VanDeWalle. The bulk of the projects noted as Energy Star and Passive House projects involved Chris Johnson and Jim Johnson as consultants.

Partial Multi-Family Project Portfolio (2006-2019)

Affordable Housing Projects - New Construction

PROJECT	LOCATION	# OF UNITS	YEAR
Briar Creek Townhomes	Watertown, SD	16	2006
Brooks Townhomes	Sioux Falls, SD	64	2008
Bristol Court Apartments	Sioux Falls, SD	60	2008
Caring Hearts	Sioux Falls, SD	6	2009
Pettigrew Heights Apartments	Sioux Falls, SD	37	2009
Monterey Apartments	Sioux Falls, SD	18	2010
Dakota Abilities Home 2	Sioux Falls, SD	6	2010
Judy House	Sioux Falls, SD	6	2010
Monroe House	Vermillion, SD	6	2010
Northlake Apartments	N. Sioux City, SD	40	2010
Dakota Abilities Home 3	Sioux Falls, SD	7	2011
Spring Center Apartments	Sioux Falls, SD	31	2012
Acadia Creek Apartments	Aberdeen, SD	48	2012
Prairie View Townhomes	Brookings, SD	40	2012
Lincoln Park Townhomes	Dickenson, ND	40	2012
Prairie Sky Group Home	Winner, SD	8	2012
Woodland Place Group Home	Yankton, SD	7	2012
Dakota Abilities Group Home	Sioux Falls, SD	7	2012
Jackson Heights Apartments	Aberdeen, SD	41	2013
Sioux Falls Ministries Apartments	Sioux Falls, SD	31	2013
Beacon Apartments	Sioux Falls, SD	31	2013
Antach Townhomes	Mitchell, SD	31	2013
Westwood Apartments	Sioux Falls, SD	14	2014
Madison Park Townhomes	Vermillion, SD	40	2014
Central Villa Apartments	Aberdeen, SD	40	2015
Technology Heights Apartments	Sioux Falls, SD	39	2015
Grand Harmony Apartments	Cheyenne, WY	33	2016
Kennedy Park Apartments	Wahpeton, ND	40	2016
Jefferson Village Apartments	Huron, SD	40	2017
Green River Apartments	Green River, WY	30	2017
Copper Pass Apartments	Sioux Falls, SD	30	2017
Alpine Park Apartments	Alpine, WY	24	2017
Trinity Pointe Apartments	Sioux Falls, SD	48	2017
Majestic Ridge Apartments	Sioux Falls, SD	60	2018
Cleveland Heights Apartments	Sioux Falls, SD	39	2018

Glory House	Sioux Falls, SD	24	2018
Madison Park Townhomes II	Vermillion, SD	40	2019
Technology Heights II Apartments	Sioux Falls, SD	39	2019
Roseland Apartments	Sioux Falls, SD	36	2019
Greenway Apartments	Sioux Falls, SD	42	2019

• ENERGY STAR certified
 ** LEED for Homes certified
 *** Passive House certified

Affordable Housing Projects - Rehab Projects

PROJECT	LOCATION	# OF UNITS	YEAR
Whispering Meadows Apts.	Mobridge, SD	32	2006
Spring Hill Apts. Rehab	Sioux Falls, SD	60	2008
Wellington Apts. Rehab	Sioux Falls, SD	23	2008
Grandview Rehab	Mitchell, SD	34	2008
Dakota Square Apts. Rehab	Aberdeen, SD	55	2008
Village Green Rehab	Madison, SD	32	2010
Pheasant Valley	Milbank, SD	60	2011
Fairmont Apartment Rehab	Tea, SD	24	2011
Jordan Park Rehab	Aberdeen, SD	40	2011
River Stone Rehab	Huron, SD	24	2011
Turning Leaf Apt Rehab	Sioux Falls, SD	48	2013
SF YMCA Housing Initiative	Sioux Falls, SD	52	2013
Penbrooke Apartments Rehab	Sioux Falls, SD	36	2015
Sage Apartments Rehab	Torrington, WY	36	2017
Whiting Court Apartments	Yankton, SD	17	2017
Harvest Point Apt Rehab	Madison, SD	30	2018

• ENERGY STAR certified

Conventional Multi-Family Housing - New Construction

PROJECT	LOCATION	# OF UNITS	YEAR
Hillcrest II	Yankton, SD	32	2007
Gatewood Apartments	N. Sioux City, SD	88	2007
Gatewood III Apartments	N. Sioux City, SD	66	2007
Prairie Wood Apartments	N. Sioux City, SD	52	2008



Proposers Experience

Ridgeview Apartments	Brandon, SD	39	2008	Huntington Village Apartments	Sioux Falls, SD	180	2017
Boulder Creek II	Sioux Falls, SD	53	2008	Pioneer Townhomes	Sergeant Bluffs, IA	24	2017
Mirada Manor Apartments	Sioux Falls, SD	53	2008	Meadows @ Whispering Woods II	Sioux Falls, SD	80	2017
Harper Pointe Apartments	Sioux Falls, SD	41	2008	Dublin II	Sioux Falls, SD	98	2017
Auburn Manor	Sioux Falls, SD	86	2009	Tee Townhomes	Tea, SD	61	2017
Prairie Springs Apartments	Aberdeen, SD	65	2009	Apache View Townhomes	Sioux City, IA	12	2017
Roosevelt Estates	Sioux Falls, SD	65	2009	Sawyer Pointe Townhomes	Harrisburg, SD	60	2017
Prairie Springs Apts. II	Aberdeen, SD	65	2010	Crossings @ 85th Townhomes	Sioux Falls, SD	144	2017
Innovation South Apartments	Brookings, SD	64	2011	Riverbend Townhomes II	Sergeant Bluff, IA	46	2017
River Valley Apartments	N. Sioux City, SD	65	2012	6th Street Townhomes	Sioux Falls, SD	12	2018
West Briar @ Cumberland	Sioux Falls, SD	62	2012	Cascade Loft Apartments	Sioux Falls, SD	202	2018
Willow Creek II	Sioux Falls, SD	58	2012	University Hills Village Apartments III	Sioux Falls, SD	98	2018
Dakota Estates	Aberdeen, SD	85	2012	Summit Heights Apartments	Yankton, SD	32	2019
Uptown Exchange Loft Apartments	Sioux Falls, SD	30	2012	Villas @ Ponderosa	Sioux Falls, SD	12	2019
Lincoln Park Townhomes II	Dickinson, ND	32	2012	Park 88 II Townhomes	West Des Moines, IA	84	2019
Killarney Crossing	Sioux Falls, SD	64	2012				
South Point Townhomes	Mitchell, SD	62	2012	• ENERGY STAR certified			
Benson Village Townhomes	Sioux Falls, SD	62	2012				
Benson Village II	Sioux Falls, SD	28	2013				
Timber Hollow	Mitchell, SD	65	2013				
Northern Highlands Apartments	Minot, ND	230	2013				
Uptown Exchange Lofts	Sioux Falls, SD	38	2013				
Phillips Ave Lofts	Sioux Falls, SD	86	2013				
River Valley Apartments	N. Sioux City, SD	65	2013				
Killarney Crossing III	Sioux Falls, SD	60	2013				
Lake Area Townhomes	Madison, SD	28	2014				
Auburn Ridge Apartments	Watford City, ND	154	2014				
Ridgeview East Townhomes	Sioux Falls, SD	36	2014				
Gatewood Addition Apartments	N. Sioux City, SD	14	2014				
Evergreen Townhomes	Madison, SD	14	2015				
Dublin Square Townhomes	Sioux Falls, SD	132	2016				
Innovation Village III	Brookings, SD	49	2015				
Windsor Heights Townhomes	Sioux Falls, SD	19	2016				
Meadows @ Whispering Woods	Sioux Falls, SD	72	2016				
Thelin Center Townhomes	Sioux Falls, SD	96	2016				
University Hills Village Apartments II	Sioux Falls, SD	126	2016				
Hyde Apartments	Sioux Falls, SD	34	2016				
Park 88 Apartments	West Des Moines IA	113	2017				
Field Of Dreams Townhomes	Sioux Falls, SD	14	2017				



Financial Approval Letter

We have not solicited a financial approval letter for this project at this time, given the wide variety of project variables still present. We are also not ready to commit to a specific lender for the project.

Hegg Companies and the equity partners for the team have the history, financial strength and backing to gain financing from a number of sources.



The Project



Precedent Imagery

Provided as a representation of intended product



WB1



The project will consist of a traditional 3-story market rate apartment project. We have elected to provide 52-units, preliminarily consisting of twenty 1-bedroom apartments and 32-two bedroom apartments. Generally the 1-bedroom apartments are approximately 800 Square feet in size, and the 2-bedroom units are approximately 1,000 square feet.

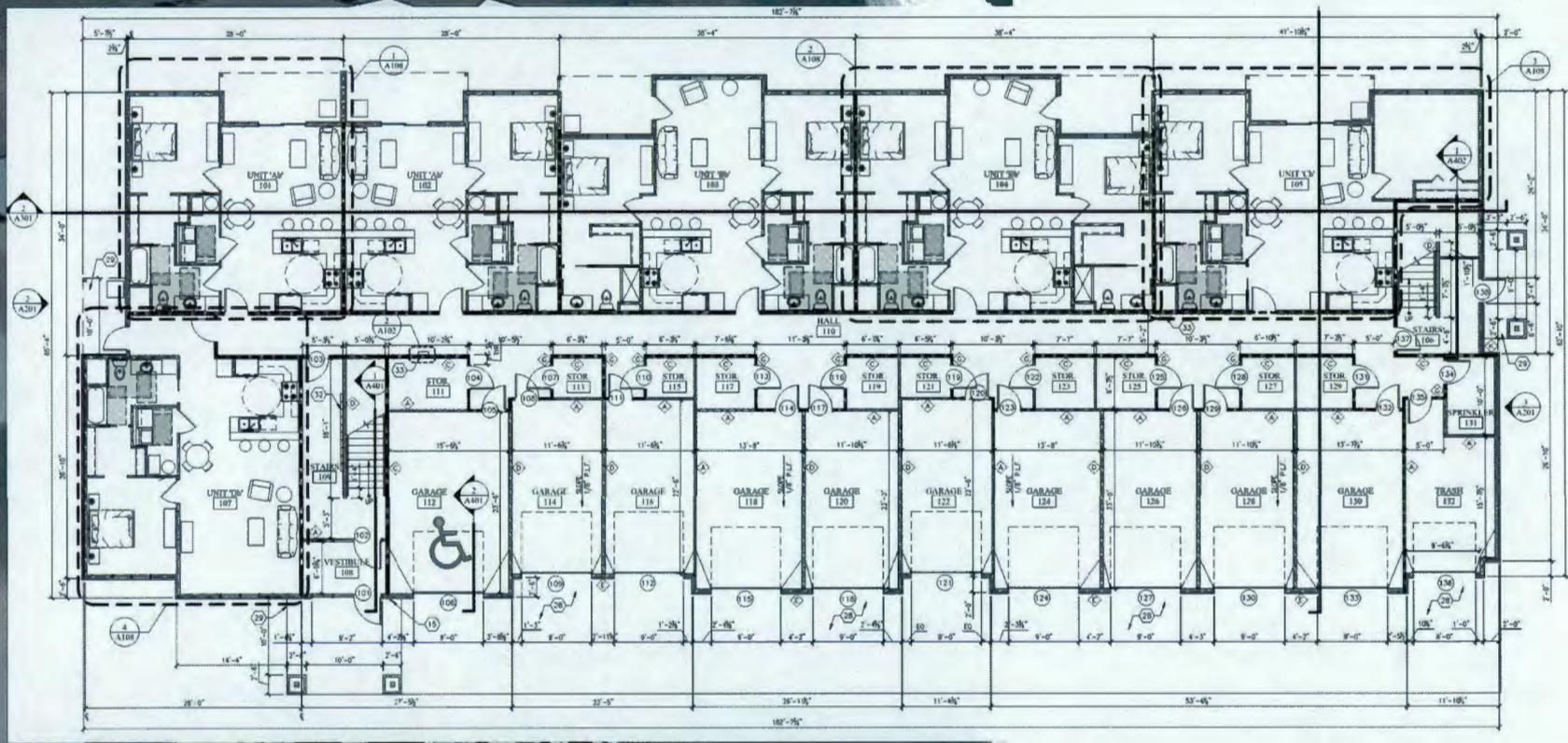
Our project features twenty “tuck under” garages on the main level. This affords us site plan efficiency, while offering an option for residents to rent an attached garage.

The project will be constructed as a single building with two 26-unit wings connected by a common area building. That “connector” building will house the elevator, the manager’s office, a community space and a fitness area.

The Project

WB1

This graphic depicts a sample plan for one wing of the 1st Floor



1st Floor

WB1



We manage our construction projects using a Construction Management model. The hallmark of that model is that we do not self perform work, rather, we prequalify and solicit bids from a wide array of local and regional, qualified trades and vendors to assemble the best team possible to deliver the project. This assures our project stakeholders that they are getting excellent bid coverage & best value.

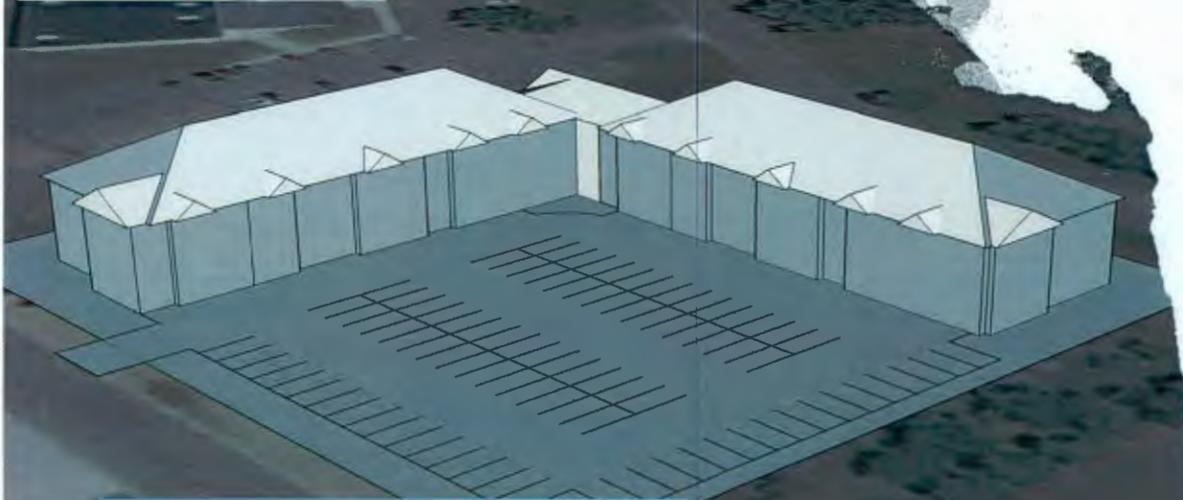
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Our executive team stays very close to our projects, making it a point to perform site visits weekly, if not more! As schedules and safety allow, we often invite our project stakeholders along on job walks to assess progress and maintain an active role in project delivery.



Construction Plan

WB1



Given the funding gap in this project, it is necessary to apply for a Minnesota Workforce Housing Grant. Application and award for these grants lands in the Fall of 2019. If awarded, we would expect to complete property acquisition and design promptly thereafter. Design and permitting processes will take us through the winter and we would expect to commence construction in the Spring of 2020.

For a project of this size and nature, we would expect completion in approximately 11-months from ground breaking. Resident move-ins would be able to start in Late-Winter to Spring of 2021. We acknowledge that is beyond the preferred December 2020 completion schedule. We can consider accelerating the schedule if it is deemed a prudent way to spend funds that, in part, come from public sources.

That schedule allows for the necessary inspections, commissioning and compliance for the various programs this project will participate in.

Schedule

Marketing Approach

A variety of marketing approaches will be utilized. Once we are confident in the award of funds from the grant programs and funding sources that will be required for a successful project, we will enlist the services of a property management group to create a marketing plan.

From experience, the basic tools involved in leasing a property of this nature may include a project specific website, Facebook, Facebook Marketplace, Craigslist, local media advertising, working with Human Resource offices at the key local employers, working with the Housing Authority and direct mail marketing, to name a few.

We also make it a point to promote pre-leasing and actively report on the project during construction to keep potential residents apprised of the project progress.



Land Purchase

One of the key assumptions in our pro forma includes a land purchase price of \$100,000. The land purchase would be contingent on successfully obtaining the Minnesota Workforce Housing Grant and the Energy Efficiency Credits.



Unique Attributes of the Proposer

Our project team combines one of the regions premier developers with a solid design team and a team of energy efficiency experts. What's more, some or all of this team has worked together on a number of successful projects in the region.

Further, we have the financial capabilities, finance expertise, and wherewithal to engage in a more complex package to make this project a reality.



Target Rents

Preliminarily, we anticipate that the target rents for these apartments will be as follows:

1-bedroom; 1st & 2nd Floor – \$850/month
2-bedroom; 1st & 2nd Floor – \$1,050 /month

1-bedroom; 3rd Floor – \$880/month
2-bedroom; 3rd Floor – \$1,080/month

Garages – \$50/month

Utilities will be individually metered by unit and paid for by each resident.



Items required of the City of Windom

In order to make this project feasible, we will require participation from the City of Windom and affiliated entities:

TIF – As discussed in the RFP, the City has already begun the process to allow for a TIF to become a part of the project financing. Our pro forma is showing a funding gap of approximately \$850,000. To cover that funding gap, we are proposing a 10-year TIF with all incremental property tax increases over the base amount of \$0 being directed toward the project.

Land Sale – We would need the land to be sold to our team at a price of \$100,000, platted, clean, and free from liens and encumbrances. Purchase of the land is contingent on the TIF and the grants as discussed.

Grant Participation – We would expect to handle the applications for the grants, however, we will require City of Windom participation to complete the application documentation and in compliance with the grant programs.

Zoning – We would like the City to entertain two variances:

- 1) The sideyard setback language requires in excess of 30-ft on the North and South property lines. We need that reduced to 25-ft.
- 2) Required parking is 2-stalls per apartment. The regional standard is generally 1.5-stalls per apartment. We would request consideration for a reduction to 1.5-stalls per apartment.



Thank you!

We thank you for the opportunity to provide a proposal for this project. We have come to appreciate forward thinking communities such as Windom. We commend the leadership taken to move a project such as this one forward, with an eye on the future growth needs of the community.





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- Bidding and Contract Negotiation
- Construction Contract Administration
- LEED AP Certified



Commercial

First Bank & Trust/Coffea Sioux Falls, SD



By working closely with both the bank and the coffee café individually, we created unique and custom spaces for each business while maintaining a seamless experience for their clients. The common entry opens into a welcoming lobby. The bank is kept secure after-hours with a glass wall that is hidden during the day. A variety of seating areas and types provides plenty of locations for mobile bankers to meet with clients, and for community members to enjoy a crafted cup of coffee with friends or on their own. Each space has its own character with subdued modern finishes and unique lighting

and ceiling features. The building exterior features a custom lighted glass wall, modern Sioux quartz panels and durable and warm materials.

VA services provided:

- Conceptual Design
- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Contract Management
- Construction Review and Oversight
- Owner's Advocate



Multi-Family Housing

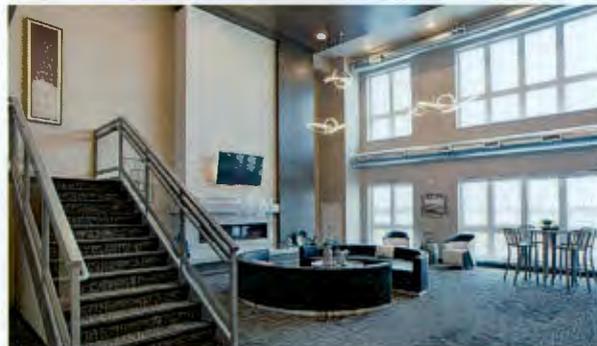
University Hills Village II Sioux Falls, SD

University Hills Village is located in northwest Sioux Falls. The second building consists of 128 units with underground parking. Geared toward millennials and Gen-Xers due to its close proximity to the University Center, the unit mix ranges from predominately studio and one-bedroom units to a small mix of two-bedroom units. The main level includes hotel-like amenities with a fitness center, an intimate common area and a two-story lounge with a grand fireplace and large TV. An additional community room with TV and kitchenette is located on the 2nd floor.



VA services provided:

- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Contract Management
- Construction Review and Oversight



Enrichment Facilities

The ARCH by Carroll Institute Sioux Falls, SD

Carroll Institute has a history of providing comprehensive addiction prevention, assessment, treatment and transitional living services to the Sioux Empire community since 1979. Their ARCH program serves individuals returning to the community from treatment services and incarceration. The building was designed with phased construction in mind; the occupants needed to move into Phase I, as Phase II was built on the location of their existing facilities. The new transitional residential facility design includes a dining hall, computer labs, offices, private and group meeting rooms, casual dayroom areas, covered outdoor patio, workout facility, recreational spaces and sleeping rooms.

VA services provided:

- Conceptual Design
- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Contract Management
- Construction Review and Oversight
- Owner's Advocate



Hospitality

Hilton Garden Inn Sioux Falls, SD

Unlike anything else in the region, the Hilton Garden Inn in downtown Sioux Falls sits on a unique site along the Big Sioux River. Every space was given particular design attention to create an upscale feel the developers desired, while working to complement the Hilton Garden Inn brand.

The hotel consists of 136 guestrooms, an indoor pool, 7,000 square feet of flexible meeting space and a large restaurant with an outdoor patio. It also includes 94 spaces of underground parking for guests. Attention to detail and unique use of materials in unexpected ways contribute to a memorable experience one expects to find in an urban setting.

VA services provided:

- Conceptual Design
- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Construction Oversight
- Brand Standard Design Compliance



Master Planning

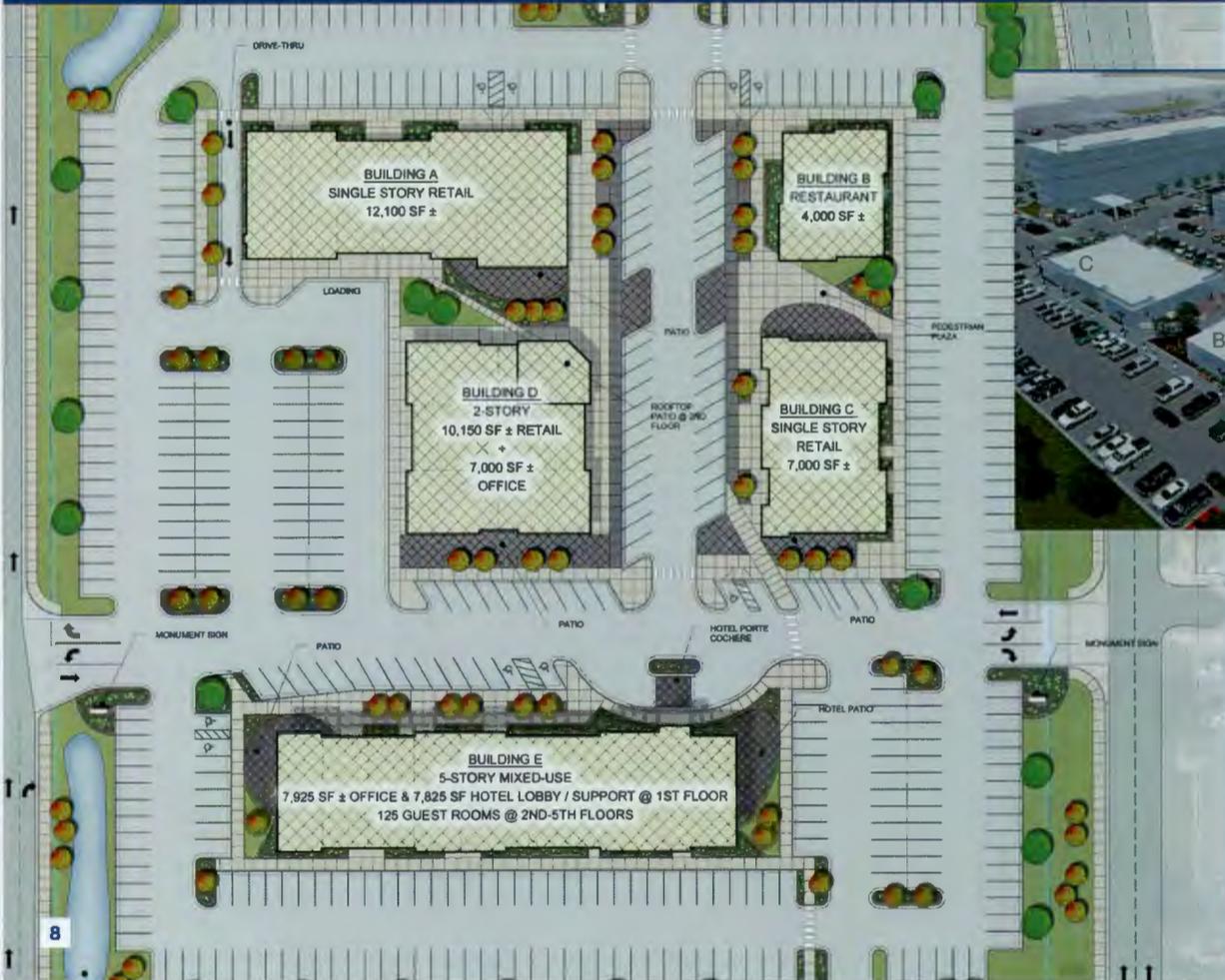
Empire Place Sioux Falls, SD

After successfully master planning several developments, a developer approached us to design a concept for their upcoming project. Located on one of the major street corridors within the city, the project was designed to incorporate new commercial, retail, restaurants, offices, and hospitality services. Street ingress and egress, storm water detention infrastructure, vehicle flow, adequate parking for the intended use, as well as zoning and setback requirements were addressed in the design. Additionally, pedestrian access, landscaping, and an array of outdoor plazas were essential to consider and

implement into the master plan. The project was designed to meet all of these needs while also providing for a variety of uses and opportunities for future tenants.

VA services provided:

- Master Planning
- Conceptual Design



Mixed Use

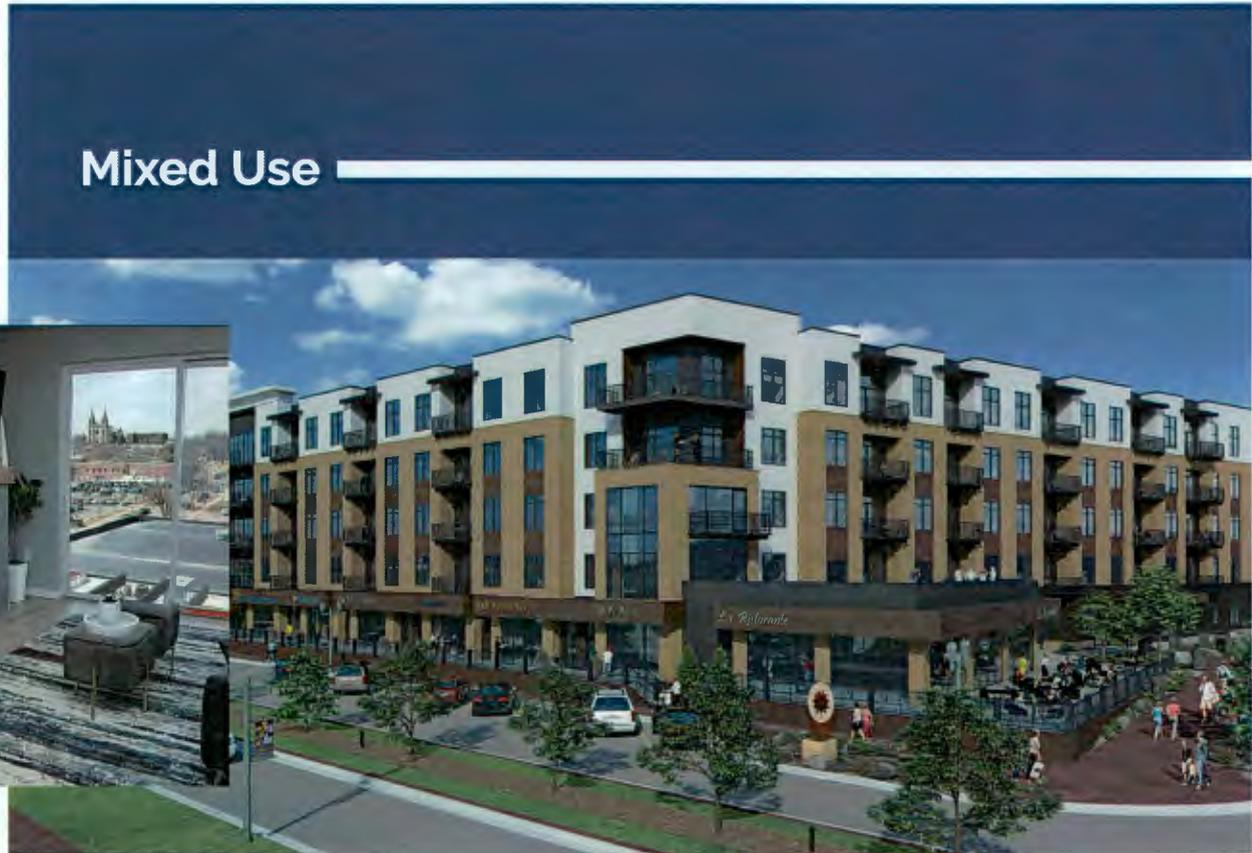
The Cascade at Falls Park Sioux Falls, SD

There are many challenges to work through and multiple layers to consider when designing a mixed use building. The Cascade project includes 195 dwelling units within two buildings surrounding a center outdoor courtyard for the residents. Underground parking, a fitness center, resident gathering spaces with decks, and 1st floor commercial spaces with streetscape frontage were also included in the design.

The building's exterior design is modern and complements the surrounding properties, yet is very distinct. The building's "L" shape along 2nd Street provides outstanding views overlooking Phillips Avenue, Falls Park and the Levitt band shell. The main floor commercial space is designed with large storefronts and "board walk" patios along Phillips Avenue, perfect for walkability and a boutique atmosphere.

VA services provided:

- Conceptual Design
- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Construction Oversight
- Owner's Advocate



Office

CarsForSale Sloux Falls, SD

The CarsForSale.com Headquarters was designed to bring multiple departments together into one building and meet the owner's vision while enhancing office culture. This 111,000 square foot 4-story building consists of multiple open office spaces, private offices, conference rooms overlooking Lake Lorraine, and break out and collaboration rooms. Unique elements adding to the culture include four golf simulators, a 500-seat presentation theater, full-service coffee shop, glass elevator, game room, and a multi-story slide connecting the open office areas. Decks on all levels provide expansive views of the lake to the east. A large landscaped patio on the ground level provides event overflow from the theater with additional outdoor seating

and direct access to the lake.

VA services provided:

- Conceptual Design
- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Construction Oversight
- Owner's Advocate



Religious

Ransom Church Downtown Sioux Falls, SD

Ransom Church was a renovation project in which we converted an early 1900's warehouse into a place of worship. The design was driven by embracing and utilizing the existing elements of the warehouse, including cleaning up the original wooden barrel trusses. The main warehouse was converted into a worship area and classrooms. The entry was redesigned to include an expansive lobby and fellowship hall. The renovation also included expanding the classrooms downstairs. As part of the design of their overall youth program, the kids' spaces included a New York subway themed design with floor-to-ceiling murals throughout.

VA services provided:

- Architectural Construction Drawings
- Engineering Consultants
- Contract Management
- Construction Review and Oversight
- Owner's Advocate



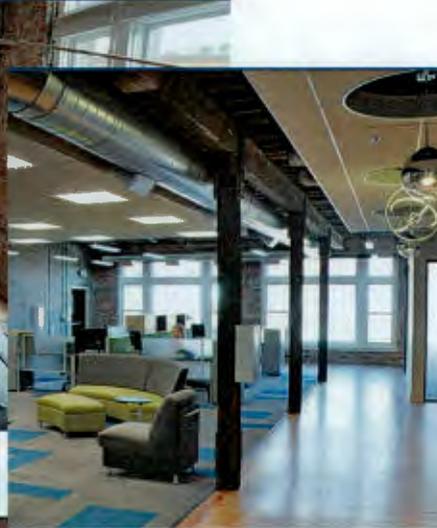
Restoration

Foundry Sioux Falls, SD

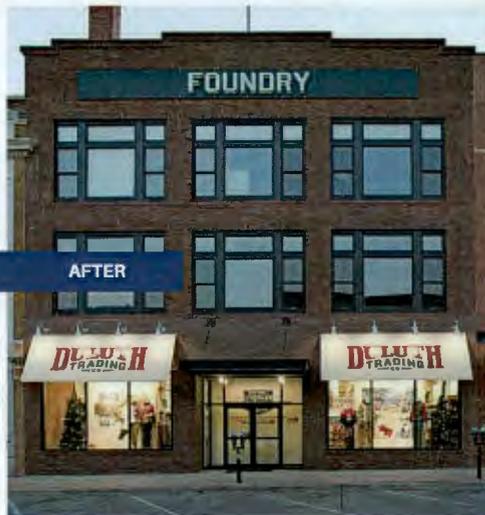
The Foundry Building was one of the last buildings in downtown Sioux Falls to undergo a full renovation and restoration. We stripped away layers of materials and grime to expose the original beauty found in the original muraled plaster walls, exposed wood ceilings and hardwood flooring. New windows and storefronts were added to provide daylighting and street views. The 3rd floor lofts have exposed original columns, existing and new hardwood floors, historic exposed brick, a residents' lounge and sweeping downtown views. The second floor is home to multiple unique office spaces, and the first floor was converted to retail shopping with large storefront window displays.

VA services provided:

- Conceptual Design
- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Construction Oversight
- Owner's Advocate



BEFORE



AFTER

Remodel

Exchange State Bank Hills, MN

Using our conceptual design skills and modeling software, we were able to work collaboratively with the bank representatives to create a space that enhanced their day-to-day activities and improved service for their customers. The exterior of the bank was updated with a new roof, windows and architectural metal panels that looked like wood. A new vestibule entrance was added to the front of the bank and the entire main floor was reconfigured and finished with new floor-to-ceiling interior windows, doors, trim and furnishings. The new larger interior windows at the offices provide a connected feeling between the offices and patrons of the bank, while still maintaining privacy.



VA services provided:

- Conceptual Design
- Architectural and Interior Design Construction Drawings
- Engineering Consultants
- Contract Management
- Construction Review and Oversight
- Owner's Advocate



BEFORE

AFTER

Working Together

Let's Get Started

With so many options for your project, it can be hard to know where to start. You want to choose the team who can guide your vision to reality without hassle, within your budget, and on your timeline. You want a team to skillfully guide your project and be your biggest advocate. You want a team with a history of exceeding client expectations, over and over again.

Contact Us:

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