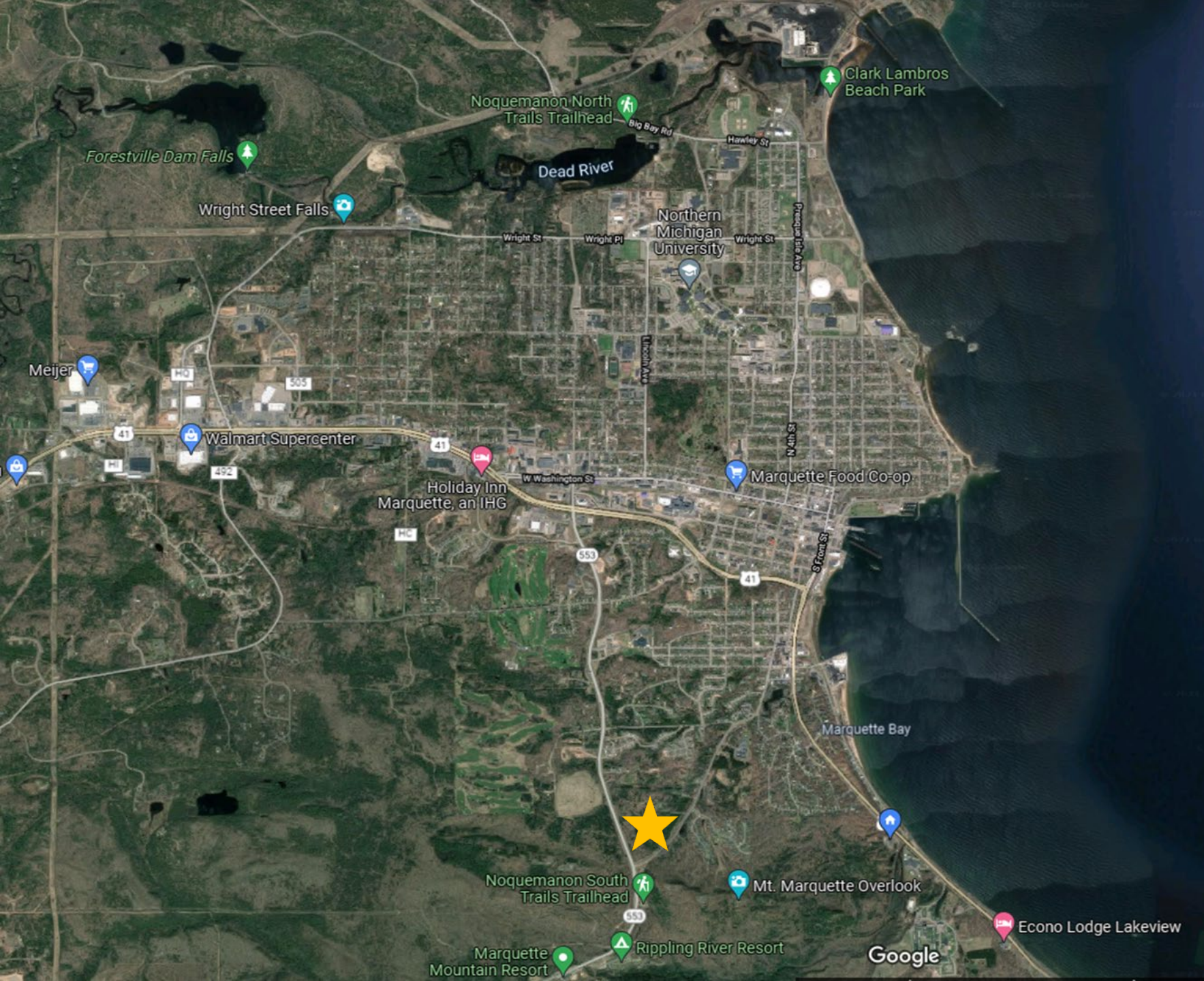




Hemlock Park



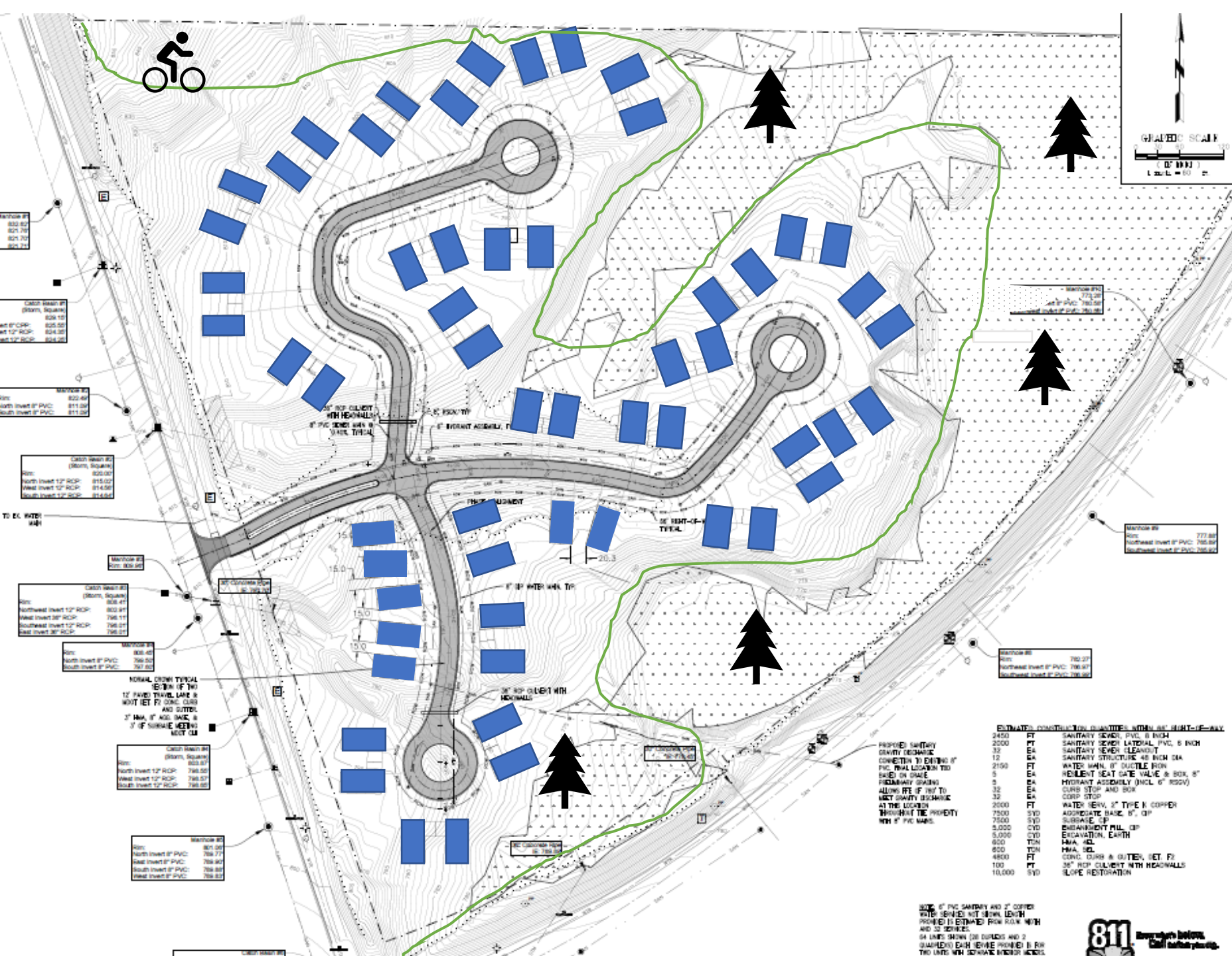


Project Objectives

- Create much-needed new housing and expand housing availability in Marquette
- Deliver homes on an accelerated timeline
- Increase supply to a limited price segment
- Attract/retain workforce to fill jobs
- Minimize impact of surging residential construction costs



Hemlock Park





Project Scope

- Develop 60-70 homes on a 29-acre wooded site
 - Townhomes & bungalows
 - Duplex style allows for more density while preserving much of the site's natural environment
- Utilize a modular format, allowing for faster construction and delivery
- Total investment: Over \$20,000,000
- Construction start date: Summer 2022
- Home prices start at \$279,000 (based on current construction costs)
- Amenities:
 - NTN trail open to public
 - Internal pathways for residents
 - Playground
 - Sledding hill
 - 10 acre nature preserve



Shared Cost Proposal

- City funds the infrastructure it will own:
 - Streets
 - Lighting
 - Sidewalks
 - Water
 - Sewer
 - A portion of electricity
- Approximately \$2,000,000 cost to the City
- Leveraged 9.5:1 by Veridea's \$19,000,000 investment

Why the need for City involvement?



- **Traditional model of developer paying for public infrastructure assets on large scale residential projects is no longer financially viable.**
 - Largely due to significant increase in construction costs.
 - Absent public funding sources, the developer must pass the cost of infrastructure onto the home buyer.
 - The costs can be significant, in the case of Hemlock Park, this results in over \$40,000 per unit.
 - Absent City involvement, Hemlock Park cannot be developed as proposed.
 - Alternative developments will not deliver as many housing units and units will be priced significantly higher.
 - In sum, this proposal enables us to deliver a more affordable home to buyers.



City Benefits

- Increase housing inventory.
 - Increased supply and sale of buyers' homes.
- Accelerates Hemlock Park development.
- Enables Veridea to focus its capital on constructing more homes than would otherwise be possible.
- Increase city revenues: Property taxes, water, sewer, etc.
- Helps build and retain workforce in Marquette.

Homes available today in the Marquette area. Does not include pending or contingent.

Price	Amount
Under \$150,000	2
\$150,000 - \$200,000	2
\$200,000 - \$250,000	2
\$250,000 - \$300,000	1
\$300,000 - \$350,000	1
\$350,000 - \$400,000	0
\$400,000 - \$450,000	0
\$450,000 - \$500,000	0
\$500,000 - \$550,000	0
Over \$550,000	5