



Daveri Development Group, LLC

Steven W. Boka
Director of Community Development

Gregg Mandsager
City Administrator

City of Muscatine
215 Sycamore
Muscatine, IA 52761-3840

November 30, 2011

**RE: The Glen at Cobblestone Ridge, NEC of the Cobblestone Ridge Subdivision (Site)
December 8 in-depth City Council meeting**

Dear Mr. Boka and Mr. Mandsager,

Daveri Development Group, LLC (Daveri) is pleased to be working with the City of Muscatine for the development of The Glen at Cobblestone Ridge, which could provide affordable housing for 40 families in the City.

In order to make this project financially feasible and attractive to the Iowa Finance Authority (IFA), Daveri Development Group is requesting the City of Muscatine's support on the following items:

1. Local Contribution – \$360,000 which may be provided through a waiver of fees, TIF, grants, cash contributions, infrastructure, etc.
2. Tax Increment Financing (TIF) – Northeast Highway Urban Renewal TIF boundary to be expanded to include the referenced Site.
3. Letter of Support – Mayor's letter of support for the development.
4. Zoning Letter – Letter stating that the site is properly zoned for the proposed development.
5. Access Letter – Letter stating that the Site has direct access to an existing paved road (Right-of-Way).
6. Utility Letter – Letter stating that the utilities controlled by the City (i.e. sanitary) are available to the Site and have adequate capacity.

In support of our request, we have included the following documents:

- Schematic Site Design by HDJ Architects
- Schematic Elevation Renderings by HDJ Architects
- Project Summary Narrative, includes Project Timeline and Preliminary Project Costs

Please accept this letter as our formal request to be included on the agenda for the December 8 City Council meeting. We look forward to presenting this wonderful project to the Council. Please let us know if you have any questions or need additional information. Thank you for your support.

Sincerely,

Project Manager
Daveri Development Group, LLC
312-870-4746

cc: Larry Pusateri, Jessica Berzac

The Glen at Cobblestone Ridge Project Summary Narrative

Workforce - Family Housing in Muscatine Iowa

- The Glen at Cobblestone Ridge is the proposed housing development located on a parcel that is approximately 10 acres of land in the northeast corner of the Cobblestone Ridge Subdivision in Muscatine, IA.
- Daveri Development Group, LLC propose to develop 40 duplex rental homes for families in and around Muscatine. The homes will consist of a mixture of 2BR, 3BR and 4BR units. The homes will be configured along a circular drive with a centrally located clubhouse building, playground, community gardens and picnic area. The clubhouse will feature a community kitchen, an open area for meetings or parties, public restrooms, a management office, and a library/computer learning center.
- The homes will all be affordable to working families, earning less than 60% of the area median income for Muscatine County. For a family of four this is an annual household income of \$38,280. A family with a single wage earner would have an hourly rate of \$18.40/hour or less to qualify for this housing. According to the Muscatine 2008-2009 Fact Sheet, 38.5% of the households in a 20 miles market area have incomes less than \$34,999 annually.
- 30% (12 homes) of the homes will be further targeted to families who may have a disability or need supportive services/case management. Daveri Development Group is looking for a local partner to provide onsite case management and independent living classes to this population group.
- The project will be targeted to families, especially larger families needing 3 and 4 bedroom homes.
- All units will feature a variety of amenities including front porches, window treatments, high-speed internet access, Energy Star appliances, ceiling fans, screen doors and large storage spaces. The project also features a walking trail, open space, community gardens, picnic tables and a BBQ area. The development will incorporate green features, depending on the financing sources used and final site design.

Project Timeline

February 3, 2012	Tax Credit Application Due
June 2012	IFA announces Tax Credit Awards
November 2012	Loan and Real Estate Closing
January 1, 2013	Construction Begins
January 1, 2014	Construction Completion, Lease-Up

Preliminary Project Costs

Land	\$ 375,000
Construction	\$6,000,000
Soft Costs/Fees	\$ 1,450,000
Reserves	\$ 125,000

Total Development Cost \$7,950,000

• Preliminary Project Sources

Private First Mortgage	\$ 900,000
Tax Credit Equity	\$ 580,000
Developer Equity	\$ 200,000
Local Contributions*	\$ 360,000
Gap**	\$ 690,000

Total Sources \$7,950,000

*Local Contributions (TIF Grants, infrastructure improvements, waiver of fees, infrastructure, etc.) help make the project financially feasible and also make the project more attractive to the Iowa Finance Authority. Under their Qualified Allocation Plan, 5 points are issued for each full percentage (1%) of the total development cost contributed by the local government. For a \$7,950,000 project, \$360,000 in local contributions would garner 20 points.

**The financing gap can be filled with local contributions CDBG, State HOME funds, Affordable Housing Program (AHP) from the Federal Home Loan Bank of Des Moines, and other energy grants.

PRAIRIE CONCEPT



FARMHOUSE CONCEPT



A2.11

ELEVATION
RENDERINGS

NOT FOR CONSTRUCTION

Project Number: PT1027
 Revision: 2011.12.23 - City Council
 Date: 12/23/2011
 City: Chicago, IL
 State: IL
 Country: USA

A New Residential Development
 Glen at Cobblestone Ridge
 Davenport Development
 Davenport, Iowa

H DJ

Architect: HKS, Inc.
 Project: Glen at Cobblestone Ridge
 Location: Davenport, Iowa
 Date: 12/23/2011
 City: Chicago, IL
 State: IL
 Country: USA

ARCHITECTURAL SITE PLAN

