

July 22, 2011

City of New Berlin  
3805 Casper Drive  
P.O. Box 510921  
New Berlin, WI 53151-0921

Attn: Nikki Jones

RE: MSP Real Estate, Inc.  
Plan of Operation/ Project Summary  
Heritage New Berlin

Dear Ms. Jones.

MSP Real Estate, Inc. is submitting this formal development application to build a second senior housing apartment development in New Berlin, Wisconsin. Currently, we own and operate the Deer Creek Village Senior Housing Campus across Deer Creek from the parcel that we are seeking to develop.

**Land Area: 37,389 square feet or .85 Acres - See Enclosed Site Plan**

**Land Use Building and Structures:**

34 Units  
1 Building  
30 Units Affordable  
4 Units Market Rate  
12 One Bedroom apartments approximately 715-785 Square Feet Each.  
22 Two Bedroom apartments approximately 970-1225 Square Feet Each.

**Income Range:**

1 Bedroom- \$24,750+  
2 Bedroom- \$24,750+

**Rental Rates:**

1 Bedroom- \$663-900  
2 Bedroom- \$795-\$1350

**Housing Demand Analysis:** At Deer Creek Village we currently have 100 Affordable units out of the total 145 Units. Since first opening its doors Deer Creek has maintained

an average occupancy over 97%. Given our market knowledge and experience at Deer Creek we are extremely comfortable with bringing another 34 units of Senior Apartments into the market.

In today's economic climate we are finding that more and more seniors are seeking affordable apartments because their incomes have gone down. To be clear, seniors are able to qualify for affordable apartments if their income is under \$33,960. That takes into asset income and dividends. This does not prevent someone with \$1,000,000 in assets from living in our building. Banks as well as many other companies which historically paid great dividends have all but eliminated them. Seniors that counted on these for income are now in need of affordable housing.

**Architecture:** The architecture that we are going with is a prairie style. The project will have ample community space and outdoor seating areas for both our residents and the general public. Community space will include an exercise room, business center and community room. This area will have stamped concrete as suggested in the City Center Plan. The exterior building materials will be brick and cement board siding.

**Parking:** The building will have underground parking of a 1:1 ratio. There will be 6 surface parking stalls designated for the development, its staff and guests. There are 9 extra surface stalls in the parking lot beyond what is required for this development and Deer Creek Homes. Those additional 9 stalls will be shared by both developments.

#### **Employees:**

##### **Heritage New Berlin**

The property will have a part time manager and share a maintenance employee with our other properties. MSP Construction will serve as general contractor on this project. We anticipate that this project will provide new construction related jobs and help stimulate a stagnant industry by keeping people working and getting others back to work.

These construction workers will also help support the City of New Berlin, in particular the restaurants of City Center and the adjacent shopping areas.

#### **Residents:**

Based on the number of units and unit mix our experience leads us to conclude that the number of residents of this project will be around 90. Since the residents of these apartments are 55 and older there are no children living in the units and there is no impact on the school district.

#### **Vehicles:**

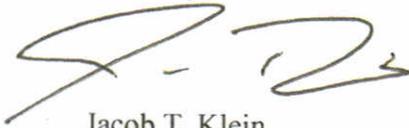
Senior housing requires significantly less parking than typical multifamily apartments. As residents age in place, the number of cars on the property decreases significantly. We would anticipate that there will be approximately 26 cars owned by our residents.

We would like to extend an invitation to all staff and plan commission members to visit our latest project in the area. Heritage West Allis was completed in the summer of 2009. MSP Real Estate, Inc. worked with the City of West Allis to develop a 200 Unit Senior Housing project at 77<sup>th</sup> and National. This project spans 2.5 city blocks and was the redevelopment of the former Laidlaw bus depot. We overcame soil contamination to create one of the nicest senior housing projects in Milwaukee County.

The finish level is second to none of any affordable housing project in the state. Each unit has stainless steel appliances, granite kitchen and bathroom countertops. The wood work includes glazed cabinets, solid oak trim and doors. We built a similar project last year in Monona that was 163 Units and some pictures of these projects are attached to this application. Both are prime examples of the quality projects that MSP builds and we would love to have you tour either of them.

Please feel free to contact me to coordinate a tour.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Klein', with a stylized flourish at the end.

Jacob T. Klein  
Director of Development  
MSP Real Estate, Inc.