

RIVER PRAIRIE UPDATE  
12 March 2009

On Thursday, March 12<sup>th</sup> the City of Altoona, Wisconsin approved contracts with two developers for the sale and future development of a major portion of River Prairie.

Weiss Commercial Real Estate, LLC (WCRE) is purchasing those portions of River Prairie lying West of US Highway 53 (except 10 acres in the Southwest quadrant) for \$5,296,875, with payments spread out over 11 years. The City will also reimburse WCRE for up to \$3,182,813 in infrastructure improvements. WCRE is also committing to create up to \$50,000,000 in assessed value on new construction in this development area by 2023. Although the current plans call for primarily retail construction, WCRE has not ruled out the possibility of mixed use, including professional buildings and high density residential to complement the retail development.

River's Edge Holding, LLC is purchasing the Northeast quadrant of River Prairie for \$994,500, with payments to be based on its development and sales of lots. In exchange for the City's willingness to finance the land, River's Edge Holding agreed to a 7-year loan at 5%, with the first two years' interest free, for a total payment of \$994,500.

All infrastructure constructed in this quadrant by River's Edge Holding will be at its expense and not reimbursed by the City of Altoona. River's Edge Holding anticipate ultimate sales of \$1,600,000 on approximately 37 residential lots and \$1,800,000 on six commercial sites over the next 7 years. As the parcels are sold, River's Edge Holding will apply 80% of net sales proceeds to repay a bank loan of \$1.4 million obtained to cover infrastructure and carrying costs of the project, 10% will be applied to the City loan and River's Edge Holding will retain 10%. Once the initial \$1.4 million bank loan is paid off, the City will then be paid 80% of any net sales proceeds until the \$994,500 sales price is paid in full. Based on the current River's Edge Holding projections, the City land sale price will be paid within six years.

The Net Present Value (NPV) analysis includes all of the above financial statistics as well as the City's current revenues, current debt service, debt service for WCRE infrastructure reimbursements and the additional fiscal impacts this development may have on the City (i.e.: additional police, fire and public works services).