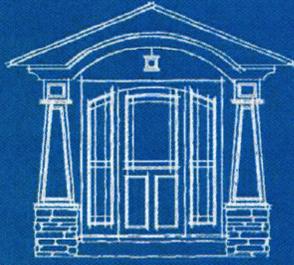


**Summary of Proposals Received
for Development of Land Parcels Located Near I-94, Exit 152
w/ modifications/alternate proposals received thru 03/19/12**



	Annabelle Homes	Link Golz Link's Hardware	River West Development/ Keitu Engineering	Don McGuire & John Schulz
Parcels of interest	All – 21.32 acres	40,000 sf of Parcel 1 • Preference for SE corner	Parcel 1 – 3.10 acres <i>Alternate: Deduct approx. 40,007 sf to allow for City sale to Link's Hardware</i>	Parcel 2 - 18.22 acres
Project Description	PHASE I • Hotel – 80 rooms • Townhomes - 48 PHASE II • Convenience store/gas • Retail/office –2-story, 2 X 15,000 sf PHASE III • Retail/restaurants – 2-story, 30,000 sf • Single family – 13 • Park	12,430 sf True Value hardware store	Mixed use commercial office & restaurant development • 5 single story buildings each =/ <5,000 sf • 1 building approx.. 2,500 sf • Water garden <i>Alternate: 3 office buildings & drive-thru business such as coffee, sandwich shop or bank.</i>	Tract I • Hotel – 89-unit extended stay • Restaurant • Office space & retail strip mall • Townhomes • Single family homes
Proposed purchase price	\$1 • Payments in lieu of taxes of \$5,000/month, \$60,000 total to assist w/ municipal services (to then be offset w/ surcharge to homes, lots) • Spreading of \$429,776 in specials over all acreage for 10 yrs	\$1 psf = \$40,000 Note: 0 specials on parcel 1	\$270,000 (approx. \$2 psf) <i>Alternate: \$55,100 (blended rate of approx.. \$0.58 psf) Discrepancy exists between total offered and psf rates indicated 30,769 sf @ \$2=61,538 and 64,246 @ \$0.10=\$6,425.</i> Note: 0 specials on parcel 1	\$493,938 (approx. \$0.62 psf) • Deduct \$31,372 specials (i.e. purchase price of \$462,566 or \$0.583 psf) • Assuming \$398,404 specials
Construction value	\$31.4 million	Approx. \$730,000 for bldg. (plus about \$670,000 for equipment, inventory, etc.)	\$2.8 million	\$28 million
Incentives requested	• Waiver of property taxes until units sold	5-year property tax exemption	No incentives requested <i>Alternate: possibility of exemption for 1B (drive-thru business)</i>	• Hotel – 100% exemption yrs 1-2, 75%, 50%, 25% years 3-4 • Possibly other project specific property tax exemptions
Timeline	2012 – site prep 2013-14 – Phase I 2014 – Phase II 2014-15 – Phase III	2012 construction	2013 – 1 st bldg. done 2014 – 2 nd bldg. done Others once at least 50% of prior bldg. leased	2012 – hotel 2013 - residential, strip mall, restaurant 2014 – office bldg.
Proof of financing	To be self-financed	Seeking SBA loan & bank financing		Bank letter provided for purchase price
Qualifications	Similar projects in other ND communities	25 yrs retail hardware experience, 15 yrs as owner in Ashley	Engineering experience, first real estate development project	Experience in project planning & development, engineering & construction management of similar projects

	Annabelle Homes	Link Golz Link's Hardware	River West Development/ Keitu Engineering	Don McGuire & John Schulz
Benefits	Property taxes – \$194,044 residential \$352,625 commercial + land value increase Sales taxes - \$132,000	Property taxes - \$27,888 Sales tax - \$10,000	Property taxes – \$56,420 on bldgs. + land value increase Possible restaurant tax	Property taxes – \$330,460 commercial \$210,366 residential Lodging, restaurant & sales taxes
Other	Townhomes \$135,000+ Single family homes - \$190,000+ Commercial lease rate of \$14-\$24		Projected lease rate of \$12-\$14 psf • \$10,000 per bldg. penalty per year gap, max. \$100,000 (withdrawn under alternate proposal)	Pending zone change, metes & bounds survey, soil tests, permits



ANNABELLE HOMES

Homes for the Heartland

March 19, 2012

Ellen Huber
Business Development & Communications Director
City of Mandan
205 2nd Avenue NW
Mandan, ND 58554

RE: Follow-Up on Annabelle Homes RF Proposal for Development of Mandan Property

Dear Ellen:

Thanks to each of the City Commissioners and Staff for the opportunity to submit and present our Request for Proposal response for development of land parcels located near I-94, Exit 152. We are very interested and willing to invest in your community.

As a result of much discussion at the special meeting on March 15th, the Mandan City Commission has scheduled another special meeting for Tuesday, March 20th to allow Request for Proposal modifications from the participants. We will be present to discuss our RFP modifications concept and participate in any further interviews with the City Commission.

In consideration of the city's need for immediate infrastructure and affordable housing, Annabelle Homes will commit to the following additional modifications to our proposal:

1. Assistance to the city in lieu of property taxes during construction - On the first of the month following an approved resolution and transfer of the land to Annabelle Homes, Annabelle shall make a payment of \$5,000 each month (for 12 months total = \$60,000) to the City of Mandan for the purpose of assisting municipal support activities and emergency services.
2. Rights of offset with sales of properties - The advances listed above will be offset by a surcharge which Annabelle shall collect from each house / townhouse and each commercial lot for their proportion of the allocated funds advanced. However, under no circumstance will the surcharge exceed \$700 per house / townhouse.
3. The \$429,776.02 Property Assessment – In lieu of direct reimbursement of the assessment, Annabelle recommends that the City negotiate an agreement to create a Special District over the entire commercial and residential property for a 10 year period

to pay the assessment. Annabelle recommends a per acre ratio formula approach for spreading the assessment among the residential and commercial areas. The proportional assessment allocations would be paid directly to the City with the annual property tax.

Annabelle will collaborate and work with the City Commission to achieve working adjustments to the original proposal. Annabelle looks forward to discussing our RFP modifications with the City Commission and Staff. Again, thank you for the opportunity to be part of the Mandan community.

If you need any additional information, please contact me at 612-750-4733.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tom Bakritges", with a long horizontal flourish extending to the right.

Tom Bakritges

Annabelle Homes – Homes for the Heartland

Director of Development and Operations

Union Plaza

333 Washington Avenue North, Suite 210

Minneapolis, MN 55401

612-750-4733 (mobile)

tom@annahom.com

www.annahom.com

Ellen Huber

From: Link Golz <linksctc@drtel.net>
Sent: Monday, March 19, 2012 10:22 AM
To: Jim Neubauer; Ellen Huber
Cc: Matt Appleby
Subject: Mandan Re: Fw: Developer presentations & interviews
Attachments: MandanTS2_031912-(D) Concept.pdf; MandanTS2_031912-Map.pdf

Ellen

I am submitting a layout change in our building to give the board a better picture of the design of the building and how it will look in the parcel of land. The only other change I would have will be submitted from Kathy Spilman of Keitu Engineers. They have suggested to split parcel 1 into 3 sub parcels, giving me approximately 50,000 sq. ft. instead of 40,000 sq. ft. I would agree with the sub divisions but still keep in tack my other terms that were submitted before. \$1.00/sq.ft. (\$50,000) and 5-year property tax exemption. Kathy at Keitu Engineers will submit the new layout for the board to review. I would still like to own my own land and building.

Feel free to share this with the other developers.

Looking forward to the meeting tomorrow.

Link J. Golz
Link's True Value
Ashley, ND 58413
(701)288-3421



The Store Planning Department of the True Value Company prepared this plan to demonstrate a suggested general arrangement of fixtures and equipment in the store. This plan is based on the information provided to us by you and is based on available information. Actual measurements must be verified on-site by the member purchaser of the plans or their contractor. True Value Company and its member purchasers of these plans, in concert with their contractor, to ensure that these plans and the actual build out of each store compares with all such local, state and federal requirements. The True Value Company disclaims all responsibility for ensuring such legal compliance and for any work done by a contractor using this plan. This plan is provided as a guide only and is not to be construed as a contract. No legal rights pursuant to this plan of the United States Code. Unauthorized use, copying or publication of this plan is prohibited.

Store Planning and Design
8600 W. Bryn Mawr Ave. Chicago, IL 60631
Ph# (773) 695-5000 Fax# (773) 695-6521

Vendor Contacts	
Fixtures & Counter: Lozier Store Fixtures	1-800-228-9882
Graphics: GFX/Andrea International	1-866-278-6732
Lighting: Cooper Lighting	1-800-252-4352
Lighting: Halophane Lighting	1-800-252-4352
Exterior Elevations & Signage: Fluoresco	1-800-470-1711

Design Specifications

LOZIER FIXTURE NOTES	
	ALL SHelves FIXTURES ** MULTI-FUNCTION WOOD DECKS WHERE NOTED: TOP FRONT BEAMS TO BE 24" HIGHS WITH 16 DECKS EXCEPT WHERE NOTED ** ALL DECKS TO BE 16" WIDE ** ALL CLOSED BASE FRONT AND REAR END TRIMS TO BE CORN COLOS ** HEAVY DUTY 2" X 4" BRACKETS AND BASE BRACKETS WHERE NOTED
	ALL FEATURE ENDS ** TO BE 18" HIGH WITH 16 BASE DECKS ** TO BE 24" HIGHS WITH 16 DECKS EXCEPT WHERE NOTED ** (MAY BE BACKS ON FRONT SIDE & MATTRECK ON BACK SIDE)
	ALL WALL FIXTURES ** TO BE 18" HIGH WITH 16 BASE DECKS ** TO BE 24" HIGHS WITH 16 DECKS EXCEPT WHERE NOTED ** TO BE 16" WIDE UPFRONT DECKS & SHELVES WITH NATURAL PRE-FINISHED BACKS EXCEPT WHERE NOTED
	ALL FLOOR FIXTURES ** TO BE 18" HIGH WITH 16 BASE DECKS ** TO BE 24" HIGHS WITH 16 DECKS EXCEPT WHERE NOTED ** WIRE GRID SHELF IS INSTALLED AT 9" HEIGHT.
	ALL UNDERPAN ** TO BE BRONZE (M)
	ALL CHECKOUT IMPULSE FIXTURES ** TO BE BRONZE (M) ** TO BE 24" HIGHS WITH 16 DECKS EXCEPT WHERE NOTED ** TO BE 16" WIDE UPFRONT DECKS & SHELVES WITH NATURAL PRE-FINISHED BACKS EXCEPT WHERE NOTED ** (MAY BE BACKS ON FRONT SIDE & MATTRECK ON BACK SIDE)
	RENTAL WALL FIXTURES ** TO BE 18" HIGH WITH 16 BASE DECKS ** TO BE 24" HIGHS WITH 16 DECKS EXCEPT WHERE NOTED ** TO BE 16" WIDE UPFRONT DECKS & SHELVES WITH NATURAL PRE-FINISHED BACKS EXCEPT WHERE NOTED ** MULTI-FUNCTION UPFRONT TO BE SECURED TO FLOOR IN UPFRONT ** 2" X 2" UPFRONT BRACES PER UPFRONT.
	** ORDER NATURAL PEGBOARD IN THESE QUANTITIES

Notes

1. -

Prospect Link's
True Value
1st Street NW
Mandan, ND
58554
Retailer: Link Golz Phone #: 701-288-3421

Lineal Ft Recap	Sq Ft Recap
Floor Fixtures: 0	TV Retail: 11,076
Wall Fixtures: 0	Rental: 0
Floor Pad Display: 0	Other dept: 0
Total Lineal Ft: 0	Total Retail: 11,076
End Cap Total = 0	Non Retail: 1,354
	Total Building: 12,430
	Ceiling Ht: 14'-0"

Project Scope:

- Ground-up
- Renovation
- Expansion
- Remodel
- Remerchandise
- Decor
- Prospect
- Other

BDC: Dayton Hebranson
RC: Matt Appieby
RM: Richard Grubbs
MAC: TBD

Date	File#	Project History
08/05/11	MandantCI	Store Planning kick-off date
00/00/00	-	Concept review room posting
00/00/00	-	Concept recap revisions
00/00/00	-	BDC/RS/Retailer conference call
00/00/00	-	Review Committee
00/00/00	-	Capx submittal
00/00/00	-	Merchandise plan review
00/00/00	-	Merchandise recap revisions
00/00/00	-	MAC/Retailer conference call
00/00/00	-	Complete set of plans released

Concept Plan

Scale: 7/128" = 1'-0"
Sheet #: A1
Drawn by: AT/LL
Store Planner: Andrea de la Torre
Drawing File: MandantIS2_031912.dwg
Date: 3/19/2012

27TH STREET

SUNSET DRIVE NW

360'

216'-9"

TOTAL 40,000 SQ. FT. LOT

GARDEN CENTER
131'-8"

TOTAL BUILDING
12,430 SQ. FT.

Receiving Area

107'-2"

161'-11"

277'-5"

475'

341'

172'-11"

26'-8"

20 PARKING PLACES INCLUDING 2 HANDICAP 10' X 20' TYP.

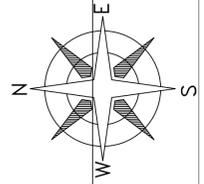
EXIT ENTRANCE

Entrance

Exit

ENTRANCE

EXIT



307'

Units: Acres

654477015

655584100

ROAD ROW

360 654477545
MANDAN
3.014 Acres



654477560

SUNSET DR NW

2707
2705
2703

307

475

655054775

655054760

655054815

651061000

ROAD ROW

261
260
260
250
250

655054785

2540

655054805

655054820

1600

655054790

655054795

655054800

ROAD ROW

21

Ellen Huber

From: Kathleen Spilman <kspilman@keitu.com>
Sent: Monday, March 19, 2012 4:58 PM
To: Ellen Huber
Cc: Jim Neubauer; lthomsen@keitu.com; 'Timothy Spilman'
Subject: Alternate Proposal - Parcel 1
Attachments: River Garden 1-Sht R3.2.pdf

Please consider this note as an alternate proposal on behalf of RiverWest Development. We would offer for the Commission's consideration a proposal for the land offered for development denoted as "Parcel 1" to be replated at our expense into three smaller parcels nominally denoted on the attached diagram. Costs to survey and replat submission to the City at our expense. Closing to occur within 30 days of plat approval by the City.

In addition to absorbing costs of replating the parcel, we would offer \$55,100 for the combined "Parcel 1B" and "Parcel 1C" (i.e. approximately \$2 per sq foot for Parcel 1B and \$0.10 per sq ft for Parcel 1C). We would also withdraw any "non-development" penalties for the parcels with this alternative. The alternate offer also keeps open the possibility of five-year property tax exemption for Parcel 1B only. No property tax exemptions will be sought for buildings associated with Parcel 1C.

I believe the "1A" parcel land dimensions are consistent with the document submitted to you by Mr. Link that you forwarded to me. I did receive an email notice from him after you and I spoke on the phone earlier today. It was time stamped prior to the note he sent to you however the email server between his email account and mine apparently had a bit of a delay in it.

Land Parcel Summary

(all numbers approximate)

- 1A 40,007 sq ft Proposed Hardware Store Parcel
(161.91 ft x 216.75 ft & 161.91 ft x 60.67 ft triangle)
- 1B 30,769 sq ft Drive-thru Business
(159.61 ft x 121.53 ft & 121.53 ft x 6.42 ft x 128.78 ft triangle)
- 1C 64,246 sq ft 3 Bldg Office Park
(199.81 ft x 321.53 ft square)

135,022 sq ft total

Kathleen M Spilman, PE
Managing Director
Keitu Engineers & Consultants, Inc.
2610 Old Red Trail NW Suite C
PO Box 98
Mandan ND 58554-1447
(701) 667-1800 www.keitu.com



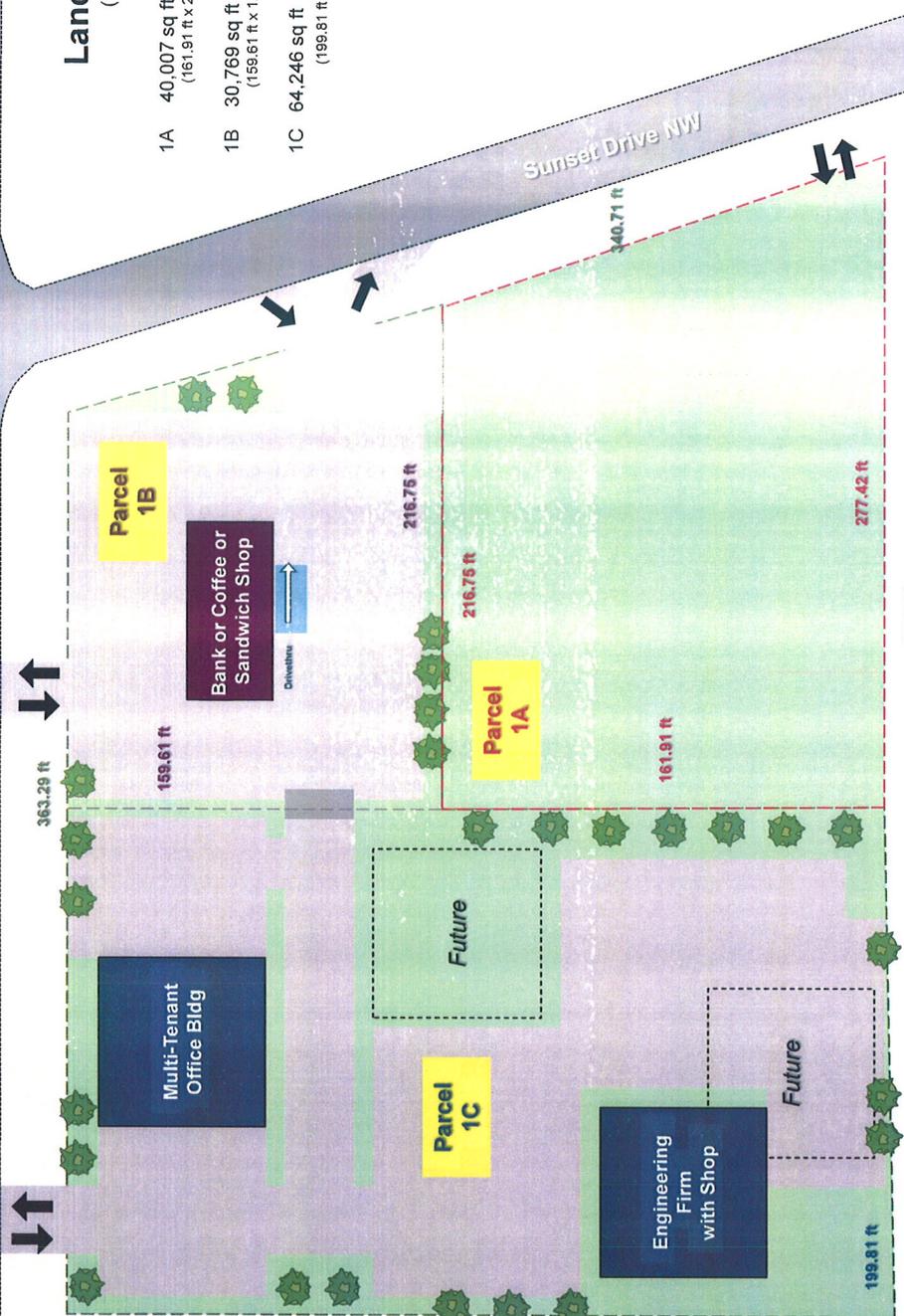
27th St NW

Land Parcel Summary

(all numbers approximate)

- 1A 40,007 sq ft Proposed Hardware Store Parcel
(161.91 ft x 216.75 ft & 161.91 ft x 60.67 ft triangle)
- 1B 30,769 sq ft Drive-thru Business
(159.61 ft x 121.53 ft & 121.53 ft x 6.42 ft x 128.78 ft triangle)
- 1C 64,246 sq ft 3 Bldg Office Park
(199.81 ft x 321.53 ft square)

135,022 sq ft total



Site Plan Proposal with Hardware Store
 Parcel 1: Mandan, ND Zoned: CB - Commercial
 Sheet 1 of 1 --- R3.2

Date:	19 March 2012
Prepared By:	K. Spilman
Reviewed By:	K. Spilman

2610 Old Red Trail Suite C PO Box 98
 Mandan ND 58554-0098
 (701) 667-1800 fax (701) 667-1802



John Shultz
1904 River Drive NE
Mandan, ND 58554
March 19, 2012

Don McGuire
1908 River Drive NE
Mandan, ND 58554

Mayor Tim Helbling
Commissioner Dot Frank
Commissioner Tom Jackson
Commissioner Dennis Rohr
Commissioner Sandy Tibke
City of Mandan
205 Second Avenue NW
Mandan, North Dakota 58554

Dear Mandan City Commission:

Don and I, along with the rest of our team wish to thank you for taking time to listen to our proposal presented at the Commission meeting on March 15, 2012, and for further considering our offer in response to Mandan's Request for Proposals for Development of Land Parcels located adjacent and across the street from the Mandan Middle School. We are sending this letter to reaffirm our bid and provide information related to questions asked by the Commissioners at the March 15, 2012 City Commission meeting. And since there seems to be some misunderstanding, at least with regard to the Bismarck Tribune, of all of the specifics of our bid, we are taking this opportunity to again define our proposed bid so that the Mandan City Commission and Mandan City Administration all have a complete set of information contained in our bid proposal.

Our proposal is for purchase of all of Parcel 2 (also described as City Parcel 2698AA) containing 18.22 acres (793,607 sf) at a price of \$493,938.00.

The specials assessed against Parcel 2 are \$429,776. We are offering to assume \$398,404 of specials assigned to Parcel 2. We are asking that \$31,372 of the specials be waived by the City of Mandan that are associated with 1.33 acres within Parcel 2 in the SW corner of the tract which in our opinion is unsuitable for commercial development due to the steepness of the topography. These 1.33 acres may be suitable as green areas within the development plan for Parcel 2.

The total financial advantage to the City of Mandan will be \$892,342 with our proposal as compared to the proposal presented by Annabella Homes to the Commission on March 15, 2012.

Our proposal includes plans for a variety of commercial projects, single family homes, and townhomes with a total estimated construction value of \$28 million. The specific projects will include:

1. 89 unit, extended stay hotel with estimated value of \$10.2 million
2. Townhomes and single-family homes with estimated value of \$11.6 million
3. Strip mall with estimated value of \$2.0 million

4. Restaurant with estimated value of \$1.7 million
5. Office building with estimated value of \$2.5 million

Our plan has sufficient flexibility to allow for substitution of another commercial project, such as the hardware store described in one of the other proposals submitted for Parcel 1, for the office building if reasonable financial accommodations can be negotiated and agreed to by all parties.

As we stated in our presentation to the Mandan City Commission on March 15, 2012, the developers intend that any additional infrastructure needed within Parcel 2 for such things as roads, sewer and water will be borne by the developer.

The only incentive that we are requesting with our proposal is a property tax exemption for the hotel over the initial five years of operation of this project. The exemption will be 100% for the 1st and 2nd years, 75% for the 3rd year, 50% for the 4th year, and 25% for the 5th and final year and is in accordance with the City of Mandan Commercial Property Tax Exemption Policy adopted on Feb.15, 2011. Any potential future application for a commercial tax exemption will be a project specific request prior to construction.

Financing of the land purchase is in place. A letter from Kirkwood Bank in Bismarck is attached that commits to the availability of the \$493,938 purchase price. Upon acceptance of our bid, we intend to provide \$20,000 in earnest money to be escrowed until completion of the sale. We are committed to a start date on the hotel of no later than July 1, 2012. This start date is subject to and dependent on all of the permits required by the City of Mandan and approvals of the tax exemption for the hotel by the Mandan City Commission and presumes that all of these requirements will have been approved and will be in place as needed by July 1, 2012. An updated project schedule is attached that provides detail of the scope of work and support for the start date.

The construction of the hotel is our first priority in developing the projects proposed in Parcel 2. Our development/investment team will provide self-financing for the hotel. Twenty percent of the \$10.2 million construction cost of the hotel or approximately \$2 million has been committed by the investors to the project. The balance of the construction cost will be funded in the form of a loan from a private lending institution.

Other information of interest to the Commission as related to construction of the hotel is that the architectural drawings are 90% complete. The architectural drawings will be provided to the Mandan Building Inspector for preliminary review as soon as the Commission makes a final decision on the sale of Parcel 2. There will be additional engineering design needed to adapt the plans to the existing site conditions in Parcel 2. A local civil engineering firm will be retained to develop a final grading plan for Parcel 2 and also to develop a plan for extending water and sewer into the site from existing City infrastructure. A structural engineering firm will be retained to design the building foundations. As soon as this work is completed the final plans will be submitted to the Mandan Building Inspector for review and approval of a Construction Permit.

Mandan City Commission
March 19, 2012

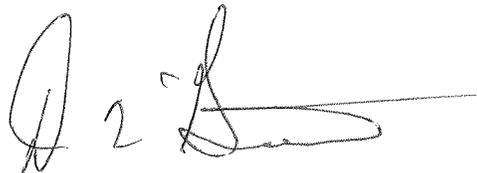
In closing, we want to reiterate that our development/investment team is made up largely of North Dakota residents many of which are Mandan/Bismarck residents. Because we are local entities we will have added emphasis to ensure the success of this development project in our community. Furthermore, construction of the hotel will be accomplished with local engineering firms, local contractors and building trades, and will utilize, as best we can, resources and materials provided by local businesses all of which will add jobs and added tax receipts for the City of Mandan and the State of North Dakota. This was the project construction model used successfully by Don McGuire, President of Professional Contractors, Inc. when constructing the Mandan Middle School located just across the street from Parcel 2.

We appreciate your consideration of our proposal.

Sincerely,



John E. Shultz



Don McGuire

Attachments (2)

Kirkwood Bank letter
Construction start schedule

cc: Jim Neubauer, City Administrator
Ellen Huber, Business Development Director

March 19, 2012

To Whom It May Concern,

As of this date Professional Contractors Inc. / Don McGuire / Dave Reis have access to funds in the amount of \$493,938.00. Should you have any questions regarding this matter please do not hesitate to contact me at 701-355-5344.

Sincerely,



Pete Jahner
Senior Vice President
Kirkwood Bank & Trust

PJ/kn

Main Bank
2911 North 14th Street
PO Box 6089
Bismarck, ND 58506
Telephone: 701.258.6550
Facsimile: 701.258.7436

Kirkwood Mall Bank
826 Kirkwood Mall
Bismarck, ND 58504
Telephone: 701.355.5375

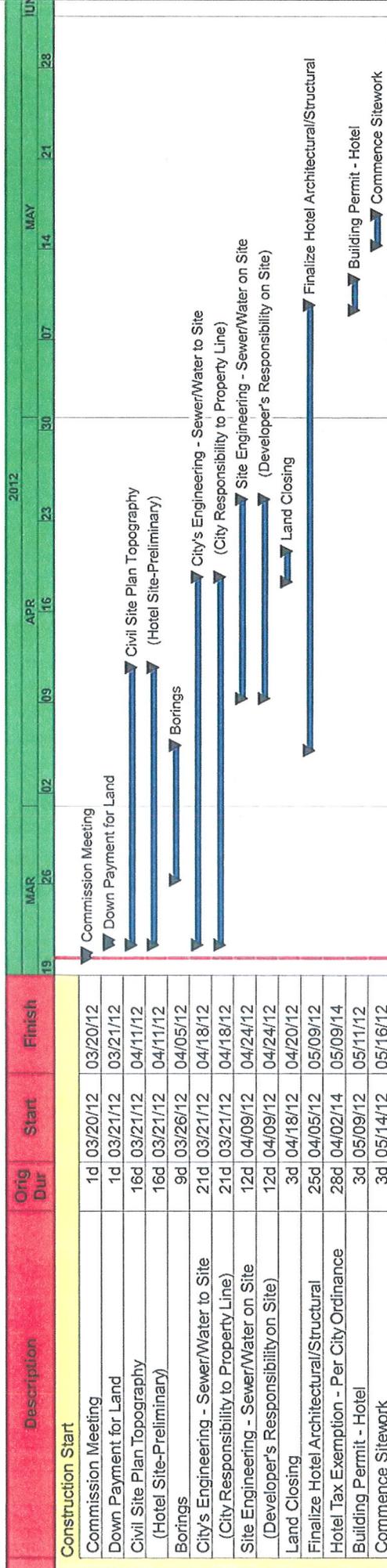
South Bank
905 Tacoma Avenue
Bismarck, ND 58504
Telephone: 701.355.5354
Facsimile: 701.355.5380

Downtown Bank
122 East Main Avenue
Bismarck, ND 58501
Telephone: 701.355.2111
Facsimile: 701.258.3151

www.kirkwoodbank.com

Professional Contractors, Inc.
 1131 Airport Road
 Bismarck, ND 58504
 Phone: 701-223-7072

Construction Start for NW Mandan City Land



Run date 03/19/12

© Primavera Systems, Inc.

Contingent on: 1) Weather
 2) City Engineering & Permitting

Don McGuire/John Shultz

Clarification of Original Bid Proposal dated Feb.17, 2012

March 14, 2012

The following clarifications of items in our original bid are offered:

Parcels of interest: The investment partners in this project have indicated willingness to accelerate the original development schedule and to move ahead immediately with purchase of City Parcel 2698AA in its entirety containing 18.22 acres. No option for any sub-parcel will be required as originally requested.

Project description: The type of hotel planned has been changed after consideration by the project investment partners. The hotel will be an 89 unit extended-stay hotel. The hotel feasibility study is nearing completion and the investment partners are ready to proceed with hotel construction immediately upon approval of the property tax exemption application that will be submitted upon final sale of the land. The new value of the hotel will be approximately \$10.2 million. Other projects included in the original proposal remain the same but with the addition of a single family home and townhome development for the north portion of Parcel 2698AA. Timing and estimated construction values are as follows.

- 1) Hotel planned for spring of 2012. Approx. value is \$10.2 million.
- 2) Town Homes and Single Family homes planned for spring of 2012. Approx. value is \$11.6 million.
- 3) Strip mall planned for spring of 2013. Approx. value is \$2 million.
- 4) Restaurant planned for spring of 2013. Approx. value is \$1.7 million.
- 5) Office building planned for spring of 2014. Approx. value is \$2.5 million.

Proposed price: The total price offered for City Parcel 2698AA is \$493,938.00

Construction value: \$28.0 million

Incentives: An exemption for property taxes for the hotel will be requested that follows the approved City of Mandan Commercial Property Tax Exemption Policy adopted on Feb. 15, 2011, i.e., 100% for 1st and 2nd year; 75% for 3rd year; 50% for 4th year; and 25% for 5th year.

Any other tax exemptions requested will be project specific as indicated in the original proposal.

The original proposal requested forgiveness of specials on 1.33 acres unsuitable for construction. This request remains the same and is valued at \$31,372.00. We are recognizing and will assume \$398,404 of the total \$429,776 of specials assessed against Parcel 2698AA.

Timeline:

The hotel is planned for completion by the spring of 2013. This is a very ambitious schedule and in order to accomplish this, final sale of the property and approved zoning changes allowing for commercial development will have to be completed by the end of April of this year. Site development will start immediately after final sale and take approximately 4 weeks. Hotel construction must commence in June of this year in order to achieve completion and operation of the hotel in the spring of 2013.

The restaurant and strip mall are scheduled for construction beginning in 2013. Construction of the office building will follow beginning in 2014.

Construction of the town homes and single family homes will begin in 2013 with completion planned for 2014.

Financing:

Financing for the purchase of the land has been secured with a local lending institution. Commitments for self financing by investors for 20% of hotel project cost are nearly completed. Balance of construction cost will be financed through a private lending institution.

Town homes and single family homes will be self-financed by Minot developer, Real Builders.

Qualifications:

Additional investment partners have been added and now include Real Builders who is an experienced hotel, single-family home, and townhouse developer and contractor located in Minot, ND and Solid LLC who is also experienced in hotel, home and townhome construction located in West St. Paul, MN.

Benefits:

It is assumed property taxes will be approximately 2% of commercial project value of \$16.4 million and 1.8% of townhome and home values with a project value of \$11.6 million. Annual property tax is estimated at \$536,800 combined for all planned projects.

Additionally, lodging tax, sales tax and restaurant tax will be generated by the specific projects.

All of the existing specials with the exception of the \$31,372 exemption included in the original proposal will be paid by the projects for a total of approximately \$398,404 of specials to be paid.

Land property taxes going forward from the date of final sale will be assumed and paid by the developers. Property taxes on commercial building values will be according to tax exemptions applied for on a project specific basis.

Investor Group:

Don McGuire and John Shultz made up the original group of investors involved in the planned development. Since the original bid was submitted on Feb. 17, 2012 we have added other entities to our group. Below is a complete list of investors.

Don McGuire, President of Professional Contractors, Inc. a General Contractor located in Bismarck.

John Shultz, Shultz Consulting Services, an Environmental Engineering consulting firm, located in Mandan.

Dave Reis, Secretary/Treasurer of Professional Contractors, Inc. located in Bismarck.

Joel Feist, President of Real Builders, Inc., a General Contractor located in Minot, ND.

Mike Tappe, Solid LLC, a carpentry and concrete contractor located in West St. Paul MN

**Comparison of Analysis of NW Mandan City Land
Parcel "1" 3.10 Acres - 1403 27th Street NW
Parcel "2" 18.22 Acres - City Parcel 2698A**

Existing City Liability - Mandan City Debt
Specials Balance: \$429,776.02

	Combination					
	Annabelle Homes		Don McGuire/John Shultz		River West	
	Land Purchase	Specials	Land Purchase	Specials	Land Purchase	Specials
Parcel "1" 3.1 Acres 135,036 sf	\$1.00 Lump Sum Below				\$270,000.00 (R.W.)	\$0.00
Portion Parcel "2" Tract "1" 252,000 sf (5.78 Acres) Tract "1" Specials	\$1.00 Lump Sum Below	(\$136,332.00)	\$87,450.00 (D/J)	\$136,332.00 (\$31,372.00)		
Tract "2" 180,000 sf (4.13 Acres) Tract "2" Specials	\$1.00 Lump Sum Below	(\$97,380.00)	\$135,000.00 (D/J)	\$97,380.00		
Remaining Parcel "2" 8.31 Acres 361,984 sf			\$271,488.00 (D/J)	\$196,064.00		
Totals: Payments Specials	\$1.00	(\$429,776.00) Forgiven by City	\$493,938.00	\$398,404.00	\$270,000.00	\$0.00
Payment of Yearly Taxes on Developed & Undeveloped Land Commencing upon Transfer of Land	No		Yes			

Value to City, Not Including Yearly Tax Payments, by Combining River West and Don/John.....\$1,592,111



SWENSON, HAGEN & CO.
ENGINEERS • SURVEYORS • PLANNERS



SUNSET DRIVE NW

MANDAN
MIDDLE SCHOOL

27TH STREET NW

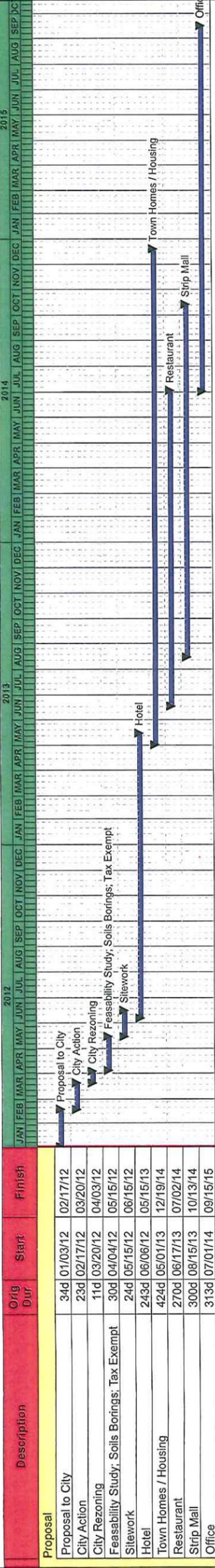


CITY OF
MANDAN

REQUEST FOR PROPOSALS

Professional Contractors, Inc.
 1131 Airport Road
 Bismarck, ND 58504
 Phone: 701-223-7072

Phasing Schedule for City Parcel 2698AA



Run date 03/15/12
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