

Penn Lake CityHomes LLC  
5123 W 98<sup>th</sup> St Suite 142  
Bloomington, MN 55437

City of Bloomington  
Planning Division  
1800 W Old Shakopee Rd  
Bloomington, MN 55431

10/9/2020

RE: Units proposed on plat for Penn Lake CityHomes

To whom it concerns:

Penn Lake CityHomes LLC (Developer) seeks to deliver affordable/attainable home ownership options within the development. Given the current fiscal challenges facing all aspects of public finance, the Developer anticipates having to do so without any public subsidy.

The costs to prepare this site as proposed in the development application are the same regardless of the number of units created (with the exception of utilities – an incremental cost is added to connect each unit). This design is the result of extensive engineering within a parameter set by city planning, city engineers and the site environment. The site plan, elevations and grading cannot be modified without adversely impacting the stormwater systems and accessibility of the site. Additionally, minimally modifying the site plan as proposed may likely make it not acceptable to the City of Bloomington engineering and environment staff.

This is an excerpt of part of our proforma. Please note, this does not include significant additional items such as abandonment of existing utility lines stubbed into the site, architect, carrying costs, marketing and commissions, municipality fees (outside of parkland dedication), ADA accessibility construction costs, and an array of other items.

Fill removal and grading	\$ 301,000
Street, curb, gutter and sidewalks	\$ 149,000
Landscaping, gravity walls	\$ 152,000
Parkland Dedication Fee	\$ 79,000
Site cost basis	\$ 425,000
Civil Engineering	<u>\$ 29,000</u>
Site cost summary	\$1,135,000
Utility costs for site as proposed	<u>\$ 324,000</u>
Total site costs per unit	\$ 97,200
Minimum build cost per unit	<u>\$ 220,000</u>
Base cost per unit as proposed	\$ 317,200

For each single unit removed from the development plan, the base cost per unit increases. If we are to have any opportunity to deliver some of the units to household incomes under 110% AMI, these costs

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need to be disbursed across all 15 units. A site plan of 10 units would raise the base cost per unit to \$365,900 and affordability/attainability would no longer be possible.

Some alternatives are possible – such as public funding from the city to mitigate utility costs, a housing TIF to defer a portion of these costs, a land equity-swap with the city or any other creative, surgical solutions for which we can jointly arrive.

Lastly, one premise for city staff support of the project as proposed is that it meets the public good test. Incorporating attainable ownership housing into the proposal is what meets that test.

Please contact me as other information is needed, and thank you,

A handwritten signature in black ink, appearing to read "Steve Furlong".

Steve Furlong, Principal, Penn Lake CityHomes LLC  
651-235-6429

## Johnson, Nick M

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**From:** Steve Furlong <sfurlong@muihomeloans.com>  
**Sent:** Friday, October 9, 2020 1:54 PM  
**To:** Johnson, Nick M; Pease, Londell  
**Subject:** FW: Council/staff requests - Penn Lake CityHomes

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

We have designed the site such that we try to respond to the existing landform as much as possible, on the site on a very steep site (existing grades up to 17%) The grade of the southeast drive is at a maximum reasonable grade of around 5% slope. The slope heading north from the highpoint at the middle of the site slopes down at grade of 3%, which is the maximum that can be sloped to maintain a positive draining driveway to the internal curb at 2% on the higher side and 8.5% on the lower side, we then drop the slab of the next pair of town home units 1.5' down. This stepping of units maintains a straight grade of 3% in the drive. One of the biggest contributing factors to the soil export is a result of solving the site's challenging stormwater requirements. In engineering a solution for the stormwater runoff, we are required to store a large volume of water on-site, which requires depressions (basins) and buried void space (a combination of perforated pipes with rocks designed with void space). Both of these features requires the removal of site soils.

Please let me know if you need anything additional.

Regards, Patrick

**PATRICK SARVER | Landscape Architect/Partner |** [psarver@civilsitegroup.com](mailto:psarver@civilsitegroup.com)

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