



Bethel Estates
335 W Madison St.
Gardner, KS 66030
913-856-4107
913-856-4156 Fax

Bethel Estates of Lawrence is requesting a Resolution of Support from the City of Lawrence.

Bethel Estates of Lawrence will be constructing 90 apartments with a blend of both one and two bedroom units. There will be 15 buildings with 6 apartments per building. We will be located at the northwest corner of 25th Terrace and O'Connell Road.

These apartments will be offered to seniors 55 and older. The apartments are all ground level, all electric, with washer dryer hook-ups in each unit. Bethel Estates is a great value for the senior community. We will have a leasing office on site for convenience to our residents.

Bethel Estates of Lawrence is anticipating the 90 units to be completed in two phases. Phase I will consist of 48 units. An additional building will be used as an office and a community center as a gathering place for our residents. Bethel Estates will be submitting an application to the State of Kansas for Tax Credits in February 2015.

Please refer to our preliminary drawings and a picture of our proposed product.

Our concept has worked in other communities and we believe we would be a great asset to the City of Lawrence.

Wheatland Investments, LLC

November 17, 2014

City Commission
c/o Diane Stoddard, Assistant City Manager
City Manager's Office
City of Lawrence, KS
P.O Box 708, Lawrence, KS 66044

Danelle Dresslar
Community Development Services
City of Lawrence Planning and Development Services
Community Development Division
1 Riverfront Plaza, Suite 110
Lawrence, Kansas 66044

Re: Bethel Estates of Lawrence

Dear City Commission and Community Development Division:

For the past 25 years, we have been in the business of developing attractive and affordable housing for the elderly and lower income citizens of our area. To date, we own and/or manage over 500 such apartments. We are locally based in Olathe, Kansas, and are very interested in providing such housing to the elderly (100% Seniors) through one of our new garden/ranch style, single story apartment developments proposed to be located in the City of Lawrence, Kansas.

In that pursuit, we are taking this opportunity to give you some preliminary information about the proposed development for your early consideration. We have taken the liberty of organizing our proposal along the lines of information we understand you are most interested in knowing at this early stage of the process:

I. Detailed description of the project (e.g. location, units & type, project cost, target market) including any concept graphics, if available.

Bethel Estates of Lawrence is proposed to consist of 90 garden/ranch style apartments within 15 buildings of 6 units each located on a beautiful 9 acre parcel of land at the entrance of the East side of Lawrence, Kansas. These buildings will only house Seniors who are 55 years of age and older and who are still able to reside in independent living housing. More specifically, the apartments will be located at the Northwest corner of the intersections of 25th

Terrace and O'Connell Roads. The estimated total cost of the development is approximately \$16 Million.

This project will be constructed in phases. The first phase will consist of 48 units and one office/community center for the residents. We will offer one and two bedroom units. In the first phase, the number of one bedroom units is 16 and the number of two bedroom units is 32 (total 48 first phase units). Each apartment will have a washer/dryer hook up and fire sprinkler system. Each apartment will also include a refrigerator, stove, and disposal. In addition, each unit will have a porch area and most of our residents in similarly provided housing plant small flower beds or gardens next to their apartments (which is encouraged and allowed to beautify the landscape and give the residents a greater feeling of home and community). The exterior of the buildings are designed with roof lines that fit in with the residential nature of the neighborhood and attractive facades of brick and vinyl siding. The buildings are designed as low maintenance such that they will keep their new appearance of many years to come. Community events will be encouraged including pot lucks, special events, birthday celebrations and the like all hosted in common area facilities made available to tenants.

II. Proposed funding sources and ownership structure.

Funding sources will include (i) direct cash investment by the general partner and limited partner of the limited partnership that will own the project (typically made primarily in exchange for certain tax credits associated with the project); and (ii) debt proceeds resulting from the issuance of the proposed industrial revenue bonds.

A new Kansas limited partnership will be formed to own the development. The developer will be an entity called Wheatland Investments, LLC, which is owned and controlled by David and Suzanne Rhodes. An investment limited partners will own limited partnership interests in the limited partnership. We currently have 5 affordable garden/ranch style apartment developments in the State of Kansas and 350 conventional apartment units owned and managed by us. We have proven that we are able to build, rent and manage these types of apartment units. We will have a team of bankers and syndicators as well as the Lawrence Public Housing Authority and the State of Kansas who will support us in the completion of this project.

III. Detailed description of public assistance being requested and why it is necessary in order for the project to proceed.

The Tax Credit program (IRC Section 42) has become very competitive in the State of Kansas. Any assistance from the City of Lawrence would add a dimension to our application that would help us gain more favorable points for our project. If the credits are not awarded to this project located in Lawrence, Kansas, they most certainly will be awarded to a different community in the State of Kansas. The application deadline for the next tax credit submission is in February of 2015.

Cash flows for a project such as this are typically very thin. The increased burden of real estate taxes makes it even more difficult to provide affordable housing to the elderly. Relief from such taxes through appropriate appraisals for affordable housing projects will spur an investment of over \$16 Million making the project economically viable and financially worth pursuing by the developer considering the many risks the developer faces with such a project including increasing costs of construction and capital, vacancies, government limitations on the amount of rentals, etc.

We would start construction in the later part of 2015 and bring the apartments on line in 2016. Our typical lease up takes about 6 months.

IV. How the project fills a need in the community—addressing local competition and local deficiencies in the market.

The City of Lawrence has already embraced an intergenerational study concept. We were very excited to hear about the City's strategy. We now have 3 projects in the State of Kansas which mirror a small part of this concept. Bethel Estates of Lawrence will benefit from the same type of forward-thinking. It will be built immediately adjacent to a completed single family home subdivision. Our idea is that not everyone can afford to live in a higher price subdivision. We would be asking the State of Kansas for Tax Credits to complete our project. Our tenants are looking for affordable housing and to keep the rental rates at affordable levels, state and City assistance is needed.

In the past, over 85% of our tenants have moved in from out of the area. They are moving closer to their grandchildren, adult children, and families who tend to live closer to City centers. These tenants would bring new tax dollars to the community and would be buying goods and services in the community. The Lawrence study showed that retirees don't like to travel to

shop. These Seniors also fit that profile and would keep most of their expenditures in Lawrence.

V. How the project fits within City policy for the type of assistance we are seeking (e.g. specifically reference the *City of Lawrence Economic Development Goals, Process and Procedures.*)

The project will be residential in nature but will meet the set-aside requirements of City Policy. In fact, it is anticipated that 100% of the housing units will meet the affordable criteria of the State of Kansas. The project will further enhance economic development and improve the quality of life for people in Lawrence, Kansas. The project will open up many construction jobs in the building phase. Many items will be purchased to go into the units, such as appliances, carpet, paint, plumbing fixtures, lighting fixtures. Local suppliers will be sought to fulfill the needs of the construction. It will bring new residents to the Lawrence tax base. It will create jobs in the City to help sustain the property. These jobs include managers, landscaping personnel and maintenance personnel.

Our apartment units are regulated by the State of Kansas for the amount of rent that can be charged. This rent is to help those in need of affordable housing. The economy has a steady rate of inflation for utilities, carpet replacement, personnel and taxes. The rents cannot be raised in this percentage at a one to one ratio in comparison. This project will need the assistance of the City through the issuance of industrial revenue bonds to make it more competitive and increase its chances for allocation of Tax Credits by the State of Kansas and to allow for abatement of real estate taxes which will be needed to make the affordable housing development and economically viable project for its owner thus spurring an estimated \$16 Million investment.

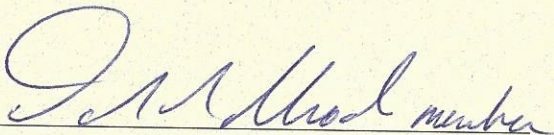
We feel that there is a need for this type of housing in Lawrence. The City would greatly benefit in providing these homes for Seniors, as they are an asset to any city, improving the quality of life especially for its Seniors who often have fixed and limited incomes but who desire to remain a viable part of the community. The City would greatly benefit by assisting us in providing these homes for Seniors.

VI. How the project does not fit within City policy and request of policy waivers for those thresholds and requirements.


It is our belief that the project does fit within City policy and no waivers are required.

We appreciate having the opportunity to present this information to you for your early consideration to assist our proposed project. Thank you,

Wheatland Investments, LLC, a Kansas limited liability company

By: 

David R. Rhodes, Member

By: 

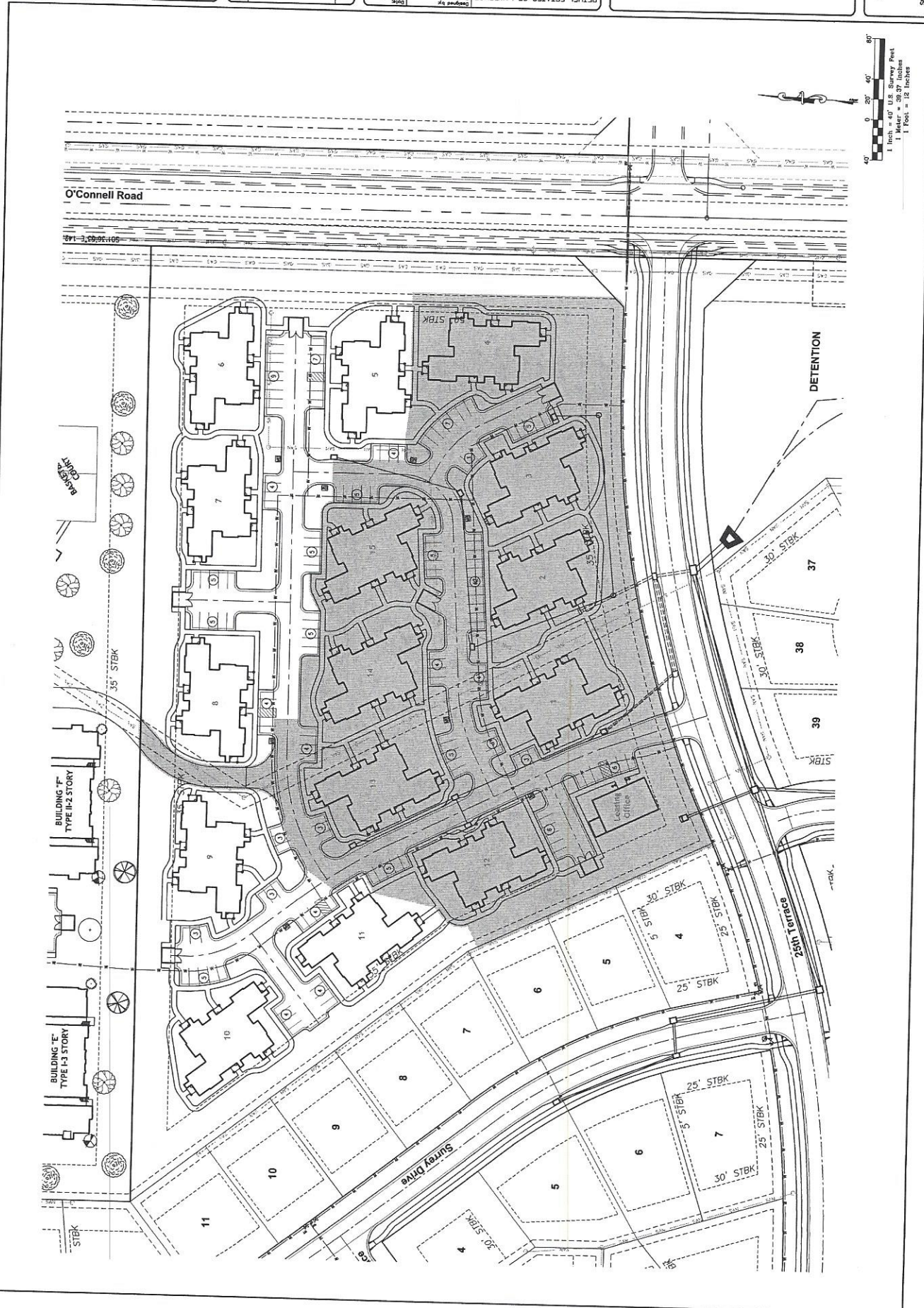
Suzanne M. Rhodes, Member

Work	Description	Date

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CONCEPT PLAN
 LAWRENCE, KANSAS
 BETHEL ESTATES OF LAWRENCE

Sheet
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 Sheet 1 of 1



KANSAS REGISTERED PROFESSIONAL ENGINEER LICENSE # 445123-PL-0001

