

**VILLAGE OF WINDSOR
VILLAGE BOARD RESOLUTION 2024-68**

**REQUEST TO EXTEND THE COMMENCEMENT DEADLINE FOR
COVERED BRIDGE RESIDENCES (PHASE 2)**

WHEREAS, Covered Bridge 2 Residences, LLC and Covered Bridge Holdings, LLC (collectively Covered Bridge Residences) (the "Petitioner") received Site Plan approval by the Plan Commission per Resolution 2023-20 to permit a 92-unit multi-family building, clubhouse, and site amenities (the "Project") to be located at 4130 Silo View Drive and 4115 Silo View Drive, DeForest, WI 53532 (the "Subject Property"); and

WHEREAS, the Petitioner received Site Plan approval by the Village Board per Resolution 2023-104 for the Project to be located at the Subject Property; and

WHEREAS, the Site Plan approval commencement deadline by the Village Board expired one hundred-eighty (180) days from the date of adoption of Resolution 2023-104, which was March 19, 2024; and

WHEREAS, the Community Development Director was authorized to extend the commencement deadline by the Village Board, one time, up to an additional one hundred-twenty (120) days per Resolution 2023-104, which was granted on March 15, 2024; and

WHEREAS, the Community Development Director extended Site Plan approval commencement deadline to July 17, 2024; and

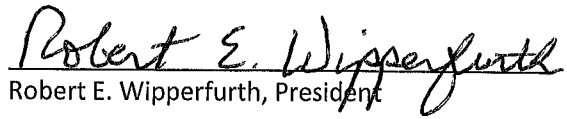
WHEREAS, as of this date Covered Bridge Residences has not commenced construction on the Project on the Subject Property; and

WHEREAS, Covered Bridge Residences is requesting an extension to the commencement deadline for the Project until October 30, 2025 citing prevailing high interest rates have increased the cost of borrowing and the multi-family rental market is unable to bear additional costs to meet the debt service coverage ratio of the lender.

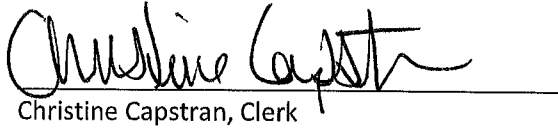
NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Windsor following review of the information presented approves the request to extend the commencement deadline to October 30, 2025 for the Project to be located at the Subject Property.

The above and foregoing Resolution was duly adopted at a meeting of the Village Board of the Village of Windsor held on July 18, 2024, by a vote of 5 in favor and 0 opposed.

VILLAGE OF WINDSOR


Robert E. Wipperfurth, President

Attested by:


Christine Capstran, Clerk

Incorporated by Reference:

Petitioner Extension Letter

Plan Commission Resolution 2023-20

Village Board Ordinance 2023-104



T. Wall Enterprises

June 19, 2024

Jamie Rybarczyk
Community Development Director
Village of Windsor
4084 Mueller Road
DeForest, WI 53532

Re: Covered Bridge 2 Residences Extension Request

Dear Jamie Rybarczyk:

I hope this letter finds you well. I am writing to formally request an extension of the approvals granted for the construction of Covered Bridge 2 Residences located at 4130 Silo View Drive. We are committed to delivering another high-quality residential property that will enhance our community and provide more housing options. However, due to economic challenges that have remained over the past year, we need more time to complete the development.

The primary factors contributing to these challenges are the current high interest rates coupled with high construction labor costs that are weighing on a sensitive multi-family rental market. When we initially planned this development, we were in a more favorable economic environment that would support both the construction financing and the rental rate projections. Unfortunately, now we are in a different reality.

Firstly, the prevailing high interest rates have dramatically increased the cost of borrowing. This has made it exceedingly difficult to secure the necessary financing. The increased costs associated with higher interest rates have strained the budget and necessitated a reevaluation of our financing strategy.

Secondly, the multi-family rental market is currently unable to bear the additional costs that would be required to meet the debt service coverage ratio of the lender. Market conditions have softened, and rental growth rate is not meeting the annual increases needed to accommodate the increased costs. Pushing forward without addressing these financial pitfalls would jeopardize the community's success.

Given these constraints, we are requesting the approvals to be extended to **October 30, 2025**. This extension will allow the necessary time for an economic cooldown (i.e. lower interest rates, stabilized inflation, etc.), secure more favorable financing, and ensure that the community remains affordable to residents. Our goal is to begin construction in October 2025 when we expect more favorable conditions.

We remain dedicated to the development and believe that, with your understanding and support, we can overcome these obstacles.

Thank you for your consideration.

Sincerely,

Nick Patterson,
Project Manager
Covered Bridge 2 Residences, LLC