

Creek Side 60 Unit Multi-Family Development  
Tower Legacy II, LLC  
Mendenhall Mall Pond Parcel



**FY2025 Application  
Round 4**

**For more information, contact:**

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Juneau, Alaska 99801  
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## Application for Funding

**Formatting Note:** *All applicants must sign and submit this page.* For the other sections, applicants can put information and narrative into their own format – making sure that all details requested are addressed. For sections 8 and 9, applicants can attach their own pro-forma to supplement information provided. The total application submission length should not exceed 30 pages of supporting documentation, **excluding** the application form and table of contents. To support streamlined review, if supporting documentation exceeds 30 pages, only the first 30 pages will be considered. Please note: a Table of Contents is REQUIRED. During the review period, applicants may be asked to provide missing or additional details. **Requests for additional information will be sent via email to the email address(es) provided below.**

**APPLICANT IDENTIFICATION – for capital projects, the entity owning the property must be an applicant/co-borrower and sign below. Copy and complete the information below for each applicant/co-borrower.**

Legal Entity:

- |  |   |
|--|---|
| <input type="checkbox"/> Non-profit                  | <input checked="" type="checkbox"/> LLC |
| <input type="checkbox"/> Public Housing Authority    | <input type="checkbox"/> Other _____    |
| <input type="checkbox"/> Limited/General Partnership | _____                                   |
| <input type="checkbox"/> S or C Corporation          | _____                                   |

Applicant Name: Tower Legacy II LLC

Mailing Address: Street/City/State/Zip P0 Box 34033, Juneau AK 99803

Phone: 949-244-2924

Fax: \_\_\_\_\_

Contact Name/Title: paul simpson

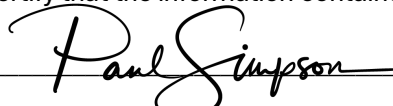
Email: paul@alaskalegacypartners.com

Applicant's Federal I.D. or Social Security Number: XX-XXXXXXX

Contact Person for Award Notification: paul simpson

The Juneau Affordable Housing Fund (JAHF) is a program of the City and Borough of Juneau (CBJ). Approval of all grants and loans from the JAHF is a public process and loan files maintained by the CBJ are subject to open government policies and procedures observed by the CBJ. By signing and delivering this application to JAHF, I/we hereby WAIVE ANY RIGHTS TO OBJECT TO OR PREVENT THE DISCLOSURE TO THE PUBLIC OF THE FOLLOWING INFORMATION: Grantee's/Borrower's name; name and location of the project; grant or loan amount and terms; amounts and source of other financing; public purpose of the grant or loan; a description of the project including the number of units and number of units set aside for the public purpose.

I/we, am/are authorized to apply for financing from the City and Borough of Juneau Affordable Housing Fund on behalf of the applicant and certify that the information contained in this application is true and accurate.

Signature  Date 8/22/24

Printed Name: Paul Simpson

Title: Managing Member

Applicant: Tower Legacy II, LLC

## Application Checklist

Check all items that you have included with this application. The total application submission length should not exceed 30 pages of supporting documentation, **excluding** the application form and table of contents. If supporting documentation exceeds 30 pages, only the first 30 pages will be considered.

**Note:** The items identified as Borrower Information must be provided for each applicant. **If separate entities operate and own the real property, both must be applicants/co-borrowers.**

### Property information

- Copies of deeds, permits, purchase agreements, leases, home inspection reports
- Appraisal (as-is/as-proposed if available)
- Location map and site description

### Project Information

- Project narrative discussing **all** the following:
  - Housing waiting list information
  - Evidence of local support for the project
  - How the project fits into CBJ plans and housing priorities
  - Approach to green building and sustainable development
- Blueprints, preliminary design drawings, housing unit floor plans, and a site plan that shows all [required parking](#) and delineates the [location of setbacks](#).

### Financing Information

- Construction Budget/Bids
- Project budget/pro forma
- Operating Budget
- Support Services Budget, if applicable
- Documentation of financing gap
- Senior loan terms (loan documents/commitment letters)
- Documentation of grant commitment letters or loan documents requested and/or received
- Credit or loan denial letters

**Borrower Information. Provide the information below for any entity operating the project property and/or any entity who will have ownership of the project property.**

- JAHF Application for funding; completed and signed (page 3)
- Borrower financial statements; balance sheet and current operating statements – **within last 90 days**
- Board resolution(s) authorizing the application, if required by your organization
- Resumes/organizational history of developer, project sponsor, property manager
- Articles of Incorporation & Bylaws (S & C Corps, including non-profits); Articles of Incorporation & Operating Agreement (LLC); Partnership Agreement (General & Limited Partnerships) for each borrower
- Current List of Officers & Directors, General/Managing Partners, Authorized Members

## 1. PROJECT DESCRIPTION:

Project name	Creek Side Apartment
Project address	<b>9100 Mendenhall Mall Rd, Juneau AK 99801 (Unassigned)</b>
Property complete legal description	<b>USS 381 TR C FR</b>
Parcel number(s)	5B1601380020
Site size	137,562 SQ FT
Current site zoning	<b>LC - Light Commercial</b>

### Type of project:

- Affordable, low-income, senior, or special needs housing
- Fair market workforce housing
- Downtown housing
- Other: \_\_\_\_\_

### Please identify and provide a description of the project. Include a narrative that:

- Highlights population targeted, and local support for the project, and outlines how the project fits into [CBJ Housing Action Plan](#) housing priorities and the [Comprehensive Plan](#);
- Includes a location map, and describes the condition of housing nearby; availability of public transportation; location of schools, shopping and employment centers, and other information relevant to the site; and
- Describes how this project addresses green building technologies and encourages sustainable development.

## 2. TYPE OF FUNDING REQUEST: Choose any of the following activities that describe your request:

- Construction of new housing
- Acquisition of land for new housing construction
- Acquisition of existing housing
- Rehabilitation of existing housing
- Capacity building activities
- Other: \_\_\_\_\_

## 3. ORGANIZATIONAL DEVELOPMENT AND TEAM SUMMARY

Provide details on the organizational capacity and team experience for the project.

Please Attach Resumes and/or organizational references for the Project Development Team Members below

- Project Sponsor     Developer     Property Manager

Please discuss:

- Objectives, management structure, and staffing of the sponsor organization;
- Experience and ability to implement and manage housing projects and/or complex capital projects, including the organizations fiscal management systems;
- Service provision experience (if part of the overall project design); and
- Details for extended project development; team members such as general contractor, architect, structural and mechanical engineers, attorney, consultant, tax advisor, etc. – if available

**4. HOUSING UNITS AND POPULATION TARGETS**

List unit details below and describe the total housing units, unit mix, and units anticipated to be funded with JAHF funding.

Unit Type	Total # of Units	Unit Size (Sq. Ft.)	Total Unit Area: Garage + Unit	# ≤ 30% AMI	# ≤ 50% AMI	# ≤ 80% AMI**	Market Rate Units
SRO with private facilities							
SRO without private facilities							
Efficiencies	48	330	330			18	30
1 Bedroom							
2 Bedroom	12	780	780			3	9
3 Bedroom							
4+ Bedroom							
<b>Total Units</b>	<b>60</b>					<b>21</b>	<b>39</b>

**\*\*20% of units must be affordable for households making 80% AMI or below to receive JAHF funding.**

For income limits, see Appendix B of Juneau Affordable Housing Fund Program Description and Application Guidelines or go to HUD User Datasets at <https://www.huduser.gov/portal/datasets/il.html>

**Total Residential Square Footage:** 25,200

Manager’s Unit included?  Yes  No

If Yes, describe: \_\_\_\_\_

DEVELOPMENT DESIGN	# Units	# Buildings
Detached single-family		
Townhouse		
2/3/4-plex		
Multi-family	60	2
Scattered site		
Tiny homes		
Other (describe)		

**OTHER AMENITIES:**

- Units contain washer/dryer appliances
  - Units contain washer/dryer hook-ups only
  - Common laundry with: # \_\_\_\_\_ washers and # \_\_\_\_\_ dryers.
  - Covered parking spaces: # \_\_\_\_\_
  - Uncovered parking spaces: # 78
  - Other amenities (describe): park benches and outdoor seating along the pond. Bicycle racks
- 
- 
- 
-

**Population to be served:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Single adults                | <input checked="" type="checkbox"/> Veterans                       |
| <input checked="" type="checkbox"/> Families with minor children | <input checked="" type="checkbox"/> Survivors of domestic violence |
| <input type="checkbox"/> Chronic homelessness                    | <input checked="" type="checkbox"/> Middle-income housing          |
| <input checked="" type="checkbox"/> Seniors                      | <input type="checkbox"/> Special Needs (describe below)            |
| <input type="checkbox"/> Assisted living                         | <input checked="" type="checkbox"/> Other (describe below)         |

We plan to house employees of the surrounding businesses that are critical positions - Grocery store workers (SuperBear & Safeway), Medical facilities, Searhc Urgent Care, Pediatrics, nurses, Searhc's new Dental Clinic, Assisted living facility and memory care workers for Riverview and countless other local businesses in the immediate trade area that are typically young adults, couples, construction workers that are looking for affordable well located options in Juneau.

**Number of years that units will be committed to serving the population above:**

- 10 years  15 years  20 years  30+ years (if more, describe below) \_\_\_\_\_

**FOR RENTAL PROJECTS ONLY**

List Rental Rates for each type of unit and describe the process you will use to set and adjust rents. **Please note, 20% of units must be affordable to individuals making 80% AMI or below to be eligible for JAHF funding.** 2024 HUD rental limits are in Appendix B of the JAHF Program Description and Guidelines document, available on the [JAHF website](#).

Unit Type	Rental Rate @ ≤ 30% AMI	Rental Rate @ ≤ 50% AMI	Rental Rate @ ≤ 80% AMI	Market Rate Rental Rate
SRO				
Efficiencies			1150	1,250
1-bedroom				
2-bedroom			1600	1800
3-bedroom				
4-bedroom or more				
<b>Total Units</b>			21	39

**FOR HOMEOWNERSHIP PROJECTS ONLY**

List proposed sales price of all homes in project. Indicate if the project will include affordability covenants; e.g., community land trust.

Unit Type	JAHF Financed Units	Financed by Other Affordable Housing Lenders	Market Price Units
1 Bedroom			
2 Bedroom			
3 Bedroom			
4+ Bedroom			

Unit Type	JAHF Financed Units	Financed by Other Affordable Housing Lenders	Market Price Units
Total Units			

**6. PROJECT READINESS AND SITE INFORMATION:** Please provide details on site control and project readiness.

***How is control of the project property site established?***

Ownership  Purchase Agreement  Purchase Option  Lease  Other (describe):

We currently own the land with no debt or encumbrances

If no site control exists, describe plans to acquire the project property: \_\_\_\_\_

**Name(s) of the current property owner(s):**

Tower Legacy II LLC

***Is the site properly zoned for your development?***

Yes

Attach evidence that the site is properly zoned for the proposed use or if a variance or exception is required, evidence that a request has been filed and a hearing date has been scheduled.

***Does the project operator plan to own the property directly?***

Yes

If property is to be owned by related entity, please provide name of entity and specify relationship (e.g., subsidiary corporation or partnership of which applicant is general partner)

Name of entity: \_\_\_\_\_

Relationship: \_\_\_\_\_

**PLEASE NOTE: Entity proposed to own the property must be co-applicant and co-borrower for any JAHF Financing.**

Are there liens or other encumbrances on the property that must be cleared by allocating funds to them? If yes, please describe amount due, date due, nature of obligation and cost of clearing title. No

Have you obtained	Yes/No	If No, when will these be completed? Or N/A
Blueprints	Yes	
Zoning changes	N/A	not required
Building permits	No	To be requested upon receipt of JAHF commitment

Have you obtained	Yes/No	If No, when will these be completed? Or N/A
Utility hookups	Yes	
Environmental report	Yes	
Commitments from service providers	Yes	Contractor and Factory Scheduled

Will the project require any displacement of current occupants? No

If yes, will you compensate or relocate those who are displaced? Describe your proposed plan for relocation assistance:

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Please attach copies of supporting documents – evidence of zoning, deeds, permits, leases, options, sales agreements, etc. Projects requesting assistance for homeownership (rehab or acquisition) must include a current Home Inspection Report.

**7. PROJECT TIMELINE:** Please provide a project timeline. Use anticipated or actual calendar dates. Be sure to include dates of initial closing, construction start and substantial completion. Include the following items on the timeline, as it may apply:

- Financial Commitment for funding sources
- Initial closing date
- Location survey complete
- Preliminary site plan complete
- Design, development and pricing
- Site plan approval
- Construction and bid documents
- Engineering plan approval
- Final pricing
- Building permit
- Construction contract executed
- Start construction
- Substantial completion
- Final completion/Certificate of Occupancy

**8. PROJECT COSTS AND RESOURCES**

The rest of the application will focus on funding use and financial feasibility.

- Please provide a narrative explaining the need for JAHF funding.
- In the section below, provide the expected use of funds for your project and provide the JAHF grant or loan amount requested.



**8a. FUNDING SOURCES/REVENUES**

<b>Funder</b>	<b>Specify Agency/ Program/Investor Name</b>	<b>Amount Committed or Received <sup>1</sup></b>	<b>Amount Requested <sup>2</sup></b>	<b>Date of Application</b>	<b>Anticipated Approval Date</b>
Alaska Housing Finance Corporation	HOME				
	LIHTC				
	SNHG				
	Other:				
Other Alaska State Govt.					
Federal Govt.					
Local Govt. (non-JAHF)					
Subsidies					
Bank Loan			3,550,504		90 days subsequent JAHF approval
Private Loan					
Private Grant					
Private Investor			1,637,625		In hand and readily available
Applicant's Funds					
Other					
<b>Totals</b>		<b>\$</b>	<b>\$ 5,188,129</b>		

**Total non-JAHF funds committed and requested above:** + 5,188,129

**Total JAHF grant/loan requested from 8a above** + 3,000,000

**Total project funding from all sources. Total project cost must match total project funding in 8a. Above.** = 8,188,129

*\*Personal or Corporate Balance Sheets available on request*

**Reminder:**

- Qualifying projects are eligible for grants and loans up to \$50,000 per affordable or workforce housing unit

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1. Please attach documentation verifying non-JAHF funds including the interest rate, repayment period, and other terms governing committed or received funds.  
 2. Please list amounts applied for which are pending approval here. Do not show any requests which have been declined or any unfunded portion of an application which was committed for less than the amount requested.

created, or for other eligible uses on a similar per unit basis.

- For profit-developer projects utilizing JAHF funds for workforce housing must reserve at least 20% of units for tenants with gross incomes at 80% or less AMI for at least ten years or the life of the loan.
- Your grant/loan may be approved for an amount less than requested.

### 8b. USE OF FUNDS

Purpose	Sections Required if funding requested for these purposes	Amount
Acquisition, Construction, Rehabilitation	9a	\$8,188,129
Pre-Development Costs	9b	\$ see cost estimate sheet
Operating Assistance (max one year)	9c	\$ ""
Capacity Building	9d	\$ ""
Self-Sufficiency/Support Services (max 1 year)	9e	\$ ""
<b>Project Total</b>		\$8,188,129
Less Cash provided by owner or borrower	8b	\$1,637,625
Less Other Financing	8b	\$3,550,504
<b>JAHF grant or loan requested</b>		\$3,000,000

### 9. DETAILED USE OF FUNDS

For section 9, **applicants only need to complete the sub-section(s) for which JAHF funding is requested.** (See 8b) The total JAHF funds requested, and the total of funds provided by others, should match the total in Section 8a and 8b.

**9a. CAPITAL COSTS.** Fill in this section if funding is being requested for **capital costs** – if not please skip to section 9b. Please include below the total project cost for each type of capital cost (Acquisition, New Construction, or Rehabilitation) regardless of funding source.

Capital Costs	Acquisition	Construction	Rehabilitation	Admin/Overhead
Land		1,000,000		
Residential structures		5,932,582		
Nonresidential structures				
On Site improvements		678,371		
Off Site improvements				
Remove, Refinance Liens/Encumbrances				
General requirements		177,977		
Contractor Fees				
*Developer's Fee		0		
Architect Fee				
Design				
Supervision				
Legal Fees				
Packaging/Processing				
Other (describe)	Contingencies/other	399,199		
Other (describe)				
<b>Total Capital Costs</b>				\$8,188,129

General requirements: % of 9a Total	2.1%
Builder's General Overhead: % 9a Total	0%
Builder's Profit: % of 9a Total	7%

**PROJECT COST PER UNIT: \$** 136,468

\*The amount and use of developer's fee will be relevant to the evaluation of the application.

**9b. CAPACITY BUILDING COSTS must be directly related to the specific housing project covered by this application.**

General organizational development or broad-based client needs assessments will not be funded. Examples of capacity building include training for on-site property manager or maintenance staff, acquisition of software for facility management, website development for rental information, etc. Fill in this section if funding is being requested for **capacity building costs** – if not please skip to section 9e.

Purpose/Use of Funds (list)	JAHF Funds	Other Funds	Total Cost
<b>Total Capacity Building Costs</b>			

## AERIAL OVERVIEW



## OWNERSHIP OVERVIEW

PARCEL	
Tax ID	5B1601380020 ( <a href="#">assessor summary</a> )
Owner(s)	Tower Legacy II LLC
Previous owner(s)	GLACIER VILLAGE SUPERMARKET IN
Site address(es)	
Mail address(es)	
Legal description	USS 381 TR C FR
Lot square feet	137,562
Lot acres	3.1580
Zoning	(LC) Light Commercial
Road system	yes
Fire service	yes
Water available	yes
Sewer available	yes
Year built	NA
Living area	0
Assessment year	2024
-- assessed value	963,835
-- land value	963,835
-- building value	0
-- exemptions	0
GIS Date	2024/08/23
DBMS Date	2024/08/23

# Project Narrative

## Project Overview

Alaska Legacy Partners as co-owners and managing partner of Tower Legacy II is proud to present our latest development project, Creek Side Apartments, located at 9100 Mendenhall Mall Rd, Juneau, Alaska 99801, which is located on the vacant lot in the North East section of the Superbear/Mendenhall Shopping Center next to a pond fed by Duck Creek. This **60-unit** apartment project will feature 2 three-story buildings, each consisting of 24 efficiency units at 330 square feet and 6 two-bedroom units at 780 square feet. These units will come fully equipped with modern amenities, including a full kitchen, quartz counters with energy-efficient appliances, **in-unit washers and dryers**, and a thoughtfully designed space for comfort and functionality.

Creek Side Apartments is a strategic response to the critical housing needs of Juneau's workforce. The project is specifically designed to provide affordable, high-quality housing in a location that maximizes convenience, accessibility, and sustainability. By targeting workforce individuals, couples, young adults, small families, and downsizers with incomes at or below 80% of the Area Median Income (AMI), this project addresses the affordability gap in the local housing market, ensuring long-term accessibility and quality living conditions.

We request a loan of \$3,000,000 which is necessary to make this project financially feasible. The JAHF funds along with a bank loan of \$3,550,504 will result in a total loan balance of \$6,550,504 (80% loan to cost). We will invest \$1,637,625 of our funds to cover the difference between the total cost of the project and loans.

Speed of completion is one of the most compelling items. Since we are using Constellation Development (Travis Arndt) and their proven modular factory partners, all 60 units will be completed by May/June 2025. Travis and his team were the obvious partners for this project as he's delivered 194 dwelling units in Southeast Alaska and more specifically 173 housing units in Juneau over the past 10 years. All his delivered units were built by the same modular factory in Oregon and have proven their feasibility and reliability. Most importantly, we have already secured a spot in the factory's development queue as outlined in our attached project timeline. The 3.158 acre land site is owned by our group and appropriately zoned Light Commercial allowing 30 units per acre. Tower Legacy II is co-owned and managed by Alaska Legacy Partners which currently operates the 30 acre Superbear/Mendenhall Mall business park and an additional 200,000+ square feet of commercial real estate in Juneau – ranging from Multi-family, Office, Retail, Industrial, and Self Storage. We have 6 full-time leasing and maintenance employees, and all accounting activities are managed with Elgee Rehfeld. We have a well developed network of lenders, legal, financial consultants, accountants, tradesmen, contractors, and business owners. We self-manage all our properties and currently operate with very little vacancy across the portfolio.

## Community Impact

The strategic location of Creek Side Apartments offers Valley residents unparalleled access to essential services and amenities. The development is situated within walking distance of schools, grocery stores, public transportation, fitness facilities, and various business centers, making it an ideal housing solution for those without reliable access to private vehicles. By promoting sustainable living and reducing the need for vehicular transportation, this project significantly lowers living costs for residents and will continue the revitalization efforts we've put into the area. Alaska Legacy Partners is a locally owned and operated investment firm that has been involved in a number of redevelopments throughout Juneau,

We negotiated and sold the land to CBJ for the valley transit center with the idea that it would further solidify the area as the primary hub of the valley. The apartments proximity to the new Mendenhall Valley Transit Center allows for easy commutes to work, school, and daily activities. Additionally, the nearby shopping centers, fitness facilities, senior living, and community amenities enhance the overall quality of life for residents.

## Community Impact

The Creek Side Apartments development is poised to deliver significant community benefits through its strategic location and thoughtful design, which prioritize accessibility, mobility, and the overall well-being of its residents.

**Accessibility:** Creek Side Apartments is strategically located in the Mendenhall Valley, within walking distance of schools, grocery stores, and public transportation. This promotes sustainable living by reducing reliance on cars and lowering transportation costs, aligning with the CBJ Housing Action Plan's focus on accessible housing. There are 20 ground floor apartments with no stairs.

**Enhancing Mobility:** One of the significant barriers faced by many Juneau residents, particularly those in lower income brackets, is the lack of affordable, walkable living options in the valley. Creek Side Apartments directly addresses this challenge by providing housing in a highly accessible location. The development's proximity to the Mendenhall Valley Transit Center ensures that residents without cars can easily commute to work, school, and other daily activities. This enhanced mobility is crucial for individuals who rely on public transportation, making Creek Side Apartments an essential addition to the local housing landscape.

## Site Amenities

- **HealthCare:** Search new Vintage Park campus
- **Proximity to Schools:** The site is conveniently located near public elementary and middle schools, making our large 2 bedroom units an ideal option for small families with school-aged children.

- **Access to Shopping:** Residents have easy access to two major grocery stores, Superbear and Safeway, ensuring their daily shopping needs are met with convenience.
- **Public Transportation:** The Mendenhall Valley Transit Center is within the confines of the Mendenhall Mall tract of land, provides direct walking access at close proximity,, offering excellent connectivity for commuting and daily activities.
- **Fitness and Recreation:** The nearby Alaska Club provides fitness facilities, promoting health and well-being among residents. Additionally, the development is close to recreational areas such as the Dimond Park Aquatic Center and Riverside Rotary Park, offering numerous opportunities for physical activity and relaxation.
- **Work and Business Centers:** The location is near various work and business centers, including a coworking space, multiple restaurants, cafes, a post office, medical offices, senior facilities, and various retail stores, creating ample opportunities for local employment and economic growth.
- **Community Facilities:** In addition to educational institutions and fitness centers, the site is close to the Mendenhall Valley Library, aquatic center and all that Dimond Park has to offer, enhancing access to community resources and learning opportunities.

### **Community Benefits**

The proximity of Creek Side Apartments to local businesses and essential services not only enhances the quality of life for residents but also supports the vibrant small business community in the area. This mutually beneficial ecosystem fosters economic growth, with residents able to meet their daily needs conveniently, and local businesses thriving from increased patronage. By providing affordable housing in such a strategically advantageous location, Tower Legacy II aims to make a lasting positive impact on Juneau's community well-being and economic vitality.

### **Alignment with CBJ Housing Action Plan**

Creek Side Apartments aligns by directly addressing the critical shortage of affordable workforce housing and middle-income housing in Juneau. By focusing on long-term affordability, this project ensures that housing remains accessible to individuals and families, particularly those with incomes at or below 80% of the Area Median Income (AMI). The project's strategic location within an existing urban area further supports sustainable development, mitigating the environmental impact typically associated with urban sprawl.

### **Environmental Efficiency and Sustainability**

Tower Legacy II is dedicated to meeting or exceeding all building codes for CBJ efficiency in the development. This commitment ensures that the buildings will provide long-term sustainability benefits, reducing overall energy consumption and lowering utility costs for residents. The building will be heated using efficient electric heating systems powered by Juneau's renewable hydro electricity.

As an infill project, the Apartments are strategically located within an existing urban area, significantly reducing the environmental impact by avoiding urban sprawl. This approach aligns

with sustainable development principles, minimizing the need for additional infrastructure and preserving natural landscapes. There is no need for wetland destruction or other developmental hurdles.

The smaller footprint of the 330 square foot efficiency units means lower power consumption, making them an ideal housing solution for those seeking affordable living without compromising on sustainability. The design of these units maximizes space and function while minimizing environmental impact, further contributing to the project's overall efficiency.

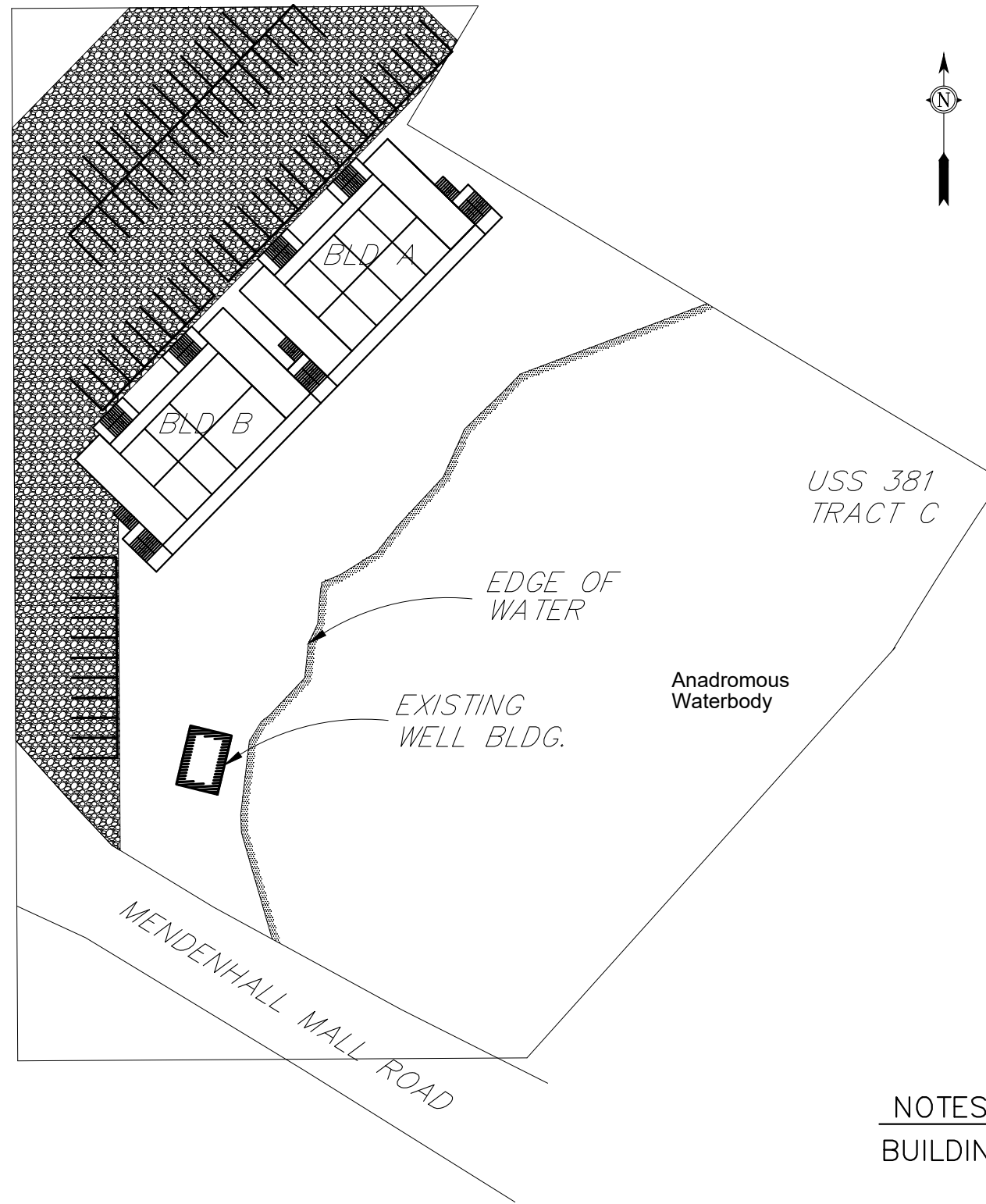
Resident will live in the valley's only walkable retail corridor where reliance on a vehicle will not be necessary.

## **Conclusion**

The Creek Side Apartments project is a forward-thinking solution to Juneau's ongoing housing challenges. This is a great opportunity to add housing density in the most amenitized area of the valley where it is sorely needed. By offering affordable, strategically located housing options, particularly aimed at the local workforce, this development will enhance housing affordability and improve the quality of life for Juneau residents. Our commitment to sustainability and long-term affordability aligns with the CBJ Housing Action Plan. Given the higher interest rate environment, high land values, and increased cost of construction a project like this is not financially attractive nor would it garner the economic returns necessary WITHOUT the requested JAHF loan. We are aware of the workforce housing issues facing local valley businesses, particularly with the adjacent Riverview senior living facilities, Searhc's new urgent care, Superbear, Safeway, NAO, State offices, FAA, various other medical facilities, the soon to be erected Searhc dental clinic, and the countless other retail and restaurant locations in the immediate vicinity. The valley often gets overshadowed by the tourism activities of downtown yet it's home to the largest population base. We believe this large scale 60 unit development would fill a large affordability gap in the market, help alleviate supply issues, and ultimately soften the market with an influx of new, clean, and well-run apartments.



MENDENHALL MALL  
SUBDIVISION PLAT 84-52



SITE PLAN  
1/64" = 1'-0"

NOTES:

- BUILDING A - 6 TWO BEDROOM APARTMENTS  
- 24 STUDIO APARTMENTS
- BUILDING B - 6 TWO BEDROOM APARTMENTS  
- 24 STUDIO APARTMENTS

# CONSTELLATION DEVELOPMENT

Creek Side Apartments

CONCEPT SITE PLAN

10840 Lilac Drive  
Juneau, AK 99801  
907-321-3118

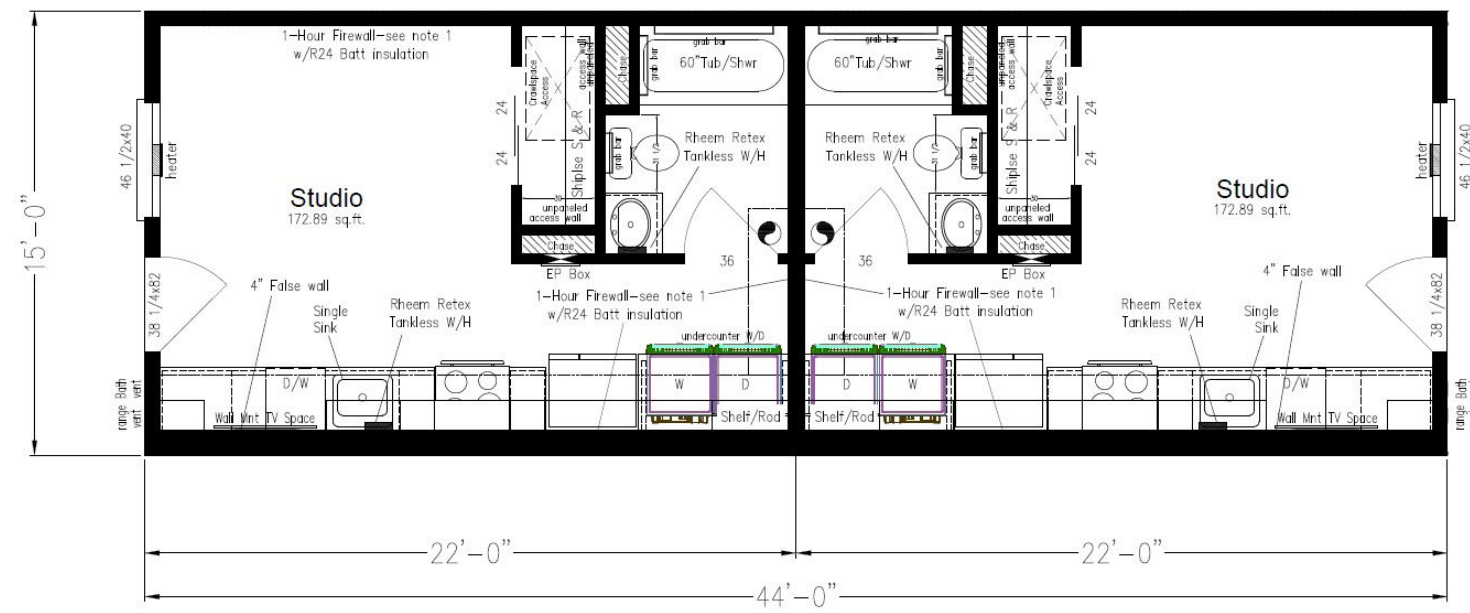
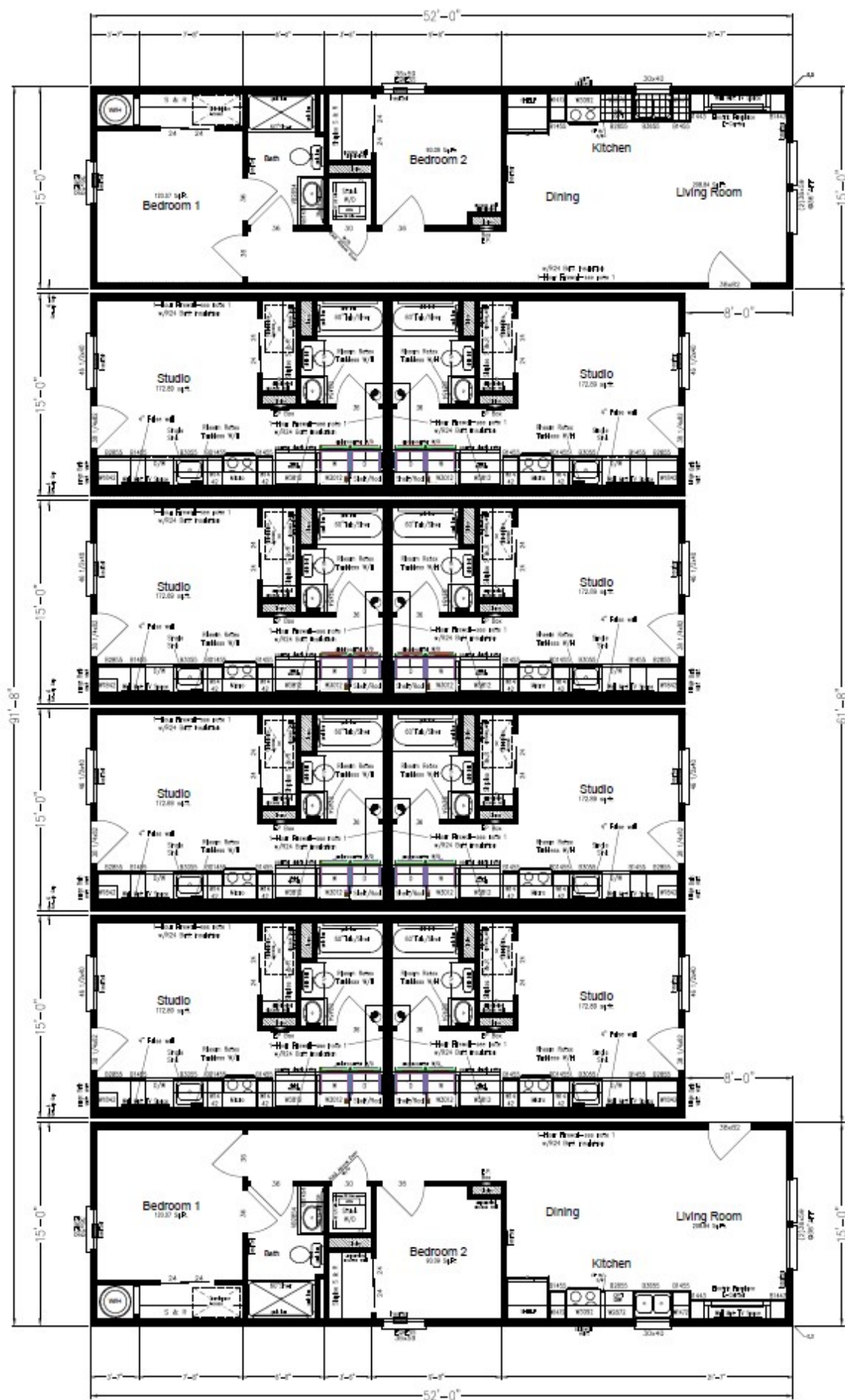


Front View

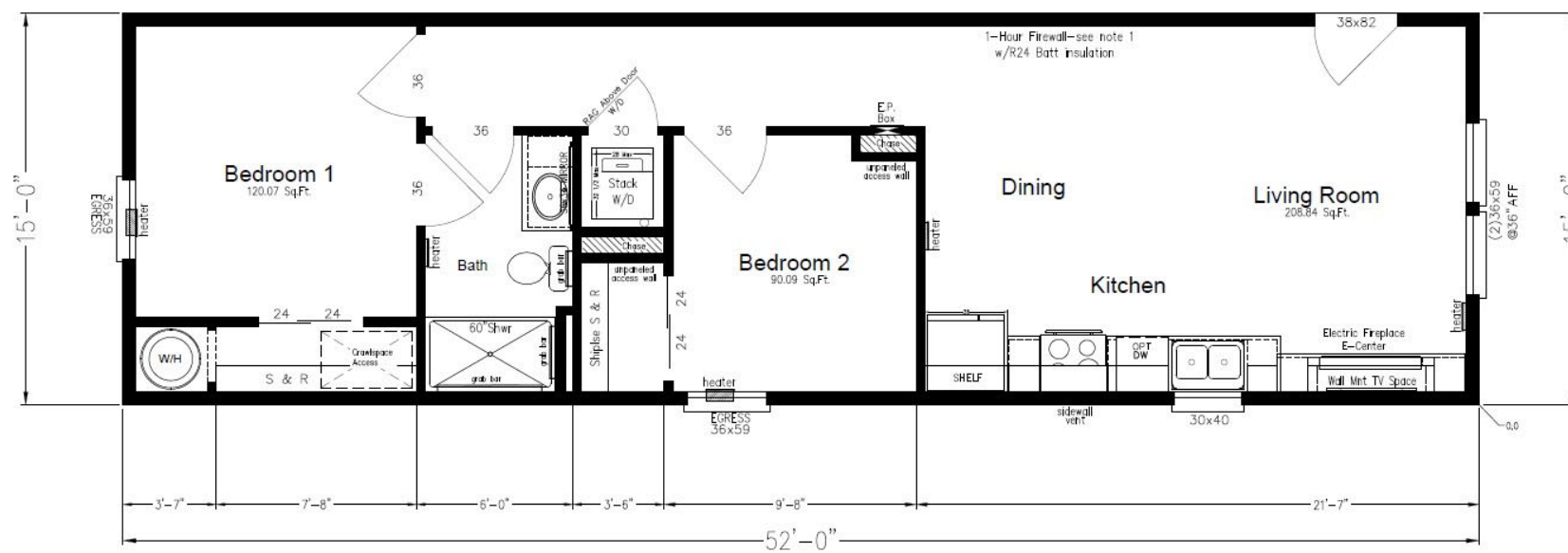


Rear View



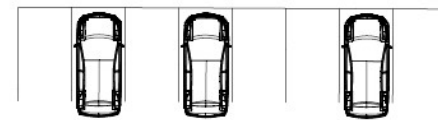
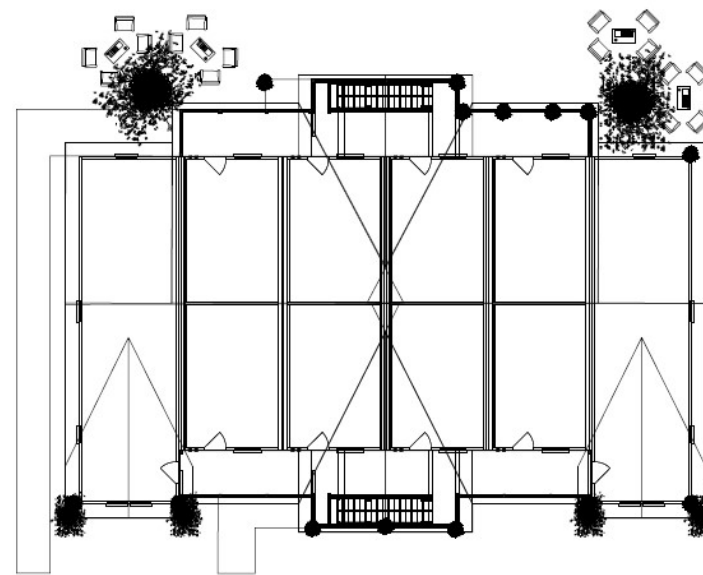
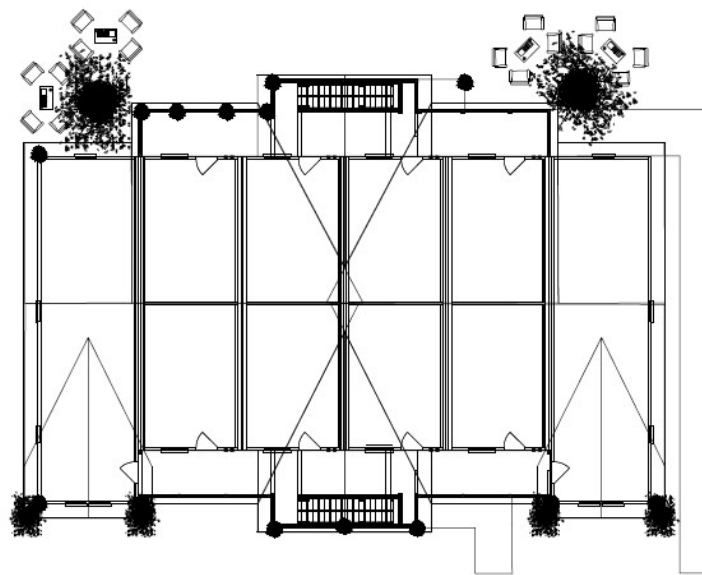
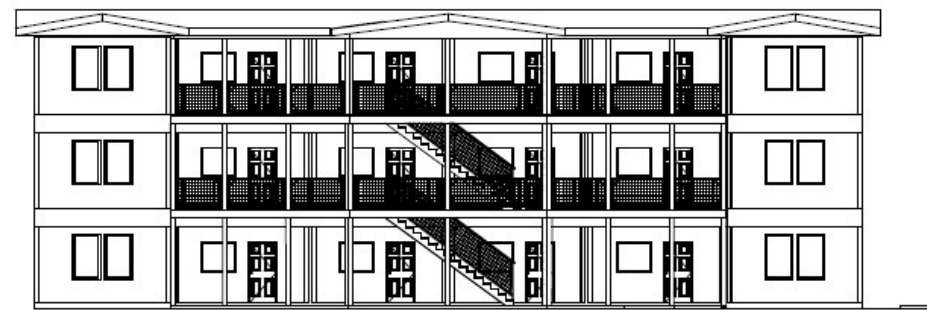
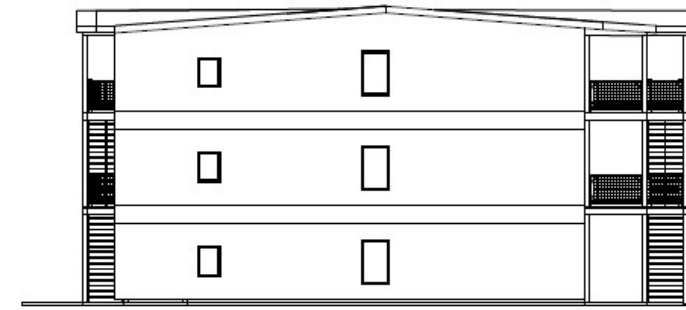
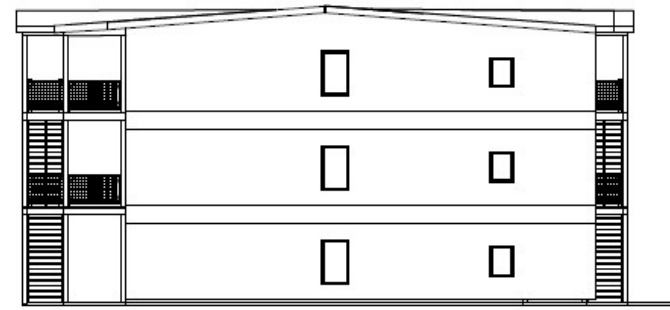
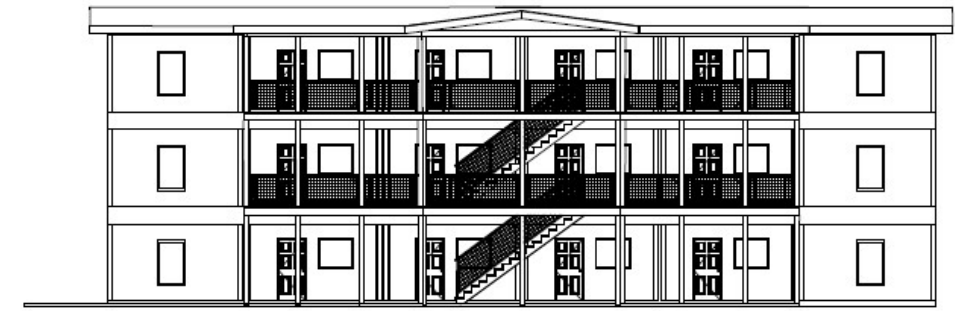


Studio Units—330 sq.ft. each



2 Bedroom/1Bath Units—780 sq.ft.





## Tower Legacy II Project Schedule

Project: Creek Side Apartments

Address: 9100 Mendenhall Mall Rd

Parcel : 5B1601380020

Date: 8/19/24

Task	Duration Days
Submit Juneau Affordable Housing Fund Prop	8/23/24
Obtain JAHF Funding Commitment	
Apply for Conditional Use Permit (CUP)	84
AELP move power lines	3
Grading Permit	14
Building Permit	30
Order Buildings from Factory	6 weeks from deposit to start building construction
Building Construction in Factory	4 weeks to build BLD A / 2 week gap / 4 weeks to build BLD B
Shipping	4 weeks / bld - can overlap finish of same building, BLD A overlap with BLD B
Site work Excavation	7
Utility runs	7
Foundation	10 days for both
Erect Bld A	7
Complete Bld A	10 weeks
Erect Bld b	7
Complete Bld B	10 weeks
Pave and stripe	Have both buildings complete and finish the end of June 2025

Will Submit in September

can happen before CUP

can happen Fall if CUP issued timely - can grade, but not dig foundation until CUP

can happen fall if CUP issued timely

Mar-25

May-25

## Tower Legacy II Cost Estimate

Project: Creek Side Apartments

Address: 9100 Mendenhall Mall Rd

Parcel : 5B1601380020

Date: 8/19/24

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Total Square footage	25,200
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Land	\$ 1,000,000
Plan & Permitting	\$ 24,200
AELP Hookup	\$ 121,000
Footers	\$ 28,389
Walls	\$ 30,382
Sills & Pony walls	\$ 36,300
Site Work	\$ 126,000
Paving & Striping	\$ 300,000
Drainage, gutter drains	\$ 12,100
Subtotal	\$ 678,371

### Structure

Factory Base Price incl plans & engineering	\$ 3,262,644
Factory Option Price	\$ 899,950
Down South Trucking	\$ 174,240
Barge Shipping	\$ 481,338
Crane Erection	\$ 261,360
Electric	\$ 121,000
Plumbing	\$ 36,300
Gutters	\$ 36,300
Roofing	\$ 101,640
Porch Materials	\$ 54,450
Porch Trusses	\$ 19,360
Building Labor	\$ 484,000
Subtotal	\$ 5,932,582

### Other

Builders Risk Policy	\$ 12,100
Lifting Straps - EZ-set	\$ 13,068
Lifting Frame & Bands	\$ 60,500
General Requirements	\$ 177,977
Contingencies	\$ 313,531
Subtotal	\$ 577,176

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<b>Total</b>	<b>\$ 8,188,129</b>
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**Tower Legacy II Pro Forma**

Project: Creek Side Apartments  
 Address: 9100 Mendenhall Mall Rd  
 Parcel : 5B1601380020  
 Date: 8/19/24

**Unit Assumptions**

#Units	Type	Square Feet	Total Sq	Rent/SF	Rent/Month	Monthly Rent	Annual Rent
48	Studios	330	15,840	\$ 3.64	\$ 1,200	\$ 57,600	\$ 691,200
12	2 bedroom	780	9,360	\$ 2.18	\$ 1,700	\$ 20,400	\$ 244,800
<b>Totals</b>	<b>60</b>		<b>25,200</b>			<b>\$ 78,000</b>	<b>\$ 936,000</b>

**Income / Expenses**

<b>Gross Scheduled Rent</b>		<b>\$ 936,000</b>	
Vacancy Factor	5%	\$ (46,800)	
Property Management	10%	\$ (93,600)	
Insurance	3%	\$ (28,080)	
Water/Sewer/Trash	8%	\$ (74,880)	
Property Tax*	1.7%	\$ (15,912)	* Property Tax assumes 12 year abatement for new construction @ 2.65 mills
Maintenance	3%	\$ (28,080)	
Reserves	6%	\$ (56,160)	
<b>Net Operating Income</b>	<b>37%</b>	<b>\$ 592,488</b>	

**Debt**

Funding Sources	Project Cost	Interest Rate	Amorization	Term	Annual Debt Payment
CBJ Loan	\$ 3,000,000	0%	25 yrs	10 yrs	\$ 120,000
Bank Loan	\$ 3,550,504	6.5%	25 yrs	10 yrs	\$ 287,679
Owners Investment	\$ 1,637,625				
<b>Totals</b>	<b>\$ 8,188,129</b>				<b>\$ 407,679</b>

**Pro Forma**

Description	Totals		
Gross Scheduled Rent	\$ 936,000		
Expenses	\$ (343,512)	LTC	80.00%
Loan Payments (debt service)	\$ (407,679)	Project Cost	\$ 8,188,129
Pre-tax cash flow	\$ 184,809		
Annual Rate of Return (ARR)	11.29%		

\$ 6,550,504



August 21, 2024

Alaska Legacy Partners, LLC  
9104 Mall Rd  
Juneau, AK 99801

RE: Tower Legacy 60 unit multi-family development

Thank you for your interest in working with Northrim Bank once again. The Bank values our long standing relationship and looks forward to working with you on your upcoming 60 unit construction project. Please note, this letter does not constitute a commitment, or offer, to lend money. Such a commitment is contingent upon final Bank approval. Please keep the contents of this letter confidential. Other terms and conditions may apply.

If you have any questions or require any further information, please contact me directly. Thank you for this opportunity to continue working together.

Sincerely,

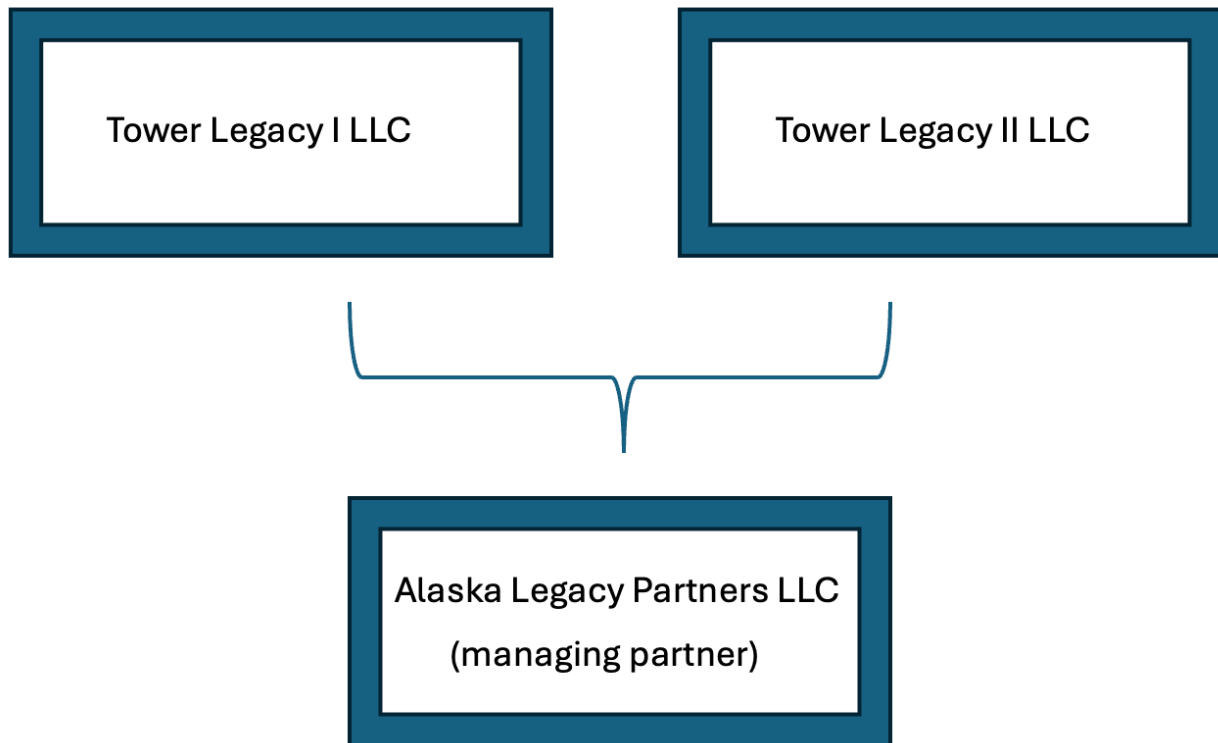
A handwritten signature in black ink that reads "Jaime Kissner".

Jaime Kissner  
Vice President- Commercial Loan Officer  
SE Alaska  
(907) 790-5178



Organizational History: Tower Legacy I & II LLC // Alaska Legacy Partners LLC:

Tower Legacy II LLC is the holding company for the subject parcel where the 60-unit Creek Side Apartment community will be constructed. Tower Legacy II is part of the Tower Legacy I LLC umbrella, which owns and operates Mendenhall Business Park, a ~ 30-acre commercial center in the heart of the Mendenhall valley. Alaska Legacy Partners LLC is the managing/operating partner for both Tower Legacy I & II LLC.



Since acquiring the 30-acre park in May of 2019, the ownership has completed the following improvements to the park:

- Subdivided and sold a 1.52-acre parcel to CBJ for a valley transit center
- Re-imagined and moved lot lines for Heritage Coffee to construct new restaurant/coffee shop
- Renovated Super Bear exterior and signage
- Signed new land lease facilitating a new 3-story mixed-use building
- Increased overall occupancy in the park to near 100%

## **Alaska Legacy Partners (ALP)**

ALP is a Juneau-based private equity firm founded by two Alaskans who returned home after building successful investment careers in the lower 48. The firm is primarily focused on investing in and creating legacy properties throughout Alaska and distinguishes itself through extensive local market knowledge, deep relationships, and timely execution.

### **Team**

Our team provides the expertise to build an economically viable, community driven product that will add much needed multi-family supply to the Juneau housing market. We understand the nuanced balance between local government, community vision, and feasibility. Due to the high barriers of entry, development in Juneau often requires creative solutions. Our development track record runs the spectrum from repositioning historic buildings to vibrant community assets, hotels, multi-family. ALP has over 50 local commercial tenants and overseas more than 250,000 square feet of real estate in Juneau.

Our team can deliver:

- Design
- Project feasibility, underwriting, pro forma, and financial analysis
- Strategic partnerships
- Construction partners
- Construction management
- Leasing
- Property management
- Asset management

## ***Alaska Legacy Partners***

### **Paul Simpson – Managing Partner**

Paul has a strong track record of taking companies from incubation to maturation. He has founded and sold three companies with combined annual revenues of more than \$25 million and 160 employees.

In 2016, Paul shifted his focus to business acquisitions, including funding, managing, and selling a California-based digital marketing company focused on insurance to Quotewizard which was ultimately acquired by Lending Tree (NASDAQ: TREE) 6 months later.

Paul has held a variety of roles including Chief Executive Officer, Managing Partner and Chief Marketing Officer. He's worked with tech companies like Quotewizard.com, Bantamconnect.com, Bankrate.com, Gohealth.com and Zoom Health Insurance. He attributes his success to a total devotion to strategic execution, original entrepreneurial thinking and intense customer focus. He prides himself on being innovative and pragmatic with a focus on motivating teams to achieve fast, measurable results.

He earned a business degree from Chapman University in Orange, California.

### **Garrett Schoenberger – Managing Partner**

Garrett's background is in real estate, with more than \$300 million in transaction volume over his career.

Garrett has experience with lease and sale transactions, as well as real estate acquisitions with a private equity group.

He worked as an industrial broker with Grubb & Ellis, based in Phoenix, Arizona, completing more than \$39 million in lease and sale transactions ranging from 1,000 to 250,000 square feet, and providing transaction services for more than 50 clients.

He served as the Director of Acquisitions for Curtis Capital Group based in Bellevue, Washington, where over five years he was directly involved in the acquisition of 12 multi-family properties across five states, totaling more than \$161 million. His responsibilities included sourcing, underwriting, negotiating, and executing business plans with an average annualized return on investments of 29 percent.

He earned a business degree from Arizona State University and was a proud member of the Sun Devil baseball program.

## Travis Arndt, P.E., S.E.

### Education

1999	University of Minnesota	Minneapolis, MN	BSCE
2001	University of Minnesota	Minneapolis, MN	MSCE - Structural Engineering
2002	University of Alaska	Juneau, AK	Arctic Engineering

### Licensure

2003	Alaska	Professional Engineer	AELC10805
2005	Alaska	General Contractor	CONG31178
2005	Alaska	Residential Endorsement	RESR1805
2012	Alaska	Structural Engineer	AELT13256

### Employment History

2001-2017	Bridge Engineer	State of Alaska DOT &PF
2005-Present	Owner and Managing Member	Constellation Development, LLC
2014-Present	Owner and Managing Member	Juneau Condos, LLC
2023-Present	Engineer	Marx-Arndt Engineering, LLC

### Experience

Nineteen years designing, constructing and managing the construction of 194 dwelling units in Southeast Alaska. 173 dwelling units in Juneau specifically. Specialized in modular construction. Modules were constructed in multiple factories located in Oregon and Idaho. Shipped approximately 1500 miles to sites in Alaska for assembly and completion. Won the 2018 Manufactured Housing Industry National Award for "New Modular Multifamily or Duplex Design" with the Northstar Condos project.

