

**Village of Pardeeville, WI**  
**Sunrise Subdivision**  
**DRAFT Realtor Solicitation and Lot Development Strategy**  
**August 12, 2022**

**Overview**

The Village of Pardeeville is developing a mixed residential neighborhood in the southeast area of the Village, east of Main St. and south of La Follette St. The development includes 26 single-family lots and 5 duplex lots, to be available for construction in two phases (2023, 2024/2025). The single-family lots vary in size from 13,500 SF (0.31 acres) to 26,527 SF (.61 acres). The neighborhood also includes several larger lots intended for senior housing and multifamily housing. See attached map.

The Village's goals for this development include:

- Home building as soon as possible, to meet housing needs and support the TIF district that is funding the infrastructure. Eighty percent built out by the end of 2027 (at least five new homes/duplexes per year, 2023-2027).
- Opportunities for local homebuilders to build in this neighborhood, and flexibility for prospective homeowners to work with the homebuilder of their choice.
- Variety in home design (not a whole neighborhood with one or two home models from one builder), and quality in home and lot design as guided by design standards to be incorporated into the recorded Covenants, Conditions and Restrictions for the plat.

**Realtor Partner Desired**

The Village is seeking a Realtor partner to help sell lots. Realtors are invited to provide a letter to the Village Board (by \_\_\_\_\_, 2022) describing their interest in such a partnership.

The ideal Realtor candidate will have the following characteristics:

- 1) Demonstrates understanding of and commitment to support the Village's goals for the neighborhood
- 2) Is willing to collaborate with the Village to finalize and implement a lot sales strategy that incentivizes prompt homebuilding and maintains Village control over unbuilt lots.
- 3) Is experienced in the local residential market and has knowledge of and/or relationships with homebuilders in the region.

The Village will negotiate a compensation arrangement with the selected Realtor, potentially including an up-front fee to help implement the lot sales strategy and payments both for completed purchase agreements and for completed lot sales.

**DRAFT Lot Sales Strategy** (to be refined in collaboration with Realtor)

The Village is intending to sell lots and spur homebuilding by soliciting lot development proposals from homebuilders. Prospective homeowners would be able to purchase lots in partnership with a homebuilder.

The Village, in partnership with the Realtor, would issue a Request for Proposals, inviting proposals to acquire and build on as few as two (2) and as many as eight (8) lots in the subdivision, including no more than two (2) adjacent parcels. Selected builders will enter into a contract with the Village that guarantees pricing per the schedule below, contingent upon building permit application (or approval). Failure to apply for the permit within the specified window would result in an increase in the purchase price and/or void the contract and make the lot(s) available to other buyers. Failure to begin construction within six months of permit approval will void the contract and trigger compulsory sale of purchased lots back to the Village at the purchase price.

Lots are priced in six categories:

- Group 1 – Duplex Lots (Lots 5-7)
- Group 2 – Phase 1 R-2 Lots, Corner (Lots 10, 16, 20, 26)
- Group 3 – Phase 1 R-2 Lots, Mid-block (Lots 11-15, 21-25)
- Group 4 – Phase 2 R-2 Lots, Corner (Lots 27, 33)
- Group 5 – Phase 2 R-2 Lots, Mid-block (Lots 28-32)
- Group 6 – Phase 2 R-1 Lots (Lots 34-38)

#### Lot Pricing Schedule

Lots are priced to incentivize construction, and that incentive is reduced over time. Lots will be held by the Village until building permit application. For pricing context, current assessed values for residential lots in the Village are about \$30,000 for a 0.3-acre lot and about \$40,000 for a 0.6-acre lot.

<i>Lot Group</i>	<i>Building Permit Application deadlines</i>					
	June 2023	Nov 2023	May 2024	Nov 2024	May 2025	May 2026
Group 1 (duplex)	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$50,000
Group 2 (phase 1 corner)	\$15,000	\$18,000	\$22,000	\$25,000	\$30,000	\$35,000
Group 3 (phase 1 midblock)	\$15,000	\$18,000	\$22,000	\$25,000	\$30,000	\$35,000
Group 4 (phase 2 corners)			\$22,000	\$25,000	\$30,000	\$35,000
Group 5 (phase 2 midblock)			\$22,000	\$25,000	\$30,000	\$35,000
Group 6 (phase 2 R-1 lots)			\$28,000	\$32,000	\$35,000	\$40,000

#### Proposal Process

Interested builders would be asked to submit a proposal, to include the information listed below. Proposers may propose to purchase a minimum of 2 lots and a maximum of 8 lots, though no more than 2 adjacent lots. There are also limitations within each lot group, as follows:

- Group 1 (Duplex Lots) Maximum 3
- Group 2 (Phase 1 R-2 Lots, Corner) Maximum 2

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|---|------------------------------|
| • Group 3 (Phase 1 R-2 Lots, Mid-block) | <u>Minimum 1</u> , maximum 5 |
| • Group 4 (Phase 2 R-2 Lots, Corner)    | Maximum 2                    |
| • Group 5 (Phase 2 R-2 Lots, Mid-block) | Maximum 2                    |
| • Group 6 (Phase 2 R-1 Lots)            | Maximum 2                    |

#### Proposal Information

- Builder Name (company and contact)
- Contact Information (phone, email, address)
- Lots proposing to buy (either specific lots or total within each lot group)
- Proposed purchase price and timing (if different from the Lot Pricing Schedule)
- Description (and illustration, if available) of the homes intended to build, including square foot size, noteworthy features, estimated sales prices
- Summary of history (individual or corporate) building similar homes within the past 5 years (include photos if appropriate)
- Description of intent either to finance and build speculatively or to work with prospective homeowners who will finance the project and complete the lot purchase directly.
- Intended schedule of construction
- Description of staffing capacity and availability to achieve the intended construction schedule

#### Review Criteria

The Village will review all proposals against the following criteria and reserves the right to reject any or all proposals.

- The range of sizes, features and price points contained within the collective set of proposals submitted;
- The proposed lot purchase prices
- The proposed construction schedule
- The builder's track record with similar projects
- The builder's capacity to build multiple homes simultaneously (if applicable)

#### Purchase Agreements

Following review, the Village will notify each proposer, in writing, of proposed lot assignments, and will ask each proposer to affirm a desire to proceed. The Village will then draft and provide purchase agreements that describe lots reserved, a pricing schedule for each lot, and terms that enable the Village to sell lots to others if not purchased on schedule, and/or to buy back lots if construction has not commenced within 6 months of lot purchase.