

430 E. Grand Avenue, Suite 103
Beloit, WI 53511

May 14, 2024

Via Hand Delivery
Return Receipt Requested

Town of Beloit
Attn: Tim Kienbaum, Community Development Director
2445 South Afton Road
Beloit, WI 53511

RE: Land Purchase RFP #2024-01 Blackhawk Run Multi-Family Site

Dear Tim:

Please accept this letter from Next Generation Holdings, LLC and/or its affiliates ("Next Gen") as its desire to purchase approximately 9.85 acres of vacant land owned by Town of Beloit, Wisconsin.

Next Gen and its principal owners have a proven track record of timely developing, constructing, and selling or leasing quality and affordable homes throughout Wisconsin.

Next Gen has constructed 300+ homes over the past 5 years located within three regional divisions in Wisconsin. We have developed multiple newly constructed residential developments and have revived multiple fragmented, unfinished developments including Heron Bay – Beloit, Blackhawk Run – Beloit, Greenway Point - Janesville, Theisen Trails - Campbellsport, WI, Town & Country Heights in Mayville, WI and many more. We have over 7 new subdivision projects in the pipeline, of which 3 are in the Town of Beloit. Next Gen also holds nearly \$16 million in commercial contracts tied to preferred development of a retail shopping center in Dallas, Texas. In aggregate, we have nearly \$30 million of projects actively under construction and forecasting over \$50 million in revenue in 2024.

This unique but integral real estate experience makes us a preferred candidate to bring desperately needed affordable and diverse housing to the Beloit area.



Description & Experience:

Started in 2016 as a one-off single family home builder, Next Generation and its group of affiliated companies have grown to become a market leader in single family homebuilding and a highly diversified real estate development, general contracting, and property management firm. Next Gen yields nearly 130 annual new construction home starts and several multi-family and retail developments spread throughout Wisconsin & Texas. Our team has decades of combined experience in commercial & residential construction, real estate development, finance and logistics. We develop and build communities where people aspire to live; with trusted schools, affordable taxes, peaceful lifestyle, and access to amenities. We are also an integral development partner in South Pointe, an 875-acre master planned, mixed use community in Mansfield, Texas. South Pointe features four public schools, a Texas Health Resources hospital, over 1,300 single family homes and 300 apartments. Furthermore, Next Gen is in the process of entitling the final phase of the project for 750 additional apartments and 200 townhomes.

Principals:**Zachary Knutson – Managing Partner**

Zach oversees Next Gen's operations, financing, and investor relations related to their various development and construction projects. Mr. Knutson also manages the development & construction of a 193-acre, mixed use project in Euless, TX with a total construction budget of over \$150 million. He has over 15 years of experience operating, developing, leasing, and constructing large portfolios of shopping centers, land, redevelopment, and residential housing totaling over \$1 billion in asset value. Mr. Knutson leads his team from project feasibility, business planning, municipality negotiations, financing, construction, and finally asset disposition. He's also specialized in structuring over \$400 million of joint ventures, mergers, and debt placements. Mr. Knutson was born & raised in the Beloit area and currently serves as Board of Education President for Parkview School District in Orfordville, WI.

Zach Knutson
zach@nextgenbuilds.com
(608) 312-2296



Nathan Apfelbeck - Principal

Nathan manages all general contracting activities including project planning, pre-construction cost estimating, subcontractor bidding, contracting, awarding and timely project turnover to homeowners and retail tenants. He has extensive experience in general contracting for residential housing and infrastructure as well as “bricks & mortar” construction experience building for Walmart, Roundy’s, Menards, Dick’s Sporting Goods, TJX Companies, and Kohl’s Department Stores. He has overseen over 50 projects totaling over \$500 million in construction value.

Nathan Apfelbeck
nathan@nextgenbuilds.com
(608) 312-2296

Tim Knutson – Principal

Tim manages our self-performing field operating divisions, including excavation, concrete flatwork, and finish grading. He has spent his entire 10+ year career operating additional Knutson family businesses sourcing & supplying US government contractors with various spare parts.

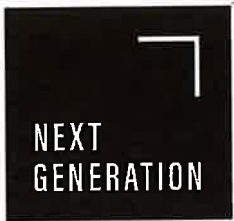
Tim Knutson
tim@nextgenbuilds.com
(608) 313-3030

Prior Project References/Contacts:

Bradley Reents
City Engineer
City of Janesville
(608) 755-3164
reentsb@janesvillewi.gov

Kevin C. Yam
Principal
Iron Point Real Estate Partners
kyam@ironpointpartners.com
(202) 452-8414

Nick Todd
Director of Public Works
Orfordville, WI 53576
ntodd@orfordville.org
(608) 751-4785



Project Details:

The existing lots within Blackhawk Run are currently comprised of single family and 2 family dwellings with attached garages. Next Generation proposes to model the same density and overall predominate ranch home design for this project to maintain the spirit of the overall neighborhood. Our attached concept plan includes 12 duplex condominium lots and 12 single family condominium lots (Exhibit A). We also are proposing a Community Recreational Area consisting of a pickleball court, gazebo or pergola, and a community garden used exclusively for our proposed residents of this phase of Blackhawk Run.





We are also proposing that this Project be one of the area's newest (and only) 55+ Active Adult Communities, aptly named "Freedom Estates at Blackhawk Run".

Freedom Series is Next Generation's newest rollout home series brand focusing on low-maintenance living for active adults wishing to downsize and age in place. These homes will feature zero step entries, ADA accessible door and pathways, grab handles, low step showers, and covered porches. Lawn care, snow & ice removal, and common area maintenance will be professionally managed by Next Generation's captive property management division.

Freedom Estates at Blackhawk Run would also include an operational partnership with Willowick Senior Living to provide additional services to our residents through a **optional** ala carte program. Subscribing to these services would also grant our residents priority status in the event they would need to transition to one of Willowick's assisted living or memory care properties.

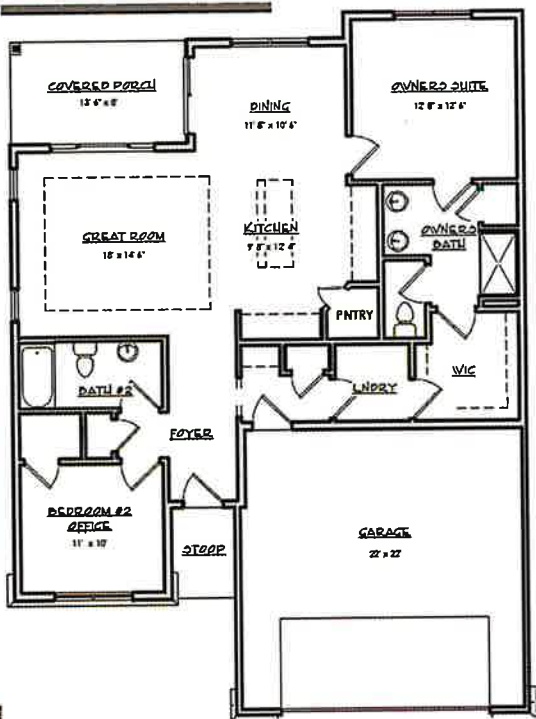
Personal care and services offered by Willowick Senior Living will include:

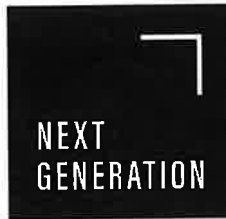
- Medical Transportation; including wheelchair accessible transport vehicles
- Community social events and outings transportation
- Personal errand transportation (grocery shopping, etc)
- Companionship services
- Wellness and safety checks by licensed nursing staff
- Emergency nurse call services
- Meal delivery services
- Routine housekeeping

**NEXT
GENERATION**

Two conceptual home plans are attached (single family & duplex) as Exhibits B & C. We propose the duplex lots to be approximately 100' wide and the single family to be 60' wide. Smaller lot sizing emphasizes our residents' desire for minimalism and a low-maintenance lifestyle. Next Gen expects to sell these units to individual owners ages 55+ (subject to limited carve-out language per Fair Housing laws to allow a small % of younger owners to purchase).

While still in conceptual stages, we anticipate duplex homes to be approximately 1,400 sf with prices to range from \$295,000-\$325,000 and single family/cottage homes to be approximately 1,400-1,500 sf with prices to range from \$340,000-\$389,000. All homes will be required to pay monthly HOA dues for required exterior maintenance & upkeep. Voluntary dues will be assessed per individual resident opting to purchase additional services from Willowick Senior Living.



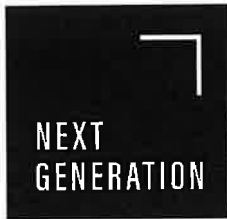


We are proposing several variances from the R2 zoning code to accomplish this concept, including:

- 20-22' Front Yard Setback
- 8' Side Yard Setback
- Dead End Road Over 600'
- Undersized Single Family Lot (minimum currently is 10,000 sf)
- Undersized Two-Family Lot (minimum currently is 15,000 sf)
- Minimum Lot Width of 60' (currently 80' in code)

Financial Investment:

In addition to the land acquisition cost detailed later in the Proposal, Next Generation estimates development cost to exceed \$750,000. Building construction cost will likely exceed \$8.5 million when completed. Next Generation has adequate cash reserves and bank lending relationships to successfully complete the fundraising requirements for this project. Bank references are available upon request.



Offer to Purchase

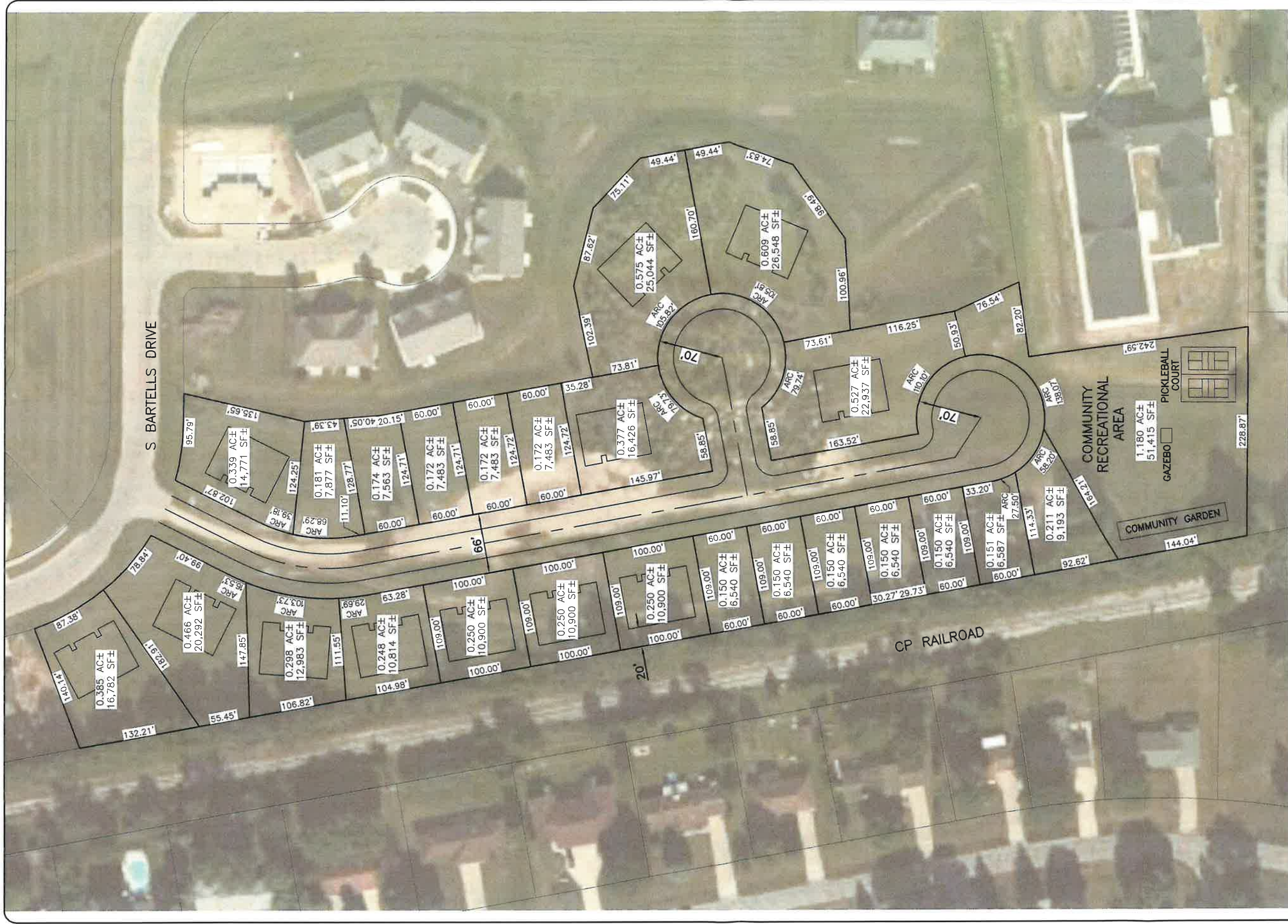
Summary of Terms:

- Purchase Price: \$200,000
- Earnest Money: \$10,000
- Closing: 30 days after Town of Beloit Acceptance
- Contingencies: Full Cash Offer subject to mutual negotiation of a successful Developer's Agreement & Offer to Purchase. This Offer is also subject to title commitment review and confirmation no current condominium or HOA encumbrances are recorded against the subject Property.
- Closing Escrow: Land Title, Janesville

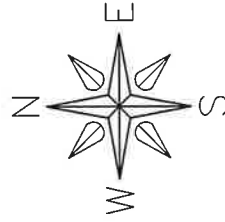
Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Z. Knutson".

Zachary R. Knutson
Managing Principal
Next Generation Holdings, LLC & affiliated companies



BUILDING SETBACKS FOR R-2 ZONING
FRONT : 20 FT
SIDE : 8 FT
REAR : 20 FT
12 DUPLEX LOTS
12 SINGLE LOTS
1,200 LF NEW ROAD

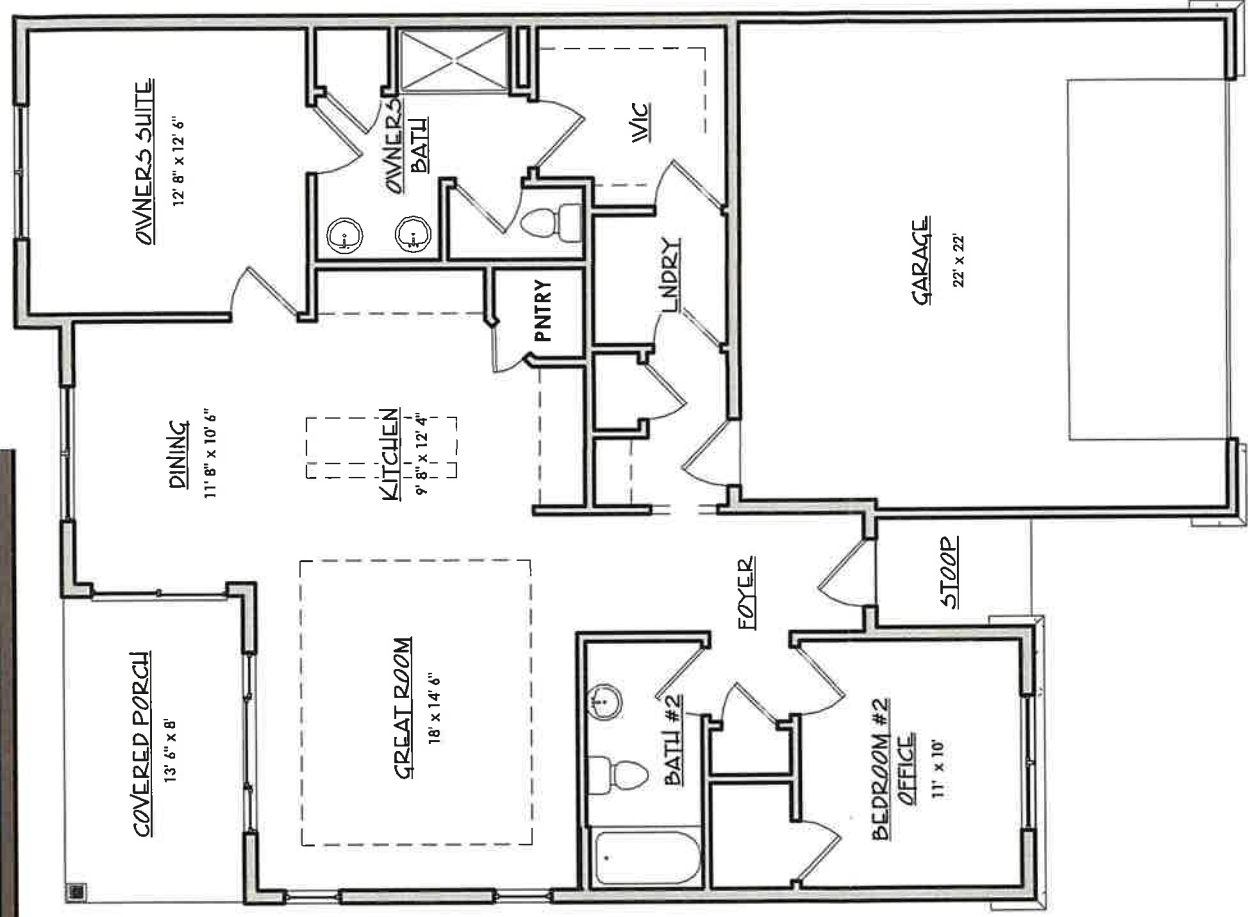
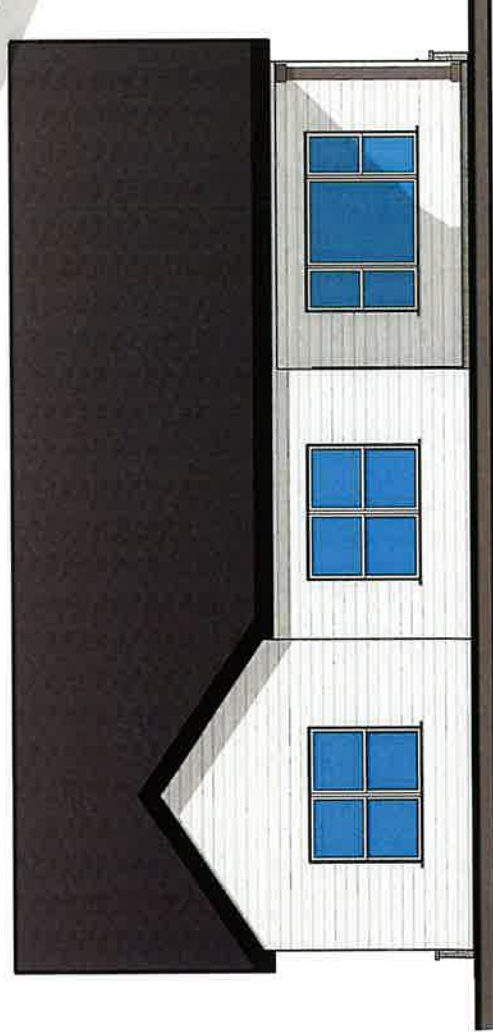
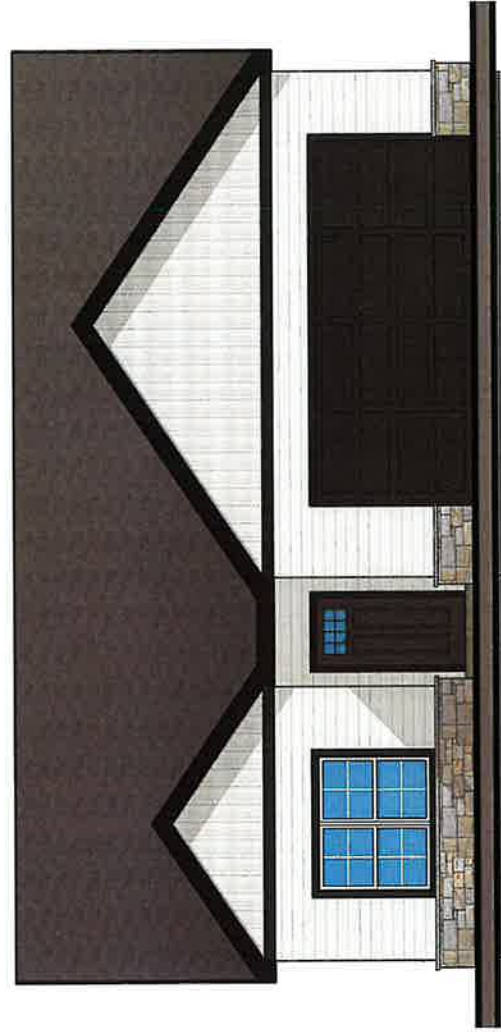


BLACKHAWK RUN
 PRELIMINARY SUBDIVISION
 TOWN OF BELOIT, ROCK COUNTY, WI
 NEXT GENERATION HOLDINGS, LLC

FEHR GRAHAM
 ENGINEERING & ENVIRONMENTAL
ILLINOIS DESIGN FIRM NO. 164-00325

ILLINOIS
 IOWA
 WISCONSIN

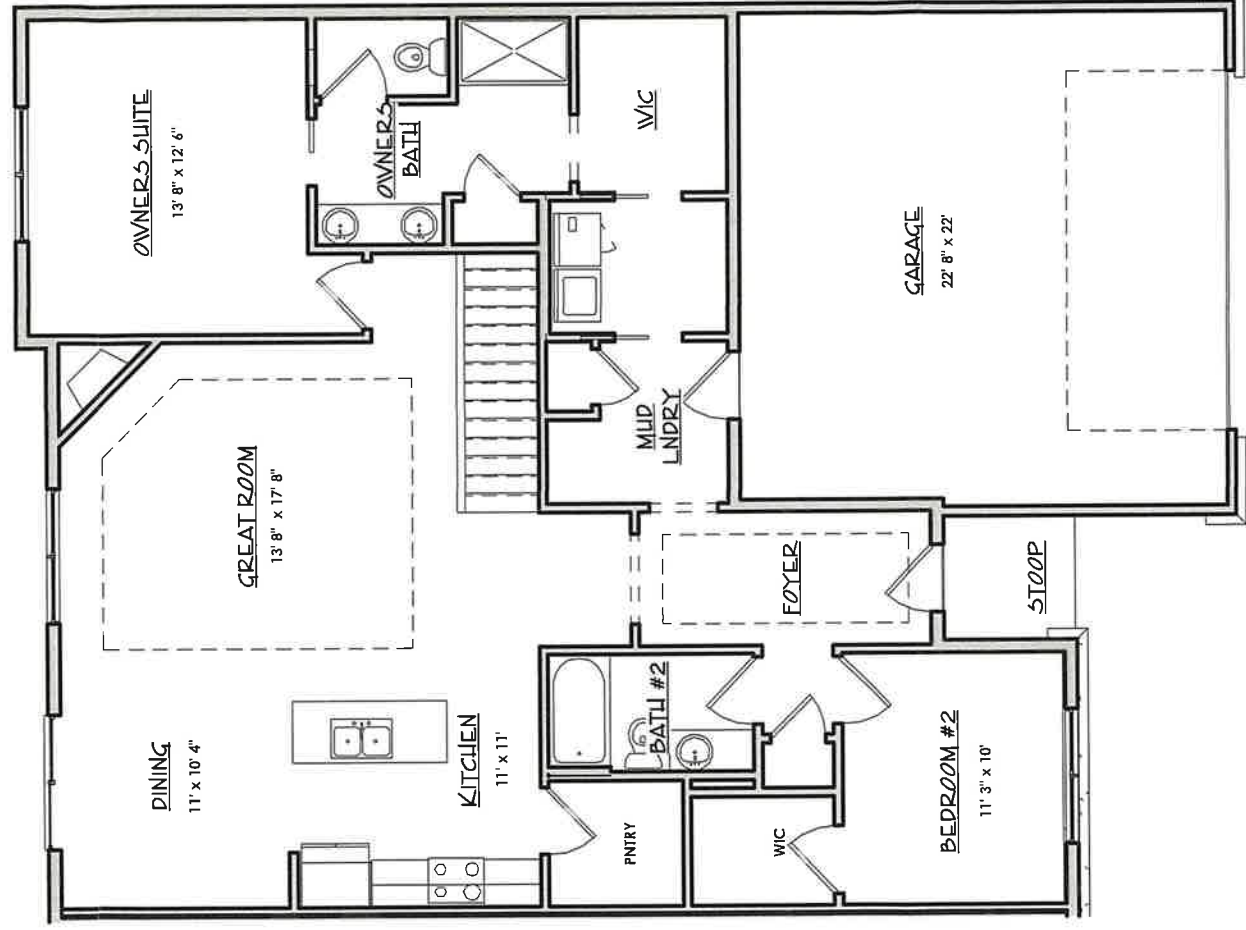
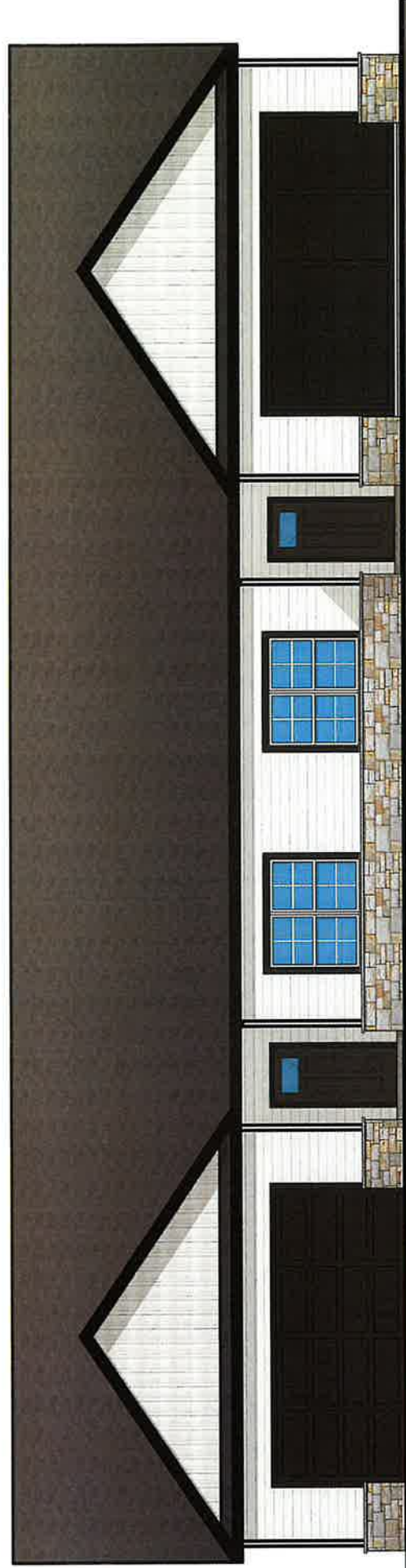
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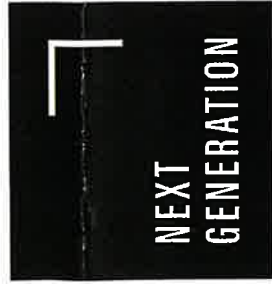
SINGLE STORY 1288 SF
FIRST FLOOR



REAL ESTATE
CONSTRUCTION
COMMUNITY



Duplex - Per Unit
FIRST FLOOR | 1493 SF



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 CONSTRUCTION
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