

Bedford Middle School Property



The Landmark Group
November 1, 2017
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Winston-Salem, NC 27101
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Executive Summary

The following proposal presents an adaptive reuse/historic preservation development of the historic Bedford Middle School Property.

The Landmark Group is a leading developer of adaptive reuse communities in the southeast, and has successfully completed 18 historic school buildings. Converting school buildings to workforce housing requires expertise in design, construction and property management, which is reflected in our long track record of success and industry recognition awards. In part, our success also derives from equally experienced third party team members such as our general contractor, architect, historic consultant, and others. Some are Virginia residents and all are highly capable and experienced in historic preservation.

The challenges of this adaptive reuse are significant, but they are surmountable. The aesthetic and functional potential of this historic school and surrounding buildings would make for a remarkable workforce housing community. Combined with VHDA's building guidelines and the community amenities, this adaptive reuse helps create much needed efficient, safe, clean and attractive housing for families in Bedford, Virginia.

Historic developments have all the risks and challenges of new construction developments as well as ones unique to adapting an old building for a new use. Unforeseen challenges always present themselves during the design and construction of such projects. The goal, of course, is to preserve the existing key characteristics of a historic building while fitting apartment units and all required systems under modern day building codes within the existing structural confines – and within budget. The LIHTC program is equally difficult and nuanced with complex accounting and legal rules and regulations as well as stringent design and construction guidelines emphasizing sustainable systems and materials. Rehabilitating such a structure within the LIHTC program requires extensive, professional expertise that only time and experience can produce. The Landmark Group is a leader in working with communities to protect and restore buildings that are essential parts of local heritage. The Landmark Group has extensive expertise in the rehabilitation of structures eligible for listing on the National Register of Historic Places. Acknowledging this expertise, the National Housing & Rehabilitation Association named the Landmark Group as finalist in both 2006 and 2007 and a winner in 2012 for the J. Timothy Anderson Awards for Excellence in Historic Rehabilitation.

We respectfully submit this proposal in hopes of forging a mutually beneficial partnership with the Town of Bedford to rehabilitate this historic building so that it may begin a new chapter.

Sincerely,



Sam Sari
Vice President

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Letter of Transmittal

Proposed Use of Property

Through the competitive LIHTC Program as administered by VHDA, we propose the revitalization of the historic Bedford Middle School property. With this revitalization, we would renovate the property to include workforce housing for families as well as potential space for non-profits within the community. The property will be rehabilitated in accordance with the Secretary of the Interior's "Standards for Rehabilitation" as required to qualify as a Certified Rehabilitation for Federal tax purposes.

Main Building – This building would be renovated to provide one, two, and three bedroom workforce apartment homes for families. After the completion of the project, this building would include an operational auditorium, community amenities and the potential of 30 to 40 units.

Old Yellow - Old Yellow would also be renovated to provide community amenities as well as an additional 20 to 28 units for families.

Gymnasium / Auditorium / Cafeteria – These community amenities will receive a basic up-fit designed to put them back in service and to meet current building codes. Upgrades include, but are not limited to, abatement, HVAC, roofing, electrical, plumbing, sprinkler system, and hardware. This up-fit would be completed within the project's development budget. The estimated cost of such an up-fit would be approximately \$300,000.

- Option 1 – Auditorium, Gymnasium, and Cafeteria would be leased back to the Town of Bedford at a minimal lease rate. The town would then be able to lease the space out for various community events and programs. The lease would require the town's commitment to operate and maintain the building to be stipulated in the lease agreement concerning hours of operation, supervision, programming, operational expenses, insurance, and maintenance. For example the up-fit would allow for the Bedford Community Orchestra to continue holding its bi-annual concerts.
- Option 2 – The Auditorium will receive the above mentioned up-fits and be leased to the town at a minimal lease rate. Both the Gymnasium and Cafeteria offer the option to have a portion of each amenity converted into additional housing units for families. The remaining portions of each building would then receive the necessary up-fits and have the option to be leased back to the town or a local non-profit.

Site Concept – Currently the site contains covered pathways, sidewalks and parking of approximately 115 spaces plus game fields. The game fields can be retained by the town for community use with access from Westview Avenue. Accessible pathways will be added and current pathways will be updated for safety and accessibility requirements as required by code. Expansion of parking is being considered to accommodate the required parking for residential units as well as parking to meet the needs of the community amenities. In the event that no use for the gymnasium is determined, then the building could be considered for demolition to allow for expansion of site amenities including but not limited to picnic shelters.

The combined direct and indirect contribution of the apartment construction, operations, and resident spending to the State economy is estimated at well over \$8 million dollars. Apartment construction not only stimulates the economy, but also aides in the housing recovery. On a local level, the project has the potential to support over 75 jobs, two of which would be direct-on site jobs for the management and maintenance of the property. The residents, that will make the old school their new home, have ongoing spending power and by living, working, and playing within the town have the potential to stimulate the local economy by \$1 million. Please see Appendix A for more Economic Impact.

This proposal for the adaptive reuse of the former school allows income to be generated for the Town of Bedford while reducing the impact of the current operational and maintenance expenses currently assumed by the town. As noted in the proposed options, the town has the ability to create a revenue source through the Auditorium, as well as the proposed Recreation / Senior Center in what is currently the old Gymnasium. In addition, yearly taxes would be paid to the town by the property. With the completion of this project, residents of the Bedford community will have the ability to live, work, and play within the town, thus creating a steady and consistent revenue flow.

Authorized Company Representatives

- John Stiltner – Director of Development
 - Contact Number: 336.462.1957
- Sam Sari – Vice President
 - Contact Number: 336.782.5976

Property Development / Management Experience

Lead Development Team

The Landmark Group is vertically integrated team of more than 150 people with expertise in architectural design, city planning, historic preservation, layered financing, construction and property management. The Landmark Group has developed and manages over 85 adaptive reuse and new construction communities. This comprises over 3,500 units and 65 retail/commercial storefronts.

Partnering with local governments, housing authorities, non-profits and private investors, the Landmark Group usually serves as the general partners for its projects, assuming the financial responsibility both during the building and operational phases.

The Landmark Group is an umbrella term used to collectively represent the seamless interaction of ownership and management entities as well as a number of other companies and individuals that closely and routinely associate together in developing Landmark's communities.

In 1993, founder DeWayne H. Anderson, Sr., organized Landmark Asset Services (LAS) to forge public-private partnerships for the development and management of rehabilitated properties in the Southeastern United States eventually adding the development of new construction projects to the portfolio. In most projects, the primary developer entity is Archetypes, LLC also formed by Mr. Anderson. With the passing of Mr. Anderson in 2015, Lisa Anderson Sari assumed responsibility for the day to day operations of all Landmark entities. Lisa leads with over 30 years of experience serving as a second-generation owner encompassing the life's work of the Anderson family. Now a third-generation company, Sam Sari was named Vice President in 2016.

Completing the vertical integration, DeWayne Anderson along with Lisa Anderson Sari formed Landmark Property Management Company (LPMC) in 2001 to ensure a smooth transition from construction to occupancy and to protect investment interests through day to day oversight, upkeep and maintenance. LPMC currently manages 86 properties which consist mostly of affordable, multifamily communities which were developed either solely by Landmark entities or in a partnership. LPMC co-employs community management and maintenance team members, numbering approximately 162 employees as of October 2017.

Landmark Property Management, Inc. (LPMC) employs a property management team spearheaded by Blair Maas, Chief Operating Officer and Certified HCCP. Her staff includes two Senior Regional Property Managers, a Director of Education, five Regional Property Managers, a Leasing Specialist responsible for the initial qualifying process of new developments, and four Compliance Specialists. All work hand in hand overseeing the Management and Maintenance Personnel that directly oversee the day to day operations of Landmark's communities. Additional corporate staff includes a full turn-key accounting team staffed with 4 Property Accountants, 3 Accounts Payable Specialists and an Asset Manager, a division led by Tracey Snow Levine, Director of Finance and Tammy Simmons Director of Accounting.

The keystone of LPMC is its attention to a wide array of resident services that enrich the life of Landmark's residents. People from all walks of life love living in Landmark communities. A complete listing of communities professionally managed by LPMC is available for viewing at www.LPMCLiving.com. Additionally each community can be further perused by looking at the community specific websites.

Landmark Services, Inc. (LSI) was also formed in 2001 to employ corporate, development, and management staff providing services to LAS and LPMC. As of October 2017, LSI has 29 employees. Key staffing, policies and procedure did not change, just the companies in which personnel are employed.

Development has and will continue to be the driving force behind the Landmark Group of Companies. Having been with the company since 2012, John Stiltner serves as the Director of Development for Landmark Asset Services. Through John's prior experience in general contracting as well as his development achievements since joining Landmark, John has overseen 21 adaptive reuse projects and 5 new construction developments responsible for more than 20% of the multifamily portfolio expansion over that time. Through his vision, Landmark has been able to reinforce its mission to plan, finance, build, and manage renewal and revitalization projects that address local government development needs with unrivaled creativity, expertise, and commitment.

Property Development / Management Experience

Lead Staff

Lisa Anderson Sari – Owner/CEO and President

Lisa has more than 30 years of tax credit experience having grown up with Anderson led companies which later grew into several Landmark entities. She founded Landmark Property Management Company in 2001 and served on the Carolina Council for Affordable Housing (CCAH). She is responsible for property and asset management, accounting, insurance, and debt and equity structuring.

Blair Maas – Vice President & Chief Operating Officer

Blair holds a STAR certification and an Annual Compliance Expert (ACE) certification by Community Affordable Housing Equity Corporation (CAHEC), and received her HCCP certification in 2010. She has over 26 years of property management experience and is responsible for directing, administering, and coordinating the internal operational activities of the organization in accordance with policies, goals, and objectives established by the CEO. Blair also assists the CEO in the development of organizational policies and goals that cover operations, personnel financial performance, and growth.

Sam Sari – Vice President

While in his freshman year at the University of South Carolina, Sam began working part time for the management company, conducting surprise inspections and financial audits to ensure our properties were managed up to Landmark's standards. In May 2016, Sam graduated with a degree in Business Economics. Upon graduation Sam joined the Development Team at the Landmark Group full time. As a third-generation member of the executive team, Sam's mission is to expand the company footprint throughout the Southeastern United States, save historic buildings, and most importantly, to provide quality affordable homes to those who need it most.

Tracey Snow Levine – Director of Finance

Tracey has worked at Landmark since 2007 in various roles including low-income housing tax credit development, asset management, and finance. In a career spanning over 25 years, before coming to Landmark, Tracey's professional experience included law firm management and finance and a 15 year career in real estate working with the top residential real estate agent in the Winston-Salem market area. Tracey holds a Broker in Charge License in North Carolina and serves as the Broker in Charge for both Landmark Asset Services and Landmark Property Management.

John Stiltner – Director of Development

John Stiltner serves as the Director of Development for LAS. He has over 20 years of development and construction management experience. John has overseen 21 adaptive reuse projects and 5 new construction developments, responsible for more than 20% of the multifamily portfolio expansion over than time. Through his vision, Landmark has been able to reinforce its mission to plan, finance, build and manage finance, build and manage renewal and revitalization projects that address local government development needs with unrivaled creativity, expertise and commitment. Current projects include

- Pine Valley – Newbern, NC
- Groom School – South Hill, VA
- LHS – Lenoir, NC – Redevelopment Project
- Grainger – Kinston, NC – Redevelopment Project

Jennifer Stewart – Senior Compliance

Jennifer has more than 15 years of experience in the affordable housing business. Jennifer has an Annual Compliance Expert (ACE) certification by Community Affordable Housing Equity Corporation (CAHEC). Jennifer is also a Certified i-CAM Certified Technician, and also holds a Certified Credit Compliance Profession (C3P) certification. Jennifer oversees the compliance department. She also holds a Paralegal Degree.

Brandon Negron – Director of Education and Fee Management

Brandon has more than 16 years of property management experience, as well as 9 years of training experience in various fields. Brandon has his National Apartment Leasing Professional (NALP), Certified Apartment Manager (CAM), and Certified Apartment Portfolio Supervisor (CAPS) designations through the National Apartment Association and is a member of the National Apartment Association Education Institute (NAAEI) Faculty, having been certified as a trainer through their Advanced Instructor Training program in 2011. Brandon also holds his Certified Credit Compliance Profession (C3P) certification, and is an active member of the Piedmont Training Association and the Triangle Apartment Association where he teaches CAM and CAPS classes. Brandon is responsible for training in all areas of the day-to-day site operations and fair housing, as well as creating forms, maintaining the website, and writing policy procedures for the company.

Property Development / Management Experience

Landmark Historic Preservation Developments – Virginia

| Year | Project Name | Location | Apt Units |
|------|-----------------------------------|--------------|-----------|
| 1995 | Skyline Manor Apartments | Glasgow | 32 |
| 2006 | Douglas School Apartments | Bristol | 41 |
| 2008 | Lynn Street Lofts | Danville | 37 |
| 2008 | Taylor Lofts | South Boston | 47 |
| 2009 | Kemper Lofts | Lynchburg | 41 |
| 2010 | Westmoreland & Schoolfield Senior | Danville | 65 |
| 2011 | Martinsville Lofts | Martinsville | 60 |
| 2011 | Noland Green Apartments | Newport News | 60 |

Property Development / Management Experience

Landmark Historic School Preservation Developments

| Year | Project Name | Location | Apt Units |
|------|--|-------------------|-----------|
| 1998 | EA Swain Apts | Edenton, NC | 75 |
| 1989 | LHS Apts | Lenoir, NC | 75 |
| 1995 | Skyline Manor Apts | Glasgow, VA | 80 |
| 1995 | RHS Apts | Reidsville, NC | 53 |
| 2001 | Grainger Place Apts | Kinston, NC | 57 |
| 2002 | Central Lofts | Central, SC | 20 |
| 2003 | Vance Senior Housing Apts | Henderson, NC | 31 |
| 2005 | Randleman School Commons | Randleman, NC | 30 |
| 2005 | Lassiter Square | Madison, NC | 36 |
| 2006 | Cleveland School | Clayton, NC | 25 |
| 2006 | Douglas School Apts | Bristol, VA | 41 |
| 2006 | East Harper Street Apts | Lenoir, NC | 46 |
| 2007 | Mulberry School Apts | Statesville, NC | 31 |
| 2007 | George Washington School Apts | Kingsport, TN | 54 |
| 2008 | Central School Apts | Bessemer City, NC | 33 |
| 2008 | Mayworth School Apts | Cramerton, NC | 40 |
| 2009 | Historic Lofts of Waco High | Waco, TX | 104 |
| 2010 | Westmoreland & Schoolfield Senior Apts | Danville, VA | 65 |
| 2016 | Albemarle Central School | Albemarle, NC | 53 |

Property Development / Management Experience

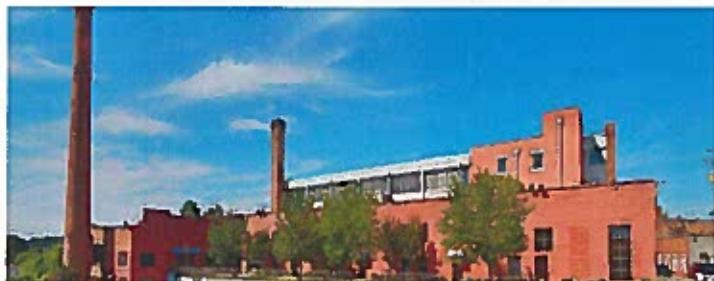


Central School Apartments

401 E. Washington Ave
Bessemer City, NC 28016

www.CentralSchoolApts.com

- Units: 33
- Current Occupancy: 95.64%
- Target Population: Family
- Completed: 2008
- Location: Downtown Bessemer City



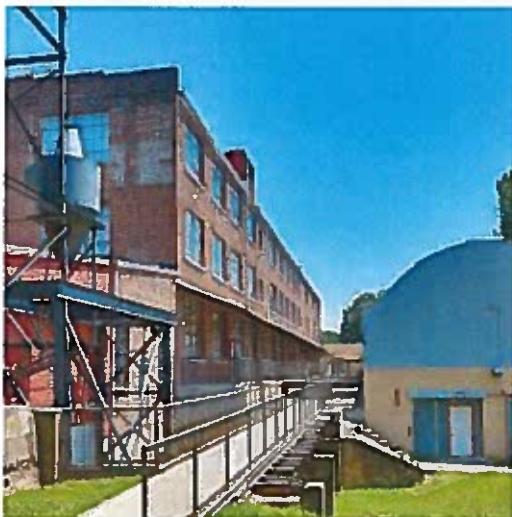
Taylor Lofts

340 Ferry Street
South Boston, VA 24592

www.TheTaylorLofts.com

- Units: 47
- Current Occupancy: 96.63%
- Target Population: Family
- Completed: 2008
- Location: Downtown South Boston



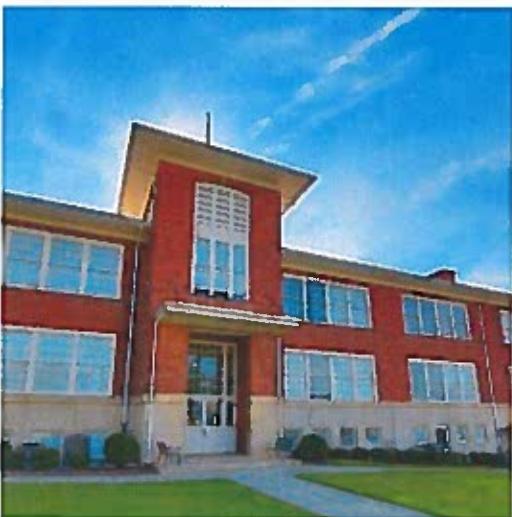
**Martinsville Lofts**

900 Rivers Road

Martinsville, VA 24112

www.MartinsvilleLofts.com

- Units: 60
- Current Occupancy: 96%
- Target Population: Family
- Completed: 2011
- Location: Downtown Martinsville

**Westmoreland Schoolfield**

31 Baltimore Ave

Danville, VA 24541

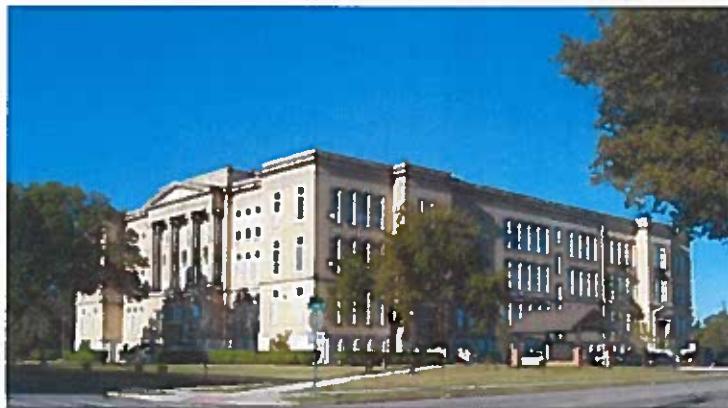
www.WestmorelandSchoolfield.com

- Units: 65
- Current Occupancy: 97%
- Target Population: Senior
- Completed: 2010
- Location: Danville, VA



Globe Tobacco Lofts
838 S. Main Street
Mt. Airy, NC 28501
www.GlobeTobaccoLofts.com

- Units: 43
- Current Occupancy: 96%
- Target Population: Family
- Completed: 2007
- Location: Downtown Mt. Airy



Historic Lofts of Waco High
815 Columbus Ave
Waco, TX 76701

- Units: 104
- Current Occupancy: 98.01%
- Target Population: Family
- Completed: 2009
- Location: Downtown Waco

Proposed Price of Purchase or Lease

Through the competitive LIHTC Program as administered by VHDA, this project will compete to win tax credits in the 2018 tax credit award cycle. Additionally, state and federal historic tax credits will be leveraged. Layering the financing and syndication of these tax credits will provide the necessary funding to make this proposal achievable. As a result of the competitive nature of these tax credits combined with points awarded for donation of property, we respectfully request that the property and buildings be donated by the town.

The Workforce Housing Tax Credit Program follows a schedule for the 2018 cycle. January 26, 2018 the CEO Notification Letter and Market Analyst Reservations are due. March 16, 2018 the completed reservation application is submitted to the agency. Lastly on May 30, 2018, final rankings are published with awards being finalized shortly thereafter.

The Low Income Housing Tax Credit program is currently the country's most extensive affordable housing program. Funds are allocated on a per capita basis to each state. Each state has an agency that assumes responsibility for allocated tax credits to developers. The state's Qualified Allocation Plan details the competitive process to be awarded tax credits. The program administered in Virginia by the Virginia Housing Development Authority, encourages the development of affordable rental housing by providing owners a federal income tax credit.

In Virginia projects compete in various Competitive Credit Pools and are ranked by score within those pools. This project would be competing in the Balance of State Pool which receives 14.15% of the total credit allocation to the State. In the event that the project would not rank high enough for initial funding within this pool, it can then compete in the At-Large Pool. This pool is separated into two tiers. Tier 1 consists of the next eligible developments for each geographic pool that could not be funded with the remaining credits in those pools. These developments compete in rank order and those projects that can be fully funded will receive credits in Tier 1. Tier 2 includes any Tier 1 developments not funded and all remaining developments ranking above threshold.

Within these pools all projects are scored and ranked based on the state's official scoring criteria. In order to qualify for a reservation of tax credits, applicants must score a minimum of 425 points. In addition to scoring applications, VHDA must also determine the amount of credits to award to the development. VHDA will only award the amount of credits necessary to make a project feasible.

References

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Preservation of North Carolina – Western Office
Regional Director

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Appendix A



Virginia

Economic Impact of 60 New Apartment Homes

Total Impact

The combined direct and indirect contribution of apartment construction, operations and resident spending to the state economy.

| | |
|-----------------------|--------------|
| Total Economic Impact | \$10,914,653 |
|-----------------------|--------------|

Total Jobs

The total number of direct and indirect jobs supported by apartment construction, operations and resident spending within the state economy.

| | |
|----------------------|----|
| Total Jobs Supported | 93 |
|----------------------|----|

Managing Apartments

Apartment homes are economic engines, driving dollars and jobs that strengthen local communities.

| | |
|-------------------------|-----------|
| Operation Dollars Spent | \$241,073 |
|-------------------------|-----------|

| | |
|---------------------|---|
| Direct On-site Jobs | 2 |
|---------------------|---|

| | |
|-----------------------------|-----------|
| Total Economic Contribution | \$480,013 |
|-----------------------------|-----------|

| | |
|----------------------|---|
| Total Jobs Supported | 4 |
|----------------------|---|

Building Apartments

Apartment construction continues as a bright spot in the economy, helping lead the housing recovery

| | |
|-----------------------------|-------------|
| Total Economic Contribution | \$8,167,681 |
|-----------------------------|-------------|

| | |
|----------------------|----|
| Total Jobs Supported | 65 |
|----------------------|----|

Living in Apartments

Renting can be a smart choice for wide range of individuals and families across all income levels. That's why a diverse array of people call apartments home.

| | |
|----------------|-------------|
| Spending Power | \$1,194,205 |
|----------------|-------------|

| | |
|-----------------------|----|
| Direct Jobs Supported | 10 |
|-----------------------|----|

| | |
|-----------------------------|-------------|
| Total Economic Contribution | \$2,266,959 |
|-----------------------------|-------------|

| | |
|----------------------|----|
| Total Jobs Supported | 24 |
|----------------------|----|