



301 East Erie Street  
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## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE**  
**Monday January 30, 2012**

### **MANDEL GROUP COMPLETES FINANCING FOR NORTH END AND LIGHTHORSE DEVELOPMENTS**

Construction anticipated beginning in February

**MILWAUKEE** | Mandel Group, Inc. announced today that the Wisconsin Housing and Economic Development Authority (WHEDA) has successfully completed the sale of \$54.6 million of tax-exempt “Midwest Disaster Area Bonds” to private investors. The proceeds of the bond offering are being used to fund first mortgage loans on the next phase of Mandel’s “North End” project in downtown Milwaukee and the firm’s “LightHorse | 4041” mixed-use development in Shorewood, Wisconsin. An additional \$7.75 million of tax-exempt bonds were placed directly by Mandel Group with private investors. Both developments are expected to start construction in February.

“This was one of the more involved financings we’ve completed thus far, indicative of the challenges with capital formation in the real estate space” commented David A. Pavela, Chief Financial Officer for Mandel Group, Inc. “None of the larger real estate transactions in the market involving new construction have been able to fund without some form of enhanced debt and equity sourcing, originating through public or quasi-public involvement in the private real estate marketplace”.

The deal meets WHEDA policy goals as outlined in the Authority’s “BE BOLD” Strategic Plan developed in 2011. WHEDA strives to deploy economic development, multifamily housing and homeownership financing products to create or retain 12,500 Wisconsin jobs. The plan also calls for identifying new business partners and resources to expand housing stock, create jobs and leverage all of WHEDA’s resources to maximize economic and community development and generate income.

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Midwest Disaster Area Bonds are available for purchase by private investors due to a federal area designation stemming from severe flooding during the spring of 2008. The federal program is intended to stimulate reinvestment in the geographic area affected by the flooding. Interest paid on the bonds is exempt from both federal and state taxes. The federal program will sunset at the end of 2012.

“WHEDA is delighted to partner with the Mandel Group on these two significant projects,” said WHEDA Executive Director Wyman Winston. “The investments being made in downtown Milwaukee and Shorewood will create much-needed jobs and help to revitalize the economy in some of the state’s most vital sectors.”

The North End is a 500-unit residential neighborhood under construction on the Milwaukee River along North Water Street. The current phase will add 155 apartments, 20% of which will be offered at affordable rental rates. LightHorse |4041 will include 84 apartments – with 20% offered at affordable rents – together with a new 18,000 square foot Walgreens pharmacy and 204 stalls of public parking. The total combined investment in the two developments is estimated by Mandel at over \$71 million.

The projects will create hundreds of on-site construction jobs and a corresponding growth in employment at manufacturing plants providing construction materials, equipment and finishes that will be incorporated into the buildings. Mandel will be working with its North End contractors to achieve City of Milwaukee goals in its hiring of subcontractors and service providers. Mandel will further apply its own internal guidelines to enhance opportunities for local material providers and community-based subcontractors. Both projects will incorporate green and sustainable building materials and practices.

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Public/private partnerships were crafted to help realize public improvements as an integral part of each development. Richard W. Lincoln, senior vice president of Mandel Group, noted that “Significant investment by both the public sector and our development partnerships will add new streets, an extensive riverwalk and a new public meeting and entertainment square” to the North End development. Regarding the Shorewood development, Lincoln added “The public parking dilemma facing Shorewood, with the fast-approaching loss of 150 parking spaces on private property, is avoided with the Village’s initiative to add over 200 publicly accessible spaces as an integral component of our LightHorse | 4041 development”.

RE Enterprises LLC, whose principal is Jeffrey Metz, is a co-developer of the LightHorse development in Shorewood. Brokerage services for the LightHorse undertaking were provided by Deborah Sobczak, principal of Eastmore Real Estate, LLC.

The developments were designed by Engberg Anderson Design Partnership. The North End will be constructed by Ray Hintz/CAS Construction Services, while LightHorse | 4041 is being constructed by VJS Construction Services, Inc.

“This has been a team effort from the start”, reflected Barry R. Mandel, president and CEO of Mandel Group, Inc. “It has been an extraordinary journey from concept to reality, and we are extremely grateful for the partnerships forged with the City, Village, WHEDA and the State of Wisconsin, the Federal Home Loan Bank of Chicago, and all of our professionals and contractors, without whose collective efforts these undertakings would not be possible.”

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**About Mandel Group:** Mandel Group, Inc. is a national award-winning builder and developer headquartered in Milwaukee. Founded in 1991, Mandel Group has developed over \$750 million of residential and commercial real estate development, primarily in the metropolitan Milwaukee area. Among its developments in the metropolitan area are East Pointe, a 9-block redevelopment of a vacant freeway corridor north of Milwaukee's CBD; University Club Tower, a 36 story, \$100+ million high rise luxury condominium tower on Milwaukee's lakefront; Marine Terminal Lofts, a \$40+ million development comprised of 83 condominiums and 45,000 square feet of commercial space in Milwaukee's Historic Third Ward; and The North End, a new downtown neighborhood planned for over 500 residences and neighborhood retail space on the site of the former US Leather tannery, one of downtown Milwaukee's most prominent brownfield sites. Further information available at the company's website: [www.mandelgroup.com](http://www.mandelgroup.com).

**About WHEDA:** Created in 1972 by the Wisconsin Legislature as an independent authority, the Wisconsin Housing and Economic Development Authority (WHEDA) is a lender with over \$3 billion in assets. WHEDA works closely with lenders, developers, small businesses, local government, nonprofits, and farmers to expand economic and agricultural opportunities throughout the state. WHEDA provides loan guarantees and interest rate subsidies. WHEDA helps business owners and developers obtain financing to acquire or expand, and in some cases, start a business; provides loan subsidies to help women- and minority-owned businesses increase their operations; helps contractors obtain affordable financing to pay the expenses necessary to complete a contract; works with businesses to help finance costs associated with the production of products using a raw Wisconsin agricultural commodity; and assists farmers by providing affordable financing for crop production as well as costs to start up, expand or modernize a farm. Celebrating its 40th anniversary in 2012, WHEDA has financial strength and a professional staff of highly motivated individuals dedicated to improving housing quality and economic vitality in Wisconsin. Website: [www.wheda.com](http://www.wheda.com)

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**About The North End:** The North End is a \$175 million mixed-use residential development that is creating a new neighborhood in Milwaukee's Park East corridor. The development integrates apartments, neighborhood retail space, vibrant public plazas and riverwalks. It is currently the largest private investment in the Park East corridor and is expected to attract nearly 1,000 new residents to downtown Milwaukee. ONE at the North End, the first phase, was completed and opened in 2009. Of the 155 apartment homes in the current phase, 20% will be offered at affordable rents. The site is over 8.5 acres of former brownfield land and occupies 1,350 feet of river frontage at the north end of Milwaukee's downtown.

**About LightHorse | 4041:** LightHorse | 4041 redevelops 1.25 acres of privately owned parking lots in the heart of Shorewood's neighborhood business district. The development incorporates 204 stalls of customer and public parking; a new 18,000 square foot Walgreens pharmacy which replaces an existing location immediately north of the project site; and 84 new luxury apartments with 115 stalls of underground parking. 20% of the apartment homes will be offered at affordable rents. Concurrent with the development of LightHorse | 4041, substantial improvements will be made to the Nehring's Sendik's on Oakland, a specialty grocer immediately south of the LightHorse site, as well as to other neighboring properties and public alleys. The name "LightHorse" derives from the long-term historic use of the property and surrounding 30 acres as the home barracks, drill field and stables for the Wisconsin National Guard's 105<sup>th</sup> Cavalry Unit – the "Light Horse Squadron", which occupied the site and surrounding area until 1929.

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NORTH END





