



CommunityDevelopmentAuthority

Natalie Erdman, Executive Director
Madison Municipal Building, Suite 312
215 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53703
ph (608) 267.1992 fx (608) 261.6126 TTY/TEXTNET (866) 704-2318
email nerdman@cityofmadison.com
mail P.O. Box 2983, Madison, WI 53701-2983

DATE: December 5, 2011

TO: Allied Development Subcommittee

FROM: Natalie Erdman, Executive Director
Community Development Authority

SUBJECT: Allied Drive Redevelopment

Revival Ridge

- The request for the final installment of equity in the approximate amount of \$4,592,000 has been submitted to NEF. The funds will be used to (1) repay the Johnson Bank Construction Loan or \$3,570,000, (2) fund a \$382,555 operating deficit reserve, and (3) pay \$554,400 in development fees owed to the CDA. Other than the restriction that the final installment will not be funded prior to January 1, 2012, all funding requirements have been met.
- The 2012 operating budget has been received and is being reviewed by staff. The draft budget projects the following:

○ Gross Revenues	\$490,000
○ Operating Expenses	<u>(\$312,000)</u>
○ Net Operating Income	\$ 178,000

Cash flow after Replacement Reserves and Debt Service would be approximately \$75,000 for 2012.
- Two financial institutions are interested in proving a loan to the CDA in the amount of \$1.2 Million for the purpose of refinancing a portion of the \$1.9 Million Fannie Mae Line of Credit.

Mosaic Ridge

- The revised plat has been submitted to the State of Wisconsin for review.
- A Request for Qualifications and Proposals for development teams to assist with the sale of lots and construction of homes has been drafted for review and comment.
- A Request for Qualifications and Proposals for Home Buyer Education and Readiness Services has also been drafted for review and comment.