



CommunityDevelopmentAuthority

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DATE: September 6, 2011

TO: **Community Development Subcommittee**

FROM: Natalie Erdman, Executive Director
Community Development Authority

SUBJECT: Community Development Subcommittee

Burr Oaks Senior Housing Update

- There are 33 signed leases, 3 approved applications, and 5 pending applications for a total of 41 apartments currently rented or reserved.
- The grand opening of Burr Oaks Senior occurred on August 24, 2011 and was well attended.

Truax Park Update

- The fourth building was completed at the end of August and is fully occupied.
- Construction is under way on the fifth and sixth building with completions scheduled for late November and December. We are on schedule for both completion of construction and generation of first year tax credits.
- Site work including grading, sidewalks and landscaping for the first four buildings has commenced. This should greatly improve the living environment of our residents and the general appeal of our site.
- Resolution 3041, request approval of Change Order 4. Change Order 4 provides for a contract increase of \$307,179. The items being added to the scope of the contract were identified prior to construction as work to be paid for from contingency. Change Order 4 documents the movement of funds from owner held contingency into the contract for the last two buildings.
- Resolution 3041 also removes \$27,996.13 from the contract. Additional materials have been identified for purchase by the City vs. by the Contractor. While the change order removes the obligation of the Contractor to purchase the materials, the City will purchase the materials and be reimbursed from the construction budget. The City is sales tax exempt and by having the City purchase the materials the LLC saves the sales taxes on the purchase.

Burr Oaks/Anne Street Phase 2 Update

No activity to report at this time

The Village on Park Update

Leasing:

- Madison College has leased an additional 2,900 s.f. in the Atrium for 9.5 months. The short term space use agreement will increase the property's revenues by approximately \$30,000 over the term of the agreement. The additional space will be used for classrooms, a student lounge and administrative space.

Construction

- The second floor space for Public Health is completed and they are partially moved in.
- The first floor space for Public Health will be complete around the middle of September.
- Construction of the improved façade at the first floor, Public Health, space has commenced and will be complete by the end of September.

Roof Replacement

- The Village on Park has been experiencing significant leaks due to the condition of its 20 to 25 year old roof. The cost of periodic repairs and clean up from water infiltration have been \$30,000 to \$50,000 per year and we are on track for at least \$50,000 this year.
- A consultant was hired to review the entire roof and make recommendation with regards to replacement. The recommendation was for staged replacement of the roof.
- Siegel-Gallagher prepared a request for proposal and obtained proposals from three roofing companies. The proposals and scope are being reviewed.

Lake Point Redevelopment District

- Twelve condominiums remain to be sold with an accepted purchase agreement pending for a garden view unit.
- The court has scheduled the hearing on the motion to approve the sale of the remaining units to the CDA for Sept 6, 2011.
- The Receiver sent \$100,000 of the \$200,000 it was holding to the CDA for a further reduction of the FNMA line of credit.
- The Receiver has authorized a price reduction through the end of September on four of the six remaining townhomes. The reduction from \$149,900 to \$129,900 should still allow the repayment of the FNMA line of credit from sales proceeds.
- An e-mail flyer has been created to advertize these very affordable homes. We will be e-mailing the flyers to all City of Madison employees.