



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: August 8, 2011

TO: Community Development Subcommittee

FROM: Natalie Erdman, Executive Director
Community Development Authority

SUBJECT: Community Development Subcommittee

- I have been asked to serve on WHEDA's LIHTC advisory committee for the 2013/2014 Qualified Allocation Plan.

Burr Oaks Senior Housing Update

- There are 23 signed leases, 12 approved applications, and 5 pending applications for a total of 40 apartments.
- The grand opening of Burr Oaks Senior Housing is scheduled for August 24, 2011 at 11:00 am. All board members are encouraged to attend.
- Staff is recommending approval of Resolution 3038 which authorizes execution of a Revised Change Order 003 and Change Order 004.
 - Change Order 003 was approved by the CDA in the amount of \$44,296 for work relating to the reconstruction of the Cypress Way Sanitary Sewer Main and Repair of the Sanitary Lateral. The approval was for a \$0 change to the contract since the work was to be paid for from contingency. As revised the Change Order is an add to the original contract sum.
 - Change Order 004 represents a close out of miscellaneous items not in contract, unforeseen conditions and owner requested upgrades. The total amount of change order is \$119,684.66. A portion of the cost is paid from contractor held contingency and a portion is increases the original contract sum.
 - Together Change Order 003 and 004 deplete the \$236,100 contractor held contingency and increase the original contract sum by \$69,897.
 - Burr Oaks Senior Housing, LLC has experienced significant savings in construction interest and impact fees resulting in \$170,000 in funds additional funds for construction related items. After the execution of Change Order 003 and 004, \$103,000 of unspent construction funds will remain. Failure to spend the money on credit eligible items will reduce the amount of equity from the investor by a similar amount. Horizon and the

CDA are reviewing a list of equipment and upgrades that can be purchased with the available funds.

Truax Park Update

- The third building was completed at the end of July and is fully occupied.
- The fourth building is also on schedule for occupancy at the end of August. Eight to ten potential tenants have been identified.
- Construction is under way on the fifth building.
- Demolition of the sixth and final building commenced this week.
- Site utility work continues on a building by building basis. The site utility work along with a limited amount of space for staging has lead to a particularly unattractive construction site. We are looking forward to grading and landscaping activity at the first four buildings in August. This should improve site conditions dramatically.
- Negotiation of one change order is pending.

Burr Oaks/Anne Street Phase 2 Update

No activity to report at this time

The Village on Park Update

General

A meeting with the Mayor and Comptroller's office is scheduled for August 11, 2011. Staff will be recommending funding for the demolition of the south end of the building and approval to proceed with negotiations for the sale of a parcel to Access Community Health.

Leasing

- Leases with Job Corp and South Madison Planning Council for about 390 s.f. each have been drafted and are being reviewed.

Construction

- Construction of tenant improvements for Public Health is being completed on the second floor and will be completed during August on the first floor.
- Construction of the improved façade at the Public Health space will commence the third week of August.

Lake Point Redevelopment District

- The court has scheduled the hearing on the motion to approve the sale of the remaining units for Sept 6, 2011.
- The Receiver will be sending \$100,000 of the \$200,000 it holds to the CDA for a further reduction of the FNMA line of credit.
- At the CDA's request, the Receiver has authorized a price reduction through the end of September on four of the six remaining townhomes. The reduction \$149,900 to \$129,900 is within the range projected in the proforma.