

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4092
Authorizing a contract by and between Truax Park
Development, Phase 2, LLC and McGann
Construction, Inc. in an amount not to exceed
\$711,000

Presented August 14, 2014
Referred _____
Reported Back _____
Adopted August 14, 2014
Placed on File _____
Moved By Daniel Guerra
Seconded By Dean Brassler
Yeas 6 Nays 0 Absent 1
Rules Suspended _____

PREAMBLE

The Community Development Authority of the City of Madison (the "CDA") is undertaking the redevelopment of Truax Park Apartments.

The CDA issued a Request for Qualifications and Proposals for a joint venture development services that was advertised on November 18, 2011 and November 25, 2011 (the "RFP"). Dimension Development, LLC, Stone House Development, Inc., Knothe & Bruce Architects, and McGann Construction, Inc. (the "Development Team") responded to the RFP on December 5, 2011. The interview panel agreed on the selection team of the Development Team subject to refinements in the Development Team's proposal.

Resolution No. 3065 approved by the CDA on January 12, 2012 authorized the execution of a non-binding Letter of Intent by the CDA and Dimension Development, LLC, Stone House Development, Inc., Knothe & Bruce Architects, and McGann Construction, Inc. for services relating to the development, financing, design, construction, and management of Truax Park Development Phase 2 ("Phase 2"). The letter of intent states that McGann Construction, Inc. would provide the development LLC with a Guaranteed Maximum Price Contract with a contractor profit of 2% and overhead and general conditions per industry standards and within WHEDA guidelines.

On January 26, 2012, the CDA approved Resolution No. 3066 authorizing the submission the Wisconsin Housing and Economic Development Authority ("WHEDA") for Low-Income Housing Tax Credits and the execution of other documentation as necessary for Phase 2. The resolution authorized the formation of a limited liability company under the name of Truax Park Development, Phase 2, LLC (the "LLC") to proceed with land control, construction, financing, renting, and/or managing of Phase 2 and further authorized the CDA to become a managing member of the LLC.

The LLC was awarded tax credits for the development of Phase 2 in April of 2013.

The Carryover Agreement for Low Income Housing Tax Credits issued by WHEDA requires the submission of the 10% test certification to WHEDA on or before September 1, 2014. To meet the 10% test, the LLC must incur up to an additional \$711,000 in expenses relating to the design and construction of Phase 2. The CDA has budget authority in 2014 of \$940,000 for expenses relating to the design, construction and development of Phase 2.

NOW THEREFORE BE IT RESOLVED that the CDA does hereby authorize the Secretary and Chair of the CDA to execute a contract by and between the LLC and McGann Construction, Inc. in an amount not to

exceed \$711,000 for the purchase of materials including but not limited to lumber and appliances to be used for the construction of Phase 2 (the "Contract").

BE IT FURTHER RESOLVED that the CDA does hereby authorize the expenditure of up to \$711,000 from funds in the 2014 Capital Budget for CDA Red.-Truax Area Master Plan for payment pursuant to the terms of the Contract.