



City of Madison

Meeting Minutes - Approved

COMMUNITY DEVELOPMENT AUTHORITY

City of Madison
Madison, WI 53703
www.cityofmadison.com

Thursday, November 8, 2007

4:00 PM

215 Martin Luther King, Jr. Blvd.
Room 120, Parks Dept. Conference Room
Madison Municipal Bldg.

1. CALL TO ORDER / ROLL CALL

Stuart Levitan, Chair

Present: 6 -

Tim Bruer; Kevin M. O'Driscoll; Gregg T. Shimanski; Alice J. Fike; Stuart Levitan and Kelly A. Thompson-Frater

Excused: 1 -

Julia S. Kerr

2. APPROVAL OF MINUTES

A motion was made by Shimanski, seconded by Fike, to Approve the Minutes of the meetings of October 11 and October 23, 2007. The motion passed by voice vote.

3. PUBLIC COMMENT

None

4. COMMUNICATIONS

4a. [07933](#)

Attachments: [Monona Shores Open House 11-7-07](#)

The CDA received the invitation.

5. PRESENTATIONS

5a. [07929](#) Asset Management Conversion Plan

Attachments: [Asset Mgmt Conversion Plan Handout.pdf](#)

Ms. Diane Blaschko, Mr. Nathan Birkett and two other Maximus staff presented an overview of the Public Housing Asset Management Program. The CDA, at its meeting of April 12, 2007, authorized submission of documents related to HUD required Asset Management Program. One of the primary purposes of the new rule on the Operating Fund is to give greater attention to the financial, physical, and management performance of each public housing project. Among the most significant aspects of the Asset Management Program is the clear and obvious intent of HUD to force Public Housing Agencies to privatize almost all support services, ranging from blue-collar (e.g., carpentry, maintenance, painting) to professional (including accounting and legal services). Consistent with these goals, the move to asset management will, over the next several years, include five major elements:

- Project-based funding
- Project-based budgeting
- Project-based accounting
- Project-based management
- Project-based performance assessment

Janet Piraino, Chief of Staff to the Mayor, expressed support for the efforts of staff and offered to help get out the message. The Chair thanked the Maximus staff. Full copies of the report are available at the Housing Operations Office.

5b. [07876](#)

Attachments: [CDA 2006 Financial Statements](#)

Mr. Tom Scheidegger of Virchow Krause and Company reviewed the Independent Auditor's Report. Virchow Krause and Company has audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the CDA which collectively comprise the CDA's basic financial statements:

- Statement of Net Assets
- Statement of Activities
- Statement of Net Assets/Enterprise Funds
- Statement of Revenues, Expenses, and Changes in Net Assets/Enterprise Funds
- Statement of Cash Flows/Enterprise Funds
- Notes to Financial Statements

The management's discussion and analysis has four components:

1. Significant financial issues
2. An overview of the CDA's financial activity

3. Identify changes in the CDA's financial position
4. Identify individual fund issues or concerns

A motion was made by Bruer, seconded by Shimanski, to receive the report. The motion passed by a voice vote.

6. [07892](#)

Attachments: [Lake Point CDA November 8 2007 Update](#)

Gaurie and Jeff Rodman, representing the Lake Point Madison, LLC, presented the status report regarding the Lake Point Condominium Project. Garage doors and pavement have been installed, the final landscaping is done and the town house model unit is complete and staged. By the end of November 2007, the developer intends to complete the work required to bring the remaining unsold units to a white box stage, with all drywall, finish carpentry and painting complete within the \$2 million CDA loan. The installation of final buyer finish selections, which are flooring, cabinets, counter tops and appliances, will be done when an accepted offer is received. The estimated cost for the work is \$20,000 per unit for the new units and \$10,000 per unit for the conversion units. The developer is working on the development of a marketing brochure and is holding discussions with local lenders regarding buyers' financial incentives. Also, mini blinds will be installed in the remaining unsold units.

The CDA received the report.

6a. [07947](#)

Attachments: [Minutes CDA Subcommittee 10-30-07](#)

COMMUNITY DEVELOPMENT SUB-COMMITTEE REPORT

The Community Development Sub-Committee met on October 30, 2007, to tour the town home model unit at 1801 Conservation Place and to consider the request from the Lake Point Madison, LLC for the CDA to extend the maturity date of the loan to December 31, 2008. It is anticipated that the CDA's loan may be paid in full if the following occurs.

- a. The sale of the 14 remaining new units (3 B-units and 11 A-units).
- b. The sale of the 20 existing (E-units).
- c. A combination of a. and b.

Sub-Committee members offered suggestions on how the marketing plan could be improved such as the development of an attractive brochure, exploring the possibility of a rate buy down, which would be advertised in the marketing materials. Also, it was suggested that the developer should consider installing mini blinds in all the remaining unsold units.

Percy Brown and Joe Stepnik presented the staff report, indicating that construction had progressed quite well during the past two months, all the CDA concerns had been satisfied and recommending an extension of the maturity date of the loan to December 31, 2008.

The Sub-Committee recommends the following amendments to the loan agreements:

1. Extend the maturity date of the loan to December 31, 2008.
2. The construction finish date shall be extended to December 31, 2007, and "substantially complete construction" shall be defined as bringing the remaining unsold units to a white box stage, with all drywall, finish carpentry and painting complete.
3. The final draw date shall be extended to December 15, 2007.
4. The definition of "net proceeds" in the Release Payment formula shall be amended to mean gross proceeds from the sale of a unit, less title insurance premium, tax proration amount, recording fees, real estate commission, and, for the remaining unsold units, build-out costs for the installation of flooring, cabinets, counter tops and appliances in an amount not to exceed \$20,000 for the newly constructed units and \$10,000 for the conversion units.

Subject to the following conditions:

1. Review of financial information (proforma has been submitted to O'Driscoll).
2. Submission of monthly financial status reports to the CDA.
3. Monthly compliance and review.
4. Refinement of marketing plan for 2008.

A motion was made by Bruer, seconded by Fike, to Accept. The motion passed by voice vote.

6b. [07920](#)

Attachments: [CDA Res 2779 Lake Point 11-8-07](#)

CDA Resolution No. 2779, amending the loan agreement between the Community Development Authority (CDA) and the Lake Point Madison, LLC concerning the Lake Point Condominium Project.

A motion was made by Bruer, seconded by Shimanski, to Approve subject to the conditions as recommended by the Community Development Sub-Committee. The motion passed by voice vote.

7. ROUTINE BUSINESS

7a. [07927](#) Housing Operations Monthly Report

Attachments: [2007 East Data.pdf](#)
[2007 West Data.pdf](#)
[2007 Triangle Data.pdf](#)
[2007 Utilization chart.pdf](#)

Olvera reported that the CDA Triangle site received the Property Management Team of the Year Award at the Apartment Association of South Central Wisconsin's Awards of Excellence Luncheon on October 23, 2007.

A motion was made by Bruer, seconded by Fike, to Approve the report. The motion passed by voice vote.

7b. [07799](#) Economic and Community Development Status Report for the month of November 2007

Attachments: [Community Development Status Report 10-07](#)
[Community Dev Status Report 11-07](#)

A motion was made by Shimanski, seconded by Fike, to Approve the report. The motion passed by voice vote/other.

8. DETAILED BUSINESS

8a. [07844](#)

Attachments: [CDA Res 2777 LivingWage 11-8-07](#)

CDA Resolution 2777 requiring that the Community Development Authority comply with the City of Madison's Living Wage Ordinance

Mr. Jim Cavanaugh, representing the South Central Federation of Labor, registered in support of adoption, but did not wish to speak.

A motion was made by Shimanski, seconded by Bruer, to Approve with Amendment(s). The motion passed by voice vote.

In the Preamble, add the following:

Because the CDA is a separate and independent corporate body public, the City Living Wage Ordinance does not apply to CDA activities. However, the CDA supports the public policy goals of the Living Wage Ordinance, and believes it appropriate to voluntarily comply with its terms.

8b. Long-Range Planning Sub-Committee Update

Shimanski presented the update. The Chair appointed a committee comprised of Kerr, Levitan, Shimanski, Fike, Thompson-Frater, Olinger and two Karabis residents (yet to be named) with a charge to conduct the Karabis-Longfellow Study.

9. BUSINESS BY THE COMMISSIONERS

9a. [07893](#)

Attachments: [CDA Meeting Schedule 2008](#)

The CDA received the 2008 Meeting Schedule.

10. [07942](#)

Attachments: [2008 Budget-230 The Villager](#)

Olinger highlighted the budget. The year end balance is \$109,587. This is approximately \$30,000 less than last year. Money is included for space planning. MG&E did an energy audit. We will make those improvements, resulting in a decrease in energy costs.

Bruer expressed his appreciation to the Mayor's Office, the Chief of Staff, and the CDA staff for their work on The Villager redevelopment.

A motion was made by Bruer, seconded by Shimanski, to Accept the budget. The motion passed by voice vote/other.

11. Allied Drive Update

Joel Plant, Assistant to the Mayor, reported that the Allied City budget amendments were complete. It maintains demolition for the entire site. The infrastructure will be done in stages, reducing the cost in 2008 from \$3.5 million to \$2.5 million. The Trust Fund will not be used. Instead, monies will be transferred from State Street, Regent and Monroe Streets. The rest will be in General Obligation borrowing.

11a. Allied Drive Development Sub-Committee Update

The Allied Development Sub-Committee met on November 8, 2008, to consider the proposals for site planning/architectural and cost estimating services and preparation of housing market study.

Mark Olinger distributed and reviewed his memo and recommendations regarding site planning/architectural and cost estimating services and preparation of housing market study. The Request for Qualifications (RFQ) for site planning/architectural and cost estimating services was issued on September 27, 2007. The CDA received four proposals from the following firms:

- Mayo Corporation/Real Estate Dynamics/Assemblage Architects/Habitat for Humanity
- Schreiber Anderson/Eppstein Uhen/Stevens Construction
- Destree Design Architects/Vierbicher Associates/Horizon Group/JDR/Cold Spring Design
- Glueck Architects/Ken Saiki Design/McGann Construction/Arnold & O'Sheridan/360 Green/New Ground Sustainability Living Solutions, LLC

The review team scored the teams and scheduled presentations with three of the teams. Following the presentations, the final scores are as follows:

- Schreiber Anderson (113.4)
- Destree (101.5)
- Glueck (107)

The review team did not recommend a particular firm, but did discuss some issues that emerged during the presentations: Capacity of teams, the focus of a free proposal from one of the presenters, and whether one of the teams would use their local architects or those from their Milwaukee office. Olinger indicated that he would contact Alice Howard and Joel Plant of the review team prior to tonight's CDA Board meeting to clarify their positions on the firms/proposals.

The Allied Development Sub-Committee recommends that the CDA contract with Schreiber Anderson Associates, Inc., subject to the following condition:

The principal in charge from the architectural firm of Eppstein Uhen Architects be based in the Madison office.

The Sub-Committee recommends that in the event that Schreiber Anderson Associates, Inc. is not selected, the CDA would explore the possibility of retaining Schreiber Anderson's proposed advisory team consisting of representatives from

Habitat for Humanity, Gorman and Company, and Wisconsin Partnership for Housing Development.

The Request for Proposals for the preparation of a housing market study was issued on October 4, 2007 with a due date of October 22, 2007. The CDA received two proposals, from Virchow Krause and Real Estate Dynamics, Inc. (REDI). The rating of the proposals by the review team was 189 for REDI and 191 for Virchow Krause. The review team recommends the selection of Virchow Krause in an amount not to exceed \$17,000. The Sub-Committee recommends that the CDA contract with Virchow Krause and Company for the preparation of a housing market study for the City-owned property on Allied Drive in an amount not to exceed \$17,000.

The CDA received the report.

- 11b. **CDA Amended Resolution No. 2780, authorizing the Chair and Secretary of the Community Development Authority to execute a contract with Schreiber/Anderson Associates, Inc. for the provision of site planning, architectural and cost estimating services for the City-owned property on Allied Drive.**

Olinger distributed copies of the amended resolution, incorporating the recommendations of the Allied Development Sub-Committee.

A motion was made by O'Driscoll, seconded by Bruer, to approve Amended CDA Resolution No. 2780, authorizing the Chair and Secretary of the Community Development Authority to execute a contract with Schreiber/Anderson Associates, Inc. for the provision of site planning, architectural and cost estimating services for the City-owned property on Allied Drive. The motion passed by the following vote:

Ayes: 5 - Levitan, Shimanski, O'Driscoll, Fike & Bruer

Nays: 1 - Thompson-Frater

Excused: 1 - Kerr

A motion was made by Thompson-Frater, seconded by Bruer, that in the event that the principal-in-charge from the architectural firm of Eppstein Uhen Architects cannot be based in the Madison office, the CDA will award the contract to Destree. The motion passed by a voice vote.

A motion was made by Thompson-Frater, seconded by Bruer, that in the event that Schreiber/Anderson Associates, Inc. is not awarded the contract, the CDA would explore the possibility of retaining Schreiber/Anderson's proposed advisory team consisting of representatives from Habitat for Humanity, Gorman and Company, and Wisconsin Partnership for Housing Development. The motion passed by a voice vote.

- 11c. CDA Amended Resolution No. 2781, authorizing the Chair and Secretary of the Community Development Authority to execute a contract with Virchow Krause and Company for the preparation of a Housing Market Study for the City-owned property on Allied Drive.

Olinger distributed copies of the amended resolution, incorporating the recommendation of the Allied Development Sub-Committee.

A motion was made by Shimanski, seconded by Bruer, to approve the Amended CDA Resolution No. 2781, authorizing the Community Development Authority to contract with Virchow Krause and Company, for the preparation of Housing Market Study for the City-owned property on Allied Drive. The motion passed by voice vote.

- 11d. CDA Amended Resolution No. 2782, authorizing the Chair and Secretary of the Community Development Authority to execute a contract with Dimension Development, LLC for the provision of financial packaging and development consulting services for the City-owned property on Allied Drive.

Brown distributed copies of the amended resolution, incorporating the recommendation of staff.

The Request for Proposals for financial packaging and development consulting services for the City-owned property on Allied Drive, was issued on October 18, 2007, with a due date of November 8, 2007. The CDA received one proposal from Dimension Development, LLC. Staff recommends that the CDA contract with Dimension Development, LLC for the provision of financial packaging and development consulting services for the City-owned property on Allied Drive.

A motion was made by Shimanski, seconded by Bruer, to approve the Amended CDA Resolution No. 2782, authorizing the Community Development Authority to execute a contract with Dimension Development, LLC for the provision of financial packaging and development consulting services for the City-owned property on Allied Drive. The motion passed by voice vote.

12. ADJOURNMENT

A motion was made by Bruer, seconded by Shimanski, to Adjourn. The motion passed by voice vote. The meeting adjourned at 6:30 p.m.