

**COMMUNITY DEVELOPMENT AUTHORITY  
OF THE  
CITY OF MADISON, WISCONSIN**

April 8, 2010

Resolution No. 2951

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**AMENDED RESOLUTION APPROVING THE TERMS OF A  
DEVELOPMENT CONTRACT  
WITH HORIZON DEVELOPMENT GROUP, INC. TO REDEVELOP CDA-  
OWNED PROPERTY IN THE BADGER ANN PARK REDEVELOPMENT AREA**

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**PREAMBLE**

**WHEREAS**, the Community Development Authority of the City of Madison, Wisconsin (the "Authority") is a community development authority organized by the City of Madison, Wisconsin (the "Municipality"), under Section 66.1335 of the Wisconsin Statutes, and is authorized by Section 66.1333 of the Wisconsin Statutes (the "Redevelopment Act"):

- a) to acquire any real or personal property necessary or incidental to a redevelopment project and to lease, sell or otherwise transfer such property to a public body or a private party for use in accordance with a redevelopment plan;
- b) to enter into contracts determined to be necessary to effectuate the purposes of the Redevelopment Act; and
- c) to issue revenue bonds or other indebtedness; and

**WHEREAS**, in Resolution No. 2891 adopted on November 19, 2009 (the "Authorizing Resolution"), the Authority authorized the solicitation of proposals for the construction and development of an affordable senior housing residential development within the Badger Ann Park Redevelopment Area (the "Redevelopment Area"); and

**WHEREAS**, pursuant to a relocation order the Authority has acquired certain properties located in the Redevelopment Area, including 2409 and 2413 Cypress Way and 826, 830, 834 and 838 West Badger Road (collectively, the "CDA Properties") for the purpose of eliminating blight; and

**WHEREAS**, by Resolution No. 2928 adopted on January 14, 2010, the Authority selected Horizon Development Group, Inc. ("Developer") to redevelop the CDA Properties into affordable senior residential housing (the "Project") contingent on the Authority adopting at a subsequent meeting a resolution approving the contract with Developer and the details of the Project; and

**WHEREAS**, based on the RFP submission and the direction of the CDA, the CDA Chair has negotiated a contract and other development agreements with Developer providing for the construction, financing, management and development of the Project; and

**WHEREAS**, it has been determined that the Project is in furtherance of the Badger Ann Park Redevelopment Plan;

**NOW, THEREFORE, BE IT RESOLVED**

1. Contract with Developer. The Chair and Executive Director are hereby authorized to execute a letter of intent and upon receipt of tax credits, a development agreement with the Developer providing for the conveyance of the CDA Properties and the construction, acquisition, and development of the Project. Such letter of intent and development agreement shall include the following terms:

- a. The Authority shall prepare a certified survey map to assemble and subdivide certain property in the Redevelopment Area, including the CDA Properties (see attached Exhibit A);
- b. After demolishing all improvements thereon, the Authority shall convey the CDA Properties to Developer for the purchase price of \$300,000, and Developer's affiliate Horizon Construction Group, Inc. shall design and construct thereon a fifty (50) unit affordable senior housing project and associated amenities. The purchase price shall be valid until December 31, 2010;
- c. The Authority shall use its best efforts to obtain and commit thirty (30) Section 8 project-based housing vouchers for the Project by May 31, 2011 and to secure additional funding of \$385,000 for the Project. Developer shall be responsible for securing all other financing of the Project;
- d. Developer shall be responsible for submitting a tax credit application to WHEDA on or before April 9, 2010, and shall fund the application fee and market study;
- e. Developer shall be responsible for securing a construction lender and tax credit investor for the Project;
- f. Developer shall fund the creation of a Wisconsin limited liability company of which the Authority shall be a member;
- g. Developer shall guaranty the construction completion, construction contract amount and eligible tax credit basis;
- h. The Authority shall earn a Development Fee of \$285,000 on the date construction financing closes, plus all cash flow from the Project not allocated to the Investor Member; and referenced in i., below;
- i. Developer shall earn a non-cumulative fee of 10% of annual cash flow from the Project plus the balance of any Development Fee not paid to the Authority;
- j. The Authority shall reimburse Developer for the WHEDA application fee, reasonable fees for the creation of the limited liability company and the market study if the Authority opts to not proceed with the Project or fails to provide the necessary Section 8 vouchers, or if HOME funds are unavailable for the Project. Such fees shall not be reimbursed if Developer fails to secure tax credits,

construction lending, exchange funds or any other financing necessary for the Project;

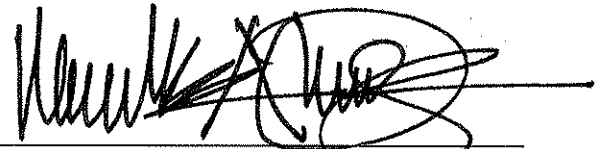
- k. The Project shall fund an operating reserve totaling at least six months of anticipated expense and debt service and a lease-up reserve of \$104,308. Of this lease-up reserve, \$75,907 is needed to break even, based on the rent up schedule;
- l. Developer shall ensure the Project is constructed in accordance with all affirmative action, prevailing wage and nondiscrimination laws, and Developer's contractor shall be prequalified by the City of Madison; and
- m. Developer shall be the property manager for the Project, shall provide CDA with Property Management Agreement, residential selection and screening criteria applicable to the Project, and shall ensure the Project complies with the WHEDA land use restriction agreement and all applicable federal tax laws and regulations.
- n. The CDA shall have review and comment opportunity regarding the design, building and finish specifications, development and operating budgets and construction contracts.
- o. Developer shall supply CDA with completed WHEDA Low-Income Housing Tax Credit application for the Burr Oaks Senior Housing Project.

2. Transfer of CDA Property. The proposed transfer of the CDA Properties to the Developer is hereby conditionally approved subject to: (a) successful negotiation of the terms of transfer; (b) final consideration and approval of the transfer by the Authority following a public hearing thereon to be held by the Authority; and (c) approval of the transfer by the City's governing body in accordance with the Redevelopment Act.

3. Definition of Term. The term "Developer" as used herein shall also mean, in addition to Horizon Development Group, Inc., any Wisconsin limited liability corporation of which Horizon Development Group, Inc., and the Authority are members and which is formed to develop the Project.

4. General Authorization. The Chair and Executive Director are hereby authorized to execute, deliver, publish, file and record any such other documents, notices and instruments in a form approved by the City Attorney as shall be necessary to accomplish the purposes of this Resolution and to comply with and perform the obligations of the Authority hereunder.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Authority hereto on this 9<sup>th</sup> day of APRIL, 2010.



Mark A. Olinger, Executive Director

## CERTIFICATION

I, Mark A. Olinger, do hereby certify that I am the duly appointed and qualified Executive Director of the Community Development Authority of the City of Madison, in the County of Dane, State of Wisconsin, and as such I have in my possession, or have access to, the complete corporate records of said Authority; that I have carefully compared the transcript hereto attached with the aforesaid corporate records; that said transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the adoption of a Resolution entitled:

Resolution No. 2928

*RESOLUTION APPROVING THE TERMS OF A DEVELOPMENT CONTRACT  
WITH HORIZON DEVELOPMENT GROUP, INC. TO REDEVELOP CDA-  
OWNED PROPERTY IN THE BADGER ANN PARK REDEVELOPMENT AREA*

I do hereby further depose and certify as follows:

1. Said resolution was considered for adoption by the Authority at a meeting held at 215 Martin Luther King Jr. Blvd., Madison, Wisconsin at 4:30 p.m. on April 8, 2010. Said meeting of the Authority was held in open session in compliance with subchapter V of Chapter 19 of the Wisconsin Statutes.
2. Said resolution was on the agenda for said meeting and public notice thereof was given not less than 24 hours prior to the commencement of said meeting in compliance with Section 19.84 of the Wisconsin Statutes, including, without limitations, by posting on the bulletin board in the City Hall, by notice to those news media who have filed a written request for notice of meetings and by notice to the official newspaper of the Authority.
3. Said meeting was called to order by Gregg Shimanski, Chairperson, who chaired the meeting. Upon roll I noted and recorded that the following commissioners were present:

Timothy Bruer, Alice J. Fike, Julia S. Kerr, Stuart Levitan, Kevin M. O'Driscoll,  
Gregg T. Shimanski, and Kelly A. Thompson-Frater

and that the following commissioners were absent: None

I noted and recorded that a quorum was present. Various matters and business were taken upon during the course of the meeting without intervention of any closed session. One of the matters taken up was said resolution which was introduced and its adoption was moved by Commissioner Timothy Bruer and seconded by Commissioner Alice J. Fike. Following discussion and after all commissioners who desired to do so had expressed their views for or against said resolution, the question was called and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

Aye: Timothy Bruer, Alice Fike, Julia Kerr, Kevin O'Driscoll,  
Gregg Shimanski, and Kelly Thompson-Frater

Nay: Stuart Levitan

Abstain: None

Whereupon the Chairperson declared said resolution adopted, and I so recorded it.

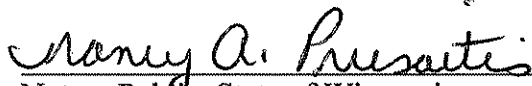
IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Authority hereto  
as of this 9<sup>th</sup> day of April, 2010.

[Authority Seal]

  
\_\_\_\_\_  
Mark A. Olinger, Executive Director

State of Wisconsin )  
                                  ) ss.  
County of Dane        )

Personally came before me this 9<sup>th</sup> day of April, 2010, the above named Mark A. Olinger, Executive Director of the Community Development Authority of the City of Madison, acting in said capacity and known by me to be the person who executed the foregoing instrument and acknowledged the same.

  
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Nancy A. Prusaitis  
Notary Public, State of Wisconsin  
Print or Type Name  
My Commission: 1-22-2010

**EXHIBIT A**

Legal Description  
2409 Cypress Way

LOT SIXTY-FIVE (65), FIRST ADDITION TO BURR OAKS, IN THE CITY OF MADISON,  
DANE COUNTY, WISCONSIN

(Parcel No. 251-0709-352-0303-7)

Legal Description  
2413 Cypress Way

LOT SIXTY-FOUR (64), FIRST ADDITION TO BURR OAKS, IN THE CITY OF MADISON,  
DANE COUNTY, WISCONSIN

(Parcel No. 251-0709-352-0304-5)

Legal Description  
826 West Badger Road

PART OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER (SE ¼ NW ¼)  
OF SECTION 35, TOWNSHIP 7 NORTH, RANGE 9 EAST, IN THE TOWN OF MADISON,  
DANE COUNTY, WISCONSIN, DESCRIBED AS FOLLOWS: COMMENCING AT THE  
SOUTHEAST CORNER OF THE NORTHWEST ¼ OF SAID SECTION 35, THENCE  
NORTH 89 DEGREES 19 MINUTES WEST, ALONG THE SOUTH LINE OF SAID  
NORTHWEST ¼, 535.5 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION;  
THENCE NORTH 00 DEGREES, 19 MINUTES WEST 175.0 FEET; THENCE NORTH 89  
DEGREES 19 MINUTES WEST, PARALLEL TO THE SAID SOUTH LINE, 74.6 FEET;  
THENCE SOUTH 00 DEGREES 19 MINUTES EAST 175.0 FEET TO THE SAID SOUTH  
LINE; THENCE SOUTH 89 DEGREES 19 MINUTES EAST, ALONG THE SAID SOUTH  
LINE, 74.6 FEET TO THE POINT OF BEGINNING.

(Parcel No. 251-0709-352-0319-4)

Legal Description  
830 West Badger Road

PART OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 35, TOWN 7  
NORTH, RANGE 9 EAST, IN THE CITY OF MADISON, DANE COUNTY WISCONSIN,  
DESCRIBED MORE PARTICULARLY AS FOLLOWS: COMMENCING AT THE  
SOUTHEAST CORNER OF THE NORTHWEST ¼ OF SECTION 35; THENCE NORTH 89  
DEGREES 19 MINUTES WEST ALONG THE CENTERLINE OF WEST BADGER ROAD

FOR A DISTANCE OF 610.1 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE NORTH 0 DEGREES 19 MINUTES WEST 175.0 FEET; THENCE NORTH 89 DEGREES 19 MINUTES WEST PARALLEL TO THE CENTERLINE OF WEST BADGER ROAD, FOR A DISTANCE OF 74.6 FEET; THENCE SOUTH 0 DEGREES 19 MINUTES EAST 175.0 FEET TO THE CENTERLINE OF WEST BADGER ROAD; THENCE SOUTH 89 DEGREES 19 MINUTES EAST ALONG THE CENTERLINE OF WEST BADGER ROAD, 74.6 FEET TO THE POINT OF BEGINNING.

(Parcel No. 251-0709-352-0307-9)

Legal Description  
834 West Badger Road

OUTLOT "B", BURR OAKS, IN THE CITY OF MADISON, DANE COUNTY, WISCONSIN. TOGETHER WITH AND SUBJECT TO THE RIGHTS AND OBLIGATIONS CONTAINED IN THE DECLARATION OF COMMON DRIVEWAY AGREEMENT RECORDED AS DOCUMENT NO. 2745301 AND RECORDED AS DOCUMENT NO. 2756638.

(Parcel No. 251-0709-352-0306-1)

Legal Description  
838 West Badger Road

OUTLOT "A", PLAT OF BURR OAKS, IN THE CITY OF MADISON, DANE COUNTY, WISCONSIN. TOGETHER WITH AND SUBJECT TO THE RIGHTS AND OBLIGATIONS CONTAINED IN THE DECLARATION OF COMMON DRIVEWAY AGREEMENT RECORDED AS DOCUMENT NO. 2745301 AND RECORDED AS DOCUMENT NO. 2756638.

(Parcel No. 251-0709-352-0305-3)