

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4083
Approval of a contract by and between the CDA
and Dimension Development, LLC for development
services.

Presented June 12, 2014
Referred _____
Reported Back _____
Adopted June 12, 2014
Placed on File _____
Moved By Lucas Dailey
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 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.

On January 12, 2012 the CDA approved Resolution No. 3065 authorizing 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").

On April 10, 2014, the CDA approved Resolution 4074 authorizing the negotiation of a contract by and between the CDA and Dimension Development, LLC for service set forth in Exhibit A ("Phase 2 Development Services"). Resolution 4074 required that the final form of the Phase 2 Development Services contract be approved by the CDA.

The owner's legal counsel advised that the services should be divided into two contracts. One contract is for tax credit eligible services and the second is for non-eligible services. The proposed contracts for Phase 2 Development Services are attached as Exhibit B (the "Phase 2 Development Services Contracts")

NOW THEREFORE BE IT RESOLVED that the CDA does hereby authorizes the Secretary and Chair to execute the Phase 2 Development Services Contracts by and between CDA and Dimension Development, LLC.

EXHIBIT A

Dimension Development Scope of Services

- Application and Preparation of Affordable Housing Tax Credit Application
- Preparation and submittal of all other documentation relating to the reservation, carryover and allocation of Low Income Housing Tax Credits including but not limited to Part 2 and Part 3 applications.
- Preparation of and assistance with HUD Demolition Disposition Application,
- Preparation and filing of HUD Mixed Finance Application,
- Preparation and filing of application for Federal Home Loan Bank Affordable Housing Program Financing,
- Assistance, as requested with identifying and applying for other subordinate financing,
- Draft and issue a request for proposals for Low Income Housing Tax Credit Investment and Construction Loan. Assist with assessment of responses to subject proposals and oversee and coordinate the documentation for closing both the equity and construction loan transactions.
- Provide primary oversight of due diligence and documentation for closing the Low Income Housing Tax Credit Investment, Construction Loan and all other project financing.
- Provide primary oversight of other development work including but not limited to title insurance, property insurance, environmental reports, and ALTA survey and subdivision plats.
- Coordinate efforts of architect, contractor, accountant, attorney, tax credit investor and construction lender.
- Monitor construction and prepare and process pay applications and draw requests until such time as final funding of permanent loans and equity has been obtained by the LLC.

Compensation

Dimension Development shall be entitled to receive a consulting fee equal to 35% of the development fee allowed by WHEDA ("Consulting Fee"). The payment of the Consulting Fee is contingent on the LLC's ability to obtain debt and equity sufficient to pay all costs of the transaction including the full amount of the Development Fee WHEDA tax credit application.

The Consulting Fee will be paid in two installments. Eight-five percent (85%) will be due at the closing of the equity transaction and fifteen percent (15%) to be paid upon receipt of the third equity installment.

Responsibilities of the CDA

- Act as Managing Member of LLC with industry standard rights and responsibilities
- Provide primary oversight of land use approval process
- Provide primary oversight of design activities
- Prepare and file application for Home Funds
- Provide financing for construction as indicated in the tax credit application.
- CDA acknowledges that it provide industry guaranties to the Investor Member