

MEMORANDUM

TO: Board of Estimates

FROM: Dan Rolfs, Community Development Project Manager

DATE: July 22, 2016

SUBJECT: Garver Feed Mill Timeline Update

In an email dated July 14, 2016, The Baum team notified the City they wish to delay closing on Garver until March 15, 2017. The Board of Estimates approved a closing deadline on Garver of no later than December 1, 2016. This deadline was part of larger timeline outlined on page 2 of this memo.

Baum's request for delay is due to the fact that the Federal Government has increased the NMTC allocation from \$3.5 to \$7 billion. This increase in allocation has delayed the announcement of NMTC awards until as late as November 2016. Because of this delay in the NMTC award announcement, the Baum team is proposing to move the closing deadline back to March 15, 2017. This potential delay raises the timing issue outlined below:

- **Timing** – The delay in closing eliminates the option of pivoting to the Council's second choice developer in time for a 2017 WHEDA tax credit application that is a necessary part of this that developer's financing. Should the Baum team be abandon their efforts and the City wish to make this change to the second choice, the earliest construction would begin on Garver would be late 2018.

Additional Updates:

- **Idle Industrial Sites Grant** – The City has received a \$500,000 Idle Industrial Sites grant through WEDC. This grant is not specific to the project, but all funds must be requested for reimbursement by September 30, 2018.
 - Note: If the City changes to the second developer for any reason, it is unlikely that the project would be completed in time to request all of the Idle Industrial Sites Grant funds.
- **Parks Storage Building** – Parks Division, Olbrich Staff and the Baum team continue to work out the details of the storage building that will sit adjacent to Garver. This building will be constructed by Baum in accordance with the requirement in the Request for Proposals (RFP) to provide storage space for the Parks Division and Olbrich.

At its January 11, 2016 meeting, the BOE approved a timeline for the Baum team regarding the redevelopment of the Garver Feed Mill. The approved timeline included:

- **Deadline Met** - June 1, 2016 – Letters of Intent (LOI) from tenants that represent 50% of the space in Garver delivered to City
 - **NOTE:** Baum provided City Staff with copies of leases that represent more than 50% of the space in Garver.
- **Deadline Met** - July 19, 2016 – Land Use approvals by Common Council for Phase II SIP
 - **Deadline Met** - *April 13, 2016 – Required submittal for informational presentation to UDC*
 - **Deadline Met** - *April 27, 2016 – UDC informational presentation*
 - **Deadline Met** - *May 11, 2016 – SIP submittal*
- July 31, 2016 – Baum to provide evidence of signed construction contract for Garver Feed Mill
- Aug 31, 2016 – Receipt of New Market Tax Credits (NMTC)
- Sixty days after receipt of NMTC allocation – Evidence of financing for remainder of the project, including private financing, Historic Tax Credits (HTC), NMTC, developer equity, grant funds, and any other sources.
- Closing on the sale of Garver and associated ground leases by no later than Dec 1, 2016.