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TO: DAN ROLFS/SELECTION COMMITTEE MEMBERS
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800N EAST WASHINGTON- RESPONSES TO 04.04.13 COMMITTEE QUESTIONS

04.08.13

To: Selection Committee Members-

Please consider these responses to questions asked of the development team at the 04.04.13 800N Block Selection Committee meeting. Please note that questions from the Committee are paraphrased:

QUESTION:

How will the TIF amount affect your project, what will be affected, and what are areas/components of the project that will be cut in order for the project to still perform.

RESPONSE:

If selected, we will approach the TIF component using the following methodology and sequencing:

1: Review project numbers with Staff to determine the valuation modeling/underwriting methods and adjust numbers as needed.

We made some assumptions with our proposal to a number of variables. The difference between TIF amounts from Developer and City Staff calculations is about 19% of the TIF request, and approx. 2.5% of the overall budget, which is manageable. We will explore every opportunity outside of TIF to enhance this project given the importance of this project for all of us individually and as a community. We will take every step to make sure it is done right with the maximum catalytic effect for other developments in the district.

2: Concurrent with Staff reviews, we will review opportunities for additional efficiencies and potential cost savings with site and parking structure design. Based on the Constellation, we have accurate historical data for number, depth, and cost of driven steel pipe piles, but will also explore other sub-surface foundation options, including rammed aggregate and helical pier systems for portions of the site.

Also based on experience, we want to keep as much of the existing soils on site as possible, as there is significant expense in landfilling soils from the site, and will perform another



analysis of this component for potential budget savings.

Following the above, we will also explore the parking structure and associated costs to find efficiencies and/or alternate methods of design or construction to maximize cost effectiveness.

3: When the TIF range has been determined between Developer and City Staff (with the understanding that Council must ultimately approve all TIF requests and conditions), we will then assess sustainability elements and how to incorporate all of the proposed items.

Working with the City and TLNA over the past few years has given us some great feedback on many of these proposed components and we made some assumptions as to what could be achieved to promote the stated goals for the District.

With that, we would request discussion with TLNA, City staff, and elected officials to prioritize components that can best meet policy goals for this block and enhance the City and District's vision, with our goal to include as many elements as possible.

Our priority list for sustainable components as a starting point for further discussion is as follows:

- 1: Passiv Haus-** Incorporate Passiv Haus standards to all owner occupied units.
- 2: Production Roof Farm-** Our vision is to have a large research production farm with greenhouse elements and stormwater collection irrigation systems in place. Such an extensive element will pose some challenges- we are discussing opportunities through UW and other funding sources to make this a reality. We understand how influential this component can be and want to get it right.
- 3: Geothermal/Ground source heat pump-** Would be great to do- limited by required field size- are exploring options to use piles as part of the system
- 4: Grey water filtration-** Great idea, need to explore additional budget limitations and perhaps implement on a smaller scale
- 5: BIPV (Building Integrated Photovoltaic) Systems:** Working with MGE on system and possible involvement on a larger scale
- 6: Condenser Heat Reclamation Systems:** Can perhaps be utilized on a smaller scale.

As stated previously, in addition to the items as described above, partnerships with Sustain Dane, UW, Underground Food Collective, and other international partners are creating some really interesting discussions and ideas that could be implemented.

We also look forward to discussing these components with TLNA and staff and hear other ideas that we may have overlooked.

It has been very productive and exciting to have these partners and outreach aspects happen at the beginning of the project as it has expanded our ideas and dynamics for the project.



QUESTION:

Can Tim Metcalfe describe in additional detail the issue with the Meatcutter's union

RESPONSE:

We are sensitive to the ongoing negotiations between Metcalfe's Market and the respective union. However, there are a few items that we would like to clarify:

1: Tim Metcalfe/Metcalfe's Market is an anchor tenant, not the developer. Otto Gebhardt is the developer.

2: We do not believe that this is the appropriate forum for Labor negotiations to occur. We do believe it is important to discuss and evaluate the proposals as presented based on the overall benefits to the community and district and let the attorneys for both parties do their work as needed through their respective venues to reach a resolution, which Metcalfe's Market and the union have been able to accomplish in every instance to date. Both parties are obligated by law to adhere to any rulings which are issued by the NLRB in any case.

3: Comments or concerns regarding 300+ union tradespeople employed on the 700 block and at least that amount who will be employed on the potential 800 block project should be addressed to Otto Gebhardt.

Respectfully Submitted,

Otto Gebhardt III

END