

Sub. 1 to 2017 RES-365

CONFIRMING GORMAN AND COMPANY, INC.
AS DEVELOPMENT PARTNER FOR THE
REDEVELOPMENT OF THE FORMER MESSNER SITE

The county purchased the former Messner property in 2015 to be used as a day resource center. Sub. 2 to 2016 RES-497 recommended that, since the day resource center would not be located at the site, that the property be redeveloped to create affordable rental housing for families. On June 30, 2017, the county issued RFP #117073 to help identify an organization with which it could partner to create affordable rental housing on the site.

The county received seven qualified responses to the RFP. The responses were reviewed by a team that included: The County's Director of Planning and Development, the Director of the Office of Economic and Workforce Development, the County Controller, a representative of the Tenney-Lapham Neighborhood Association and the Communications and Homeless Services Manager of the County's Department of Human Services. Based on the responses, the evaluation team recommends that the county partner with Gorman and Company ("Gorman").

Gorman is proposing a unique mixed-use development to be known as Valor on Washington. The first floor of the project would provide approximately 11,000 square feet to house Dry Hootch, a veterans service organization. Dry Hootch would own this first floor space under a condominium arrangement. They will offer a wide range of services to veterans and operate a coffee house that is open to the public.

The building is proposed to have five stories. The total project cost is estimated to be \$15.1 million. The housing portion of the building would include 64 housing units under the following unit mix:

		<u>Income Restriction</u>			
	30%	50%	60%	Market	
2 bedroom units	1	26	7	6	
3 bedroom units	12	0	8	4	

In addition to providing affordable units in the above income categories, because the project would include all 2 and 3 bedroom units, it is well suited to provide affordable housing for families, which is one of the county's primary objectives for this development. In addition, all units would be targeted to veterans. The expected term of affordability is 99 years.

The purpose of this resolution is to affirm the recommendation of the evaluation team. Gorman will then be in a position to pursue development approvals from the City of

47 Madison. Such approvals will necessitate meetings with the neighborhood association,
48 alders and city staff, along with approvals of the City of Madison Plan Commission and
49 Urban Design Commission. Gorman will also need to pursue financing for the project
50 from a number of sources including the City of Madison Affordable Housing Fund, the
51 Federal Home Loan Bank, and Wisconsin Housing and Economic Development
52 Authority Section 42 low income housing tax credits. If all approvals and financing are
53 secured, construction on the project cannot begin until mid-2019.

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55 A subsequent resolution of the County Board will be required to approve a ground lease
56 with Gorman and any other agreements between the county and Gorman.

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58 THEREFORE BE IT RESOLVED that the evaluation team's recommendation to appoint
59 Gorman and Company as the county's development partner in the redevelopment of the
60 former Messner site for affordable family housing is affirmed by the County Board.

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62 BE IT FINALLY RESOLVED that the final agreements between the County and Gorman
63 and Company will include language assuring that Gorman and Company and all its
64 contractors and subcontractors will follow all applicable local, state and federal laws and
65 regulations in the construction and operating of the project.