



COUNTY OF DANE
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
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GREG BROCKMEYER
Interim Director of Administration

CHARLES HICKLIN
Controller

DATE: August 10, 2017
TO: All Proposers RFP# 117073 – Mixed Income, Mixed Use, Multi Family Development
FROM: Pete Patten, Purchasing Agent
SUBJECT: ADDENDUM #3

The following answers are provided in response to questions received.

Site/Building Condition

1. All three existing buildings are at least 80 years old. Are any of the buildings currently on the historic registrar or is there anything that would preclude a Contractor from demolishing the buildings?
The County is not aware of any historic designations for any of the buildings, but the developer would be responsible for confirming this information.
2. Is the County aware of any asbestos or hazardous materials that currently exist within the buildings?
The County has tested for the presence of asbestos in the buildings and has marked areas of concern.
3. Has a Phase I ESA been completed and, if so, will it be made available to Proposers?
A phase I was completed and is available under the Attachments section on the Dane Purchasing website, www.danepurchasing.com. There are 3 documents associated with this.
 1. AAI Phase 1 Environmental Site Assessment
 2. Aboveground Storage Tank Evaluation
 3. Aboveground Storage Tank Evaluation Appendix 1
4. Please clarify any and all items that the County will be removing from the site and buildings upon turnover to the Developer for long-term lease.
The County has nothing of value in any of the buildings.

Ground Lease

5. The RFP states that this will be a no-cost, 99-year ground lease. Can the County confirm the ground lease is truly no-cost and that no upfront or ongoing lease payments will be required?
The lease payment would be a nominal amount such as \$1 per year.
6. What form of guaranty on the ground lease is the County expecting?
The County has not drafted a ground lease at this time.
7. What contingencies will the County include in the ground lease documents?
The County expects that the lease will include covenants related to some of the mandatory items listed in the RFP as well as the term of affordability for the housing units.

8. Would the County consider a land contract as opposed to a ground lease?

The purpose of the ground lease is to deliver a financial subsidy to the project to improve the financial viability of providing affordable housing units. So, a land contract for purchase would diminish the financial subsidy.

9. Would the County consider a ground lease that includes a future option to purchase?

That is a possibility.

10. Do any covenants exist relating to the current title for the property that would remain in effect during the long-term lease?

The County is not aware of any covenants affecting the title.

General Questions

11. Is there a timeline beyond when the RFP is due that the County would like to adhere to? When would the County like the ground lease to be signed? Project closing? Project completion?

The County expects that developers will seek low income housing tax credits in the fall/winter of 2018. The County hopes the project will commence in 2019.

12. Would the County consider tax abatement for the Project?

The County is not authorized under state statutes to abate property or other taxes.

13. As you may know financial participation from a municipality is a scoring issue when applying to WHEDA for LIHTC. Has anyone discussed with WHEDA how to value the land lease? Will the land be appraised and that value used in calculating the participation points?

The County has not discussed the project with WHEDA. The developer may choose to seek an appraisal to value the ground lease.

14. As you also may know, the deadline for the City of Madison Affordable Housing Initiative funds for 2018 has passed. Has anyone discussed with the City whether a second round is possible?

The city will issue an RFP in 2018 for 2019 funds. The developer should seek funding from the city on that schedule.

Appendix 2 and Appendix 3 have been posted under the Attachments section on the Dane Purchasing website, www.danepurchasing.com.

RFP #117073 Appendix 2 – Meeting Notes – 3.13.17 Messner Property Redevelopment

RFP #117073 Appendix 3 – HHNC Recommendations and Amendment to Recommendations

Please acknowledge receipt of this addendum by noting “Addendum #3 Received” on the bottom of the Signature Affidavit when you submit your proposal. If you have any questions regarding this addendum, please contact me at 608-267-3523.

Sincerely,

Pete Patten
Purchasing Agent