



City of West Allis

7525 W. Greenfield Ave.
West Allis, WI 53214

Resolution

File Number: R-2010-0214

Final Action:

Sponsor(s): Administration & Finance Committee

SEP 21 2010

Resolution approving a Contract Agreement by and between the Community Development Authority of the City of West Allis and the City of West Allis for an allocation of \$1,247,758.00 of federal H.O.M.E. funds to the Beloit Road Senior Housing Complex.

WHEREAS, the Community Development Authority (the "Authority") through a cooperation agreement with the City of West Allis administers federal H.O.M.E. funds provided to the City of West Allis through the Milwaukee County H.O.M.E. Consortium consisting of West Allis, Milwaukee County, and the City of Wauwatosa; and,

WHEREAS, both parties are desirous in providing affordable senior housing options within the City; and,

WHEREAS, the City owns the over sixty year old facility recognized as the Beloit Road Senior Housing Complex located at 7205-7333 W. Beloit Rd., 2521-2529 S. 72 St., 7216-7312 W. Dreyer Place and 7211-7341 W. Dreyer Place, City of West Allis, County of Milwaukee, State of Wisconsin (the "Property") containing 104-units of affordable elderly housing; and,

WHEREAS, the Authority and City have expressed that there is a need and mission of maintaining the affordable senior housing in the City, therefore directed staff to form a plan to revitalize the complex through the use of Section 42 Tax Credit financing (the "Project"); and,

WHEREAS, the tenants qualify for occupancy based on meeting the 50% of County Median Income requirement with the rent calculated utilizing 30% of their respective income; and,

WHEREAS, the City intends to enter into a development agreement for the renovation and improvement of the Property in order to leverage additional public investment for preservation and enhancement of the property; and,

WHEREAS, the Project would not be undertaken unless the public funding provided by the Loan and Grant becomes available, as the Developer can maximally raise only a portion of the debt and equity funds required to complete the Project; and,

WHEREAS, the Project meets the federal guidelines for H.O.M.E. funds; and,

WHEREAS, the Authority, under Resolution #800 hereby incorporated by reference, approved allocating H.O.M.E. funds to the Project; and,

WHEREAS, both parties agree to the terms and conditions within the Agreement, hereby attached.

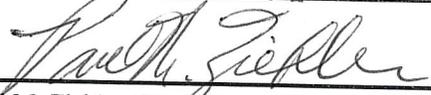
NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis that it hereby approves a contract by and between the Community Development Authority of the City of West Allis and the City of West Allis for an allocation of \$1,247,758.00 of federal H.O.M.E. funds to the Beloit Road Senior Housing Complex.

BE IT FURTHER RESOLVED that the City Attorney be and is hereby authorized to make such substantive changes, modifications, additions and deletions to and from the various provisions of the Agreement, including any and all attachments, exhibits, addendums and amendments, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

BE IT FURTHER RESOLVED that the Director of Development and the City Administrative Officer-Clerk/ Treasurer are hereby authorized and directed to execute and deliver the aforesaid amended Agreement on behalf of the City.

cc: Department of Development
Chris Phinney, Grants Accounting Specialist

Dev-R-609-9-21-10-bjb

ADOPTED SEP 21 2010


Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED 9/24/10


Dan Devine, Mayor

CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT (this "Agreement") is made and entered into as of the __ day of September, 2010, by and between **City of West Allis** ("City") and the **COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WEST ALLIS**, ("Authority") a separate body politic created by ordinance of the CITY OF WEST ALLIS, pursuant to Section 66.1335 of the Wisconsin Statutes (the "Authority").

WHEREAS, the Authority manages federal HOME funds allocated to the City through an agreement with the Milwaukee County HOME Consortium; and,

WHEREAS, the City owns the over sixty year old facility recognized as the Beloit Road Senior Housing Complex located at 7205-7333 W. Beloit Rd., 2521-2529 S. 72 St., 7216-7312 W. Dreyer Place and 7211-7341 W. Dreyer Place, City of West Allis, County of Milwaukee, State of Wisconsin (the "Property") containing 104-units of affordable elderly housing units, as more particularly described on attached **Exhibit 1**; and,

WHEREAS, the Authority has expressed that there is a need and mission of maintaining the affordable senior housing in the City and, therefore directed staff to form a plan to revitalize the complex through the use of Section 42 Tax Credit financing, as more particularly described on attached **Exhibit 2**; and,

WHEREAS, the tenants qualify for occupancy based on meeting the 50% of County Median Income requirement with the rent calculated utilizing 30% of their income; and

WHEREAS, the City has started the planning process to renovate and update the property and is considering options and the ability in leveraging additional public and private equity (the "Project"); and,

WHEREAS, the Project would not be undertaken unless the public funding provided by the loan and grant becomes available, as the City can maximally raise only a portion of the debt and equity funds required to complete the Project; and,

WHEREAS, the Department of Development of the City of West Allis administers an allocation of H.O.M.E. Funds from the U.S. Department of Housing and Urban Development and the Department of Development has reviewed the Project and finds that the Project meets the federal guidelines for H.O.M.E. funds; and,

WHEREAS, the Authority, under Resolution #800 hereby incorporated by reference, approved allocating HOME funds to the Project in accordance with the following terms and conditions.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual representations, warranties, assurances, covenants and agreements hereinafter set forth, the parties agree as follows:

1. **AUTHORITY'S OBLIGATIONS.**

The Authority shall provide as follows:

- A. **Loan.** The Authority shall loan to the City, H.O.M.E. Funds up to the sum of One Million Two Hundred Forty Seven Thousand, Seven Hundred Fifty Eight and no/100 Dollars (\$1,247,758.00) pursuant to the terms and conditions outlined in a development agreement that will be structured upon final organization of the ownership structure and ability to leverage additional resources. Final documents for the loan will be subject to approval by both parties of this agreement.
- B. **Zoning and Planning Approvals.** The Authority shall use its best efforts to expedite the zoning and plan review process to accommodate Developer's development schedule for the renovation of the Property. To the extent not already approved on or prior to the date of this agreement, all such required approvals are subject to the final approval of the West Allis Common Council, Plan Commission and the Authority.

2. **DEVELOPER'S OBLIGATIONS.**

City shall be obligated as follows:

- A. As security for the Loan, the City shall deliver to the Authority:
 - i. **Loan Security.**
 - a. A third mortgage to the Authority, subordinated to Primary Lender and tax credit investor. Mortgage will be structured in the final organization of the Project and will require final approval of both parties.
 - b. A Guaranty of Payment and Performance from the final ownership structure.
- B. **Renovation of an Existing Building for Affordable Senior Housing.** The City shall renovate the Property in accordance with formalized plans outlined in the April 2010 Capital Needs Assessment for the Beloit Road Senior Housing Complex. The City anticipates that the total development

costs of the Property will be approximately \$4,068,458. Before commencement of the renovation of the property, the City shall prepare its development budget for the Property. The City shall maintain records such that its actual expenditures may be ascertained and reconciled against said budget. From time to time, upon reasonable notice from the Authority, authorized representatives of the Authority or representatives from the U.S. Department of Housing and Urban Development shall be entitled to examine such records to verify total development costs of the Property.

- E. **Financing.** Prior to closing of this transaction, the City will provide to the Authority evidence satisfactory to the Authority that the City has available to it sufficient funds for the completion of the Project.
- F. **Affordability Requirement.** Because the project is funded with HOME funds which require a period of affordability, a low to moderate income person is defined as a member of a low to moderate income family within the applicable income limits for Section 8 Rental Assistance Programs which are set forth in **Exhibit 3**.
- G. **Financial Statements and Leases.** The City shall execute and deliver to the Authority such financing statements and other documents as may be required to create, perfect, preserve and maintain any security interest now or in the future granted to the Authority by the City. The City will provide the Authority with true and correct copies of leases and financial statements and a narrative statement of the state of the performance of the Property, including lease rates and trends and projections and disclosure of any material cost or liability not contained on the financial statement. All financial statements are to be prepared in accordance with generally accepted principles of auditing and accounting applied on a basis consistent with the City's accounting practices for the prior year.
- H. **No Subdivision.** No owner of any portion of the Property may further subdivide the Property or any portion thereof nor sell, transfer or convey fee simple title to less than the entire interest of the Property without the prior written consent of the Authority.
- I. **Payment in Lieu of Taxes.** Ownership of the property by any person or in any manner which, for a period of twenty (20) years from the execution of this agreement, would render any part of the property exempt from property taxation shall result in a payment in lieu of taxes (PILOT) from the City, or its heirs, successors, and assigns, to the City of West Allis each year in amount equal to the City's portion of the net general property taxes that would have been due and owing on the property if it was not

tax exempt. The PILOT shall be due and payable in the same manner as property taxes.

Failure to make the PILOT or a challenge to the ability of the City of West Allis to collect the PILOT by the Developer, its heirs, successors, or assigns shall result in payment to the City by Developer, its heirs, successors, or assigns, the sum that represents the fair market value of the property, less improvements, at the time of such failure to pay or challenge.

City and Authority specifically agree that funding under this Agreement and the PILOT are intrinsically tied together and are material inducements to this agreement.

- J. **Taxes.** The City will file when due or obtain valid extensions for all federal and state income and other tax returns which are required to be filed and will pay all taxes shown on said returns and on all assessments received by them to the extent that such taxes shall have become due. The City has no knowledge of any liabilities, which may be asserted against them upon, audit of their federal or state tax returns.
- K. **Legal Status.** Except as disclosed by the City to the Authority in writing prior to the date hereof, there is no action, suit, proceeding or investigation before any court, public board or body pending or threatened against the City or any of its property which, if adversely determined, would have a material adverse effect upon the business, properties or financial condition of the Developer.
- L. **Notice.** The City shall immediately notify the Authority in writing of the occurrence of any failure by them to observe or perform any covenant or agreement contained in any Loan Document or any other default hereunder or under any other Loan Document.

3. **BUILDING, SITE, AND ARCHITECTURAL APPROVALS.** The Plan Commission of the City of West Allis will review all building, site, landscaping and architectural plan as approvals are required for the Project under this Agreement.

4. **DISBURSEMENT OF FUNDS.** At closing, no funds shall be paid to the Developer. The funds shall be held by the Authority. The City shall submit invoices to the Housing Division for work on the Project. The Housing Division shall inspect the Project and the City hereby grants permission to employees of the Authority to conduct such inspections. Failure to allow said inspections shall constitute grounds for non-payment of the invoice. Within 10 days of presentation of an invoice, the parties shall arrange an inspection. Upon completion of the inspection, the Authority shall, within 10

days, either pay the invoice in full or notify the City in writing, the grounds for non-payment or partial payment. Disputes as to payment shall be handled as set forth in Section 13.

5. **NO ASSIGNMENT.** The City may not assign its rights and obligations in and to this Agreement without prior written consent of the Authority. With Authority's consent, the City may assign rights and obligations in and to this Agreement in the event of a sale or transfer of all of Developer's interest in and to the Property.
6. **OTHER SITE IMPROVEMENTS.** The location and design compatibility of all lanes, drives, parking arrangements and ingress and egress plans for the Property, including the impact on traffic circulation, are part of the site plan previously approved by the Plan Commission and the Authority. However, certain businesses or uses of the commercial space of the Property will require a Special Use Permit and additional review by the Plan Commission. Landscaping improvements are an integral part of the Property and shall be installed and maintained in accordance with the landscape plan for the Property previously approved by Plan Commission and the Authority. All required landscaping shall comply with Section 12.13 of the Revised Municipal Code of the City of West Allis, shall be completed within one year of the completion of construction of the principal buildings and shall, thereafter, be maintained in a manner acceptable to the Plan Commission. Landscape materials shall be suitable to the climate, soil conditions, and intended use of the Property and shall be of sufficient size and density to create an immediate landscaped environment consisting but not limited to window boxes, planters, 2 ½ inch caliper trees, and various plants.
7. **SIGNAGE.** The Plan Commission shall review all exterior signs and approve only those that are environmentally and aesthetically suitable. City shall submit a plan to the Plan Commission indicating, in sufficient detail for review and approval, the type, size, shape and location of its proposed signs. Any buildings intended predominantly for rental should be designed with a sign frieze to assure uniformity and continuity of style. Plan Commission approval shall be required prior to the fabrication or installation of a sign or the filing of a formal application for a permit with the Department of Building Inspection and Zoning of the City of West Allis. Off-premise and rooftop signs are expressly prohibited.
8. **PARKING SPACES.** Automobile parking and loading spaces are required by the City of West Allis Codes and shall be provided for the Property. Parking requirements are reviewed and approved by Plan Commission.
9. **PREPAYMENT.** There shall be no prepayment penalty on either the Loan or Grant.
10. **CONSTRUCTION TIMETABLE FOR BUILDING IMPROVEMENTS.**

- A. **Construction Timetable.** City shall commence construction of the Property within one year after closing of the Loan and shall proceed with due diligence to completion and occupancy no later than eighteen (18) months after said Closing, subject to force majeure. The Facility shall be constructed in accordance with the approved final plans.
- B. **Failure to Perform.** In the event the City is unable to complete the Project, the Authority, upon written notice to the Developer, will terminate this agreement and demand immediate payments of all borrowed funds disbursed to date. City shall repay such disbursed funds, plus interest, within 30 days of notice.

11. **DEFAULT.**

- A. **Remedies of the Authority.** In the event of Developer's default hereunder, and in addition to other rights and remedies provided for in this Agreement, the Authority shall have all rights and remedies available under law or equity with respect to said default. In addition, and without limitation, the Authority shall have the following specific rights and remedies:
 - (1) With respect to matters that are capable of being corrected by the Authority, the Authority may at its option enter upon the Property for the purpose of correcting the default and the Authority's reasonable costs in correcting same, plus interest as provided in Subsection E., below, shall be paid by City to the Authority immediately upon demand;
 - (2) Injunctive relief;
 - (3) Action for specific performance; and
 - (4) Action for money damages.
- B. **Reimbursement to the Authority.** Any amounts expended by the Authority in enforcing this Agreement, and any amounts expended by the Authority in curing a default on behalf of Developer, together with interest at the rate provided in Subsection E., below, shall be paid to the Authority and shall constitute a lien against the Property until such amounts are reimbursed or paid to the Authority, with such lien to be in the nature of a mortgage and enforceable pursuant to the procedures for foreclosure of a mortgage.
- C. **Remedies of City.** In the event of Authority's default hereunder, and in

addition to other rights and remedies provided for in this Agreement, City shall have all rights and remedies available under law or equity with respect to said default. In addition, and without limitation, City shall have the following specific rights and remedies:

- (1) With respect to matters that are capable of being corrected by Developer, City may at its option correct the default and Developer's reasonable costs in correcting same, plus interest as provided in Subsection E., below, shall be paid by the Authority to City immediately upon demand;
- (2) Injunctive relief;
- (3) Action for specific performance; and
- (4) Action for money damages.

D. Reimbursement to City. Any amounts expended by City in enforcing this Agreement, and any amounts expended by City in curing a default on behalf of the Authority, together with interest at the rate provided in Subsection E., below, shall be paid to Developer.

E. Interest. Interest shall accrue on all amounts required to be reimbursed above at the rate one (1%) per annum from the date of payment until the date reimbursed in full with accrued interest.

F. No Consequential Damages. Neither party shall be liable to the other for consequential, indirect, incidental or exemplary damages, whether based on contract, negligence, strict liability or otherwise.

G. Remedies are Cumulative. All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.

H. Failure to Enforce Not a Waiver. Failure of a Party to enforce any provision contained herein shall not be deemed a waiver of its rights to enforce such provision or any other provision in the event of a subsequent default.

12. DISPUTE RESOLUTION. In the event a dispute arises under this Agreement, which is not resolvable through informal means, the parties agree to mediation as a dispute mechanism prior to pursuing other available legal remedies. Upon receipt of a written request by either party to utilize mediation as a means of solving a dispute, each party shall have five working days to notify the other in writing as to the name and address of a person designated to represent that party in the dispute process. Upon

designation of the dispute resolution representatives, those persons shall have ten working days to appoint a mutually acceptable third person (mediator) to hear the dispute and to agree on a time and location to mediate the dispute. The representatives shall jointly determine the procedure to be used for gathering information and hearing the dispute. The determination of the mediator shall not be binding on the parties.

13. **NO PERSONAL LIABILITY.**

- A. Under no circumstances shall any officer, official, director, member, partner or employee of the Authority have any personal liability arising out of this Agreement, and neither party shall seek or claim any such personal liability.

14. **FORCE MAJEURE.** No Party shall be responsible to any other Party for any resulting losses and it shall not be a default hereunder if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of enemies, strikes, fires, floods, acts of God, unusual adverse weather conditions, legally required environmental remedial actions, shortage of materials, or by any other cause not within the control of the party whose performance was interfered with, and which by the exercise of reasonable diligence such party is unable to prevent, whether of the class of causes hereinabove enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause.

15. **TIME.** Time is of the essence with regard to all dates and time periods set forth herein.

16. **INDUCEMENTS AND RELIANCE.** City acknowledges that the warranties and representations made here by the City are a material inducement to the Authority entering into the Agreement for the Property and this Agreement, and that Authority is entitled to rely upon these warranties and representations despite independent investigation undertaken by Authority and that the warranties and representations made here and by the City shall survive the Closing.

17. **CONSTRUCTION.** The Authority and City and/or counsel acknowledge that each party and its counsel have reviewed and revised this agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this agreement or any amendments or exhibits hereto.

18. **ENTIRE AGREEMENT.** This writing constitutes the entire Agreement between the parties hereto, and all prior statements, letters of intent, representations and offers, if any, are hereby terminated. This Agreement may be modified or amended only by written instrument signed by the Authority and City.

19. **CAPTIONS.** The captions or headings in the Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.
20. **COUNTERPARTS.** This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.
21. **SEVERABILITY.** If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.
22. **CONTINUITY.** The property shall be conveyed subject to the restrictions, covenants, agreements and conditions contained herein, all of which are to run with the land and shall be binding on all parties and all persons claiming the Property in perpetuity, unless a resolution adopted by the Authority and the Property owners has been recorded, agreeing to change, modify, or amend the Agreement in whole or in part.
23. **GOOD FAITH.** The Parties covenant and agree to act in good faith in the performance and enforcement of the provisions of this Agreement.
24. **RELIANCE AND SURVIVAL OF AGREEMENTS.** All statements contained in any certificate, instrument or document delivered by or on behalf of any of the parties pursuant to this Agreement and the transactions contemplated hereby shall be deemed representations and warranties by the respective parties hereunder unless otherwise expressly provided herein. The representations, assurances and covenants contained in this Agreement shall survive the closing and continue in full force and effect for the duration of the Loan. No examination or investigation by or on behalf of the Authority shall have the effect of estopping the Authority from asserting breach or failure of any such representation or warranty or constitute or operate as a waiver of any such representation or assurance in whole or in part.
25. **CLOSING.** The Loan shall be closed at the West Allis City Hall, office of the City Attorney, at a mutually agreeable time within thirty (30) days of the date of execution of this Agreement. The Authority's obligation to fund the Loan is conditioned upon the City providing the Authority, prior to the date of closing:
- A. Any and all valid termination statements, releases or subordination agreements the Authority may require to guaranty that the security for the

Loan has the priority positions called for by this Agreement.

- B. All Loan Documents which the Authority shall deem necessary or required relative to the completion of the Loan, including the Note, mortgage, personal guaranties, security agreements and such other financial statements as are required for the perfection thereof.
- C. Such policies or other evidence of coverage acceptable to the Authority of all insurance required under the Loan Documents.

In the event the City is unable to satisfy the conditions of this section, the Authority's obligation to fund the Loan shall terminate and be of no further force or effect.

26. **NONPAYMENT.** Upon occupancy, completion of the Project, and the terms and conditions of this Agreement, if in the event of a nonpayment by City of any sum of money at the time or times when the payment shall become due; or the failure to observe or perform any of the covenants or agreements by the City to be kept and performed under the Loan Documents; or the breach of any representation, warranty or assurance made in the Loan Documents by City or in any document furnished under the terms of any Loan Document; then, in such case, the whole amount of principal due on the Note shall, at the option of the Authority, become immediately due and payable without any notice whatever, which is hereby waived, and the same, together with all sums of money which may be or have been paid by the Authority in connection therewith, plus interest thereon at the rate aforesaid, shall thereupon be collectible in a suit of law, in the same manner as if the whole of said principal sum had been made payable at the time when any such default shall occur; and, the City covenants and agrees that it will pay to the Authority all expenses incurred therein, and in addition to the taxable costs in such suit, a reasonable sum of money as attorneys' fees, to be included with the expenses above mentioned in the judgment or decree.

27. **NOTICE AND COMMUNICATION.** All notices, demands, certificates or other communications under this Agreement shall be given in writing and shall be considered given (i) upon receipt if hand-delivered to the party or person intended, or (ii) one business day after deposit if deposited with a nationally recognized overnight commercial courier service, airbill prepaid, or (iii) two (2) business days after deposit if deposited in the United States mail postage prepaid, by certified mail, return receipt requested. Any party may, by written notice to the other party, designate a change of party, person or address for the purposes aforesaid. Notices and communications shall be addressed as follows:

If to the Developer: City of West Allis
7525 W. Greenfield Avenue
West Allis, WI 53214

If to the Authority: Community Development Authority

7525 West Greenfield Avenue
West Allis, Wisconsin 53214
Attn: Executive Director

28. BINDING AGREEMENT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs and permitted assigns.

29. GOVERNING LAW. This Agreement and the performance of transactions contemplated hereby shall be governed by, construed and enforced under and in accordance with the laws of the State of Wisconsin and venue for any action shall be Milwaukee County, State of Wisconsin.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date, month and year first above written.

COMMUNITY DEVELOPMENT AUTHORITY ("Authority")

By: _____
John F. Stibal
Executive Director

City of West Allis

By: *Dan Devine*
Dan Devine, Mayor

By: *Paul Ziebler*
Paul Ziebler, City Administrator/Clerk

Approved as to form this _____ day
of _____, 2010.

Scott E. Post, City Attorney

q\housing\Beloit Rd\9.14.10

Exhibit 1

Legal Description

Tax Key No. 489-0546-000

All that land of the owner being located in the Northwest $\frac{1}{4}$ of Section 10, Township 6 North, Range 21 East, City of West Allis, Milwaukee County, State of Wisconsin, described as:

Lots 1 thru 9 in Block 1 of the Rudolph Estates subdivision.

Tax Key No. 489-0547-000

All that land of the owner being located in the Northwest $\frac{1}{4}$ of Section 10, Township 6 North, Range 21 East, City of West Allis, Milwaukee County, State of Wisconsin, described as:

Lots 1 thru 4 in Block 2 of the Rudolph Estates subdivision.

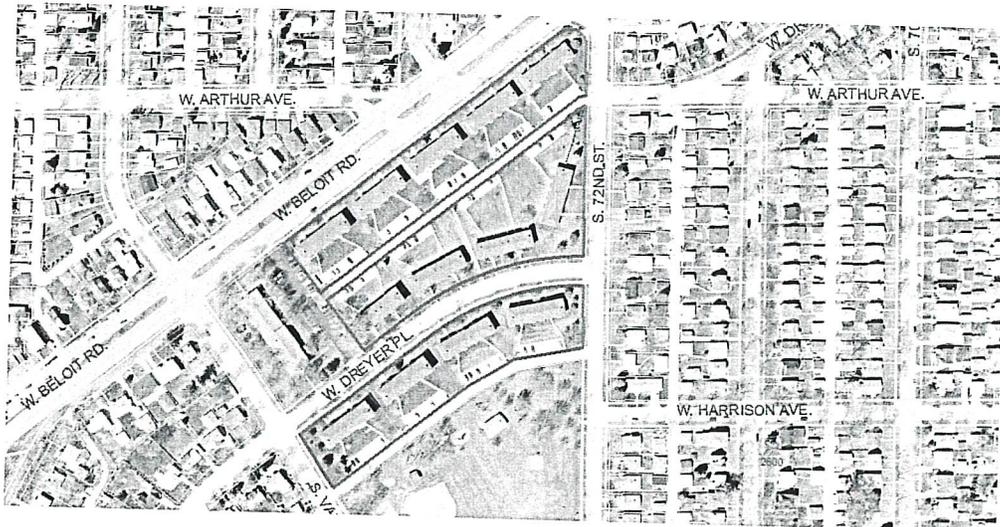


Exhibit 2

Worksheet (Cost Estimates)

8.1 Essential Capital Improvements (See attachments)

All item cost include demolition, materials and installation

8.2 Discretionary Capital Improvements (See attachments)

All item cost include demolition, materials and installation

8.3 Appendix H-1 Rehab

8.4 Appendix H-1 New construction

	A	B	C	E	Z
1		Beloit Road Senior Housing-Rehab Budget			
2					
3	Divison	Item	Description	Total Cost	
4	1000	General Requirements			
5					
6	2000	Site Work			
7			Replace Asphalt	\$80,050.00	
8			Landscaping	\$18,000.00	
9			Property Sign	\$2,300.00	
10			Dumpster Enclosures	\$11,440.00	
11	3000	Concrete Work			
12			Replaced Damaged Concrete	\$325,360.00	
13	4000	Masonry			
14			Brick Façade & Ledge Repair	\$129,740.00	
15			Remove Chimneys	\$50,700.00	
16	5000	Metals			
17			Replace Gutters and Downspouts	\$31,525.00	
18	6000	Wood & Plastics			
19			Replace Kitchen Cabinets/C-Tops/Plumbing	\$320,320.00	
20			Install Bath Vanities/Plumbing	\$78,605.00	
21	7000	Thermal & Moisture			
22			Replace Exterior Siding	\$66,820.00	
23	8000	Doors & Windows			
24			Replace Entry and Storm Doors	\$46,540.00	
25			Replace Windows and Blinds	\$355,550.00	
26			Replace Door Hardware	\$39,520.00	
27			Remove Bedroom Closets	\$124,030.00	
28	9000	Finishes			
29			Replace Stairway/Landing Vinyl	\$9,750.00	
30			Paint Stairway walls/handrails	\$45,630.00	
31			Hardwood/Carpeted Flooring	\$172,640.00	
32			Replace Kitchen vinyl Flooring	\$42,640.00	
33			Paint Unit interior	\$93,600.00	
34	10000	Specialities			
35			Replace Mailboxes	\$6,500.00	
36			Universal Design Amenities	\$189,750.00	
37	11000	Equipment			
56			Install Intercom System/Strike	\$162,890.00	
57			Install Fire Alarm System	\$152,100.00	
58	12000	Furnishings			
59			Replace Frig/Range/Hood/Micro	\$121,160.00	
60			Install Dishwashers	\$60,840.00	
61	13000	Special Construction			
62			See Attached		
63	14000	Conveying Systems			
64					
65	15000	Mechanical			
66			Upgrade Lighting/Emergency lights	\$21,450.00	
67			Unit Electric Devices, S&C/O&Lights	\$181,480.00	
68			Bathroom Venting	\$171,080.00	
69	16000	Electrical			
70			Exterior Lighting	\$30,540.00	
71		Contingency			
72				\$315,255.00	
73	TOTAL:				
74				\$3,457,805.00	
75					
76					
77					
78					
79					
80					
81					

	A	B	C	E
1		Beloit Road Senior Housing-Community Center		
2				
3	Divison	Item	Description	Total Cost
4	1000	General Requirements	New Construction Permits	\$12,000.00
5				
6	2000	Site Work	Erosion Control	\$2,500.00
7			Earthwork-Excavtion	\$34,000.00
8			Lanndscaping-Grading	\$15,000.00
9				
10	3000	Concrete Work	Concrete-formed foundation	\$55,000.00
11			Concrete-flat work	\$18,000.00
12				
13	4000	Masonry	Brick-Exterior Veneer	\$53,000.00
14				
15	5000	Metals	Framing-Structural	\$3,000.00
16				
17	6000	Wood & Plastics	Rough Carpentry-Framing/Trusses	\$76,000.00
18			Finish Carpentry-Casework/Cabinets	\$19,500.00
19			Siding-Fiber Cement Board	\$28,000.00
20			Roof-Aspahlt Shingles	\$24,500.00
21				
22	7000	Thermal & Moisture	Insulation-Walls & Ceilings	\$4,500.00
23			Caulking-Exterior	\$1,700.00
24			Dam Proofing-Air Barrier Wrap	\$1,200.00
25				
26	8000	Doors & Windows	Doors/Frames/Hardware-Interior Doors	\$4,200.00
27			Aluminum Entrances-Building Entry	\$8,065.00
28			Windows-Double Hung Vinyl	\$10,675.00
29				
30	9000	Finishes	Drywall-Ceiling & Walls	\$14,800.00
31			Painting-Ceiling & Walls	\$11,300.00
32			Flooring-Carpet, Base & Tile	\$8,900.00
33				
34	10000	Specialities	Bathroom Amenities-Mirrors/Partitions	\$6,000.00
35				
36	11000	Equipment	Furniture-Desks/Tables/Chairs	\$15,000.00
55				
56	12000	Furnishings	Appliances-Range/Refrigerator	\$1,400.00
57				
58	13000	Special Construction		
59				
60	14000	Conveying Systems		
61				
62	15000	Mechanical	Fire Protection-Sprinkler System	\$16,000.00
63			Plumbing-Sanitary/Supply/Fixtures	\$33,300.00
64			HVAC-Furnaces/Cooling	\$28,000.00
65				
66	16000	Electrical	Rough/Finish-Devices/Lighting	\$43,460.00
67			WE Energies	\$17,500.00
68				
69		Contingency		
70	TOTAL:			\$55,650.00
71				\$622,150.00
72				
73				
74				
75				
76				
77				
78				

Beloit Road Senior Housing

PROPOSED SCOPE OF WORK

Exterior renovations:

Remove existing roof drainage materials and replace with new aluminum, properly sized gutters and downspouts

Thoroughly inspect brick and formed concrete façade and repair all damaged areas

Remove existing and replace all building front and rear entry doors including storm/screen doors with energy star steel and/or aluminum models

Remove all unused chimneys and cap, including roof repair

Remove existing windows and replace with vinyl, Energy Star rated, Low-E, argon gas thermo, properly sized windows and install new window coverings

Remove existing metal siding at front elevation and replace with house wrap and fiber cement board

Grounds renovation:

Remove all damaged concrete and replace with new concrete poured to conform to proper code

Remove all asphalt and replace with new layered asphalt to conform to proper specifications

Install properly required concrete ramping to all front building entrances

Design to enhance site landscaping

Install new property signage

Install new dumpster area corals

Design and construct a new community center addition including site modifications, MEP and parking additions

Install additional exterior lighting

Interior Common area renovation:

Remove existing and replace vinyl flooring on stairway landings

Remove existing and replace tenant mailboxes

Repair surface damage, prep and paint front and rear stairways and add handrails to both sides

Remove existing lighting and replace with energy efficient fixtures to rear and front stairways and basement

Install emergency lighting to front and rear stairway and basements

Install intercom system to front building entry with secured access

Mechanical, Electrical and Plumbing

Install monitored fire alarm system

Install unit bathroom exhaust venting

Dwelling Unit renovations:

Install carpet and padding to living room and hallway

Re-surface hardwood floors in bedroom and den (as required)

Replace kitchen vinyl floor

Remove existing and replace kitchen cabinets, counter tops, stainless double bowl sinks, single lever faucet, supply lines, traps and strainers (faucets with a 1.5 gpm rating or less)

Install 18" energy star dishwasher

Remove existing and replace bathroom vanity cabinets, cultured marble top, single lever faucet, stop and trap and 1.6 gpf toilet, 18" grab bar in shower and 18" from toilet (faucet with a 1.5 gpm rating or less and shower head with 1.75 rating or less)

Remove existing appliances and replace with new energy star refrigerator, 30" electric range, range hood and counter top microwave

Remove existing electrical devices and replace with new GFCI receptacles, hard wired/battery back up smoke detector, energy efficient light fixtures and ceiling fans as required

Repair surface wall and ceiling damage and paint as required

Design and build out new larger unit bathroom to 25 units: (Includes walk-in or roll-in 36" x 60" shower with minimum 2" curb and a clear floor space of 36" x 48", five foot or 36" T-turn, medicine cabinet or 36" mirror mounted no higher than 40" above floor, shower with offset and anti-scald controls, single lever faucet, shower area to have 3/4" plywood behind drywall, shower stall with permanently lined with non-skid surface of 75% of floor)

Remove existing door hardware and replace with lever handle hardware

Remove bedroom closet to rear bedroom and install an accessible work counter at a maximum 34" height and minimum 36" wide and one base cabinet

CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT (this "Agreement") is made and entered into as of the __ day of September, 2010, by and between **City of West Allis** ("City") and the **COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WEST ALLIS**, ("Authority") a separate body politic created by ordinance of the CITY OF WEST ALLIS, pursuant to Section 66.1335 of the Wisconsin Statutes (the "Authority").

WHEREAS, the Authority manages federal HOME funds allocated to the City through an agreement with the Milwaukee County HOME Consortium; and,

WHEREAS, the City owns the over sixty year old facility recognized as the Beloit Road Senior Housing Complex located at 7205-7333 W. Beloit Rd., 2521-2529 S. 72 St., 7216-7312 W. Dreyer Place and 7211-7341 W. Dreyer Place, City of West Allis, County of Milwaukee, State of Wisconsin (the "Property") containing 104-units of affordable elderly housing units, as more particularly described on attached **Exhibit 1**; and,

WHEREAS, the Authority has expressed that there is a need and mission of maintaining the affordable senior housing in the City and, therefore directed staff to form a plan to revitalize the complex through the use of Section 42 Tax Credit financing, as more particularly described on attached **Exhibit 2**; and,

WHEREAS, the tenants qualify for occupancy based on meeting the 50% of County Median Income requirement with the rent calculated utilizing 30% of their income; and

WHEREAS, the City has started the planning process to renovate and update the property and is considering options and the ability in leveraging additional public and private equity (the "Project"); and,

WHEREAS, the Project would not be undertaken unless the public funding provided by the loan and grant becomes available, as the City can maximally raise only a portion of the debt and equity funds required to complete the Project; and,

WHEREAS, the Department of Development of the City of West Allis administers an allocation of H.O.M.E. Funds from the U.S. Department of Housing and Urban Development and the Department of Development has reviewed the Project and finds that the Project meets the federal guidelines for H.O.M.E. funds; and,

WHEREAS, the Authority, under Resolution #800 hereby incorporated by reference, approved allocating HOME funds to the Project in accordance with the following terms and conditions.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual representations, warranties, assurances, covenants and agreements hereinafter set forth, the parties agree as follows:

1. **AUTHORITY'S OBLIGATIONS.**

The Authority shall provide as follows:

- A. **Loan.** The Authority shall loan to the City, H.O.M.E. Funds up to the sum of One Million Two Hundred Forty Seven Thousand, Seven Hundred Fifty Eight and no/100 Dollars (\$1,247,758.00) pursuant to the terms and conditions outlined in a development agreement that will be structured upon final organization of the ownership structure and ability to leverage additional resources. Final documents for the loan will be subject to approval by both parties of this agreement.
- B. **Zoning and Planning Approvals.** The Authority shall use its best efforts to expedite the zoning and plan review process to accommodate Developer's development schedule for the renovation of the Property. To the extent not already approved on or prior to the date of this agreement, all such required approvals are subject to the final approval of the West Allis Common Council, Plan Commission and the Authority.

2. **DEVELOPER'S OBLIGATIONS.**

City shall be obligated as follows:

- A. As security for the Loan, the City shall deliver to the Authority:
 - i. **Loan Security.**
 - a. A third mortgage to the Authority, subordinated to Primary Lender and tax credit investor. Mortgage will be structured in the final organization of the Project and will require final approval of both parties.
 - b. A Guaranty of Payment and Performance from the final ownership structure.
- B. **Renovation of an Existing Building for Affordable Senior Housing.** The City shall renovate the Property in accordance with formalized plans outlined in the April 2010 Capital Needs Assessment for the Beloit Road Senior Housing Complex. The City anticipates that the total development

costs of the Property will be approximately \$4,068,458. Before commencement of the renovation of the property, the City shall prepare its development budget for the Property. The City shall maintain records such that its actual expenditures may be ascertained and reconciled against said budget. From time to time, upon reasonable notice from the Authority, authorized representatives of the Authority or representatives from the U.S. Department of Housing and Urban Development shall be entitled to examine such records to verify total development costs of the Property.

E. **Financing.** Prior to closing of this transaction, the City will provide to the Authority evidence satisfactory to the Authority that the City has available to it sufficient funds for the completion of the Project.

F. **Affordability Requirement.** Because the project is funded with HOME funds which require a period of affordability, a low to moderate income person is defined as a member of a low to moderate income family within the applicable income limits for Section 8 Rental Assistance Programs which are set forth in **Exhibit 3**.

G. **Financial Statements and Leases.** The City shall execute and deliver to the Authority such financing statements and other documents as may be required to create, perfect, preserve and maintain any security interest now or in the future granted to the Authority by the City. The City will provide the Authority with true and correct copies of leases and financial statements and a narrative statement of the state of the performance of the Property, including lease rates and trends and projections and disclosure of any material cost or liability not contained on the financial statement. All financial statements are to be prepared in accordance with generally accepted principles of auditing and accounting applied on a basis consistent with the City's accounting practices for the prior year.

H. **No Subdivision.** No owner of any portion of the Property may further subdivide the Property or any portion thereof nor sell, transfer or convey fee simple title to less than the entire interest of the Property without the prior written consent of the Authority.

I. **Payment in Lieu of Taxes.** Ownership of the property by any person or in any manner which, for a period of twenty (20) years from the execution of this agreement, would render any part of the property exempt from property taxation shall result in a payment in lieu of taxes (PILOT) from the City, or its heirs, successors, and assigns, to the City of West Allis each year in amount equal to the City's portion of the net general property taxes that would have been due and owing on the property if it was not

P.P.


tax exempt. The PILOT shall be due and payable in the same manner as property taxes.

Failure to make the PILOT or a challenge to the ability of the City of West Allis to collect the PILOT by the Developer, its heirs, successors, or assigns shall result in payment to the City by Developer, its heirs, successors, or assigns, the sum that represents the fair market value of the property, less improvements, at the time of such failure to pay or challenge.

City and Authority specifically agree that funding under this Agreement and the PILOT are intrinsically tied together and are material inducements to this agreement.

- J. **Taxes.** The City will file when due or obtain valid extensions for all federal and state income and other tax returns which are required to be filed and will pay all taxes shown on said returns and on all assessments received by them to the extent that such taxes shall have become due. The City has no knowledge of any liabilities, which may be asserted against them upon, audit of their federal or state tax returns.
- K. **Legal Status.** Except as disclosed by the City to the Authority in writing prior to the date hereof, there is no action, suit, proceeding or investigation before any court, public board or body pending or threatened against the City or any of its property which, if adversely determined, would have a material adverse effect upon the business, properties or financial condition of the Developer.
- L. **Notice.** The City shall immediately notify the Authority in writing of the occurrence of any failure by them to observe or perform any covenant or agreement contained in any Loan Document or any other default hereunder or under any other Loan Document.

3. **BUILDING, SITE, AND ARCHITECTURAL APPROVALS.** The Plan Commission of the City of West Allis will review all building, site, landscaping and architectural plan as approvals are required for the Project under this Agreement.

4. **DISBURSEMENT OF FUNDS.** At closing, no funds shall be paid to the Developer. The funds shall be held by the Authority. The City shall submit invoices to the Housing Division for work on the Project. The Housing Division shall inspect the Project and the City hereby grants permission to employees of the Authority to conduct such inspections. Failure to allow said inspections shall constitute grounds for non-payment of the invoice. Within 10 days of presentation of an invoice, the parties shall arrange an inspection. Upon completion of the inspection, the Authority shall, within 10

days, either pay the invoice in full or notify the City in writing, the grounds for non-payment or partial payment. Disputes as to payment shall be handled as set forth in Section 13.

5. **NO ASSIGNMENT.** The City may not assign its rights and obligations in and to this Agreement without prior written consent of the Authority. With Authority's consent, the City may assign rights and obligations in and to this Agreement in the event of a sale or transfer of all of Developer's interest in and to the Property.
6. **OTHER SITE IMPROVEMENTS.** The location and design compatibility of all lanes, drives, parking arrangements and ingress and egress plans for the Property, including the impact on traffic circulation, are part of the site plan previously approved by the Plan Commission and the Authority. However, certain businesses or uses of the commercial space of the Property will require a Special Use Permit and additional review by the Plan Commission. Landscaping improvements are an integral part of the Property and shall be installed and maintained in accordance with the landscape plan for the Property previously approved by Plan Commission and the Authority. All required landscaping shall comply with Section 12.13 of the Revised Municipal Code of the City of West Allis, shall be completed within one year of the completion of construction of the principal buildings and shall, thereafter, be maintained in a manner acceptable to the Plan Commission. Landscape materials shall be suitable to the climate, soil conditions, and intended use of the Property and shall be of sufficient size and density to create an immediate landscaped environment consisting but not limited to window boxes, planters, 2 ½ inch caliper trees, and various plants.
7. **SIGNAGE.** The Plan Commission shall review all exterior signs and approve only those that are environmentally and aesthetically suitable. City shall submit a plan to the Plan Commission indicating, in sufficient detail for review and approval, the type, size, shape and location of its proposed signs. Any buildings intended predominantly for rental should be designed with a sign frieze to assure uniformity and continuity of style. Plan Commission approval shall be required prior to the fabrication or installation of a sign or the filing of a formal application for a permit with the Department of Building Inspection and Zoning of the City of West Allis. Off-premise and rooftop signs are expressly prohibited.
8. **PARKING SPACES.** Automobile parking and loading spaces are required by the City of West Allis Codes and shall be provided for the Property. Parking requirements are reviewed and approved by Plan Commission.
9. **PREPAYMENT.** There shall be no prepayment penalty on either the Loan or Grant.
10. **CONSTRUCTION TIMETABLE FOR BUILDING IMPROVEMENTS.**

- A. **Construction Timetable.** City shall commence construction of the Property within one year after closing of the Loan and shall proceed with due diligence to completion and occupancy no later than eighteen (18) months after said Closing, subject to force majeure. The Facility shall be constructed in accordance with the approved final plans.
- B. **Failure to Perform.** In the event the City is unable to complete the Project, the Authority, upon written notice to the Developer, will terminate this agreement and demand immediate payments of all borrowed funds disbursed to date. City shall repay such disbursed funds, plus interest, within 30 days of notice.

11. **DEFAULT.**

- A. **Remedies of the Authority.** In the event of Developer's default hereunder, and in addition to other rights and remedies provided for in this Agreement, the Authority shall have all rights and remedies available under law or equity with respect to said default. In addition, and without limitation, the Authority shall have the following specific rights and remedies:
 - (1) With respect to matters that are capable of being corrected by the Authority, the Authority may at its option enter upon the Property for the purpose of correcting the default and the Authority's reasonable costs in correcting same, plus interest as provided in Subsection E., below, shall be paid by City to the Authority immediately upon demand;
 - (2) Injunctive relief;
 - (3) Action for specific performance; and
 - (4) Action for money damages.
- B. **Reimbursement to the Authority.** Any amounts expended by the Authority in enforcing this Agreement, and any amounts expended by the Authority in curing a default on behalf of Developer, together with interest at the rate provided in Subsection E., below, shall be paid to the Authority and shall constitute a lien against the Property until such amounts are reimbursed or paid to the Authority, with such lien to be in the nature of a mortgage and enforceable pursuant to the procedures for foreclosure of a mortgage.
- C. **Remedies of City.** In the event of Authority's default hereunder, and in

addition to other rights and remedies provided for in this Agreement, City shall have all rights and remedies available under law or equity with respect to said default. In addition, and without limitation, City shall have the following specific rights and remedies:

- (1) With respect to matters that are capable of being corrected by Developer, City may at its option correct the default and Developer's reasonable costs in correcting same, plus interest as provided in Subsection E., below, shall be paid by the Authority to City immediately upon demand;
- (2) Injunctive relief;
- (3) Action for specific performance; and
- (4) Action for money damages.

D. Reimbursement to City. Any amounts expended by City in enforcing this Agreement, and any amounts expended by City in curing a default on behalf of the Authority, together with interest at the rate provided in Subsection E., below, shall be paid to Developer.

E. Interest. Interest shall accrue on all amounts required to be reimbursed above at the rate one (1%) per annum from the date of payment until the date reimbursed in full with accrued interest.

F. No Consequential Damages. Neither party shall be liable to the other for consequential, indirect, incidental or exemplary damages, whether based on contract, negligence, strict liability or otherwise.

G. Remedies are Cumulative. All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.

H. Failure to Enforce Not a Waiver. Failure of a Party to enforce any provision contained herein shall not be deemed a waiver of its rights to enforce such provision or any other provision in the event of a subsequent default.

12. DISPUTE RESOLUTION. In the event a dispute arises under this Agreement, which is not resolvable through informal means, the parties agree to mediation as a dispute mechanism prior to pursuing other available legal remedies. Upon receipt of a written request by either party to utilize mediation as a means of solving a dispute, each party shall have five working days to notify the other in writing as to the name and address of a person designated to represent that party in the dispute process. Upon

designation of the dispute resolution representatives, those persons shall have ten working days to appoint a mutually acceptable third person (mediator) to hear the dispute and to agree on a time and location to mediate the dispute. The representatives shall jointly determine the procedure to be used for gathering information and hearing the dispute. The determination of the mediator shall not be binding on the parties.

13. **NO PERSONAL LIABILITY.**

- A. Under no circumstances shall any officer, official, director, member, partner or employee of the Authority *or the City* have any personal liability arising out of this Agreement, and neither party shall seek or claim any such personal liability.

14. **FORCE MAJEURE.** No Party shall be responsible to any other Party for any resulting losses and it shall not be a default hereunder if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of enemies, strikes, fires, floods, acts of God, unusual adverse weather conditions, legally required environmental remedial actions, shortage of materials, or by any other cause not within the control of the party whose performance was interfered with, and which by the exercise of reasonable diligence such party is unable to prevent, whether of the class of causes hereinabove enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause.

15. **TIME.** Time is of the essence with regard to all dates and time periods set forth herein.

16. **INDUCEMENTS AND RELIANCE.** City acknowledges that the warranties and representations made here by the City are a material inducement to the Authority entering into the Agreement for the Property and this Agreement, and that Authority is entitled to rely upon these warranties and representations despite independent investigation undertaken by Authority and that the warranties and representations made here and by the City shall survive the Closing.

17. **CONSTRUCTION.** The Authority and City and/or counsel acknowledge that each party and its counsel have reviewed and revised this agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this agreement or any amendments or exhibits hereto.

18. **ENTIRE AGREEMENT.** This writing constitutes the entire Agreement between the parties hereto, and all prior statements, letters of intent, representations and offers, if any, are hereby terminated. This Agreement may be modified or amended only by written instrument signed by the Authority and City.

19. **CAPTIONS**. The captions or headings in the Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.
20. **COUNTERPARTS**. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.
21. **SEVERABILITY**. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.
22. **CONTINUITY**. The property shall be conveyed subject to the restrictions, covenants, agreements and conditions contained herein, all of which are to run with the land and shall be binding on all parties and all persons claiming the Property in perpetuity, unless a resolution adopted by the Authority and the Property owners has been recorded, agreeing to change, modify, or amend the Agreement in whole or in part.
23. **GOOD FAITH**. The Parties covenant and agree to act in good faith in the performance and enforcement of the provisions of this Agreement.
24. **RELIANCE AND SURVIVAL OF AGREEMENTS**. All statements contained in any certificate, instrument or document delivered by or on behalf of any of the parties pursuant to this Agreement and the transactions contemplated hereby shall be deemed representations and warranties by the respective parties hereunder unless otherwise expressly provided herein. The representations, assurances and covenants contained in this Agreement shall survive the closing and continue in full force and effect for the duration of the Loan. No examination or investigation by or on behalf of the Authority shall have the effect of estopping the Authority from asserting breach or failure of any such representation or warranty or constitute or operate as a waiver of any such representation or assurance in whole or in part.
25. **CLOSING**. The Loan shall be closed at the West Allis City Hall, office of the City Attorney, at a mutually agreeable time within thirty (30) days of the date of execution of this Agreement. The Authority's obligation to fund the Loan is conditioned upon the City providing the Authority, prior to the date of closing:
- A. Any and all valid termination statements, releases or subordination agreements the Authority may require to guaranty that the security for the

Loan has the priority positions called for by this Agreement.

- B. All Loan Documents which the Authority shall deem necessary or required relative to the completion of the Loan, including the Note, mortgage, personal guaranties, security agreements and such other financial statements as are required for the perfection thereof.
- C. Such policies or other evidence of coverage acceptable to the Authority of all insurance required under the Loan Documents.

In the event the City is unable to satisfy the conditions of this section, the Authority's obligation to fund the Loan shall terminate and be of no further force or effect.

26. NONPAYMENT. Upon occupancy, completion of the Project, and the terms and conditions of this Agreement, if in the event of a nonpayment by City of any sum of money at the time or times when the payment shall become due; or the failure to observe or perform any of the covenants or agreements by the City to be kept and performed under the Loan Documents; or the breach of any representation, warranty or assurance made in the Loan Documents by City or in any document furnished under the terms of any Loan Document; then, in such case, the whole amount of principal due on the Note shall, at the option of the Authority, become immediately due and payable without any notice whatever, which is hereby waived, and the same, together with all sums of money which may be or have been paid by the Authority in connection therewith, plus interest thereon at the rate aforesaid, shall thereupon be collectible in a suit of law, in the same manner as if the whole of said principal sum had been made payable at the time when any such default shall occur; and, the City covenants and agrees that it will pay to the Authority all expenses incurred therein, and in addition to the taxable costs in such suit, a reasonable sum of money as attorneys' fees, to be included with the expenses above mentioned in the judgment or decree.

27. NOTICE AND COMMUNICATION. All notices, demands, certificates or other communications under this Agreement shall be given in writing and shall be considered given (i) upon receipt if hand-delivered to the party or person intended, or (ii) one business day after deposit if deposited with a nationally recognized overnight commercial courier service, airbill prepaid, or (iii) two (2) business days after deposit if deposited in the United States mail postage prepaid, by certified mail, return receipt requested. Any party may, by written notice to the other party, designate a change of party, person or address for the purposes aforesaid. Notices and communications shall be addressed as follows:

If to the Developer: City of West Allis
7525 W. Greenfield Avenue
West Allis, WI 53214

If to the Authority: Community Development Authority

7525 West Greenfield Avenue
West Allis, Wisconsin 53214
Attn: Executive Director

28. BINDING AGREEMENT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs and permitted assigns.

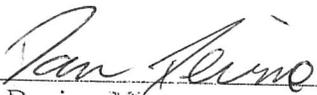
29. GOVERNING LAW. This Agreement and the performance of transactions contemplated hereby shall be governed by, construed and enforced under and in accordance with the laws of the State of Wisconsin and venue for any action shall be Milwaukee County, State of Wisconsin.

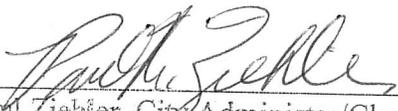
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date, month and year first above written.

COMMUNITY DEVELOPMENT AUTHORITY ("Authority")

By: 
John F. Stibal
Executive Director

City of West Allis

By: 
Dan Devine, Mayor

By: 
Paul Ziebler, City Administer/Clerk

Approved as to form this 6 day
of Oct., 2010.


Scott E. Post, City Attorney

q\housing\Beloit Rd\9.14.10

Exhibit 1

Legal Description

Tax Key No. 489-0546-000

All that land of the owner being located in the Northwest $\frac{1}{4}$ of Section 10, Township 6 North, Range 21 East, City of West Allis, Milwaukee County, State of Wisconsin, described as:

Lots 1 thru 9 in Block 1 of the Rudolph Estates subdivision.

Tax Key No. 489-0547-000

All that land of the owner being located in the Northwest $\frac{1}{4}$ of Section 10, Township 6 North, Range 21 East, City of West Allis, Milwaukee County, State of Wisconsin, described as:

Lots 1 thru 4 in Block 2 of the Rudolph Estates subdivision.



Exhibit 2

Worksheet (Cost Estimates)

8.1 Essential Capital Improvements (See attachments)

All item cost include demolition, materials and installation

8.2 Discretionary Capital Improvements (See attachments)

All item cost include demolition, materials and installation

8.3 Appendix H-1 Rehab

8.4 Appendix H-1 New construction

Cardinal Capital Needs Assessment Worksheet

PROPERTY NAME: Bellitt Road Senior Housing Complex
 LOCATION: West Allis, WI

DATE: 4/8/2010

Essential Items	Current Age	Estimate Life	Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total	
Mechanical & Electrical Items																									
Replace Water Heaters	7	15	1,100																						19
Cost																									20,950
Replace Furnace & A/C Condensers	7	25	3,100																						2
Cost																									2,300
Install Fire Alarm System	0	20	11,700																						6
Cost																									18,600
Mechanical & Electrical Items - Totals																									
Hardwood/Carpeted Flooring	2 to 20	15	1,660																						2
Cost																									113
Replace Kitchen Vinyl Flooring	2 to 25	15	410																						2
Cost																									115
Replace Kitchen Cabinet/C-Tops/Plumb	61	25	3,080																						2
Cost																									47,150
Install Bathroom Vanities/Plumbing	61	25	995																						104
Cost																									320,320
Replace Frig/Range/Hood/Micro	20	12	1,165																						79
Cost																									78,605
Electrical Device, S.B. C/O Det & Lighting	61	15	1,745																						115
Cost																									135,975
Paint Walls	1 to 10	10	900																						115
Cost																									200,675
Universal Design Amenities	0	20	7,590																						2
Cost																									109,800
Replace Door Hardware	30	25	380																						25
Cost																									189,750
Remove Bedroom Closets	61	25	1,570																						104
Cost																									189,750
Unit Items - Totals																									
Uninitiated Cost - All Categories				1,343,745																					124,030
Contingency				286,635																					79
Uninitiated Cost + Contingency				3,132,985																					39,530
Initiated Cost				3,132,985																					104
Uninitiated Cost																									79
Uninitiated Cost + Contingency																									124,030
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Contingency				286,635																					79
Uninitiated Cost + Contingency				3,132,985																					39,530
Initiated Cost				3,132,985																					104
Uninitiated Cost																									79
Uninitiated Cost + Contingency																									124,030
Initiated Cost																									39,530
Uninitiated Cost - All Categories				1,343,745																					124,030
Contingency				286,635																					79
Uninitiated Cost + Contingency				3,132,985																					39,530
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Uninitiated Cost - All Categories				1,343,745																					124,030
Contingency				286,635																					79
Uninitiated Cost + Contingency																									

Cardinal Capital Needs Assessment Worksheet

PROPERTY NAME: Beloit Road Senior Housing Complex
 LOCATION: West Allis, WI

Discretionary Items	Current Estimate	Age	Life	Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total		
Exterior Items																											
Open																											
Cost																											
Open																											
Cost																											
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Cost																											
Open																											
Cost																											
Exterior Items - Totals																											
Property Sign																											
Cost																											
Dumpster Enclosures																											
Cost																											
Community Center Addition																											
Cost																											
Open																											
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	A	B	C	E	Z
1		Beloit Road Senior Housing-Rehab Budget			
2					
3	Divison	Item	Description	Total Cost	
4	1000	General Requirements			
5					
6	2000	Site Work			
7			Replace Asphalt	\$80,050.00	
8			Landscaping	\$18,000.00	
9			Property Sign	\$2,300.00	
10			Dumpster Enclosures	\$11,440.00	
11	3000	Concrete Work			
12			Replaced Damaged Concrete	\$325,360.00	
13	4000	Masonry			
14			Brick Façade & Ledge Repair	\$129,740.00	
15			Remove Chimneys	\$50,700.00	
16	5000	Metals			
17			Replace Gutters and Downspouts	\$31,525.00	
18	6000	Wood & Plastics			
19			Replace Kitchen Cabinets/C-Tops/Plumbing	\$320,320.00	
20			Install Bath Vanities/Plumbing	\$78,605.00	
21	7000	Thermal & Moisture			
22			Replace Exterior Siding	\$66,820.00	
23	8000	Doors & Windows			
24			Replace Entry and Storm Doors	\$46,540.00	
25			Replace Windows and Blinds	\$355,550.00	
26			Replace Door Hardware	\$39,520.00	
27			Remove Bedroom Closets	\$124,030.00	
28	9000	Finishes			
29			Replace Stairway/Landing Vinyl	\$9,750.00	
30			Paint Stairway walls/handrails	\$45,630.00	
31			Hardwood/Carpeted Flooring	\$172,640.00	
32			Replace Kitchen vinyl Flooring	\$42,640.00	
33			Paint Unit interior	\$93,600.00	
34	10000	Specialities			
35			Replace Mailboxes	\$6,500.00	
36			Universal Design Amenities	\$189,750.00	
37	11000	Equipment			
56			Install Intercom System/Strike	\$162,890.00	
57			Install Fire Alarm System	\$152,100.00	
58	12000	Furnishings			
59			Replace Frig/Range/Hood/Micro	\$121,160.00	
60			Install Dishwashers	\$60,840.00	
61	13000	Special Construction			
62			See Attached		
63	14000	Conveying Systems			
64					
65	15000	Mechanical			
66			Upgrade Lighting/Emergency lights	\$21,450.00	
67			Unit Electric Devices, S&C/O&Lights	\$181,480.00	
68			Bathroom Venting	\$171,080.00	
69	16000	Electrical			
70			Exterior Lighting	\$30,540.00	
71		Contingency			
72				\$315,255.00	
73	TOTAL:				
74				\$3,457,805.00	
75					
76					
77					
78					
79					
80					
81					

	A	B	C	E
1		Beloit Road Senior Housing-Community Center		
2				
3	Divison	Item	Description	Total Cost
4	1000	General Requirements	New Construction Permits	\$12,000.00
5				
6	2000	Site Work	Erosion Control	\$2,500.00
7			Earthwork-Excavtion	\$34,000.00
8			Landscaping-Grading	\$15,000.00
9				
10	3000	Concrete Work	Concrete-formed foundation	\$55,000.00
11			Concrete-flat work	\$18,000.00
12				
13	4000	Masonry	Brick-Exterior Veneer	\$53,000.00
14				
15	5000	Metals	Framing-Structural	\$3,000.00
16				
17	6000	Wood & Plastics	Rough Carpentry-Framing/Trusses	\$76,000.00
18			Finish Carpentry-Casework/Cabinets	\$19,500.00
19			Siding-Fiber Cement Board	\$28,000.00
20			Roof-Asphalt Shingles	\$24,500.00
21				
22	7000	Thermal & Moisture	Insulation-Walls & Ceilings	\$4,500.00
23			Caulking-Exterior	\$1,700.00
24			Dam Proofing-Air Barrier Wrap	\$1,200.00
25				
26	8000	Doors & Windows	Doors/Frames/Hardware-Interior Doors	\$4,200.00
27			Aluminum Entrances-Building Entry	\$8,065.00
28			Windows-Double Hung Vinyl	\$10,675.00
29				
30	9000	Finishes	Drywall-Ceiling & Walls	\$14,800.00
31			Painting-Ceiling & Walls	\$11,300.00
32			Flooring-Carpet, Base & Tile	\$8,900.00
33				
34	10000	Specialities	Bathroom Amenities-Mirrors/Partitions	\$6,000.00
35				
36	11000	Equipment	Furniture-Desks/Tables/Chairs	\$15,000.00
55				
56	12000	Furnishings	Appliances-Range/Refrigerator	\$1,400.00
57				
58	13000	Special Construction		
59				
60	14000	Conveying Systems		
61				
62	15000	Mechanical	Fire Protection-Sprinkler System	\$16,000.00
63			Plumbing-Sanitary/Supply/Fixtures	\$33,300.00
64			HVAC-Furnaces/Cooling	\$28,000.00
65				
66	16000	Electrical	Rough/Finish-Devices/Lighting	\$43,460.00
67			WE Energies	\$17,500.00
68				
69		Contingency		\$55,650.00
70	TOTAL:			\$622,150.00
71				
72				
73				
74				
75				
76				
77				
78				

Beloit Road Senior Housing

PROPOSED SCOPE OF WORK

Exterior renovations:

Remove existing roof drainage materials and replace with new aluminum, properly sized gutters and downspouts

Thoroughly inspect brick and formed concrete façade and repair all damaged areas

Remove existing and replace all building front and rear entry doors including storm/screen doors with energy star steel and/or aluminum models

Remove all unused chimneys and cap, including roof repair

Remove existing windows and replace with vinyl, Energy Star rated, Low-E, argon gas thermo, properly sized windows and install new window coverings

Remove existing metal siding at front elevation and replace with house wrap and fiber cement board

Grounds renovation:

Remove all damaged concrete and replace with new concrete poured to conform to proper code

Remove all asphalt and replace with new layered asphalt to conform to proper specifications

Install properly required concrete ramping to all front building entrances

Design to enhance site landscaping

Install new property signage

Install new dumpster area corals

Design and construct a new community center addition including site modifications, MEP and parking additions

Install additional exterior lighting

Interior Common area renovation:

Remove existing and replace vinyl flooring on stairway landings

Remove existing and replace tenant mailboxes

Repair surface damage, prep and paint front and rear stairways and add handrails to both sides

Remove existing lighting and replace with energy efficient fixtures to rear and front stairways and basement

Install emergency lighting to front and rear stairway and basements

Install intercom system to front building entry with secured access

Mechanical, Electrical and Plumbing

Install monitored fire alarm system

Install unit bathroom exhaust venting

Dwelling Unit renovations:

Install carpet and padding to living room and hallway

Re-surface hardwood floors in bedroom and den (as required)

Replace kitchen vinyl floor

Remove existing and replace kitchen cabinets, counter tops, stainless double bowl sinks, single lever faucet, supply lines, traps and strainers (faucets with a 1.5 gpm rating or less)

Install 18" energy star dishwasher

Remove existing and replace bathroom vanity cabinets, cultured marble top, single lever faucet, stop and trap and 1.6 gpf toilet, 18" grab bar in shower and 18" from toilet (faucet with a 1.5 gpm rating or less and shower head with 1.75 rating or less)

Remove existing appliances and replace with new energy star refrigerator, 30" electric range, range hood and counter top microwave

Remove existing electrical devices and replace with new GFCI receptacles, hard wired/battery back up smoke detector, energy efficient light fixtures and ceiling fans as required

Repair surface wall and ceiling damage and paint as required

Design and build out new larger unit bathroom to 25 units: (Includes walk-in or roll-in 36" x 60" shower with minimum 2" curb and a clear floor space of 36" x 48", five foot or 36" T-turn, medicine cabinet or 36" mirror mounted no higher than 40" above floor, shower with offset and anti-scald controls, single lever faucet, shower area to have 3/4" plywood behind drywall, shower stall with permanently lined with non-skid surface of 75% of floor

Remove existing door hardware and replace with lever handle hardware

Remove bedroom closet to rear bedroom and install an accessible work counter at a maximum 34" height and minimum 36" wide and one base cabinet