

DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON DC 20420



JUL 13 2016

Joseph M. Alexander, President
The Alexander Company, Inc
345 W. Washington Ave, Suite 301
Madison, WI 53703

Antonio Perez, Secretary-Executive Director
Housing Authority of the City of Milwaukee
809 N. Broadway
Milwaukee, WI 53202

Dear Mr. Alexander and Mr. Perez:

The Department of Veterans Affairs (VA) has completed its evaluation of the responses to VA 101-16-R-0084 Request for Proposals (RFP) to develop safe, affordable, housing for Veterans and their families with priority placement. VA is pleased to inform you that The Alexander Company, Inc. and Housing Authority of the City of Milwaukee have been selected as the preferred developer for the Enhanced-Use Lease (EUL) project at the Clement J. Zablocki Medical Center – Milwaukee, Wisconsin.


The enclosed Development Plan requirements as described in RFP VA 101-16-R-0084 identify the types of information that are required for this project. Achievement of an acceptable Development Plan is necessary to proceed further with agreements on all business terms of the arrangement (i.e., monetary consideration), outline the responsibilities of the Developer, the manner in which the development will be financed, designed, constructed, operated, maintained, and any anticipated improvements in the future. The Development Plan will be the start of the EUL transaction process that will, if the parties are able to successfully reach agreement, result in lease execution. If a comprehensive Development Plan with, if applicable, any appropriate monetary consideration to VA cannot be reached within a reasonable amount of time as agreed by both parties, negotiations will be terminated with no further involvement from your companies.

Transaction terms and discussions regarding the Development Plan should begin immediately. Ms. Carrie Pham, Portfolio Manager, Office of Asset Enterprise

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Milwaukee EUL Developer Selection

Management, is the Milwaukee EUL Project Manager. If you have questions, please contact her directly at (202) 731-1016 or by e-mail at Carrie.Pham@va.gov.

Sincerely,



Edward L. Bradley, III
Designated VA Representative

Enclosure

CONCEPTUAL DEVELOPMENT PLAN OUTLINE (FROM RFP VA101-16-R-0084)

Following its selection, the Offeror will be responsible for preparing a detailed Development Plan for the Project. The Development Plan must contain a description of the Project and address comprehensively all significant issues regarding its development, operation, management, and maintenance. The Development Plan must include, but should not be limited to, the following:

3.1 Project Overview

- (1) The specific type of Project contemplated by the Offeror and a comprehensive plan for the redevelopment of the EUL Site;
- (2) Project feasibility, including any anticipated barriers and a plan to overcome those barriers;
- (3) Plan to ensure proposed uses are compatible with VA's mission;
- (4) Plan for fulfilling historic preservation requirements;
- (5) Development schedule;
- (6) Development team composition;
- (7) Community engagement strategies;
- (8) Using small and local businesses such as Services Disabled Veteran Owned Business (SDVOB) and 8A businesses and;
- (9) Plan to secure local approvals/concurrences for zoning, permits and other building and land use requirements, noting any expected obstacles and a strategy to overcome those obstacles.

3.2 Transaction Terms

- (1) Proposed entity of the Offeror that would serve as the lessee (on behalf of the Offeror) under the EUL, including all ownership structures associated with the lessee;
- (2) Proposed term of EUL (i.e., up to a maximum of 75 years).

3.3 Project Financing

- (1) Financing plan, including sources of funds and any proposed tax abatements;
- (2) Development budgets;
- (3) Pro forma statements for a minimum of the lease term;
- (4) Supportive/resident services budget;
- (5) Sources and uses of funds;

(6) Plan to obtain Financing Commitment Letters that will provide written assurance(s) from the proposed funding sources that those sources will provide the project financing proposed as part of the Offeror's financing structure at the EUL closing, with all conditions required for such funding clearly articulated; and,

(7) Plan to execute a Performance bond that will provide a written commitment from a surety to provide a performance bond equal to the total development cost at the EUL closing.

3.4 Construction Plan

(1) Conceptual drawings and site plans;

(2) Analysis of existing land use restrictions governing the EUL Site, development and land use recommendations, variances required and plan for obtaining them;

(3) Preliminary utilities, parking, site accessibility, traffic mitigation, and landscape plans;

(4) Preliminary assessment of effects of proposed Development Plan on historic properties, including documentation required to comply, or facilitate compliance, with NHPA;

(5) Plan for obtaining all necessary public/private entitlements; and,

(6) Development and construction management plan.

3.5 Project Operations

(1) Marketing and Leasing Plan, including an ongoing outreach plan to identify and screen potential residents to ensure that the facility is fully occupied;

(2) Property and asset protection (e.g., security, police, and fire arrangements), management, and maintenance (e.g., a funded maintenance account to cover non-routine repairs), water, gas, electricity sources and arrangements with VA or utility companies;

(3) Realistic on-site staffing plan for resident management, service needs and other operational considerations, qualifications for positions; and,

(4) Supportive/resident services plan, which outlines how services appropriate for permanent housing will be coordinated and managed; the plan must:

i. Discuss how residents are to be involved in making facility decisions that affect their lives, including how they are to be involved in selecting supportive/ resident services, establishing personal goals, and developing plan to achieve these goals so that they achieve greater self-determination;

ii. Include an employment plan designed to help the residents attain long-term employment;

iii. Include a plan to minimize legal substance use in Project (Note: Use of illegal substances is prohibited);

- iv. Identify which supportive/resident services are to be provided on-site; and,
- v. Discuss how residents are to be assisted in assimilating into the community through access to neighborhood facilities, activities and services.

3.6 Energy Conservation and Sustainable Design

(1) Discuss the building design, construction and other administrative work necessary to both 1) comply with the Guiding Principles outlined in VA's Sustainable Design and Energy Reduction Manual; 2) apply for and receive a minimum of the Silver Certification for the Leadership in Energy and Environmental Design for Homes (LEED-H) of the U.S. Green Building Council's (USGBC) Green Building rating system for homes or 3) an equivalent certification level by the respective rating organization.

VA recognizes that formulation of the Development Plan will require the Offeror to work closely and cooperatively with VA. VA will provide final approval and cooperate with the Offeror during the drafting process to facilitate preparation of the final Development Plan. It is anticipated that the Offeror will provide VA with drafts of the Development Plan throughout the drafting process. The Development Plan will be subject to VA's review and approval and may be subject to review and comment by local government and other stakeholders.

The Offeror will be required to meet the timeframes set forth of this RFP and the proposed timeline provided by the Offeror in its response and agreed to in the Bid Terms Agreement (Attachment C), with any such extensions or modifications that VA agrees to at its discretion. If the Offeror fails to complete the Development Plan(s) or any other timeframe in a timely manner, VA shall have the right, at its discretion, to provide written notice terminating all future discussions with and rights of the Offeror under this RFP and the Bid Terms Agreement. Upon such termination, VA shall neither owe nor pay any fees, costs, expenses, or monetary penalties to the Offeror for any reason(s) regarding or stemming from this RFP and its process, and VA shall, at its discretion, be free to select another Offeror in order to further pursue the EUL and Project.