



TOWN OF JACKSON TOWN COUNCIL AGENDA DOCUMENTATION

PREPARATION DATE: December 1, 2016

MEETING DATE: December 5, 2016

SUBMITTING DEPARTMENT: Administration

DEPARTMENT DIRECTOR: Bob McLaurin

PRESENTER: Roxanne Robinson, Assistant Town Manager

SUBJECT: Redmond Hall Oversight Committee Update

STATEMENT/PURPOSE

The purpose of this item is to provide an update from the Redmond Hall Oversight Committee and obtain feedback from the Town Council on the competitive bid process.

BACKGROUND/ALTERNATIVES

The Redmond Hall Oversight Committee presented to the Town Council this past summer and recommended that the Housing Trust utilize a competitive bid process to ensure public transparency in the project and to also afford time for the Housing Trust to secure additional funding for the project so that it could remain a rental project.

The Housing Trust is intending to proceed with a bid process. They have presented their proposal to the oversight committee and they are now requesting feedback from the Town Council. The attached memo provides the recommendation from the oversight committee and the November 1, 2016 letter from the Housing Trust is also attached that outlines their process.

Staff recommends the Council consider the process from the Housing Trust and the recommendation from the oversight committee and provide any feedback to the Housing Trust. If the Council is comfortable with the process, at some point in the future, the Housing Trust will come back before the Council to request funding for the project.

The Town Council has many options, several are listed below:

1. Review the recommendation and provide feedback to the Housing Trust.
2. Request further information from the Housing Trust and place the item on a future agenda.
3. Continue the item to the December 19 Town Council meeting.
4. Make a motion to dedicate the identified \$2.1M from the Town budget to the Housing Trust earmarked for the Redmond Hall rental project and direct the Town Attorney to prepare an agreement stipulating the specific use of the funds.
5. Other.

STAKEHOLDER ANALYSIS

The stakeholders involved with this request include the Housing Trust, the community volunteers on the Oversight Committee, the Town of Jackson organization in terms of funding being utilized for this project as opposed to other projects the Town may consider such as the Park Maintenance Shop housing or the START Bus housing project, and the local working citizens that would be eligible to rent from the Housing Trust in a predictable and secure environment.

ATTACHMENTS

Recommendation Memo from the Oversight Committee, November 1, 2016 Letter from the Housing Trust.

FISCAL IMPACT

There is no fiscal impact of providing feedback to the Housing Trust on the bid process. Should the Town Council be ready to appropriate funds for the project, there would be a significant fiscal impact to the Town of Jackson.

STAFF IMPACT

There is no staff impact of providing feedback to the Housing Trust. Should the Town Council be ready to direct staff to prepare an agreement to appropriate funds for the project, that would impact the Town Manager and the Town Attorney in preparing and working through that agreement.

LEGAL REVIEW

Not applicable at this time.

RECOMMENDATION

Staff recommends the Council consider the process from the Housing Trust and the recommendation from the oversight committee and provide any feedback to the Housing Trust.

SUGGESTED MOTION

No motion necessary.

Synopsis for PowerPoint (120 words max):

Background:

The purpose of this item is to provide an update from the Redmond Hall Oversight Committee and obtain feedback from the Town Council on the competitive bid process.

MEMORANDUM

TO: Jackson Town Council

FR: Redmond Hall Oversight Committee

DT: December 1, 2016

RE: Competitive Bid Process and Recommendation to Council

The Redmond Hall Oversight Committee met with the Housing Trust on Monday November 28, 2016 to review and discuss the November 1, 2016 letter submitted by the Housing Trust confirming the competitive bid of the general contractor and outlining a process to govern the remaining scope of work. Following this discussion and review, we would make the following observations:

We continue to believe that this project is a good one, well designed and well located. With the process outlined in their letter, the concerns of the Oversight Committee have been satisfactorily addressed. The process they outline will prequalify bidders and allow the Housing Trust to work with local companies that have a demonstrated track record of success.

As stated previously, we believe that some savings should be achieved through this process. In addition, it also allows more time for the Housing Trust to secure the remainder of the funding needed for the project to remain a rental project.

The Housing Trust assured us that their intent is to construct this project as a rental project and they are working diligently to raise the additional funds needed. In addition to their goal to raise \$600,000 in donations or lease sales, the project will still require funding from potential sources including the proceeds from the sale of the Regional Housing Authority Cheney Lane and Broadway holdings as well as the pledge of \$2.1M from the Town of Jackson. The attached funding summary details the sources committed to the project to date in addition to potential sources of funding remaining.



**Redmond Hall Project Funding Summary
November 29, 2016**

\$12.5M Estimated Project Costs

Sources Committed:

\$1,650,000	Town of Jackson (purchase of Lots 3 and 4)
\$2,350,000	JHCHT Fundraising (philanthropy)
\$3,850,000	Long-term Financing (supported by rental revenue; carried by JHCHT)

\$7.85M Total Sources Committed

\$4.65M Remaining

Potential Sources

TOJ Housing Funds (~\$2.1M)
(Formally requested by JHCHT April 28, 2016)

Cheney Lane net sale proceeds (\$1.95M)
(Formally requested by JHCHT July 11, 2016, decision to pledge proceeds continued)

Broadway net sale proceeds
(Pledged to JHCHT by BCC June 6, 2016)

Additional private fundraising by JHCHT (\$600,000)

November 1, 2016

Mayor, Jackson Town Councilors and members of the Oversight Committee,

On behalf of the board and staff of the Jackson Hole Community Housing Trust, we would like to thank you for your thoughtful consideration of our affordable rental development on Redmond Street. The Housing Trust has carefully weighed the pros and cons of the recommendations of the Oversight Committee and we have agreed to move forward with additional construction documentation and a competitive bid of the general contractor.

We remain committed to making Redmond Street Rentals our community's most significant and most successful public-private partnership to date. We look forward to demonstrating how the public and private sectors can collaborate to efficiently and effectively respond to our community's housing crisis.

With this letter we hope to outline our proposed process moving forward:

1. A detailed specification manual and bid package will be ready to begin a competitive bid of the general contractor by mid-December.
2. We will invite local qualified contractors including Big D, Capstone, JH Builders, GE Johnson, OSM, Shaw, and Teton Heritage Builders to bid on Redmond Hall.
3. The bidding period will close at the end of January.
4. The Housing Trust will review the bids, select the lowest responsible bidder, and enter into an AIA contract in February to ensure an early spring start.
5. In March, the Housing Trust will finalize and close on construction and long-term financing.
6. Once construction is underway, the Housing Trust would like to have the opportunity to review the project progress on a quarterly basis with the Oversight Committee. This quarterly review would include budget and schedule tracking as well as a discussion of any key project issues. We believe this ongoing review of the project will provide public assurance that the project is on time and on budget.

The process outlined above ensures that the Housing Trust has the decision-making autonomy that is essential as the bearer of financial risk for this project. It also provides public assurance that the project is developed for the best possible value.

Our goals on Redmond Street are to address a pressing community need and model a financially practical housing solution in our community; we aim to demonstrate that rental housing can be synonymous with good design, construction, and management. We look forward to breaking ground on this project next spring so that these homes will be ready for occupancy by early 2018.

The time and attention that you have dedicated to this project to date has been extremely helpful and has helped confirm for our community that this project is well-designed, well-located, and well-suited to our community's needs. Please do not hesitate to get in touch with us if you have questions about the direction approved by the board of the Jackson Hole Community Housing Trust.

Sincerely,



Bill Collins
Chair



Anne Cresswell
Executive Director