

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

X. COMMUNITY INVOLVEMENT - CITY, STATE, AND NATION

A. Examples of Correspondence and Articles

1. The Closing of the Residential Units at the
Downtown YMCA: Location of alternative
housing sites, 1984



Commercial & Industrial Real Estate Development & Management

EXECUTIVE MANAGEMENT, INC.

1245 East Washington Avenue • Madison, Wisconsin 53703 • Telephone (608) 255-4519

June 6, 1984

Mr. Keith Moyer
Salvation Army
630 E. Washington Avenue
Madison, WI 53703

Re: Pattern Storage Building
100 S. Baldwin St.
Madison, WI 53703

Dear Keith:

This is to confirm our conversation regarding the various alternatives available to convert the subject building to a residential facility which could be used by the Salvation Army as a solution to the closing of the downtown YMCA residential facility.

The first scenario which we envision would be as follows:

- 1) We could remodel the building per plans and specifications as provided by the Army.
- 2) A long term lease involving the Army, City of Madison and the owner would have to be negotiated. This is necessary in order to provide the security to the lender for financing purposes.
- 3) The lease could provide for an option to the City and/or the Army to purchase during the term of the lease.
- 4) Owner of the building could have favorable tax status for investment credit and ACRS deductions which would enable the rental and option to be favorable for the City and/or the Army.

Mr. Keith Moyer
Salvation Army

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The second scenario could involve the attributes above but would gift or sell the land early to take a tax deduction for the benefit of the owner.

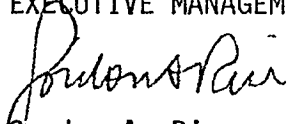
A third scenario might be a lease to the City with the City doing the remodeling using community development block money. The City could then release to the Army for the operation of the residential facility. It's possible under this scenario that real estate taxes on the improvements could be excluded somehow which would allow lease costs to be reduced.

It becomes obvious as you analyze the various alternatives which are available to make this a viable project that without the blessing and full financial support of the City of Madison, the project may not become a reality. It would seem to us that a meeting with the Mayor and key alderpeople would be in order to determine the levels of support that could be made available to the project.

We are pleased to have the opportunity to work with you and the Army on this project. Please let us know if you have any other thoughts on how the project could be structured other than outlined above.

Very truly yours,

EXECUTIVE MANAGEMENT, INC.



Gordon A. Rice
GAR/kr