



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Meeting Minutes - Approved JUDGE DOYLE SQUARE COMMITTEE

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Tuesday, June 11, 2013

5:00 PM

Madison Municipal Bldg., Room 260  
215 Martin Luther King, Jr. Blvd.

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### CALL TO ORDER / ROLL CALL

**Present:** 9 -

Shiva Bidar-Sielaff; Michael E. Verveer; Bradley A. Cantrell; Ann E. Kovich; Sandra J. Torkildson; Adam J. Plotkin; Megan E. Christiansen; Annette Miller and Gregory O. Frank

### 1 APPROVAL OF MINUTES: May 29, 2013

A motion was made by Miller, seconded by Kovich, to approve the Minutes of the meeting of May 29, 2013. The motion passed by voice vote.

### 2 PUBLIC COMMENT

Diane Morgenthaler of the Greater Madison Convention and Visitors Bureau registered as available to answer questions. In response to a question, Ms. Morgenthaler told the Committee that the GMVCB is prepared to convene Monona Terrace clients regarding their convention hotel needs.

### 3 DISCLOSURES AND RECUSALS

There weren't any disclosures or recusals under the City's Ethics Code by members of the body.

### 4 Discussion with City Engineering staff and Isthmus Architecture, the City's consultant on the Madison Municipal Building

Jeanne Hoffman of the City Engineering Division and Peter Rott of Isthmus Architecture addressed the Committee on the Madison Municipal Building Conceptual Design Study.

The project goals are:

- Determine the long-term potential for the City to continue to occupy the MMB
- Plan a functioning office building, a functional work environment
  - HVAC, Exterior Envelope, Plumbing, Fire Protection, Electrical, Lighting, Data/Voice/A/V
  - Optimize energy efficiency
  - Through consultation with City staff, update space needs program

- Optimize sustainability where practicable
- Respect the National, State and Local Historic Status of the MMB
  - Plan all proposed work to conform to National Park Service Guidelines for Historic Rehabilitation and Re-use

The MMB Reuse Preliminary Finding is that the building is in condition to be useful for the foreseeable future.

Zone 1 - Primary Significance: *RESTORE*

-Exterior Building (Limestone clad) Facades

Zone 2 - Secondary Significance: *REHABILITATE*

-Room 260, Historic Court Room

-Main public interior circulation areas, public corridors

Zone 3 - Utilitarian / Mechanical Areas: *RENOVATE*

The Building Programming Assessment is that the current building layout presents many challenges for a modern office environment. Some of the things the consultant heard were:

- The building is inefficient
- The office spaces do not encourage collaboration within departments
- The building layout does not promote synergy between departments
- The public spaces are not inviting
- The building does not project an image of a vibrant and growing city
- The public access to departments / wayfinding is difficult
- Security of building needs up-dating
- Conference rooms use efficiency should be increased
- There is a need for large conference rooms /training areas
- Purging of stored items needs to occur

The Preliminary Findings of the Program Analysis are that with the loading dock/annex removed, there will 72,400 square feet, a reduction of 6,600 square feet. The City's needs may be placed within that reduced footprint if the program assumes:

- Relocate some staff
- Reduce on-site storage
- Provide all staff with quality systems furniture
- All walls except corridors are demolished

The study will be completed by the end of August 2013.

The Chair then asked staff to provide a summary of the 2011/12 study conducted by Marcus /ULI with the City for siting a hotel on Block 88. George Austin distributed an excerpt from the May 2012 Staff Report to the Common Council summarizing the work as follows.

Based on Marcus Hotels' internal research and long term knowledge of the Downtown Madison hotel market, they believe that the ideal

size of the planned hotel would range in room count from 275 to 300 rooms which they feel will be positively absorbed within Downtown Madison. The exact room count on both options would be based on design considerations and space planning. Marcus also reviewed the operating history of the convention center and has evaluated the seasonal constraints for group business and suggests that the hotel contain at least 26,000 square feet of flexible meeting space with at least a 10,000 sq. ft. ballroom. This space program enables Marcus to maximize the group segment leaving the balance of the rooms for corporate transient and leisure customers. A brief description of the hotel that Marcus would plan to develop is as follows:

- Nationally affiliated first class full service hotel brand such as Renaissance by Marriott, Westin, Intercontinental or Hyatt Hotels
- 275 to 300 rooms
- 26,000 sq. ft. of flexible meeting space (85 to 95 sq. ft. per guest room)
- one restaurant and two lounges
- indoor swimming pool and exercise facility

Two options for a Block 88 hotel were developed. Option 1 utilizes the existing Madison Municipal Building in a mixed use development program as follows:

- 278 guest rooms
- 25,593 SF meeting space including 10,470 SF ballroom
- 9,865 SF pre-function space
- 57,057 SF office space
- 6,419 SF retail
- Hotel Building: 305,892 TOTAL GSF
- Office/Retail Building: 63,476 TOTAL GSF

Option 2 doesn't utilize the Madison Municipal Building with a hotel-only program as follows:

- 292 guest rooms
- 30,806 SF meeting space including 11,471 SF ballroom
- 28,396 SF pre-function space
- Hotel Building: 274,400 TOTAL GSF

Marcus solicited construction cost estimates from three general contractors; Findorff, Mortenson Construction and Tri-North Builders. The estimates were provided for Option 1 (includes Municipal Building) and Option 2 (Excludes Municipal Building). The Summary of the Construction Costs Comparison is summarized below. In addition, the Total Cost Summary Comparison which adds the necessary "soft cost and other related costs" such as furniture fixtures and equipment (FFE), operating supplies and equipment (OS&E) design fees, interest carry, working capital, pre-opening costs, franchise acquisition, training and contingency, is provided below:

	<u>Option #1</u>	<u>Option #2</u>
Construction Cost	\$50.4MM	\$44.6MM
FF&E/Consultant Fees	17.8MM	\$16.4MM
Capitalized Interest	5.8MM	\$5.2MM
Closing Costs/Int. Reserve	1.6MM	\$1.0MM
<u>Pre-Opening</u>	<u>1.5MM</u>	<u>\$1.5MM</u>
<b>Total</b>	<b>\$77.1MM</b>	<b>\$68.7MM</b>
Est. Room Count	278 rooms	292 rooms
<b>Cost per Room</b>	<b>\$277,300*</b>	<b>\$235,300</b>

\*It is very likely that Option #1 of \$277,300 per room will include additional costs, unknown at the present, that reflect deferred maintenance, functional obsolescence or general repair based on MH&R experience with similar age historic facilities.

The above cost estimates do not include the following;

- Parking Construction - estimated to cost \$7.6MM for 200 spaces
- Skywalk Construction - estimated to cost \$1.3MM from Block 88 to the Hilton
- Air Rights on Block 88 - estimated value of \$4.2MM per City
- Cost and condition of Madison Municipal Building - Option #1 only
- Cost of potential MMB office/other relocation - Option #1 only

5      [30461](#)

**Committee Deliberation Regarding the Selection of Teams to Participate in the Second Stage Request for Proposals Process**

The Chair opened the item by suggesting a hierarchy for reviewing the items:

1. **Discuss the Journeyman and JDS Development LLC RFQ responses.** Receive reference check verbal report from Staff. Discuss whether the teams have met the experience, project goals and capability selection criteria. Committee administers the selection criteria and selects the teams that will be invited to submit RFPs.
  
2. **Review the Request for Proposals Document.** Committee reviews RFP document section by section. Committee then discusses the Proposal Specific Requirements section to determine whether there are any project specific requirements to be added.
  
3. **Vote on RFP document** and authorize a Common Council resolution be introduced at the Council for referral.

Hearing agreement from the Committee, the Chair asked for a report from the staff team on the reference checks of the two teams. George Austin,

Gregg McManners and Anne Zellhoefer provided a verbal report on the reference checks they each had conducted for which a written record has been placed in the project files. No problems were identified.

The Chair then asked the Committee to review and administer the RFQ selection criteria as approved by the committee on April 15, 2013, which are provided below.

Green - Meets or exceeds the City's expectations

Yellow - Meets some but not all of the City's expectations

Red - Does not meet the City's expectations

Those proposals with an overall rating of green will be invited to participate in the RFP stage.

1. EXPERIENCE - The degree to which team members have an excellent understanding and considerable experience with similar public/private urban scale projects to be able to manage the project in the initial stages and throughout the term of the relationship. This also includes the degree to which the assigned team members have demonstrated superior experience/capability of working with multiple stakeholders.
2. PROJECT GOALS - The degree to which the preliminary project concept excels in achieving the Project Goals found in Section 2 and Project Requirements found in Section 3 of the RFQ.
3. CAPABILITY - The degree to which the team has demonstrated strong financial stability and capability to undertake the development. This includes the degree to which the team has demonstrated the feasibility of its preliminary financing approach including a cost effective and efficient use of City resources.

Following discussion, the Committee felt that both development teams achieved a green rating as having met or exceeded the City's expectations. George Austin also reported that the Affirmative Action Division of the Department of Civil Rights had reviewed the RFQ submissions and recommended that both teams has stated a commitment utilizing local, small, woman-owned and minority subcontractors, stating that the highest consideration be given to JDS Development LLC.

On a motion by Kovich, seconded by Ald. Bidar-Sielaff, the Journeyman Group was unanimously approved to be invited to participate in the second stage RFP process.

On a motion by Kovich, seconded by Cantrell, JDS Development LLC was unanimously approved to be invited to participate in the second stage RFP process.

The Committee reviewed the draft Request for Proposals document and made the following edits:

**Page 2: First column.**

Add "Square" after "Doyle" in the first line.

Change "City" to "Common" in the first line.

In the first sentence of the second paragraph, change "three" to "two."

Delete the first bullet and change the second bullet by deleting "proposal specific".

Also in the second bullet, add in bold type, at the end, "**To the extent the RFP response provides options for the City to consider, every option submitted must provide the information and level of detail required below.**"

Change the Common Requirements header to "RFP Requirements".

In the first sentence after the header, delete the word "common".

In #1., add "are incorporated as RFP requirements" after the word "document" in the third line of the sentence and delete "are incorporated by reference" at the end of the sentence. Add the following sentence, "RFQ Sections 2, 3 and 6 are provided as an attachment to this RFP."

**Page 2: Second Column.**

Add a new #2 "**Madison Municipal Building**" and renumber the balance of the items. The text to be added is:

As stated in the RFQ, the City reiterates in this RFP its desire to maintain the Madison Municipal Building in City ownership primarily for city offices. Proposals must be consistent with this City position. We expect the loading dock area of the building will be removed. If the developer wishes to interconnect the Madison Municipal Building with the new development in some way, the RFP must describe how such a connection would be made and whether there are any proposed shared uses between the buildings. A connection between the two buildings is desired and the City is supportive of such a connection.

In old #4, add "Operations" after "Utility" in the last line and place a period at the end of the sentence.

In old #6, add the following at the end of the existing narrative:

The 250 room block is essential for the new hotel(s) to induce demand for the market and the RFP response must specifically state how the minimum 250 room block will be provided and whether there is any phasing involved. In addition to the room block, the RFP must:

- Identify the national affiliation (hotel flag) and the national sales force and reservation system for the hotel(s).
- Provide a description of the service level of the hotel(s).
- Describe the rationale for the planned meeting spaces in the hotel including an analysis of how this component will complement/compete with Monona Terrace.
- If there are two hotels proposed, specifically describe how the sales/booking process and operations will be coordinated.
- Describe the pedestrian connections, if any, desired to Monona Terrace.

In old #8, add ",including a plan to maintain the public parking supply during construction." The clause to be added does not need to be in bold.

**Page 3: Second Column.**

Delete the "Proposal Specific Requirements Section" entirely.

In the blue box, change "G-100" to "LL-100" and change the e-mail address to [nprusaitis@cityofmadison.com](mailto:nprusaitis@cityofmadison.com)  
<<mailto:nprusaitis@cityofmadison.com>>.

**Page 4: First Column.**

Change "CST" to "CDT" in the first line.

In the blue box, change "G-100" to "LL-100".

In the RFP Submittal Section, change "Section 12" to "Section 13" of the second to last line.

Do the same in the second to last line in the Format Requirements section.

**Page 5/6: Articles of Agreement**

There will be language changes in Articles I, II and IX due to a proposed ordinance change. The City Attorney's Office will provide the new language.

The Committee directed staff to prepare a second draft of the RFP for final consideration at the Committee's next meeting on June 19th. The Draft Common Council resolution will also be considered at that time.

6      [28055](#)      Judge Doyle Square Staff Team Report

7      **ADJOURNMENT**

**A motion was made by Bidar-Sielaff, seconded by Torkildson, to adjourn. The motion passed by voice vote. The meeting was adjourned at 7:15 p.m.**