



# City of Madison

City of Madison  
Madison, WI 53703  
[www.cityofmadison.com](http://www.cityofmadison.com)

## Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

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Thursday, September 10, 2015

4:30 PM

215 Martin Luther King, Jr. Blvd.  
Room 260 (Madison Municipal Building)

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### CALL TO ORDER / ROLL CALL

**Present:** 6 - Sara Eskrich; Sheri Carter; Daniel G. Guerra, Jr.; Sariah J. Daine; Dean Brasser and Kelly A. Thompson-Frater

**Excused:** 1 - Lauren K. Lofton

### 1 APPROVAL OF MINUTES: July 9 and August 27, 2015

A motion was made by Guerra, Jr., seconded by Daine, to Approve the Minutes of the meetings of July 9 and August 27, 2015. The motion passed by voice vote.

### 2 PUBLIC COMMENT

None

### 3 DISCLOSURES AND RECUSALS

None

### 4 [40162](#)

Presentation by Jeanne Hoffman, City Engineering, regarding the renovation of the Madison Municipal Building

Jeanne Hoffman, City Engineering, explained the proposed renovation of the Madison Municipal Building (see attached PowerPoint presentation). This is a large project for the City to undertake. It's next to the JDS Development. The City wishes to transform this building, keep the historic nature of the building and modernize the building (technology included). They wish to create opportunities for City agencies to work more collaboratively together. Currently there are lots of places that are under utilized. They will create a quality meeting space, civic space and work space. Sustainability issues would be taken into account - lower energy use, more natural daylight coming into the building. This will help City staff to be more productive in their work environment. They plan to adhere to the City budget. They will need to find temporary space for 180 employees who work here while the work is being done. The building will be an inspiration to staff and the community. Equity - Interviewed people about how building is used. Current configuration is confusing and intimidating.

- Sustainability Issues
  - Daylight penetration study

- Add skylight
- Bring site back to more of its original condition
- Exterior lighting - front façade most important part of building, highlight prominent historic façade.
- Built in 1927 - Federal building - courthouse & post office. Neoclassical design. National Registry and State Historic Registry and local historic landmark.
- Clean up roof - put in skylight, sedum roof, photo voltaic rays. Sedum roof helps collect water, decreasing heating load of building.
- Add insulation to interior of walls
- Make windows more energy efficient
- Windows on 2nd & 3rd floors are original - add internal storm windows.
- 260 - Remove added lighting and bring it back to what it was originally.
- Use crawl space above room 260
- Room 260 - improve acoustics
- Make mechanical rooms quiet
- Sourced original lights for 260
- Energy efficient lights in remainder of building
- Quality workspace to City staff
- Make it clear where public and private space is
- US Post Office will move to another site
- Finishing up schematic design
- Bid project out end of 2016. Project will take two years.
- Financed through GO borrowing. Somewhat related to JDS. Working very carefully and quickly to demolish annex to make way for JDS project. Moving forward to start advertising to start demolishing the annex on September 25; demolition happening in November. Working to find temporary space in MMB for Housing.
- This will go through with or without JDS. Capital Budget request. Original copper wiring on 2nd & 3rd floors. The longer we wait, more risk of mechanical malfunction. Total project budget is \$30M, that includes construction budget of \$21M; the rest are design fees. Capital funding will help pay for move, temp space and furniture.

5

[32700](#)

## COMMUNICATIONS

None

## PRESENTATION OF CONSENT AGENDA

At this time, a consent agenda will be moved with the recommendation to approve each item EXCEPT: Items 6, 7, 8, 9, 10, 11, 15 and 16

**A motion was made by Brasser, seconded by Eskrich, to Adopt the Consent Agenda. The motion passed by voice vote.**

6      [34760](#)      HOUSING OPERATIONS MONTHLY REPORT

6A      [29695](#)      Housing Operations Subcommittee Report

Dean Brasser asked about the plan for next year and the action the CDA Boards needs to take. Natalie said the plan has to be posted for 30 days; we can take action at the next meeting.

**PUBLIC HEARING NOTICE - 5:00 p.m.**

The public hearing will be conducted in a manner that provides a reasonable opportunity to be heard for persons with differing views, thereon. Any person desiring to be heard is requested to attend the public hearing or send a representative.

7      [40006](#)      CDA Resolution No. 4146, approving the Judge Doyle Square Redevelopment Plan and Boundaries.

Dan Rolfs, Office of Real Estate Services and Kevin Ramakrishna, City Attorney appeared before the Board.

Dan Rolfs said the Redevelopment Plan for JDS includes the Madison Municipal Building (MMB). The Redevelopment Plan would allow the CDA to exercise its authority to do what it's intended to do. Need a Redevelopment District to do that. Not condemning property - single purpose redevelopment district. We also did this for the Wisconsin Institute for Discovery. Can act on JDS proposal.

Thompson-Frater asked if this includes Pinckney Street. Rolfs said it includes the right-of-way, just the subterranean rights. Attorney Ramakrishna stated they are splitting Block 88 in half - there will be two parcels. Rolfs said this was appropriately noticed - followed statutes to the letter.

Eskrich asked if they are creating a district that could be developed by any developer chosen by the City - not just the current proposal. Rolfs said that is correct.

Daine asked if this has been approved by Council. Natalie went through the schedule.

**A motion was made by Guerra, Jr., seconded by Thompson-Frater, to Approve CDA Resolution No. 4146. The motion passed by voice vote.**

8      [40046](#)      CDA Resolution No. 4147, authorizing the Execution of the Amended and Restated Development Agreement with JDS Development LLC and the City of Madison for the Judge Doyle Square Project subject to: (1) the City of Madison's Approval of the Amended and Restated Development Agreement; and (2) the City of Madison's Commitment to Provide the CDA with the Funding and Resources Necessary to Carry Out the Actions Described and Agreed to in the Amended and Restated Development Agreement.

Attorney Ramakrishna stated this will allow the CDA to buy properties, accept

City funding to make purchases, sale to Parking Utility, lease to developer for their private parking. Approving what the CDA will be doing. Not committing to financing.

Eskrich asked for confirmation that the CDA is not endorsing the development agreement with this vote. Attorney Ramakrishna said that is correct.

Thompson-Frater asked if this is allowing the developer to establish a real estate holding company. Attorney Ramakrishna said it's a 10/31 - like kind exchange. \$15M coming in to the deal for the land. The holding company will hold the land so this investor can get a tax deferment. The holding company is insulating the asset but also showing the IRS that this money is sitting in the land. Converted to condos and pieces sold off. It's about the financing mechanism. Erdman said the condos are used to subdivide the space. Sell them back half of this lot and parking structure. Condo document laid over that for two parking spaces and two office spaces. CDA will take ownership of parking condos. Build structure, deed one to Parking Utility and own other structure for 27 years and lease to JDS, LLC.

Thompson-Frater asked how the condo association is governed. Erdman said by condo declaration of covenants. Reviewed by Council and approved by CDA. Controlling Board - CDA would have spot on Board.

Thompson-Frater asked if the CDA gets to approve the design for the parking garage. Attorney Ramakrishna said it goes through the standard City approvals - Parking Utility & TPC will have to approve it. Erdman said the property is being rezoned to PD-SIP, detailing exactly what it will look like. Land Use approvals go to Plan Commission and Common Council.

Thompson-Frater said that BOE had a concern about right of first refusal. Attorney Ramakrishna stated that the parking lease term sheet has been cleared up. Language removed.

Daine asked if the TIF money was earmarked for anything else. Attorney Ramakrishna said no. Significant amount sitting there for a project on this site. Trying to build something for years. Erdman said the City would have closed the district. Attorney Ramakrishna said there is \$19M for the hotel.

Daine asked about taxes. Erdman said the City Assessor can estimate it.

Daine said they are proposing 216 hotel rooms instead of 250. Monona Terrace testified at BOE that they were disappointed. Positive about Exact Sciences' transaction. Have not come out in opposition to the transaction, but would prefer to see 250 rooms. Erdman said we are still working with the developer. Money in TID 25 could not be used for the Public Market unless it were built on this spot. Could not be used for any transaction other than this district. CDA is being asked to build a parking structure and lease it to JDS and handle that on behalf of the City. Council is being asked to make the decision about the transaction.

Brasser asked what kind of impact will this have on the school district. Attorney Ramakrishna said they have had some conversations with the school district. Could close district, give the school the \$9M note, but that would have an impact on funding. They're not sure how they want to proceed. Don't know what the offset is, but it is a concern for them.

Brasser asked why the CDA is being asked to be a party to the agreement. Attorney Ramakrishna said they don't need CDA borrowing, but it's advantageous for doing bids. Some concern about City directly leasing to a private developer. Erdman said the CDA has a history of buying property and leasing it out.

Carter said the private parking that's going to be leased for 27 years - how much? Erdman said \$115,000/year + \$4M at end of 27 years.

Daine asked if this is common for the CDA and City to do. Erdman said it's not common - once in a lifetime. Not uncommon for the CDA to play this role. City is making an investment - in 20 years will recoup our investment.

Brasser said the existing parking structure is falling apart.

Thompson-Frater said it doesn't generate any property taxes.

Attorney Ramakrishna said this is not the largest TIF loan we've done. Anchor Bank is \$13M.

(Sara Eskrich left at 5:51 p.m.)

Carter asked if the Anchor Bank and JDS are the only TIF projects downtown. Erdman said there is also Block 89, AT&T building, Galaxy Phase I, Galaxy Phase II, Constellation, and Alexander Capitol West transaction.

Brasser said neighboring communities do more than we do per their size. Well below the limits. Surrounding communities are at their limits.

**A motion was made by Guerra, Jr., seconded by Thompson-Frater, to Approve CDA Resolution No. 4147. The motion passed by voice vote.**

(Sara Eskrich left at 5:51 p.m.)

**Present:** 6 - Sheri Carter; Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine; Dean Brasser and Kelly A. Thompson-Frater

**Excused:** 1 - Sara Eskrich

9      [39421](#)

Accepting the Greening America's Capitals: Brittingham - Triangle Green Project Report and authorizing staff to further study the concepts and actions contained in the Report during future planning and infrastructure activities within the project area.

**Bill Fruhling provided the presentation (PowerPoint attached).**  
**Fruhling said the program is available only to Capital cities across the country.**  
**We applied for this a couple of years ago. EPA hires a team of consultants and**

they send them to town for three days worth of public meetings, focus groups, working sessions, etc. Consultants leave and send us the report. This is not a plan. The CDA is being asked to accept the report and staff can consider the ideas in here. Area that we decided fits the criteria well is the Triangle, including Brittingham Park and Monona Bay. EPA wanted us to identify five projects, not including the buildings. Good chunk of it is CDA-owned property.

1. East Campus Mall Extension
2. West Washington Avenue
3. Intersection of East Washington Avenue & South Park Street
4. Intersection of West Washington Avenue & Regent Street
5. Brittingham Bath House & beach area

Met with residents to get their ideas.

A motion was made by Carter, seconded by Daine, to Return to Lead with the Recommendation for acceptance to the PLAN COMMISSION. The motion passed by voice vote.

10      [39668](#)

Accepting the report and recommendations of the Housing Strategy Committee - Market Rate Rental Report.

Matthew Wachter provided the update (report attached).

The Senior chapter is almost done. Does not talk about affordable housing. There are four demographic drivers of growth rate. Smaller households and renter households. Sped up growth rate. Growth on lower-income households and higher-income households, nothing in between. Fast growth of higher-income households (\$150,000). Low end recession rated jump up. For renters, adding on the lower end and the very high end. Fast growth of high-income households. Shift in preference from owner to rental. New phenomenon. National trend - more severe here. Students not taken out of data set. Third trend - All population growth driven by millennials and baby boomers. Since 2007, millennials. Renter boom is driven by millennials and by 55-64 year olds. Smaller households. Younger less likely to own because of jobs and savings. Ownership rate by age - historic correction. 2007 highest rates of home ownership. Estimated new renter households - Need to add 500 apts per year. Added 1000 units in 2014. Vast majority of units being added are downtown. Rental Vacancy rate - 2.39%. Size of market does not attract huge amounts of funds. Low vacancy rates - puts a lot of price pressure on the market. Jump in average listed rents. New expensive units added downtown.

Challenges - physical capacity to add supply, rising construction costs

#### Solutions

1. Better information and communication
2. Create a Development Zone Initiative
3. Create a Housing Development fund to finance land banking and pre-development costs to prepare sites and reduce barriers to rental housing development

A motion was made by Guerra, Jr., seconded by Thompson-Frater, to Return to Lead with the Recommendation for Approval to the HOUSING STRATEGY COMMITTEE. The motion passed by voice vote.

(Daniel Guerra left at 6:53 p.m.)

**Present:** 5 - Sheri Carter; Lauren K. Lofton; Sariah J. Daine; Dean Brasser and Kelly A. Thompson-Frater

**Excused:** 2 - Sara Eskrich and Daniel G. Guerra, Jr.

11      [35133](#)              CDA EXECUTIVE DIRECTOR'S REPORT

No report

12      [35134](#)              Community Development Subcommittee Report

13      [35137](#)              Finance Subcommittee Report

14      [25012](#)              MOSAIC RIDGE UPDATE

15      [35665](#)              ALLIED DRIVE UPDATE

Matthew Wachter provided the update. The CSMs to deal with the storm sewer related issue will be in front of Council on September 16. The contractor will pull a permit the next day. Property will get listed for sale at the end of the month.

Talking to Habitat for Humanity. They will take one lot on Allied Drive for a build to start in March/April. Most likely resident will be someone who went through the year-long class. Another person in class is pre-qualified for a loan - gap in financing. \$25,000 gap - keep portion of money as longer-term loan. We would loan the money instead of the bank.

Could also look at building a model house on Allied Drive.

16      [33361](#)              TRUAX PARK REDEVELOPMENT UPDATE

Matthew Wachter provided the update. We are on schedule to open at end of the month. The 16-unit is open. The eight-unit will be done at the end of the month. Ahead of schedule on the 24-unit (will be finished at the end of October).

Working on contract with Porchlight to handle eight-unit building (Sub-management agreement).

17      [20808](#)      THE VILLAGE ON PARK

Erdman said Matthew Wachter and Kris Koval are working on an agreement with Madison College for The Village on Park (take down north building and construct new building).

18      [36526](#)      BUSINESS BY THE COMMISSIONERS

None

19      **ADJOURNMENT**

A motion was made by Thompson-Frater, seconded by Daine, to Adjourn the meeting at 7:09 p.m. The motion passed by voice vote.