



Department of Planning & Community & Economic Development

Economic Development Division

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TO: Common Council

FROM: Matthew B. Mikolajewski, Office of Business Resources Manager

SUBJECT: Capitol East District Contract Extension

DATE: May 18, 2010

The City of Madison executed contracts with Vandewalle & Associates/The Hiebing Group and The Bower Group in 2009 to begin implementation of the East Washington Avenue Capitol Gateway Corridor Plan. The following memo summarizes the work completed by the firms to date, and provides justification for the extension of the existing contracts through December 31, 2010.

Vandewalle & Associates/The Hiebing Group Contract

The current contract with Vandewalle & Associates/The Hiebing Group, executed on September 11, 2009, included two phases. The first phase has been completed. This work included stakeholder and focus group interviews; and, the preparation of a *Market Positioning Framework & Strategy* (attached).

The second phase of the 2009 contract is currently underway, with a balance of approximately \$26,000 available under the current contracted amount. The status of contracted activities is as follows:

2.1 – Identity package – *completed*

2.2 – Marketing Materials Development – *in progress*

2.3 – Key Initiative Advancement – *significant progress made regarding the Sustainability Center concept*

2.4 – Target Recruitment – *outreach to some key businesses, developers, and institutional partners has occurred, with additional recruitment needed*

2.5 – Stakeholder Buy-in – *first major, and several minor, stakeholder meetings held*

2.6 – Project Team Meetings – *attended*

The proposed 2010 contract extension will continue and build upon the work being completed through Phase II of the 2009 contract as follows:

Task 1 – Prepare marketing tools for the Capitol East District

- Prepare easily updateable district brochure
 - Vandewalle – content (\$2,000)
 - Hiebing – development (\$7,000)
- Prepare easily updateable two-sided project information sheet for the Sustainability Center
 - Vandewalle – content (\$1,500)
 - Hiebing – development (\$3,000)
- Prepare other collateral materials (letterhead, envelopes, etc.)
 - Hiebing (\$4,000)
- Work with City IT to transition the existing Capitol Gateway Corridor website for interim use as Capitol East District website, using the “appearance” of the collateral material as a guide.
 - Hiebing (\$3,000)

Task 1 Budget = \$20,500 (Vandewalle = \$3,500, Hiebing = \$17,000)

Printing is not included in above costs

Task 2 – Provide business, neighborhood, government, etc. support

- Attend and support at least two (2) stakeholder meetings.
- At least one business/developer/neighborhood mixer (possibly hosted by DMI)
- Another “event” opportunity
- Media advising

Task 2 Budget = \$6,000 (Vandewalle = \$2,000 , Hiebing = \$4,000)

Task 3 – Attend bi-weekly project team meetings / complete project implementation tasks and provide project management

- Bi-weekly project management/implementation team meetings
- Meeting coordination and preparation
- Project strategy and redevelopment advising
- Key meeting attendance, presentations, and follow-up
- Conduct outreach and recruitment, work with developers and prospects to frame and execute projects
- Ongoing document and whitepaper development
- Ongoing graphic visualization/plan development to advance partners and projects
- Partnering worksession on Riverfront and Carbon-Free Expressway concepts
- Design integration of public and private improvements
- Vision management

Task 3 Budget = \$36,500 (Vandewalle = \$32,500, Hiebing = \$4,000)

Vandewalle & Associates

Task 4 - Focus on advancing/preparing the Urban Technology Campus and Capitol East Center

- Preparation of detailed implementation strategy/scenarios (master plan) in both graphic and text formats; including cost estimates, implementation timeline, and delegation of responsibility
- Continued discussion/collaboration with owners
- UW outreach on expansion options

Task 5 – Help advance the Sustainability Center concept

- Continued collaboration with project partners
- Identification and work toward securing a project location
- Identification and securing potential tenants
- Prepare preliminary building space plan / components

Tasks 4 & 5 Budget - Vandewalle (\$20,000)

Task 6 – Research transportation system opportunities

- Early exploration of circulator system
- Research necessity, cost, and location of parking structure(s)

Task 6 Budget - Vandewalle (\$6,000)

Task 7 – Prepare public infrastructure work plan

- Identify and estimate costs associated with required public infrastructure (including parking structures noted above)
- Identify opportunities to “clean” and “green” the District (especially along the bike path and along E. Washington Avenue)
- Prepare 2011 and beyond Capital Budget requests
- Develop timeline and outline necessary implementation partners
- Outreach/discussion with Mayor, area Alders, Council Leadership, and key City departments on budget request

Task 7 Budget - Vandewalle (\$14,000)

Total Project Budget: \$103,000 (Vandewalle = \$78,000, Hiebing = \$25,000)

The total \$103,000 noted includes the outstanding balance of \$26,000 from the 2009 contract, along with \$77,000 of new expenditures.

The Bower Group

The current contract with The Bower Group, executed on August 20, 2009, included two phases. The first phase of the contract included the following elements:

- A. Create scope of potential structure/process for interim involvement process – *completed*
- B. Reengage interim stakeholder process – *completed; including a significant number of meetings with property owners and businesses already located within the District*
- C. Research and Implement Organization Options – *in progress; based on stakeholder interviews and discussions with City staff, it has been determined that the Madison Community Development Authority (CDA) would present the most appropriate organizational structure for the near-term. Additional work will be needed through the 2010 contract period to further explore the role that the CDA might play.*

The second phase of the 2009 contract included the following:

- A. Form, coordinate, and manage project implementation and management team – *completed and ongoing*
- B. Formulate initial implementation strategy and priorities – *completed*
- C. Develop and implement priority site specific development strategies – *completed and ongoing*
- D. Prospecting and marketing positioning of corridor – *completed and ongoing; including several meetings with prospective businesses that may be appropriate for the District.*
- E. Implementation of high priority, high leveraged corridor redevelopment initiatives – *completed and ongoing*

The Bower Group has exhausted the funds budgeted under the 2009 contract. The 2010 contract extension would enable The Bower Group to continue, in close collaboration with City staff, the work completed above through the following scope of services:

- A. Continue to refine and manage the development of the overarching project implementation strategy.
- B. Based on defined priorities, implement key components of project work plan.
- C. Develop and assist in implementing overarching district-wide and area-specific development strategies for the project.
- D. Develop and implement priority site specific development strategies. Actively support and coordinate all aspects of redevelopment projects currently underway or newly identified.
- E. Assist, as appropriate, in developing and implementing strategies around property acquisition and repositioning.
- F. Coordinate with City staff on prospecting efforts in the CED; including meetings with CED prospects.
- G. In coordination with City staff, conduct pre-development negotiations with property owners and developers.

- H. Develop real estate finance and deal-structure strategies and approaches, where appropriate.
- I. Develop project budgets.
- J. Coordinate all aspects of stakeholder outreach.
- K. Works with City staff, the Mayor's Office and the Common Council to secure necessary approvals.
- L. Coordinate with other consultants and City staff to ensure effective implementation is occurring based on limited resources.
- M. Assist in drafting funding requests and grants.
- N. Refine and coordinate the development of implementation/organizational structures to ensure long-term implementation of redevelopment in the CED.
- O. Oversee preparation of document submissions for regulatory agencies.
- P. Perform other duties as required.

Under the 2010 contract, The Bower Group's Principal, Mr. Jim Bower, will serve as the overall project manager for the implementation activities outlined within the *Market Positioning Framework & Strategy* document (attached), and as further outlined by the scope of services above. Mr. Bower will need to adjust the amount of time devoted to any one component based on opportunities and priorities that arise throughout the year. The Bower Group invoices the City on a time and materials basis, with the total contract not to exceed \$98,000 for 2010.