

MEMORANDUM

TO: Garver Feed Mill Committee

FROM: Dan Rolfs

DATE: March 3, 2015

SUBJECT: Garver Feed Mill Committee Scores

Attached to this memo are the scores submitted by each member of the Garver Feed Mill Committee. Staff has provided a summary of all scores as well as the disaggregated scores for each proposal and Committee member. Alder Ahrens has also provided additional notes explaining some of his scores. These notes are referenced in the disaggregated scores for each proposal, and the notes themselves are provided at the back of the scoring sheets.

This memo also serves as a reminder of the Disclosure and Disclaimer in the RFP recommended by the Committee and approved by Council. Staff has highlighted the following sections that are particularly relevant as a recommendation and action are contemplated:

“...The City, in its sole discretion, may withdraw this RFP before or after receiving submissions, may accept or reject any or all submissions, and may waive any irregularities if the City deems it appropriate and in its best interest. The City shall determine the responsiveness and acceptability of any proposal submitted.

Prospective developers and their design teams should rely exclusively on their own investigations, interpretations and analyses in preparing and submitting proposals, and should not rely on communications with City staff or officials. The City makes no warranty or representation that any submission, which conforms to the requirements of this RFP, will be selected for consideration, negotiation, or approval.

The City and the selected developer will be bound only if and when a submission, as same may be modified, and any applicable definitive agreements and budgetary authorizations pertaining thereto, are approved by the Common Council of the City of Madison and then only pursuant to the terms of the definitive agreements executed among the parties.”

As has been previously stated by Staff and is restated in the Disclosure and Disclaimer above, policy makers are not bound by the scores attached to this memo.

Total Points by Committee Member

Proposal	Wallner	Rummel	Clausius	Allgood	Sheppard	Ahrens	TOTAL
Alexander	147	134	141	130	155	106	813
ACC	137	141	131	119	110	134	772
Baum	137	151	134	138	130	93	783
Ogden	121	140	114	87	110	107	679

High Score

Criteria	Potential Points	Wallner	Rummel	Clausius	Allgood	Sheppard	Ahrens
FINANCIAL							
1. Demonstrates long-term financial viability.	10	9	8	10	5	10	0
2. Demonstrates relevant experience and a history of success by the development team in projects of similar scope and size.	15	15	15	15	10	15	8
3. Projects requesting no more than the \$1.825 million of City assistance identified in this RFP. (NOTE: Projects requesting more than the identified assistance will receive 0 points.)	25	25	25	25	25	25	25
VISIONARY DESTINATION DEVELOPMENT							
1. Some level of public use of the building will be a feature of any successful proposal. The emphasis of this requirement is public access to the Garver Feed Mill building, including an ADA accessible space.	10	10	9	8	10	10	10
2. Preserving -- to the greatest extent possible -- the look and architectural style of the existing building.	15	15	15	15	15	15	12
3. The project includes a high quality, well designed building(s) both on the interior and exterior.	10	9	10	10	10	10	10
4. A successful proposal will include a primary use(s). May have mixed uses that are incidental to the primary use. Examples of incidental uses are: Housing, Office space, Light manufacturing and Retail.	5	5	5	5	5	5	5
CONTEXT SENSITIVE							
1. The uses proposed complement Olbrich Botanical Gardens while minimizing impacts on the surrounding land and OBG service areas by limiting non-park or non-garden use of outdoor space and only requiring the land within the building's existing footprint, and necessary space surrounding the building for walkways, landscaping, additional architectural requirements, etc..	10	9	9	8	8	10	3
2. Minimal adverse impact on the immediate surrounding neighborhood, e.g. limited festival noise/special event activities.	10	8	4	5	6	10	2
SUSTAINABLE							
1. Demonstrates a sophisticated understanding of "sustainability" as it relates to preservation, development, use, and maintenance of a buildings and its grounds such as achieving LEED Certification, Living Building Challenge, Sustainable Sites Initiative, or similar sustainability metrics.	10	9	5	7	7	10	8
2. Incorporates renewable energy system(s)	5	4	2	3	2	5	3
MULTI-MODAL ACCESS							
1. The City envisions that the primary motor vehicle access will be off Fair Oaks Avenue, but may consider other alternatives. NOTE: Sugar Ave. may be the primary pedestrian, bicycle and OBG maintenance access to the structure and pedestrian link to Olbrich Botanical Gardens.	5	5	5	5	5	5	5
2. Proposed circulation patterns for pedestrians, bikes, and	10	9	7	10	7	10	0
RESPONSIVE TO OLBRICH GARDENS							
1. The City envisions functional collaboration with OBG to meet OBG's back of house / service requirements as outlined in OBG's Facilities Master Plan and Schematic Design, Section 4.2. In previous studies, 14,000 SF of space was identified for cold storage, archival storage*, and equipment storage. Proposals that do not meet this requirement will forgo up to \$700,000 of City funding.	15	15	15	15	15	15	15
TOTAL POINTS	155	147	134	141	130	155	106

Note#1

Note#5

Note#16

Note #20

Criteria	Potential Points	Wallner	Rummel	Clausius	Allgood	Sheppard	Ahrens	
FINANCIAL								Note #2
1. Demonstrates long-term financial viability.	10	9	8	5	8	10	10	
2. Demonstrates relevant experience and a history of success by the development team in projects of similar scope and size.	15	13	15	15	13	15	10	Note #6
3. Projects requesting no more than the \$1.825 million of City assistance identified in this RFP. (NOTE: Projects requesting more than the identified assistance will receive 0 points.)	25	23	25	25	25	25	25	
VISIONARY DESTINATION DEVELOPMENT								Note #10
1. Some level of public use of the building will be a feature of any successful proposal. The emphasis of this requirement is public access to the Garver Feed Mill building, including an ADA accessible space.	10	8	7	8	5	5	6	
2. Preserving -- to the greatest extent possible -- the look and architectural style of the existing building.	15	12	13	15	10	5	15	
3. The project includes a high quality, well designed building(s) both on the interior and exterior.	10	8	7	7	10	5	10	
4. A successful proposal will include a primary use(s). May have mixed uses that are incidental to the primary use. Examples of incidental uses are: Housing, Office space, Light manufacturing and Retail.	5	5	5	3	5	5	5	
CONTEXT SENSITIVE								Note #17
1. The uses proposed complement Olbrich Botanical Gardens while minimizing impacts on the surrounding land and OBG service areas by limiting non-park or non-garden use of outdoor space and only requiring the land within the building's existing footprint, and necessary space surrounding the building for walkways, landscaping, additional architectural requirements, etc..	10	7	9	5	6	5	8	
2. Minimal adverse impact on the immediate surrounding neighborhood, e.g. limited festival noise/special event activities.	10	9	10	7	4	5	10	
SUSTAINABLE								
1. Demonstrates a sophisticated understanding of "sustainability" as it relates to preservation, development, use, and maintenance of a buildings and its grounds such as achieving LEED Certification, Living Building Challenge, Sustainable Sites Initiative, or similar sustainability metrics.	10	9	10	7	6	10	10	
2. Incorporates renewable energy system(s)	5	5	5	5	2	5	5	
MULTI-MODAL ACCESS								
1. The City envisions that the primary motor vehicle access will be off Fair Oaks Avenue, but may consider other alternatives. NOTE: Sugar Ave. may be the primary pedestrian, bicycle and OBG maintenance access to the structure and pedestrian link to Olbrich Botanical Gardens.	5	5	5	4	5	5	5	
2. Proposed circulation patterns for pedestrians, bikes, and	10	9	7	10	5	5	0	
RESPONSIVE TO OLBRICH GARDENS								
1. The City envisions functional collaboration with OBG to meet OBG's back of house / service requirements as outlined in OBG's Facilities Master Plan and Schematic Design, Section 4.2. In previous studies, 14,000 SF of space was identified for cold storage, archival storage*, and equipment storage. Proposals that do not meet this requirement will forgo up to \$700,000 of City funding.	15	15	15	15	15	5	15	
TOTAL POINTS	155	137	141	131	119	110	134	772

Criteria	Potential Points	Wallner	Rummel	Clausius	Allgood	Sheppard	Ahrens	
FINANCIAL								Note #3
1. Demonstrates long-term financial viability.	10	7	8	5	5	5	2	
2. Demonstrates relevant experience and a history of success by the development team in projects of similar scope and size.	15	15	15	15	12	10	7	Note #7
3. Projects requesting no more than the \$1.825 million of City assistance identified in this RFP. (NOTE: Projects requesting more than the identified assistance will receive 0 points.)	25	23	25	25	25	25	8	Note #11
VISIONARY DESTINATION DEVELOPMENT								
1. Some level of public use of the building will be a feature of any successful proposal. The emphasis of this requirement is public access to the Garver Feed Mill building, including an ADA accessible space.	10	8	10	8	10	10	7	
2. Preserving -- to the greatest extent possible -- the look and architectural style of the existing building.	15	13	15	15	15	15	15	
3. The project includes a high quality, well designed building(s) both on the interior and exterior.	10	8	10	10	10	10	7	Note #14
4. A successful proposal will include a primary use(s). May have mixed uses that are incidental to the primary use. Examples of incidental uses are: Housing, Office space, Light manufacturing and Retail.	5	5	5	5	5	5	5	
CONTEXT SENSITIVE								
1. The uses proposed complement Olbrich Botanical Gardens while minimizing impacts on the surrounding land and OBG service areas by limiting non-park or non-garden use of outdoor space and only requiring the land within the building's existing footprint, and necessary space surrounding the building for walkways, landscaping, additional architectural requirements, etc..	10	7	10	5	10	5	3	Note #18
2. Minimal adverse impact on the immediate surrounding neighborhood, e.g. limited festival noise/special event activities.	10	9	8	6	8	5	4	Note #21
SUSTAINABLE								
1. Demonstrates a sophisticated understanding of "sustainability" as it relates to preservation, development, use, and maintenance of a buildings and its grounds such as achieving LEED Certification, Living Building Challenge, Sustainable Sites Initiative, or similar sustainability metrics.	10	9	10	7	7	10	10	
2. Incorporates renewable energy system(s)	5	4	5	3	3	5	5	
MULTI-MODAL ACCESS								
1. The City envisions that the primary motor vehicle access will be off Fair Oaks Avenue, but may consider other alternatives. NOTE: Sugar Ave. may be the primary pedestrian, bicycle and OBG maintenance access to the structure and pedestrian link to Olbrich Botanical Gardens.	5	5	5	5	5	5	5	
2. Proposed circulation patterns for pedestrians, bikes, and	10	9	10	10	8	10	0	
RESPONSIVE TO OLBRICH GARDENS								
1. The City envisions functional collaboration with OBG to meet OBG's back of house / service requirements as outlined in OBG's Facilities Master Plan and Schematic Design, Section 4.2. In previous studies, 14,000 SF of space was identified for cold storage, archival storage*, and equipment storage. Proposals that do not meet this requirement will forgo up to \$700,000 of City funding.	15	15	15	15	15	10	15	
TOTAL POINTS	155	137	151	134	138	130	93	783

Criteria	Potential Points	Wallner	Rummel	Clausius	Allgood	Sheppard	Ahrens	
FINANCIAL								
1. Demonstrates long-term financial viability.	10	8	9	5	7	10	10	Note #4
2. Demonstrates relevant experience and a history of success by the development team in projects of similar scope and size.	15	13	15	15	15	15	10	Note #8
3. Projects requesting no more than the \$1.825 million of City assistance identified in this RFP. (NOTE: Projects requesting more than the identified assistance will receive 0 points.)	25	23	25	25	25	25	25	
VISIONARY DESTINATION DEVELOPMENT								
1. Some level of public use of the building will be a feature of any successful proposal. The emphasis of this requirement is public access to the Garver Feed Mill building, including an ADA accessible space.	10	5	8	5	2	5	5	Note #12
2. Preserving -- to the greatest extent possible -- the look and architectural style of the existing building.	15	5	14	7	0	5	5	Note #13
3. The project includes a high quality, well designed building(s) both on the interior and exterior.	10	7	8	3	2	5	7	Note #15
4. A successful proposal will include a primary use(s). May have mixed uses that are incidental to the primary use. Examples of incidental uses are: Housing, Office space, Light manufacturing and Retail.	5	5	5	3	2	5	5	
CONTEXT SENSITIVE								
1. The uses proposed complement Olbrich Botanical Gardens while minimizing impacts on the surrounding land and OBG service areas by limiting non-park or non-garden use of outdoor space and only requiring the land within the building's existing footprint, and necessary space surrounding the building for walkways, landscaping, additional architectural requirements, etc..	10	5	9	5	2	5	3	Note #19
2. Minimal adverse impact on the immediate surrounding neighborhood, e.g. limited festival noise/special event activities.	10	9	10	7	3	5	8	
SUSTAINABLE								
1. Demonstrates a sophisticated understanding of "sustainability" as it relates to preservation, development, use, and maintenance of a buildings and its grounds such as achieving LEED Certification, Living Building Challenge, Sustainable Sites Initiative, or similar sustainability metrics.	10	8	6	5	3	10	7	
2. Incorporates renewable energy system(s)	5	4	4	5	2	5	2	
MULTI-MODAL ACCESS								
1. The City envisions that the primary motor vehicle access will be off Fair Oaks Avenue, but may consider other alternatives. NOTE: Sugar Ave. may be the primary pedestrian, bicycle and OBG maintenance access to the structure and pedestrian link to Olbrich Botanical Gardens.	5	5	5	4	5	5	5	
2. Proposed circulation patterns for pedestrians, bikes, and	10	9	7	10	4	5	0	
RESPONSIVE TO OLBRICH GARDENS								
1. The City envisions functional collaboration with OBG to meet OBG's back of house / service requirements as outlined in OBG's Facilities Master Plan and Schematic Design, Section 4.2. In previous studies, 14,000 SF of space was identified for cold storage, archival storage*, and equipment storage. Proposals that do not meet this requirement will forgo up to \$700,000 of City funding.	15	15	15	15	15	5	15	
TOTAL POINTS	155	121	140	114	87	110	107	679

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Financial viability:

1- Conference/convention facilities lose money. They exist because they are 1) subsidized by a governmental body (Monona Terrace- \$4-6 million/yr, Overture Ctr- \$1 million plus private gifts,etc.) or 2) Sell something else such as hotel rooms and over-priced food service. This proposal does not do either. Indeed, their commission on food service is unusually low. Further, there is no need for another conference venue in the city (Discovery Institute, refurbished Memorial Union, Hampton Inn have opened just in the last year.

2- This is a well-established financial model with a substantial target population. The developer is very familiar with the business and the community.

3- This is highly speculative financial model. The financials for the hotel understates costs and is optimistic without the benefit of any prior evidence to support its forecast.
a. There is **no evidence** that the market for tiny hotel rooms is viable. Enthusiasm is helpful but it doesn't substitute for experience. And the experience is that there is a single establishment in the US with only three lodges. It seems unrealistic to assume that 30-40 lodges are the next logical step.

Hotels are located immediately off of the interstate and downtown share a common characteristic: they are conveniently located for the guest. This property is inconveniently located for travelers (who use the E. Wash hotels), business travelers who are interested in the downtown or the University and for most tourists.

Many of the costs associated with the hotel are under-estimated. For example, the costs for maintaining and operating each room are \$1,000 per year or \$40,000 for 40 rooms. That indicates a very minimal cleaning schedule and very low wages for the staff. Another example, the property taxes are about half of the actual tax rate, etc. Finally, on the revenue side, it anticipates 10,000 stays in a year. Given the location and the radically different kind of lodging, that is a very optimistic assumption.

Finally, I am opposed to the use of city funds for the hospitality industry. There is no public purpose for this particular hotel to receive funding for construction of their operation.

b. While the food production area may be viable, the associated revenue from other elements such as office space, café, events, etc. are less clear. Should these other components of the proposal fail to produce the kind of revenue anticipated, the Garver part of the proposal does not have a positive cash flow.

4. The financial model is solid and reliable.

Visionary Destination Development

5. Alexander has completed many restoration projects of this scope. This project requiring the construction of a conference center is new to the developer team.

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6. The ACC team has developed many similar projects in size and scope related to residential facilities but unknown if it has worked in a restoration project.
7. The Baum team has completed large restoration and construction projects. One member of the team has experience in hospitality management at a much smaller scale than is proposed.
8. Ogden has completed many residential developments of similar size and scope. It is not clear if they are intending to restore the Garver Mill or merely stabilize it.
9. Baum proposes to use additional park land which must be replaced through land purchases. The cost of the purchase is not known.

Visionary Destination Development

10. The level of “public space” in the ACC proposal is the 10,000 sf community event space. Also it includes a day care center that will be open to limited public use.
11. The public space in the Baum proposal is limited access to the private food production areas and a small cafe. The lodges will be private. Although there will be a small orchard, access to this area is unknown.
12. The Ogden development will provide gallery space and potentially commercial uses.
13. It is not clear if Ogden is intending to conduct a restoration of the Garver Mill or stabilize segments of it.
14. The lodges might not be consistent with the Garver property. They do not have a standard design and might be purchased from different sources. Secondly, the proposal uses the park land for a number of agricultural purposes such as an orchard and grape arbor.
15. The developer proposes very standard multi-unit development that is not particularly reflective of the Garver Mill.

Context Sensitive

16. The Alexander proposal calls for almost 400 parking spaces. If the proposed project is successful this would result in hundreds of trips into and out of the space daily. Additionally, many of the attendees would walk through the wild parts of the North Plat which would have a substantial on it. This project would have the greatest impact on the Garver and North Plat space.

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17. The ACC proposal requires 160 surface parking spaces. Because the population would be permanent residents they would make less use of the wild area. They are more likely to walk on the more developed walkways and gardens of OBG.

18. The Baum proposal makes extensive use of the park areas for hotel development. This will result in heavy use of the wild areas for the daily residents of the 40 hotel rooms on their proposed “nature trails.” The project requires 140 parking spaces. The project is the only proposal that proposes using additional park space for orchards, hotel lodges and vineyards.

In addition to the 40-80 guests, there is an estimate of 150 employees in the food processing shops, offices and hotels. This will create a traffic flow of about 150-200 cars each day.

19. The Ogden proposal is a radical change in both the context of the park and the neighborhood as a whole. It’s proposed 3-4 story residences add little to the park and are alien to the neighborhood.

20. As noted above, the Alexander proposal is likely to bring in hundreds of people each day, nearly all by car and if coming from out of town in search of the property itself or attempting to find their way back to their hotel either downtown or on the eastside.

21. While the use of the food production area is consistent with the neighborhood, the construction of 30-40 hotel lodges is inconsistent with the terms or needs of community residents.

Social Benefits of Project:

The lengthy discussions of the criteria focused on the environmental elements of the proposal as well as the impact and integration of the Garver Mills. However, omitted from consideration is the fundamental question, “What is the usefulness or public benefits stemming from the City’s investment in this project? “

While we cannot add new criteria at this time, I hope later city committees and the City Council consider this question. The relative usefulness of a project is as important to city residents as those which this committee so closely examined. The measures of usefulness and public good are complex and will be described by some as subjective. I don’t think so.

For example, the Alexander Co.’s convention/conference center does not provide a needed public benefit and would be considered by potential users to be deficient for a number of reasons. Of all the possible uses of this space, there are few that are as abundant and ubiquitous in Madison as conference and convention centers.

The Monona Terrace Conference and Center (MTCC) is used (for its primary and revenue producing purpose) about one-third of the year. The Alliant Center is used slightly more intensively. The city currently provides a subsidy of more than \$5 million/year to sustain its operation. There are other major public conference facilities at UW as well as the Overture Center. There are also meeting facilities operated by non-profits such as Goodman Center which is the primary income source for its operation of other programs such as childcare, senior citizen nutrition and after-school programs.

The private sector (such as Alexander Co) has numerous conference facilities that are in almost all circumstances are part of a hotel. The newest is the Edgewater Hotel. Most have made substantial investments in their operations.

The proposal emphasizes its use of the artwork of local artists. While this is a positive development it is not unique. There are numerous public and commercial venues for the arts in the city. Most recently, the newly approved hotel site at Pahl Tire notes that much of its second floor will be devoted to exhibitions of the work of local artists.

The proposal from Baum is in three areas: the food processing and office space, the hotel lodges and recreational landscape. The food processing production areas, called “artisanal local food producers”, is not an incubator space that will result in new products and employment. Instead, it relocates existing businesses in a new setting. (This would be disallowed under city TIF guidelines.) The retail aspect of the common location is not clear and for good reason: production facilities tend not to welcome visitors wandering through their workspace.

Most important, there is no evidence that a common space for producers of unusual or high-priced foods is an essential need. Food producers have indicated strong interest in

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this proposal. However, it remains to be seen whether these businesses will pay a substantially higher rent for the great location. Similarly, office space might be leased at a premium because of the location.

The hotel component of the proposal similarly does not address or serve a public benefit. City subsidization of a small, experimental hotel project is indefensible. The tiny house/lodge/dwelling concept is interesting and poses a strong counter-point to the greater trend to ultra-luxury and ballooning size of residences. While the construction of 30-40 hotel lodges “makes a statement”, it also begs the question: Might the fact that there is only one lodge consisting of 3 rooms in the U.S. mean that there is no demand for this service?

As in the proposal by Alexander in regard to conference centers, this proposal simply adds to the city’s hotel room boom: Edgewater (200 rooms), Marriott (Pahl Tire) 120 rooms, renovated and expanded Inn on the Park and Concourse Hotels and of course, the on-going proposal by the city to add a 250 room hotel to Block 88 or 105.

The developers argue that the area has no hotel rooms for two miles in all directions and thus, this project serves that need. However, this fact may mean that there is no need and if there was a demand, the concentration of hotels downtown and on the far eastside would have dispersed to serve this area. Secondly, the notion that the presumed need would be answered by “tiny lodges” which is a miniscule niche market misses the central tenets of the hotel industry: comfort and predictability.

Third, the Baum proposal calls for the development of orchards, vineyards, walking trails, a bridge and other major changes to the area. None of these changes were requested in the RFP or in previous discussions of the future of the North Plat. Oddly, many of the proponents of the Baum proposal from the community praised it for its respect for the wild area despite that the fact that this proposal makes by far the most dramatic transformation of the landscape and makes intensive visitor use of the land.

The Ogden proposal focuses on construction of small high-end rentals. Given the very low apartment vacancy rate in the city, this proposal arguably meets the need of increasing the housing stock. However, the 3000+ new units constructed in 2013-14 and thousand more in 2015 almost all are focused on the market for small units at cost of about \$1/1 sf. It is unlikely that once this market is saturated, the price of these units will substantially decline and become affordable to residents earning less than 75% of county AMI.

The ACC proposal addresses the acute social need of providing care to the elderly in the community. The CDBG 2010-14 Strategic Plan cites housing for the elderly, particularly those in the 50-80% of AMI to be a critical need over this and next decade. The number and proportion of elderly households continues to grow. A market study for the Royster Corners project noted that there are 1297 males and 2137 females over the age of 75 within a 3 mile radius of Cottage Grove Rd. and Dempsey Ave (about 1.5 miles from Garver).

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As noted in the market study of this proposal, their entire complex could be filled by only 5% of their target market that resides a few miles of the ACC project. The project gives local residents the opportunity to stay within their neighborhood and the areas with which they are familiar.

The project also serves the specific needs of persons with dementia. Although there are only 20 units for these patients, they serve a unique and unmet need. (Many facilities decline to admit dementia patients because of their high care needs.)

The project also makes the unusual proposal of providing childcare services for its employees and potentially community members. This is a central need of a largely female and young workforce- but one that is rarely addressed by employers.

The ability of elderly to find suitable assisted living is often a challenge. Waiting lists at many facilities frustrate individuals and the families that care for them. When elderly can find assistance, sell their homes and relocate, it results in turnover of affordable housing for young families.

Given the city's investment of almost \$2 million as well as this historic property, as a community we should realize an important and broad goal of caring for the elderly.