



City of Madison

City of Madison
Madison, WI 53703
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Master

File Number: 54514

File ID: 54514

File Type: Resolution

Status: Report of Officer

Version: 2

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 01/29/2019

File Name: Authorizing the Issuance of a Request for Proposals
to Seek a Developer to Complete the Private Portion of
the Judge Doyle - Block 88 Project.

Final Action:

Title: SUBSTITUTE - Authorizing the Issuance of a Request for Proposals to Seek a
Developer to Complete the Private Portion of the Judge Doyle - Block 88 Project.

Notes:

Sponsors: Paul R. Soglin and Michael E. Verveer

Effective Date:

Attachments: City - JDS Block 88 RFP 2.19 -Draft.pdf, 54514 v1.pdf,
54514 Committee Recommendations Summary
2/26/19.pdf, 54514 v3.pdf

Enactment Number:

Author: Natalie Erdman, PCED Director

Hearing Date:

Entered by: lveldran@cityofmadison.com

Published Date:

Approval History

Version	Date	Approver	Action
1		Laura Larsen	Approve
2		Laura Larsen	Approve
3		Laura Larsen	Approve

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor's Office	01/29/2019	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:		Finance Committee				
1	COMMON COUNCIL	02/05/2019	Referred	FINANCE COMMITTEE		02/11/2019	
	Action Text:		This Resolution was Referred to the FINANCE COMMITTEE				

Notes: Additional Referrals: Equal Opportunities Commission, Plan Commission, Sustainable Madison Committee, Common Council Executive Committee

1 FINANCE COMMITTEE 02/05/2019 Refer SUSTAINABLE
MADISON
COMMITTEE

Action Text: This Resolution was Refer to the SUSTAINABLE MADISON COMMITTEE

Notes:

1 FINANCE COMMITTEE 02/05/2019 Refer EQUAL 02/21/2019
OPPORTUNITIES
COMMISSION

Action Text: This Resolution was Refer to the EQUAL OPPORTUNITIES COMMISSION

Notes:

1 FINANCE COMMITTEE 02/05/2019 Refer PLAN 02/25/2019
COMMISSION

Action Text: This Resolution was Refer to the PLAN COMMISSION

Notes:

1 FINANCE COMMITTEE 02/05/2019 Refer COMMON 02/26/2019
COUNCIL
EXECUTIVE
COMMITTEE

Action Text: This Resolution was Refer to the COMMON COUNCIL EXECUTIVE COMMITTEE

Notes:

2 FINANCE COMMITTEE 02/11/2019 RECOMMEND TO Pass
COUNCIL TO
ADOPT - REPORT
OF OFFICER

Action Text: A motion was made by Verveer, seconded by Wood, to RECOMMEND TO COUNCIL TO ADOPT -
REPORT OF OFFICER. The motion passed by voice vote/other.

2 EQUAL OPPORTUNITIES 02/21/2019 Return to Lead with FINANCE Pass
COMMISSION the Following COMMITTEE
Recommendation(s)

Action Text: Recommendation of amendment was moved by Madden and Seconded by Dieringer. Passed by voice vote.

A motion was made by Ramey, seconded by Kemble, to Return to Lead with the Following Recommendation(s) to the FINANCE COMMITTEE.

The RFP shall include the following requirements:

1. The RFP response should be for a development project on Block 88.
2. The project must be for a housing or mixed use purpose (excluding hotel use) and include a workforce housing component with some units being subject to rent and income restrictions which make them affordable to low and moderate-income households.

Delete:

- a. If housing is proposed as a component, a high priority will be given to proposals that include a workforce housing component with some units being subject to rent and income restrictions which make them affordable to low and moderate-income households.

The motion passed by voice vote/other.

Natalie Erdman and George Austin were present to explain the RFP and the interest in having the EOC review it due to their focus on addressing housing issues in Madison. Andrae recommends finding a developer that is willing to utilize the Landlord/Tenant Issues Committee's developing pamphlet of "best practices" for tenants and landlords. Kemble wants the EOC to continue to be a part of this RFP as it moves forward. Madden recommends adding that affordable housing "must" be included in the accepted proposal. George Austin agreed to make the following changes in the RFP to highlight the Construction Contractors United program:

In the Information Requirements section of the RFP, the requirement would now read:

Provide a workforce utilization plan and targeted business goals for the construction and operations periods. You are encouraged to contact the City of Madison Department of Civil Rights to learn more about the minority general contracting entities in the Construction Contractors United program

Notes: Recommended Action: Adopt resolution with following amendment:

The RFP shall include the following requirements:

1. The RFP response should be for a development project on Block 88.
2. The project must be for a housing ~~commercial or mixed use purpose (excluding hotel use) and use~~ and include a workforce housing component with some units being subject to rent and income restrictions which make them affordable to low and moderate-income households.

Delete:

~~a. If housing is proposed as a component, a high priority will be given to proposals that include a workforce housing component with some units being subject to rent and income restrictions which make them affordable to low and moderate-income households.~~

2 SUSTAINABLE MADISON 02/25/2019
COMMITTEE

2	PLAN COMMISSION	02/25/2019	Return to Lead with the Recommendation for Approval	FINANCE COMMITTEE	Pass
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Action Text: A motion was made by Cantrell, seconded by Zellers, to Return to Lead with the Recommendation for Approval to the FINANCE COMMITTEE. The motion passed by voice vote/other.

Notes: On a motion by Cantrell, seconded by Ald. Zellers, the Plan Commission recommended adoption of the substitute resolution to the Finance Committee with the language recommended by the Equal Opportunities Commission. The motion to recommend approval with the EOC recommendation passed by voice vote/other.

3 COMMON COUNCIL 02/26/2019 Return to Lead with Pass
EXECUTIVE COMMITTEE the Following
Recommendation(s)

Action Text: Natalie Erdman (PCED Director), George Austin and Kevin Ramakrishna, (Assistant City Attorney) were present for discussion on the second substitute resolution.

After discussion a motion was made by Ald. Shiva Bidar-Sielaff, seconded by Ald. Rebecca Kemble, to amend the second substitute resolution with the following language:

ADD:

5. The air-rights above the parking must be leased or purchased at fair market value.
6. The City of Madison intends to select a development team based on: (1) RFP proposals that are most responsive to the Project Goals found in Section 1 and Project Requirements found in Section 2 of this RFP, and (2) that contain the combination of features and attributes offering the best overall value to the City. The City will determine the potential best overall value by comparing differences in project features and feasibility, and development team attributes, striking the most advantageous balance for achieving the City's goals for Judge Doyle Project.

The submissions must provide convincing evidence that all team members have sufficient understanding and experience with similar projects to be able to manage the project in the initial stages and throughout the term of the relationship.

ADD:

d. Additional Information:

RENUMBER:

1. The City of Madison is constructing and owns the 138 - cars of parking and 8,000 square feet retail spaces in the Podium. The parking was built to support housing development in the air-rights.
2. The City intends to enter into a lease or purchase agreement with the selected developer for the Podium.
3. There isn't any capacity in the 560-car underground municipal garage on Block 88 for accessory parking for the housing project.
4. No tax incremental financing (TIF) shall be available for the development.
5. The developer may proceed with the apartment project that has received zoning approval from the City, subject to the clearance of the conditions of approval, recordation of the zoning documents and receipt of a building permit. The owner of those plans is Lothan Van Hook DeStefano Architecture (LVDA) of Chicago, IL.
6. The approved GDP and Phase II SIP may also be amended subject to the approval of a Major Alteration to the Planned Development Zoning, which shall be reviewed by the Landmarks Commission, Urban Design Commission, and Plan Commission and approved by the Common Council as required by ordinance.

A motion was made by Ald. Rebecca Kemble, seconded by Ald. Shiva Bidar-Sielaff, to Return to Lead with the Following Recommendation(s) to the FINANCE COMMITTEE: Adopt second substitute resolution with amendments. The motion passed by voice vote/other.

Notes: Recommend adoption of second substitute resolution with amendments passed at the CCEC meeting.

2 COMMON COUNCIL 02/26/2019

Text of Legislative File 54514

Fiscal Note

This resolution authorizes the issuance of a request for proposals for private development on Block 88 above the publicly-owned below-ground and above ground parking facilities. A total of \$50.4 million has been appropriated from Parking Utility Reserves (\$23.4 million), TID 25 incremental revenues (\$24 million), City general obligation borrowing (\$2.3 million), and remaining Federal TIGER grant funds (\$0.7 million). It is anticipated that outside consulting

services will be needed to manage a six month RFP process. Based on prior contracts, the cost is anticipated to be \$18,000. This cost will be paid from the authorized Judge Doyle project budget. City staff time will be absorbed within current budgets. No further city appropriation is anticipated.

Title

SUBSTITUTE - Authorizing the Issuance of a Request for Proposals to Seek a Developer to Complete the Private Portion of the Judge Doyle - Block 88 Project.

Body

WHEREAS, on January 8, 2019, the Common Council adopted RES-19-00038, amending the executed Development Agreement with Beitler Real Estate Service LLC for the development of the Judge Doyle project, subject to final language being drafted and approved by the City Attorney, to, among other things, transfer the development rights to, and ownership of, all elements of the Block 88 development to the City of Madison; and,

WHEREAS, construction of the Government East replacement parking on Block 88 is ongoing and bids for construction of the Podium are due January 31, 2019 with completion of the Podium scheduled for October 2019; and,

WHEREAS, collaboration with a future developer during construction of the Podium will offer efficiencies for both parties which could include refinement of the load transfer system to better suit future development, use of the existing tower crane for future development and exchange of a temporary Podium roof system for the permanent system in current plans; and,

WHEREAS, proceeds from the sale or lease of Block 88 air rights will be used to repay the Parking Utility's investment in the Podium and by moving quickly with a Request for Proposals such payments would be received sooner; and,

WHEREAS, at the direction of the Mayor, the City's Judge Doyle Negotiating Team has completed a set of recommendations for the Council's consideration to issue a Request for Proposals to complete the private portion of the Judge Doyle- Block 88 project as soon as possible,

NOW, THEREFORE, BE IT RESOLVED that the Common Council does hereby direct the issuance of a Request for Proposals (RFP) to seek a developer to complete the private portion of the Judge Doyle - Block 88 Project as follows:

- a. The RFP will be issued by the end of February 2019 with proposals due to the City from development teams in April 2019.
- b. The City's Judge Doyle Square Negotiating Team, with the assistance of appropriate City staff resources, will review the RFP responses and report its recommendations to the Finance Committee in May 2019. The Finance Committee will be responsible for considering those recommendations and recommending follow-up actions to the Common Council for consideration.
- c. The RFP shall include the following requirements:
 1. The RFP response should be for a development project on Block 88.
 2. The project must be for a housing, commercial, or mixed use purpose (excluding hotel use) ~~and use and include a workforce housing component with some units being subject to rent and income restrictions which make them affordable to low and moderate income~~

~~households.~~

- a. If housing is proposed as a component, a high priority will be given to proposals that include a workforce housing component with some units being subject to rent and income restrictions which make them affordable to low and moderate-income households.
3. The development should be compatible with surrounding buildings, including the Madison Municipal Building, a National Register of Historic Places building.
4. A ~~high~~ priority for selection will be given to proposals that:
 - a. maximize the tax base to be added as a result of the project, and
 - b. have a straight-forward development framework that can be built in a timely manner.
5. The air-rights above the parking must be leased or purchased at fair market value.
6. The City of Madison is constructing and owns the 138 - cars of parking and 8,000 square feet retail spaces in the Podium. The parking was built to support housing development in the air-rights.
7. The City intends to enter into a lease or purchase agreement with the selected developer for the Podium.
8. There isn't any capacity in the 560-car underground municipal garage on Block 88 for accessory parking for the housing project.
9. No tax incremental financing (TIF) shall be available for the development.
10. The developer may proceed with the apartment project that has received zoning approval from the City, subject to the clearance of the conditions of approval, recordation of the zoning documents and receipt of a building permit. The owner of those plans is Lothan Van Hook DeStefano Architecture (LVDA) of Chicago, IL.
11. The approved GDP and Phase II SIP may also be amended subject to the approval of a Major Alteration to the Planned Development Zoning, which shall be reviewed by the Landmarks Commission, Urban Design Commission, and Plan Commission and approved by the Common Council as required by ordinance.

BE IT FURTHER RESOLVED that the Common Council does hereby approve the following timeline for the Judge Doyle - Block 88 RFP process:

- Issue RFP: February 2019
- RFP Submissions Due: April 2019
- Finance Committee review and recommendations: May 2019
- Council Action on developer selection: June 2019
- Final deal negotiation: June - July 2019
- Council action on Development Agreement: July -Aug 2019
- Execution of Development Agreement: August 2019