

MEMORANDUM

TO: Garver Feed Mill Surplus Committee

FROM: Dan Rolfs, Jay Wendt, Roberta Sladky, Doran Viste, Jeanne Hoffman, John Strange, and Amy Scanlon

DATE: June 25, 2014

SUBJECT: Garver Feed Mill Background Report

EXECUTIVE SUMMARY

The future of the historic Garver Feed Mill building (the “Building”) is at a critical decision point. The Building has been owned by the City since 1997 without continued maintenance. The City has made a strong effort to find an end user for the Building. As a result of a Request for Proposal process, the City accepted Common Wealth Development’s (CWD) proposal on June 17, 2008 to rehab the Building for an Arts Incubator. Due to the harsh economic conditions CWD withdrew its proposal on May 31, 2011. In 2011, a City Staff report was drafted and the Park Commission recommended that the Building be converted to cold storage space and directed Staff to move forward with restoring and remodeling the space. In 2013, the Planning Division with the support of the Parks Superintendent, requested that the Mayor reconvene the Surplus Committee to re-issue an RFP for the rehabilitation of the entire Building.

It has become increasingly difficult to secure the building to prevent trespassing and ensure public safety, and the condition of the Building is nearing a point where rehabilitation is economically infeasible. City staff recommends that the Surplus Committee move expeditiously to complete its work to ensure that the Building does not continue to deteriorate further before redevelopment can begin.

TIMELINE (to date)

- 1994 – Designated a City of Madison Local Landmark.
- 1997 (Aug 7) – Olbrich Botanical Society (OBS) acquires Garver Feed Mill, consisting of 5 acres and the Building (collectively the “Property”), for expansion of the Olbrich Botanical Gardens (OBG) for \$700,000 included \$92,850 of Stewardship Grant Funds from the Wisconsin Department of Natural Resources (WDNR).
- 1997 (Aug 7) – OBS deeds the Building to the City of Madison
- 2005 (July 13) – Board of Park Commissioners declared the Building surplus (endorsing “Adaptive Reuse Scenario #2” of the Feasibility Study for the Rehabilitation and Adaptive Reuse of the Garver Feed Mill (Hasbrouck Pterson Zimoch Sirirattumrong - “HPZS”) and helping meet OBG’s long-term space needs).
- 2006 (Sept) - Surplus Committee created
- 2008 (March 25) – Surplus Committee recommends Common Wealth Development (CWD) proposal for an arts incubator
- 2008 (June 17) – Common Council accepted proposal from CWD
- 2009 (April 7) – Referendum passes allowing CWD project to move forward

- 2009 / 2010 – Parking negotiations with neighborhood
- 2011 (May 31) – CWD withdraws its proposal for Garver
- 2012 – 2013 – Parks Division contemplates of Garver to cold-storage space, completion of Facility Engineering report re: Garver status
- 2014 – Garver Feed Mill Criteria and Selection Committee reconstituted

BACKGROUND & ISSUES

- Building History - The Garver Feed Mill is a part of the City's Olbrich Park and is maintained by the City's Parks Division. The United States Sugar Beet Company constructed the Building located on the Property in July 1905. Upon sale of the Property to James Russell Garver in May of 1929 the Building was converted to the feed mill called the Wisconsin Sales and Storage Company.
- Landmark Status – The Building was designated a City of Madison landmark in 1994. As such, any new construction, exterior alteration, or whole or partial demolition of the Building require that a Certificate of Appropriateness be issued by the Landmarks Commission pursuant to Madison General Ordinances Sec 33.19. Garver has been determined eligible for listing on the National Register of Historic Places, should the City or a development team so desire.
- City Acquisition - OBS purchased the Property for future expansion of Olbrich Botanical Garden ("OBG") on November 11, 1996 using \$700,000 in contributions from private donors and a Stewardship Grant from the Wisconsin Department of Natural Resources ("WDNR"). OBS donated the Property to the City of Madison in 1997. The City Council approved the transfer of the property from OBS to the City.
- Deed Restrictions – One condition of WDNR funds being made available for the purchase of Garver was that a deed restriction was placed on the Building and the 5 acres upon which the building sits. The City is in the process of working with the WDNR to transfer this deed restriction to another property. This deed restriction is held by the WDNR. The 18 acres of adjoining parklands surrounding the building have a separate set of deed restrictions. The deed restriction on the Property specifies that:
 - "The Stewardship Property be used in perpetuity as park lands devoted primarily to botanical gardens except that the buildings currently located on the property may be used for storage, offices and other municipal uses on an interim basis";
 - "All existing overhead utility services if feasible shall be buried and any new utility services provided through this project must be installed underground";
 - "The Sponsor (City) may sell, transfer or assign the Stewardship Property (Garver) to a third party only with the prior written approval of the Department (WDNR). If the Department does approve a transfer to a third party, all Stewardship restrictions imposed by this Contract shall remain..."
 - "The Sponsor (City) may not sell, lease or convey any interest in the Stewardship Property to a third party nor allow any leases, mortgages, permits or encumbrances of any kind without the prior written permission of the Department (WDNR)."

- Board of Parks Commissioners Authority. The Garver Feed Mill building, the 5 acres of land upon which the building sits, along with an additional 18 acres of land in between the railroad tracks, Starkweather Creek and Fair Oaks Avenue are all part of Olbrich Park, making them under the authority of the Board of Parks Commissioners. Under Wis. Stats. Sec. 27.08(2)(a) and Madison General Ordinances Sec. 33.05, the Board of Parks Commissioners has the authority to govern, manage, control, improve and care for all public parks in the City and to secure the quiet, orderly, and suitable use and enjoyment thereof. Hence, any use of the building or the lands surrounding the building must be approved by the Board of Parks Commissioners unless this land is either sold or is no longer determined to be park lands. Despite this authority, the Common Council has the sole authority to authorize the sale of park lands, which may occur over the objection of the Board of Parks Commissioners.
- CWD Proposal - CWD proposed to convert the Building into a 100,000 square foot arts incubator (with 67,000 net SF of leasable space). Additionally, to fulfill a requirement of the City's Request for Proposals, CWD proposed meeting OBG's space needs of approximately 14,633 SF for office and cold storage space. CWD withdrew their proposal for the Building on May 31, 2011.
- Environmental – There are several identified environmental hazards in the Building. The City of Madison applied for and received a 2008 WDNR Site Assessment Grant ("SAG") to conduct a Phase II Environmental Site Assessment ("Phase II ESA"). The results of the SAG showed that asbestos and lead based paint are present in the Building. There is also some soil contamination around the Building that will have to be addressed by capping the soil with either asphalt or clean soil. A preliminary cost estimate of \$330,000 to clean up this contamination was provided by CWD as a part of their 2010 application for BREWD funding. The City is anticipating that any and all environmental cleanup will be the responsibility of the team selected to conduct the redevelopment of the building.
- Building Condition – The most recent analysis of the Building's condition was completed by Facility Engineering on July 10, 2013. This extensive document is available on the City's website for review by members of the Committee, the public, and potential respondents to this RFP.
- Project Website <http://www.cityofmadison.com/dpced/economicdevelopment/garver-511/>
- Sale of Building / Lease of Land – Since the start of the surplus process, the Board of Parks Commissioners has made it clear that it will not support selling the land where the Building is located. To that end, during the surplus process with CWD, the assumption was that the City would sell the Building to CWD and enter into a long-term ground lease for the land underneath, provided WDNR removes the deed restrictions.

- Referendum Process – Madison General Ordinance 8.35 requires voter approval “for any change in the legal status” of “public parks bordering on lakes or navigable waterways”. The Garver Feed Mill is located in Olbrich Park (bordering on Lake Monona and Starkweather Creek). The City Attorney’s Office has opined that the sale of the building and / or long-term lease of the parkland underneath constitute a “change in legal status”. As such, any proposal to sell the Building and enter into a ground lease with an outside party would require voter approval, unless an exception is added into the ordinance to accommodate the sale or lease of the Building or land.
- City Financial Contribution – The 2014 Capital Budget includes \$1.825 million in capital funding in the City Parks budget to “stabilize and repurpose the former Garver Feed Mill structure and may include funds to develop construction drawings and specifications for improvements.”
- OBG Space Needs – OBG currently needs 14,000 SF for cold storage space. When Garver was purchased, it was purchased with the long-term needs of both OBG and the Parks Division in mind. The City will require that any successful respondent will provide the Parks Division / OBG with this 14,000 SF of cold storage space either in a rehabilitated portion of Garver, or in a new, standalone building constructed nearby. The City is requiring that this space shall be provided at no additional cost.
- Safety Issues – City Parks Rangers and Madison Police are at the building frequently to deal with break-ins and vandalism. Vandals continue to damage the building as well as spray paint graffiti. The building also attracts homeless who sometimes use it as a shelter. Staff has made significant efforts to secure and sign the building and the area. The Parks Division has worked with the Madison Police Dept and Madison Parks Rangers who have increased their patrols. Despite these efforts, break-ins continue. Due to localized deterioration of the brick in a portion of the (back) north wall, individuals were able to knock bricks off of the wall to gain entry. Next to having security on site 24/7, it would be difficult to completely curtail vandalism.
- Zoning – The property is zoned TE (Traditional Employment), which allows a variety of permitted commercial, service, and light industrial uses. Additionally, residential and some other uses can be approved as a conditional use.

Garver Feed Mill Site

