

Judge Doyle Square Project Board of Estimates Briefing

City Negotiating Team
Monday, July 28, 2014

DRAFT

Council Directed Negotiating Guidelines

1. Keep the Madison Municipal Building in civic use. A significant, active connection to the hotel and Pinckney Street is needed and the planning for the MMB and the adjacent hotel should be thought of as an integrated development.
2. The new structures on Block 88 must be of high design quality and respect the design requirements of the MMB as a National Register of Historic Places building, and create a project design that is compatible with surrounding buildings and uses.
3. The development must be affordable for the taxpayers and efficient in the use of City resources.
 - ✓ For Block 88, work to carefully analyze the TIF investment and focus on the public benefit of that investment.
 - ✓ The density of the Block 105 development must not require significant public investment beyond parking related costs to serve the new development.
4. Rebuild the Government East parking ramp at an affordable cost to the Parking Utility while realizing a new, walkable extension of the retail/entertainment district to the 200 block of South Pinckney Street.

Council Directed Negotiating Guidelines

5. A significant amount of existing public parking supply should be maintained during the construction process.
6. Above ground parking should be visually appealing with its presence masked. No parking should be constructed at street level that is visible on S. Pinckney St.
7. An ironclad hotel room block agreement of 250 rooms, and a national affiliation (hotel flag) and a national sales force and reservation system for the hotel use are required.
8. The new hotel meeting/function space should complement Monona Terrace and create synergies with existing Madison hotels.
9. The project should have a community benefit by creating a sense of place for all Madisonians to interact and engage. The project team should negotiate opportunities for some affordable housing at 40% AMI, best practices for environmental sustainability, and community spaces for neighborhood groups.
10. The developer will enter into a Project Labor Agreement and establish a Community Work Agreement.

Judge Doyle Square Project Timeline

March 2012

Staff Report Provides Initial Summary of Findings

- ✓ Public Investment may be as much as \$50 million
- ✓ Outlined a preference for a full service hotel approach
- ✓ Recognized impacts are broader than the property taxes from the project alone
- ✓ Costs for parking likely to rise from the initial estimates as design progresses

May / June 2013

RFQ Process Concludes

- ✓ Use of MMB as part of the project held out as an alternate option
- ✓ Proposal for a “hotel only” approach on Block 88 was not moved forward

November 2013

Staff Report Provides a Comparison of Proposals

- ✓ Total Public Investment among the proposals was \$45 to \$78 million (excluding City Offices)
- ✓ Strong preference for a “destination” approach
- ✓ Desire for architectural quality consistent with MMB on Block 88
- ✓ Both JDS proposals used above grade parking to the extent possible
- ✓ Suggested masking of above-grade parking

February 2014

RFP Selection Approved

- ✓ Elected to retain MMB as City Offices
- ✓ Called for an integrated development plan
- ✓ Requirement for a high design quality
- ✓ Meeting space to complement Monona Terrace
- ✓ Phasing to maintain significant parking
- ✓ Mask above grade parking

March /July 2014

Project Concept Proposed with Cost Projections

- ✓ Retain MMB as City Office Space
- ✓ Provides E-W and N-S public circulation connections
- ✓ Incorporated program complementary to Monona Terrace
- ✓ All Block 88 parking pushed below grade

2012

2013

2014

Design Summary

Core Design Objectives

The comparison against the core objectives were established to inform the design process:

Core Objective	Plan Considerations
Authentic Destination	Destination elements include public gathering spaces, a redefinition of Pinckney Street and unique dining component
Meeting Space	Complementary Program to support Monona Terrace
Room Count	Approximately 311 Rooms will allow for the 250 Room Block
Civic Design Character	East-West and North-South connections and programming in the public gathering space will help to better activate the area
Integrated Development Plan	Connections provided from MLK through MMB into the core of the development Block 105 incorporates loading services for both Block 88 and Block 105 allowing for more activation at street level
Viable Finance Plan	Public Investment focused on Core Destination Assets Maximize Market Supportable Tax Base and Fiscal Returns

Street View Plan – MLK



Street View Plan – Pinckney



Massing Plan – Block 88 & Block 105



Program Summary

Block 88

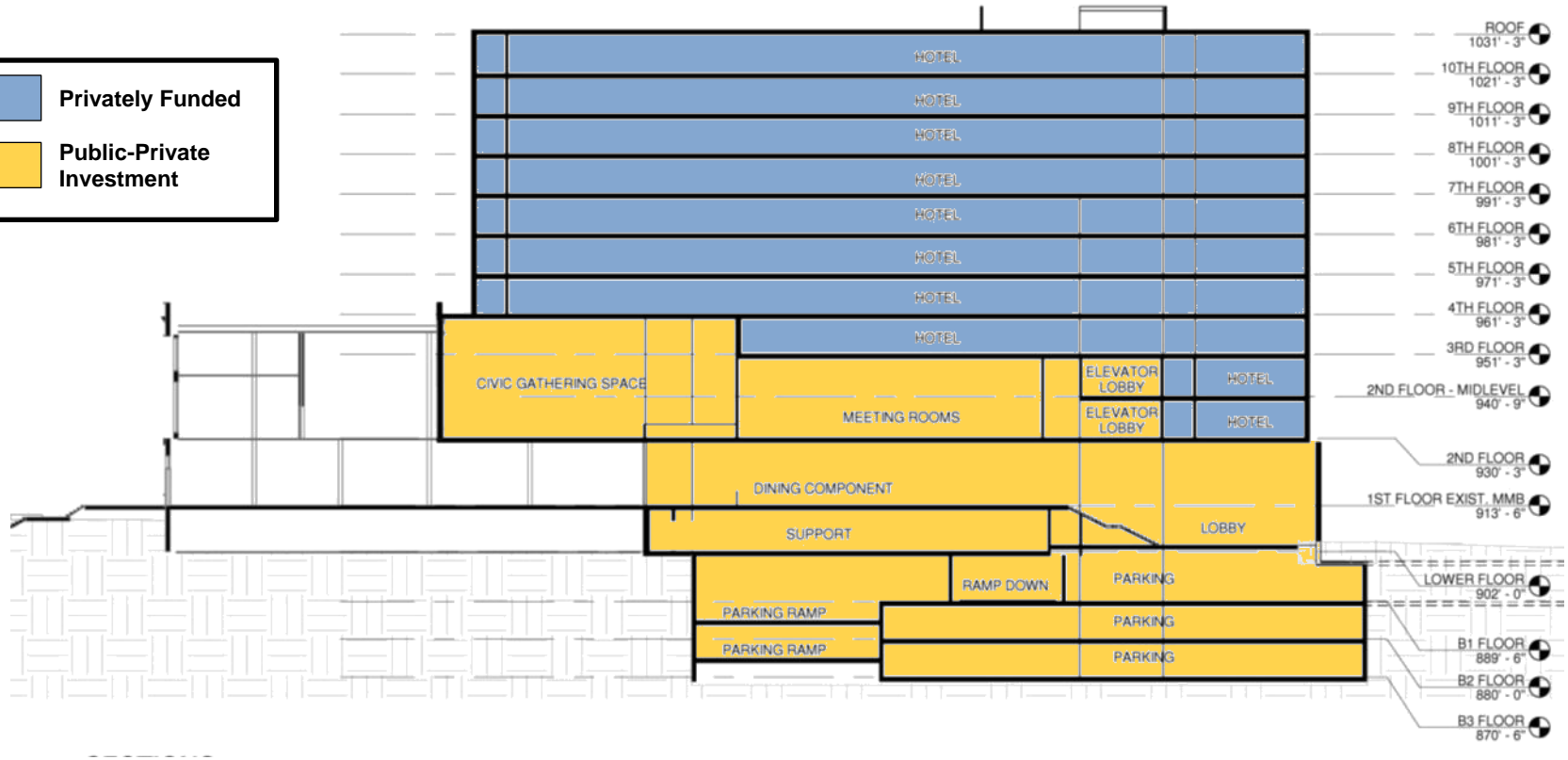
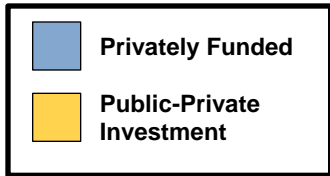
Parking Area	127,680 GSF
Parking Drive Connection	2,130 GSF
Civic and Public Circulation	36,445 GSF
<i>Vertical Transportation – Public</i>	8,070 SF
<i>Circulation – Public</i>	5,740 SF
<i>East West Public Connection</i>	1,085 SF
<i>North South Public Connection</i>	2,670 SF
<i>Civic Gathering Space</i>	7,110 SF
<i>Civic Space Circulation and Support</i>	11,770 SF
Hotel	190,110 GSF
Meeting Rooms	16,450 GSF
Dining Component	11,760 GSF
Wellness	8,365 GSF
Retail	12,085 GSF
Total Gross Building Area	405,025 GSF

Hotel Rooms	311
Parking Stalls	283

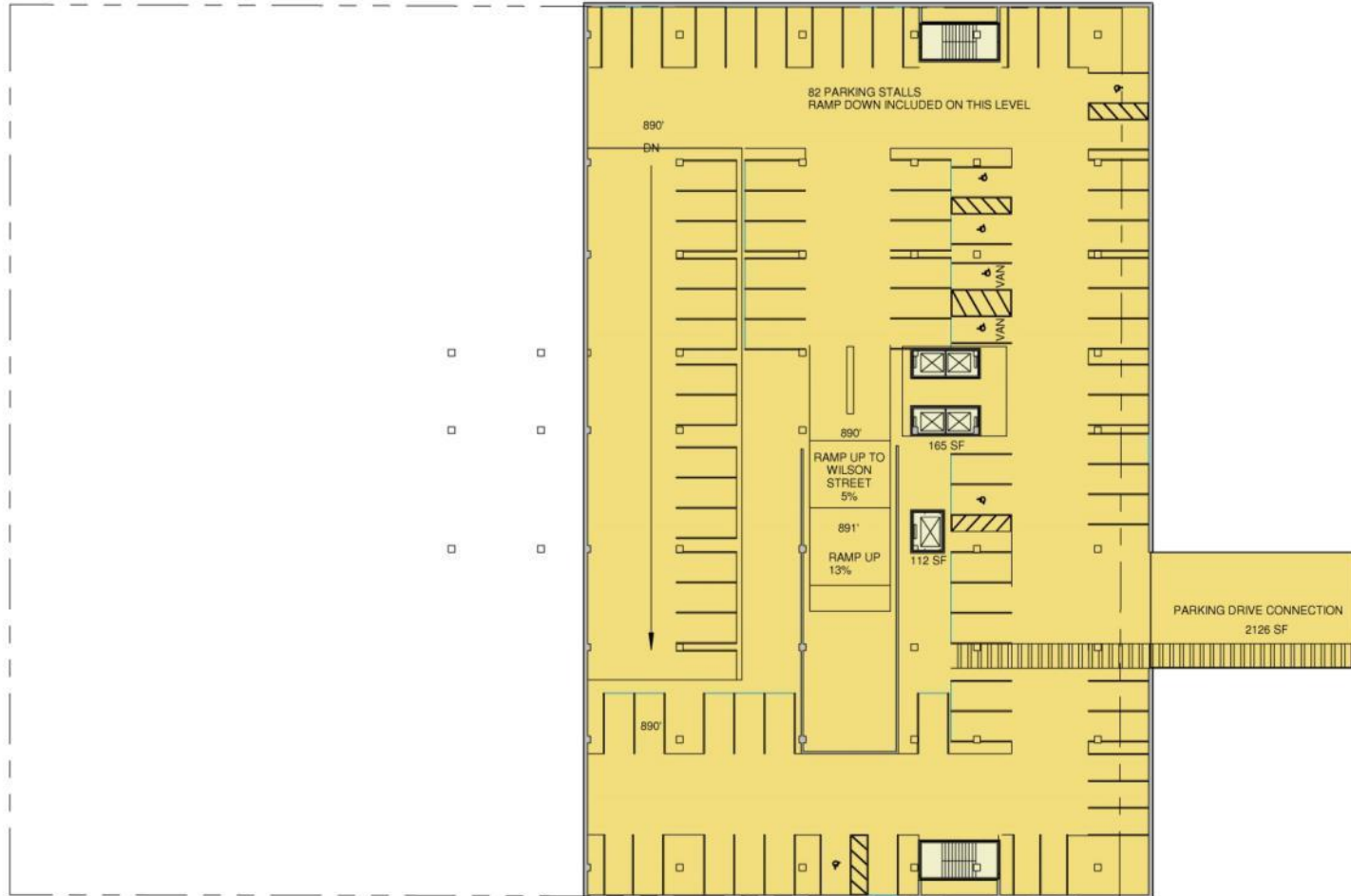
Block 105

Parking Area	292,445 GSF
Loading Dock	6,260 GSF
Bike Center	4,900 GSF
Retail	6,260 GSF
Residential	187,705 GSF
Total Gross Building Area	497,570 GSF
Residential Units	140
Parking Stalls	698

E-W Section – Block 88



Below Grade Parking – Block 88



Wilson / Pinckney Street Entry Level – Block 88



Doty Street Entry Level – Block 88



Civic Gathering / Meeting Space Level – Block 88



- CIRCULATION - PUBLIC
- VERTICAL TRANSPORTATION - PUBLIC
- HOTEL
- CIVIC GATHERING SPACE
- MEETING ROOMS
- RETAIL
- WELLNESS
- DINING COMPONENT
- PARKING AREA
- MECHANICAL
- CIVIC SPACE CIRCULATION AND SUPPORT
- EAST-WEST PUBLIC CONNECTION
- NORTH-SOUTH PUBLIC CONNECTION



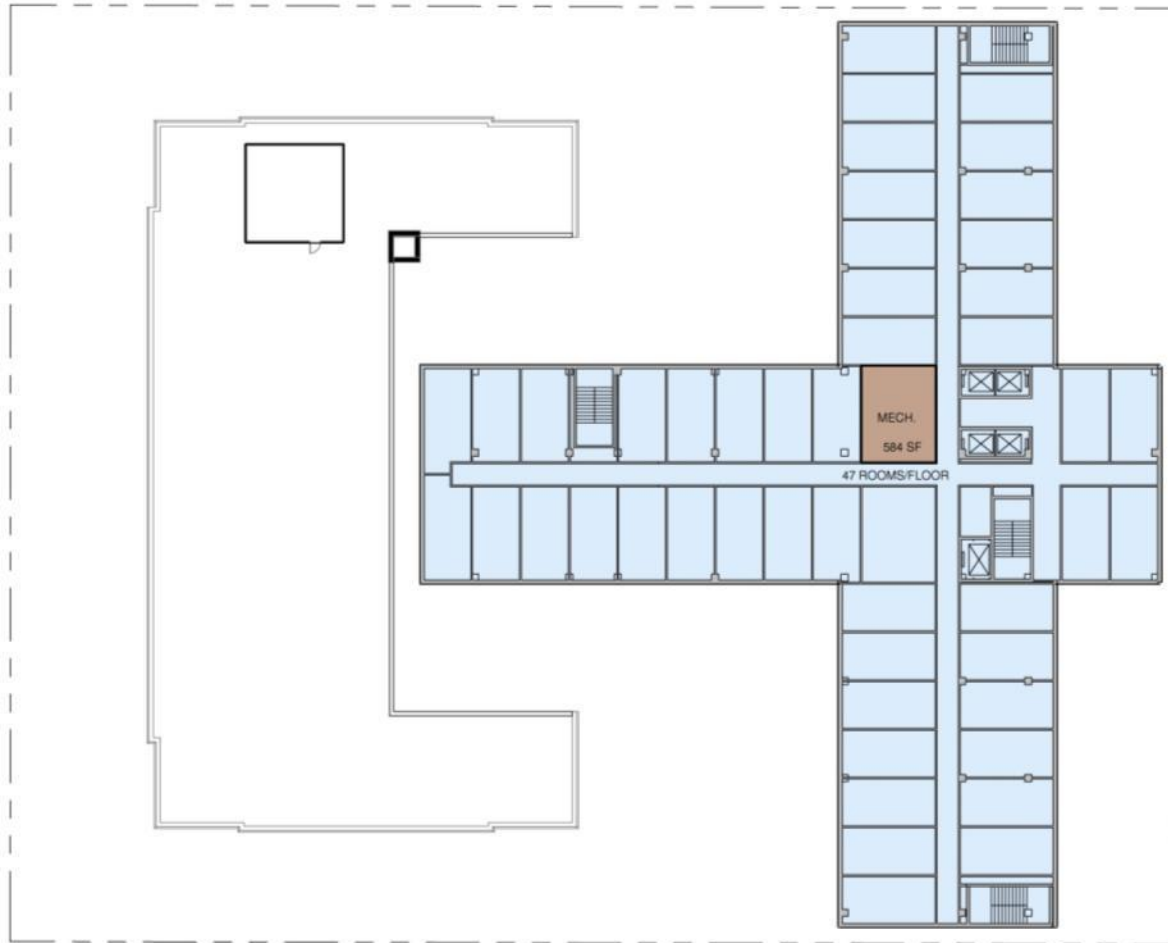
Level 3 Hotel Rooms – Block 88



- CIRCULATION - PUBLIC
- VERTICAL TRANSPORTATION - PUBLIC
- HOTEL
- CIVIC GATHERING SPACE
- MEETING ROOMS
- RETAIL
- WELLNESS
- DINING COMPONENT
- PARKING AREA
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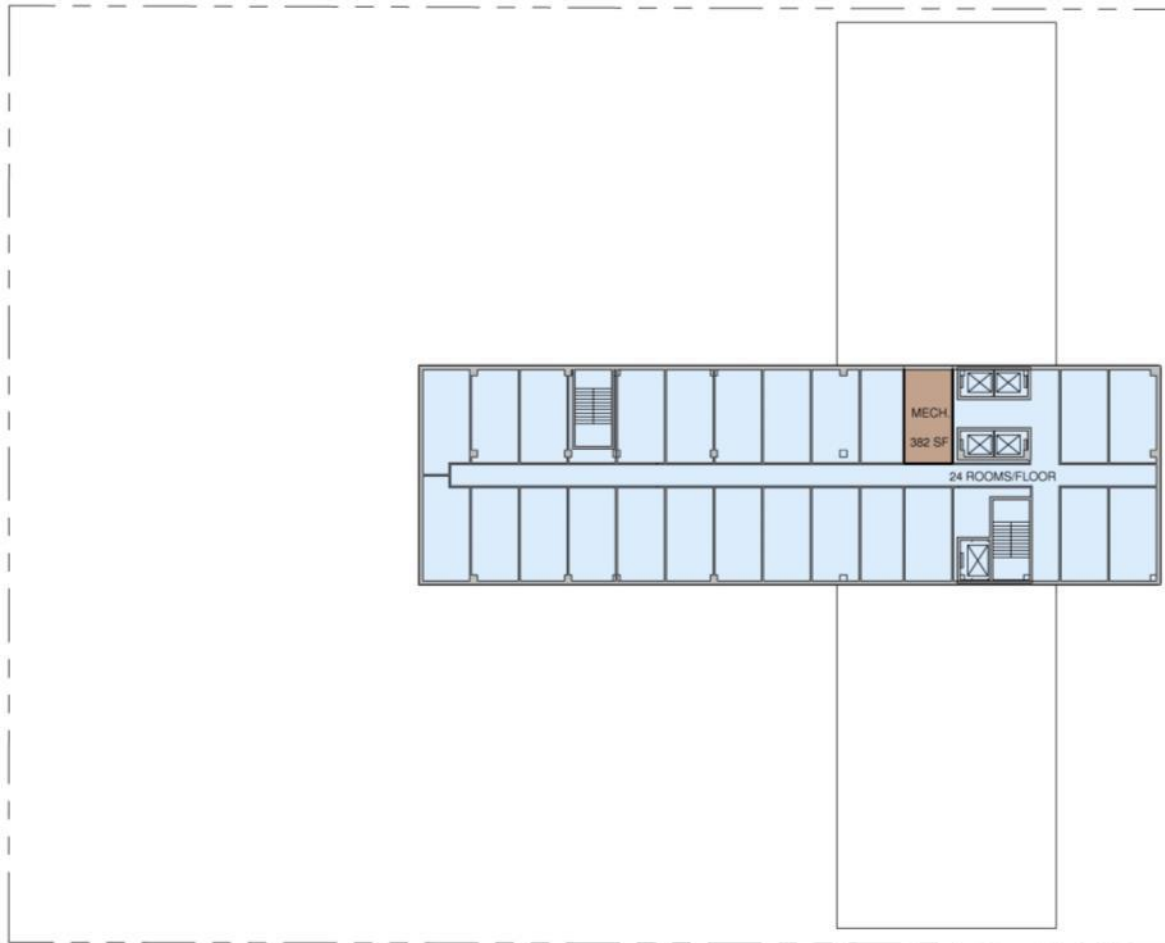
Level 4 to 6 Hotel Rooms – Block 88



- CIRCULATION - PUBLIC
- VERTICAL TRANSPORTATION - PUBLIC
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Floors 7 to 10 Hotel Rooms – Block 88

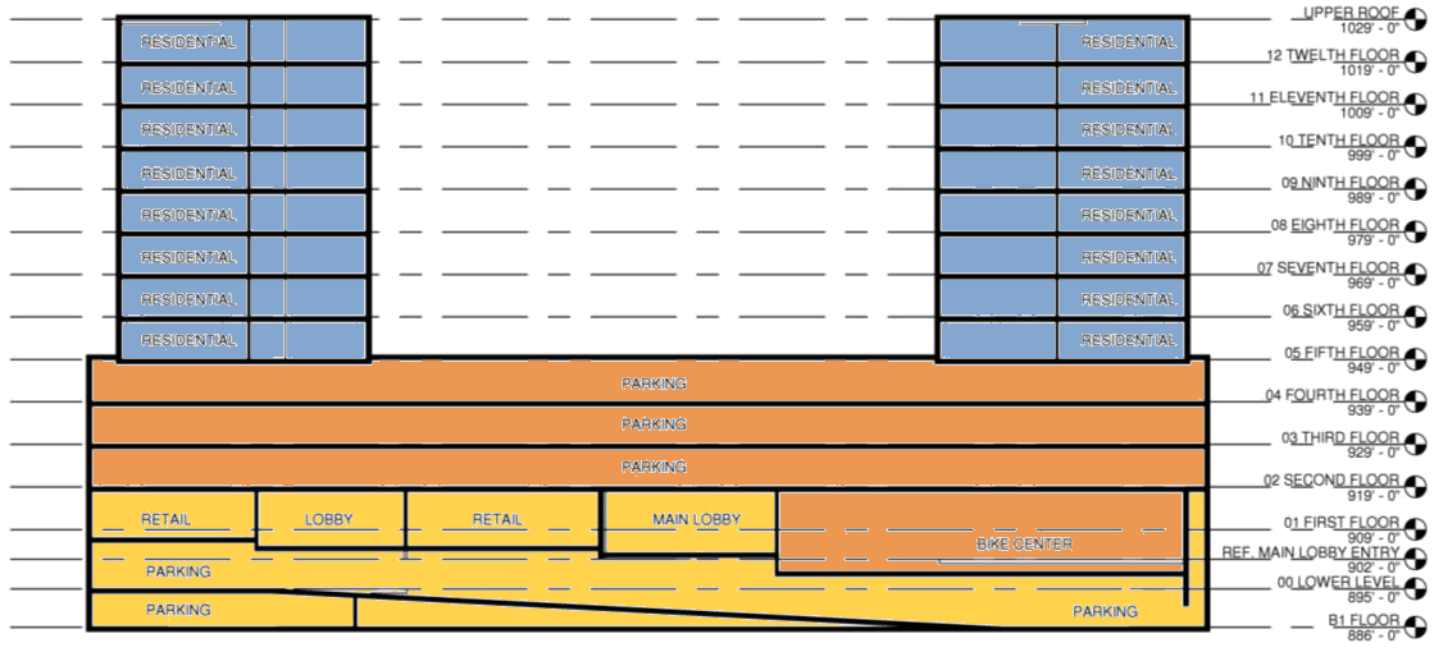


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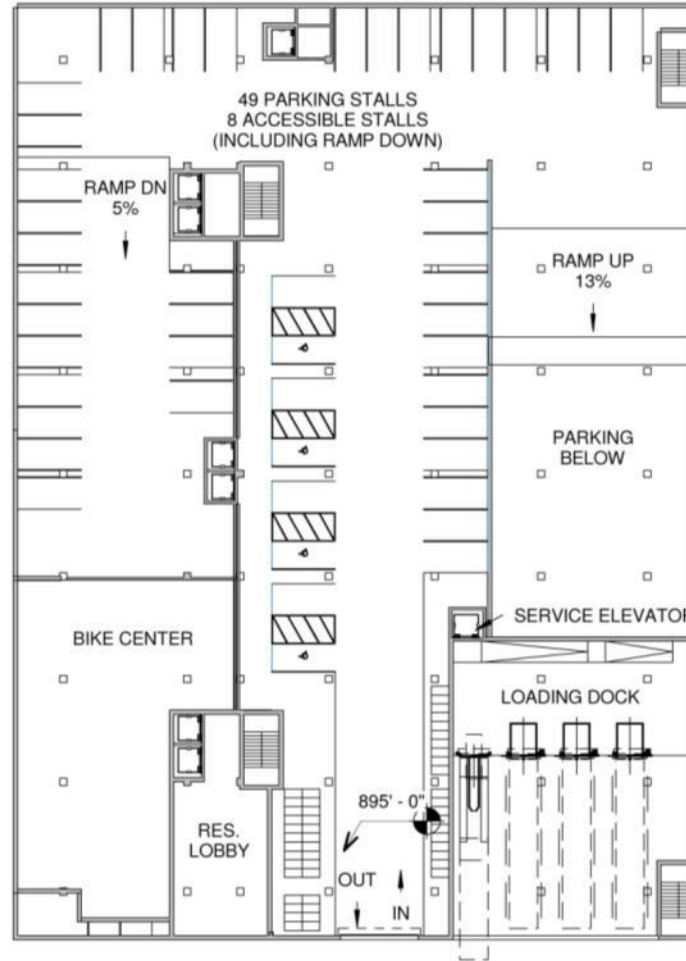


N-S Section – Block 105

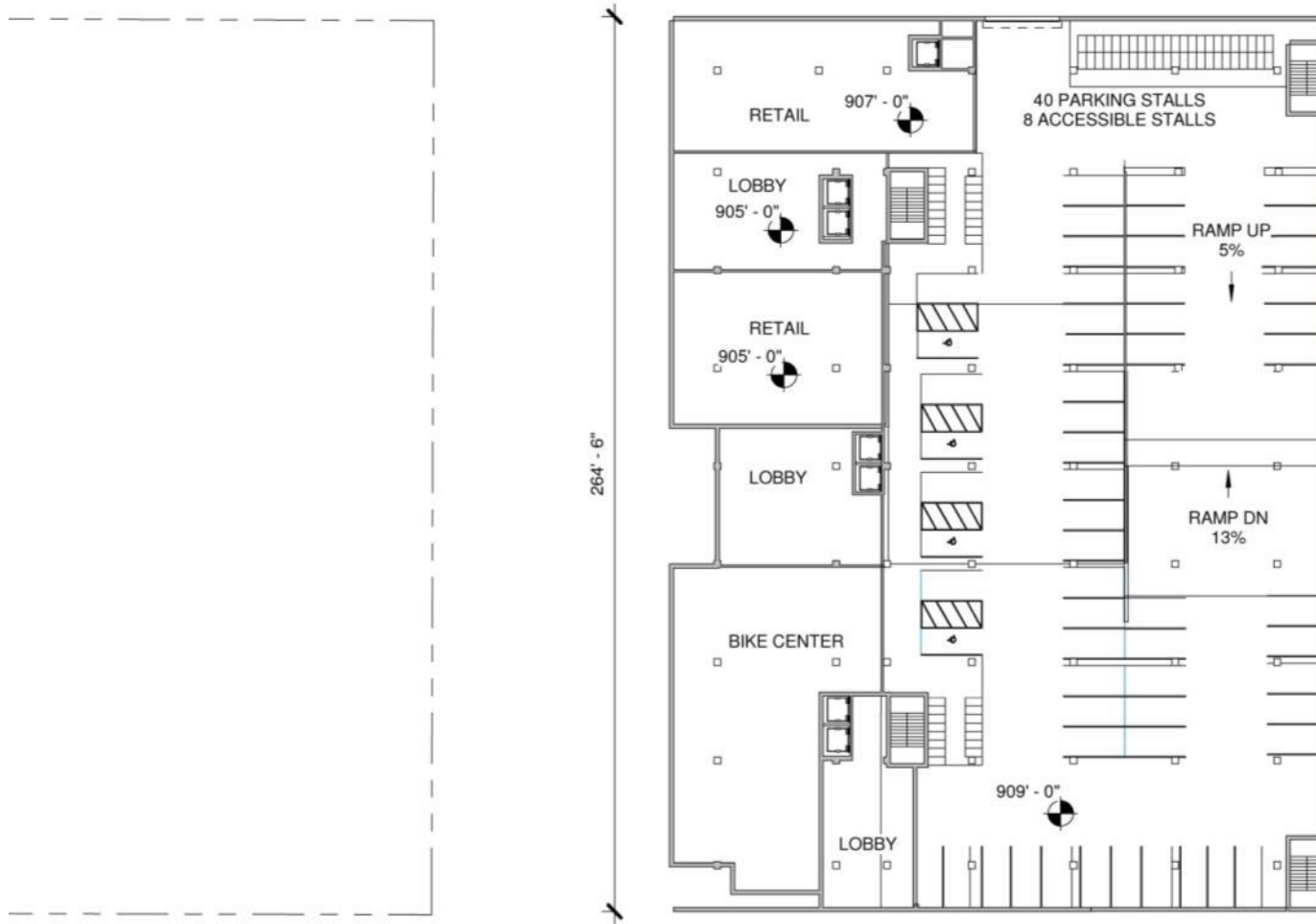
	Privately Funded
	Public-Private Investment
	City Parking & Bike Center



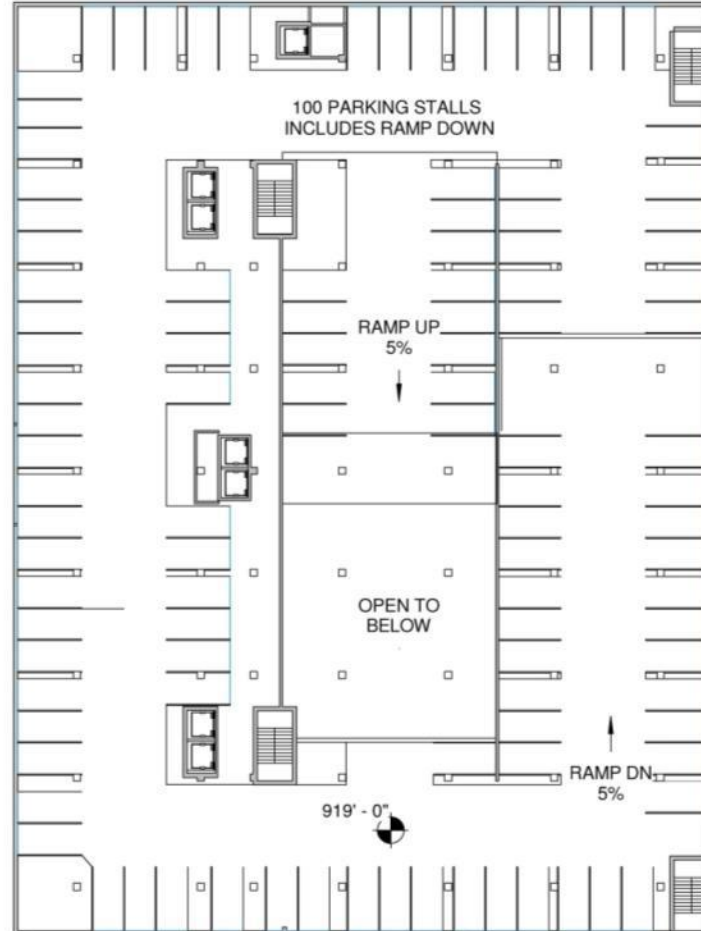
Wilson Street Entry Level – Block 105



Pinckney Street Retail Level – Block 105



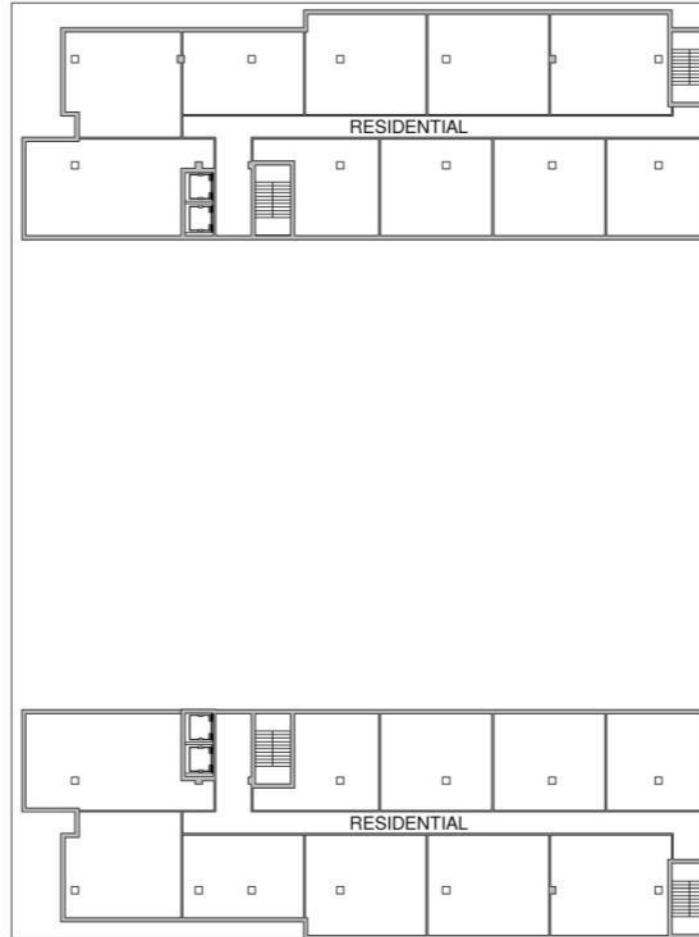
Level 2 Parking – Block 105



Levels 3 to 5 Parking – Block 105



Levels 6 to 12 Residential Rental – Block 105



SOURCES & USES OF FUNDS

Block 88 + Block 105 Overall Project

Block 88		Block 105		Overall Project (Block 88 + Block 105)	
SOURCES OF FUNDS		SOURCES OF FUNDS		SOURCES OF FUNDS	
Equity	19,780,000	Equity	10,095,000	Equity	29,875,000
Debt	45,230,000	Debt	23,553,000	Debt	68,783,000
Public Investment	43,215,000	Public Investment	3,977,000	Public Investment	47,192,000
		City Parking & Bike Center Funding	28,325,000	City Parking & Bike Center Funding	28,325,000
TOTAL	\$ 108,225,000	TOTAL	\$ 65,950,000	TOTAL	\$ 174,175,000
USES OF FUNDS		USES OF FUNDS		USES OF FUNDS	
Site Acquisition	\$ -	Site Acquisition	\$ 2,800,000	Site Acquisition	\$ 2,800,000
Demolition & Site Preparation	1,643,030	Demolition & Site Preparation	1,446,778	Demolition & Site Preparation	3,089,808
Construction and FF&E	81,279,712	Construction and FF&E	46,936,839	Construction and FF&E	128,216,550
Architecture and Engineering	4,975,364	Architecture and Engineering	2,903,017	Architecture and Engineering	7,878,381
Development / Soft Costs	20,326,894	Development / Soft Costs	11,863,366	Development / Soft Costs	32,190,260
TOTAL	\$ 108,225,000	TOTAL	\$ 65,950,000	TOTAL	\$ 174,175,000

Investment Summary

Block 88 + Block 105 Overall Project

	Block 88	Block 105	TOTAL
(\$MM)			
PRIVATE INVESTMENT			
Equity	\$ 19.8	\$ 10.1	\$ 29.9
Tax Credit	\$ -	\$ -	\$ -
Debt	\$ 45.2	\$ 23.6	\$ 68.8
Subtotal - Private Investment	\$ 65.0	\$ 33.6	\$ 98.7
PUBLIC INVESTMENT			
Public Investment	\$ 43.2	\$ 4.0	\$ 47.2
<i>Site Acquisition</i>	\$ -	\$ 2.8	\$ 2.8
<i>Block 88 Destination Elements</i>	\$ 29.1	\$ -	\$ 29.1
<i>Block 88 Parking</i>	\$ 14.1	\$ -	\$ 14.1
<i>Block 105 Infrastructure</i>	\$ -	\$ 1.2	\$ 1.2
City Parking & Bike Center Funding	NA	\$ 28.3	\$ 28.3
<i>Government East Replacement</i>		\$ 22.3	\$ 22.3
<i>Residential Monthly Parking (140 Spaces)</i>		\$ 4.7	\$ 4.7
<i>Bicycle Center</i>		\$ 1.3	\$ 1.3
TOTAL	\$108.2	\$ 66.0	\$174.2

Focus of Public Investment – Block 88

- ◆ Underground parking on Block 88 and underground connector to parking on Block 105
- ◆ Public Connections
 - ◆ East-West and North-South Public Connections
 - ◆ Vertical Transportation – Public
- ◆ Meeting spaces, civic gathering space and public spaces and to complement Monona Terrace
- ◆ Structural framing, building mechanical systems and enclosure impacts including higher design quality to respect the landmark MMB

Focus of Public Investment – Block 105

- ◆ Loading dock serving both Block 88 and Block 105 located along the Wilson Street side of the Block 105 parking structure
- ◆ Maintain a significant amount of parking throughout construction
- ◆ Site acquisition costs
- ◆ Bicycle center
- ◆ Design quality including façade treatment of above ground parking

Council Directed Negotiating Guidelines

A comparison of the proposed plan against the Council Directed Negotiating Guidelines:

Council Directed Negotiating Guideline	Proposed Plan
Keep MMB in Civic Use	●
Integrated Development	●
Affordable to Tax Payer	TBD
Adequate and Affordable Parking	Continuing to negotiate
Walkable Pinckney Street / Urban Scale	●
Maintain Parking During Construction	Target a minimum of 280 stalls at all times
Visually Appealing Parking	●
Room Block	●
Hotel Flag	●
Complementary Meeting Space for MT	●
A Sense of Place for All Madisonians	●
Project Labor Agreement and Community Work Agreement	●

Project Cost Estimate Comparisons

- Estimated cost and level of TIF support has remained relatively consistent throughout the staff team review, RFQ, RFP and negotiation process to date.

	2012 Staff Team Report	Journeyman RFP Proposal	JDS 2 RFP Proposal	JDS Development Proposal
Total Cost	\$192m	\$179m	\$190m	\$174m
Total Square Feet	1,079,000	962,214	784,485	902,595
Cost per Sq Ft	\$178	\$186	\$242	\$193
TIF Estimate (Journeyman and JDS 2 from staff analysis of RFP)	\$25m to \$50m	\$56m	\$49m	\$48m
TIF Share of Cost (exc. City Parking and Bike Center)	15% to 30%	36%	29%	31%

DRAFT

Options for Moving the Project Forward

Direct Negotiating Team to:

1. complete the term sheet for the project as presented by August 15th
2. reduce the public investment in the project while exploring the feasibility of maintaining approximately 300 rooms in the hotel
3. reduce the public investment in the project including the reduction of the number of hotel rooms, type of hotel, and flag
4. de-couple Block 88 and Block 105 to allow Block 105 to proceed now
5. suspend negotiations