



September 21, 2015

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Chair and Members  
City of Madison Plan Commission  
215 Martin Luther King, Jr. Blvd., Room LL-100  
Madison, WI 53703

Re: September 21, 2015 Plan Commission Agenda Item No. 5, Legistar No. 40068, Determination of Necessity of Taking for Downtown Park at W. Mifflin Street and N. Bassett St. and Authorizing the Condemnation of the Properties in the Schedule of Acquisitions

Dear Chair and Members:

This letter is written on behalf of Goldleaf Development, LLC ("Goldleaf"), which is the owner of the Ambassador West apartment building located at 434 West Mifflin Street, Madison, Wisconsin ("Ambassador West"). Ambassador West is the principal property that is the subject of the proposed condemnation of real property under September 21, 2015 Plan Commission Agenda Item No. 5, Legistar No. 40068, Determination of Necessity of Taking for Downtown Park at West Mifflin Street and N. Bassett St. and Authorizing the Condemnation of the Properties in the Schedule of Acquisitions.

Ambassador West has been owned by Goldleaf Development and its owner, Ron Fedler, for 38 years. Goldleaf is a family-owned business specializing in building and managing residential rental properties, and some family members involved in the business will be speaking at the Plan Commission meeting on Monday night. Goldleaf develops and manages rental properties, and holds them for the long term, like Ambassador West. Goldleaf does not seek out other investors and then try to flip the properties to make a profit. Goldleaf has substantial investments in Madison and intends to keep them.

The Ambassador West was built in 1973 and is in excellent condition. It is a well-constructed, three-story, brick building, which has been impeccably maintained and managed for four decades. Goldleaf has no vacancy problems. It is not blighted. It has a remaining useful life of 100 years. The building has 78 rental units, from efficiencies to 5 bedroom units. It currently has approximately 130 residents. The tenants are nearly all University of Wisconsin, Edgewood, and Madison Area Technical College students, who are looking for quality,

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reasonably priced accommodations in the Downtown Madison area, where they attend school or have jobs.

We strongly object to the proposed condemnation of the Ambassador West because (a) the process being followed in this case is abysmal, (b) the specific proposal is bad planning, bad housing policy and unnecessary, and (c) this project is too costly and is wasteful of public funds. Here are our specific arguments:

### **DEFECTIVE PROCESS**

This matter is listed under "routine business" on the Plan Commission agenda, but it is not routine at all. The City has apparently not done anything like this in 15 years or more. Staff should be asked to identify the last condemnations that the City engaged in for the acquisition of parkland. Parkland is normally acquired through voluntary purchases by the City or dedications to the City by the developer that are part of a new plat.

We just learned about this proposal by the City when we got a letter in the mail last Monday, September 14, 2015, from City staff. (City staff did not tell us this would be on the agenda for this Plan Commission meeting either; we had to find that out from the City website on Friday the 18<sup>th</sup>.) Goldleaf did not receive any phone calls from anyone at the City, nor any emails on this in advance of this going public. No one at the City ever invited Goldleaf to meet on this. Is this how the City does business when it comes to spending this much money to take away someone's business of 38 years duration? Is this the message we want to convey to people who invest in this community?

We made an open records request last week for all of the City reports, communications, memos, emails and letters on this matter. We need this material to make a complete presentation, and the Plan Commission needs this material to make an informed decision on this matter. No action should be taken by the Plan Commission until we, and you, have this material. We are waiting for City staff to provide the information.

We also intend to do further research on options for park land within the area and for use of funds to improve City parks that exist, and we will need time to complete this research among other things that should be looked at.

There should be no rush to judgment on this matter by any City committee. The Downtown Plan was adopted in July 2012, and the City has just gotten around to this subject more than three years later. Sixty (60) days of additional delay will not hurt the City at all.

If this item is not rejected outright by the Plan Commission, this matter should be scheduled at a minimum sixty (60) days out as a regular Plan Commission agenda item, to allow

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time for the preparation of a full Planning Division staff report and to allow Goldleaf to complete all of its research on this matter. A full Planning Division staff report would lay out the relationship of the property to the adopted Downtown Plan, give you a complete description of the Goldleaf property, explore all alternatives and options in the neighborhood and the Downtown, and tell you the consequences of what is proposed on the housing market and the tenants. The report you have is merely a summary, not the kind of in depth report that you should have before this decision is made.

### **THE PROPOSAL DOES NOT FOLLOW THE ADOPTED DOWNTOWN PLAN**

The Plan Commission spends much time adopting detailed plans for the City. There is an adopted Downtown Plan from 2012, which was prepared by the City staff and adopted by this body and the City Council. Goldleaf spent time in 2011-2012 with Mike Waidelich and others in the City Planning Division regarding the treatment of the Ambassador West property in the Downtown Plan, and we have relied on it since. Presumably these documents are intended to be followed and relied upon by the City and the landowners, unless amended. Otherwise, what is the point of preparing these elaborate documents.

However, with respect to Ambassador West, the pending condemnation proposal does not follow the adopted Downtown Plan in two key respects. First, the land involved is outside of the designated target area for a City park in the Downtown Plan. See the maps on pages 93 and 95 of the 2012 Downtown Plan.

Second, there are criteria in the adopted Downtown Plan to be used to select a park site, which can be found on page 96 of the 2012 Downtown Plan. The criteria for selecting a site "within the target area for this park" are the following: "low improvement to land value ratios, underutilized properties, poor aesthetic quality of existing buildings, ease of assembly (a limited number of parcels/property-owners), opportunity to catalyze positive change, opportunity to provide supporting open spaces for additional higher-density development in close proximity, and opportunity to create a focal point and positive terminal views." This proposal only arguably meets one of the criteria in the adopted Plan, i.e. this proposal may have fewer parcels because of the size of the Ambassador West parcel. However, this should be the least important criterion as it really only affects the paperwork workload of the staff, which should never be more important than the consequences for the long-time land owner or the tenants. This proposal does not meet any of the other criteria.

The Downtown Plan was made part of the City comprehensive plan by its terms. Under the statutes, actions such as this are to conform to the comprehensive plan. This proposal does not. Your own agenda notice says that these matters are to be referred to the Plan Commission "regarding consistency with the City's comprehensive plan before final action is taken." This resolution cannot be adopted by this body given the lack of compliance with the Downtown Plan.

### **THIS PROPOSAL REPRESENTS BAD POLICY**

Ambassador West provides, and will continue to provide for decades to come, excellent student-oriented housing at reasonable cost to the residents. The rents for Ambassador West are reasonable for student budgets. For example, we rent efficiencies at \$599-649 per month and one-bedrooms at \$749-829 per month. This compares very favorably with the much higher rents that these same students would pay in the new luxury, high rise buildings that have been built in the area. We will provide more information on this at the meeting. As is quite evident, destroying this fine building will damage the present and future tenants of the Ambassador West building.

There are many other parcels of land in the Dayton, Mifflin, Bassett, and Bedford Street areas on which a park can be located, if it is decided that one is necessary here, without acquiring the Ambassador West building. If a park is really needed, the area has many old (110+ years old), wood-frame, substandard, flat-type buildings, without central management, which have reached the end of their useful lives, that can be acquired. There has been no showing that these other sites in the area will not work for a park, if one is in fact needed.

Eliminating Ambassador West will force students who would otherwise be in our building into either one of the new high price rental buildings, with adverse effects on their finances, or into some of the other substandard housing in the area, with adverse effects on their living standards. Causing either of these alternatives to occur does not make policy sense whatever.

The cost of living in Madison for students is already high, and the large student population is incurring higher and higher debt loads every year. Will students be able to engage in the proposed "light programming," such as volleyball in the proposed park, if they need to take on a second job to cover their higher rent caused by the City?

Vacancy rates in this market are low. Does it make sense for the City to destroy good housing in this type of low vacancy environment, particularly the most affordable type of housing?

The Plan Commission also needs to keep in mind that most of the new apartment projects that are being constructed or that have been constructed have many recreational amenities built-in, including gyms, workout areas, pools, decks, recreational rooms, theaters, concierge services and the like. Are folks with all of these amenities going to use a 1-acre park in lieu of the amenities they have paid for in their rent? Not likely. Further, UW students have access to recreational facilities through their student fees, for which they are paying significant dollars, and given what they are paying for them, are likely to use them.

Lastly, the Plan Commission should consider the ridiculous cost of this project, as a trustee of the available park funds. These funds should not be wasted or spent cavalierly. City

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staff estimates that the land acquisition by condemnation will cost up to \$7,000,000. We are confident it will be over \$10,000,000 for all of the parcels involved. However, even at \$7,000,000, we think that is a misuse of public funds to end up with less than one acre of lawn. At \$7,000,000, this will cost \$172.60 per square foot. (Note that these parcels are only 40,557 square feet in area in the aggregate; they are not even an acre, which is 42,560 square feet.) At \$10,000,000, the cost will be \$246.57 per square foot. These are the kinds of numbers that represent the cost of construction of a quality office building, not the cost that should be incurred for one acre of dirt. Think of what the City could do in its parks, including existing Downtown parks like Brittingham Park and James Madison Park, with \$7,000,000 or \$10,000,000. The City could build its own year-round recreational building in one of these parks for this kind of money. Improving existing parks in some ways would be a better use of these funds.

### CONCLUSION

This body should reject the proposed resolution. The proposal is defective on procedure and substance. If this body does not want to reject it, then it should be referred for 60 days to allow time for Planning Division staff to do a full report, and for the owner to get the documents that have been requested from the City and to complete its analysis of the alternatives.

Sincerely,

BOARDMAN & CLARK LLP



Michael J. Lawton

MJL:am

cc: Timothy Parks (via Electronic Mail)  
Ronald Fedler (via Electronic Mail)

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**From:** Brian King  
**Sent:** Monday, September 21, 2015 5:16 AM  
**To:** All Alders  
**Subject:** Downtown Park

General Information

**Name:** Brian King  
**Address:** [REDACTED] Blue Ridge Parkway  
**City:** Madison  
**State:** WI  
**ZIP:** [REDACTED]  
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**Should we contact you?:** Yes

Message:

Partner with UW to develop the greenspace in front of Gordon Commons as a park. The city can pay for the build out. UW lets the project be called a collaborative development. It cannot build on this open space. All city residents can use it. Don't tear down affordable housing and spend precious capital dollars when a much better solution is possible.

**Recipient:**  
All Alders