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File #:	34282	Version: 1	Name:	Disposition Process - 800 South E Washington Ave (Don Miller)
Type:	Resolution		Status:	Passed
File created:	5/28/2014		In control:	BOARD OF ESTIMATES
On agenda:	7/1/2014		Final action:	7/1/2014
Enactment date:	7/2/2014		Enactment #:	RES-14-00501
Title:	Adopting a process for disposition of property on the south side of 800 East Washington Ave			
Sponsors:	Paul R. Soglin , Marsha A. Rummel , Larry Palm , Ledell Zellers			
Attachments:	1. Don Miller Sale Proposal 5-28-14.pdf , 2. Hyperlink			

[History \(6\)](#) [Text](#)

Fiscal Note

The Resolution proposes an alternative process for exploring the development of City-owned property. Staff resources will need to be allocated in support of the Capitol East District Committee, but no appropriation is required. Any future expenditures associated with a development will be subject to Common Council approval.

Title

Adopting a process for disposition of property on the south side of 800 East Washington Ave

Body

WHEREAS, the Capitol East District has been the subject of extensive planning efforts and the City and neighborhoods have developed consensus regarding a well-articulated vision for the area; and,

WHEREAS, the City acquired approximately two acres of land on the south side of the 800 block of East Washington Avenue through the land-banking program; and,

WHEREAS, a previous Request for Proposals did not result in a successful project on the south side of the 800 block of East Washington Avenue; and,

WHEREAS, the adopted plans for the City-owned property on the 800 block of East Washington Avenue call for the property to serve a primarily employment-oriented use; and,

WHEREAS, the City has actively worked to encourage development of an entrepreneurial hub known as Starting Block and a concept known as the Madison Sustainability Commerce Center ("MSCC"); and,

WHEREAS, development of Starting Block and the Madison Sustainability Commerce Center are more complex than more standard real estate developments; and,

WHEREAS, projects aimed at employment-oriented uses cannot currently be financed with substantial pre-leasing commitments for tenants; and,

WHEREAS, a renewed Request for Proposals following the Land Banking RFP process outlined in a memo accepted by the Common Council on May 15, 2012 is unlikely to successfully attract viable proposals with pre-leasing commitments in place; and,

WHEREAS, the City of Madison desires to make its property on the south side of the 800 block of East Washington Avenue available for development consistent with adopted plans;

NOW THEREFORE BE IT RESOLVED, the Common Council accepts the attached memo titled "Disposition of the 800 East Washington Avenue (Don Miller South); and,

BE IT FURTHER RESOLVED, that the Common Council hereby creates the Capitol East District Committee (the "Committee") comprised of the following individuals appointed by the Mayor unless otherwise noted and confirmed by the Common Council:

1. Alder of District 2
2. Alder of District 6
3. Alder-at-large
4. Alder-at-large
5. Designee of the Tenney-Lapham Neighborhood Association president
6. Designee of the Marquette Neighborhood Association president
7. A representative of the business community
8. An appointee with real estate expertise
9. A citizen

BE IT STILL FURTHER RESOLVED, that development teams seeking to construct the Madison Sustainability Commerce Center ("MSCC") or Starting Block shall have ninety (90) days from the date of adoption to request the use of the Madison's holding on the south side of the 800 block of East Washington Avenue (the "property") for their project by presenting to the Director of Economic Development a progress report on their development; and

BE IT STILL FURTHER RESOLVED, that the progress report shall include a conceptual plan for the site, an initial budget including goals for sources and uses of capital, a list of committed partners, and a timeline identifying key milestones; and

BE IT STILL FURTHER RESOLVED, that the Capitol East District Committee shall be convened as soon as practicable to consider any requests and progress reports submitted; and

BE IT STILL FURTHER RESOLVED, the Capitol East District Committee, after reviewing the progress report(s), may grant one MSCC or Starting Block team the exclusive right to continue to develop a proposal utilizing the 800 block and may establish timeframes and reporting requirements for the selected team; and

BE IT STILL FURTHER RESOLVED, the Capitol East District Committee may authorize extensions to the selected team if the Committee determines satisfactory progress is being made; and

BE IT STILL FURTHER RESOLVED, the Common Council directs City staff to assist the selected project team to develop the proposal including negotiation of potential City investment and terms for sale or lease; and

BE IT STILL FURTHER RESOLVED, if the Capitol East District Committee determines the team has developed the project to a satisfactory point, the Committee may direct staff to negotiate a letter-of-intent to be introduced to the Common Council for consideration as a recommendation for sale or lease of the south side of the 800 block of East Washington Avenue; and

BE IT STILL FURTHER RESOLVED, if the Committee determines satisfactory progress is no longer being made, the Committee may grant another MSCC or Starting Block team the right to develop a proposal and repeat the process or may declare the property available for sale; and

BE IT STILL FURTHER RESOLVED, that if the Committee declares the property available for sale, the Common Council authorizes the Economic Development Division to announce that the City's holdings of the property are available for sale, to outline specific requirements for submitting an offer to purchase, and to initiate appropriate marketing steps; and,

BE IT STILL FURTHER RESOLVED, that staff in the Economic Development Division are directed to have no substantive discussions with prospective buyers until forty-five calendar days pass after the day on which the announcement is made; and,

BE IT STILL FURTHER RESOLVED, the offers to purchase shall include conceptual uses and space program, shall identify users, and shall include proposed terms, but shall not include architectural renderings or design details until considered through the typical land-use process; and

BE IT STILL FURTHER RESOLVED, that "Qualified Buyers" for the property are individuals or entities that:

1. Are proposing an employment-anchored use (with a preference for technology-related employment and excluding uses that are solely retail and/or hospitality).
2. Will purchase the entire south 800 East Washington Avenue property in a single-phase take-down (The City may consider long term ground leases or co-development opportunities as well).
3. Intend to construct a building of at least 3 stories (in accordance with Urban Design District #8 guidelines).
4. Include end-users of going concerns or are developers who can demonstrate to the satisfaction of the Economic Development Division staff (typically through a letter-of-intent) a tenant commitment of at least 50% of net leasable floor area.
5. Will post at least 1% earnest money (if applicable).

BE IT FINALLY RESOLVED, that the staff of the Economic Development Division shall present all offers received from Qualified Buyers to the Capitol East District Committee who shall make a recommendation on terms of sale of the property to the Common Council.