

Date: July 7, 2015

To: Members of the Madison Common Council

From: Andy Olsen

Re: Resolution Accepting the Report of the Judge Doyle Square Negotiating Team and Action on Next Steps, File # 39071

Please consider these comments in writing as lengthening your meeting seems a poor use of a summer evening for all. By way of introduction, I am a former Madison Alder, Dane County Board Supervisor and the spokesman for Citizens Against Subsidized Hotels (CA\$H). These are my own views.

Regarding the resolution before you, please note the following observations and recommendations.

### **Observations**

- The proposed financial scheme is very complex and likely only understood by a handful of people. It takes time to understand, especially with the closed process and deliberations.
- Rushed and secretive processes arouse citizen cynicism, and for good reason. The complex JDS / Exact Sciences financing deal is being rushed through in a secretive fashion, which brings numerous consequences. Rushing the deal cuts the public out further as it gives people less time to understand it and even be able to comment, especially when so many discussions are in closed session.
- Promises of jobs have been made as part of the sales pitch for this deal. But how much confidence can we have that these jobs will materialize when so much information is based on hopes, wishes and company projections provided by subsidy beneficiaries (or the project sponsors negotiating with them)?
- City taxpayers are becoming involuntary investors in a private enterprise but the team negotiating for us does not seem willing to walk away from the project. Indeed, City leadership seems so eager to make this deal happen that they appear to see "no deal" as the worst case scenario (it is not).

### **Recommendation**

The Council should amend the resolution to include a **Sunshine Amendment** that increases public knowledge of the proposed deal. Here are some elements.

- Require the proposed deal to be independently reviewed by an objective third party who will evaluate such topics as the investment in terms of risks and potential returns for the citizenry, job estimates, impacts on the parking utility, Exact Sciences as an investment prospect, City control and influence as an equity partner and impacts on economic equality. This analysis should rigorously test numeric and investment assumptions.
- Require that the lead consultant negotiator for the city, George Austin, should file a Statement of Interests -- as must elected officials and citizens voluntarily serving on city committees with much smaller sums at stake.
- That final reports on the proposed investment by the City include graphical elements to help citizens better understand the proposed deal.
- The Council vote should take place after Labor Day, September 7<sup>th</sup>, as Labor Day marks the end of the vacation season. Summer vacation season is a bad time to understand complex investment schemes. A vote prior to Labor Day means the public will be cut out of the process and deprived of opportunity to understand the investment thrust upon us.