

TO: Mayor Cieslewicz and Members of the Common Council

FROM: Public Market Square City Staff Team

RE: Status Report

DATE: January 15, 2011

Introduction: On September 16, 2010, Mayor Cieslewicz announced the City's intent to plan for the "Public Market Square Development District -a twelve block area on the southeast side of the Capitol Square as identified in the City's federal TIGER grant application with a focus on the two blocks adjacent to the planned high speed rail station at 101 East Wilson Street. The District will include a new Madison Public Market and other supportive retail, and replacement of the aging Government East parking ramp with a new structure, a bike station, intermodal transit links and possibly office space and a hotel."

Creation of a Staff Team: To focus on this emerging vision, the Mayor formed an interdisciplinary City staff team in October to move the planning forward. Chaired by George Austin under a contract with the City, the staff team organized itself on October 22 and has met on four occasions through December 31, 2010. It established a Charge and a Value Proposition to guide its work as follows:

The Public Market Square City Staff Team has been established to:

- *help form a bold vision for the South-east Square area of the Central Business District –a twelve block area on the south side of the Capitol Square as identified in the TIGER II grant with a focus on the two blocks adjacent to the planned new high-speed rail station at 101 East Wilson Street- to include parking, a public market, bike station, intermodal transit connections, replacement municipal space and new commercial space.*
- *forge an achievable delivery plan to seize the immediate transit oriented development opportunities including the parking required for the new high speed rail station.*
- *establish a long term plan that maximizes economic development potential, including public/private partnerships, to take full advantage of the area's future as Madison's transportation gateway.*

The City Staff Team is committing to deliver the Public Market Square Project in a different way. These commitments are different from conventional practices in the following ways:

- *This venture is relational, not transactional. There is a focus on shared responsibility among the members of the staff team with all benefiting from success.*
- *Each staff team member promises to furnish his/her best skill and judgment and to collaborate and cooperate to further the interests of the Project.*
- *All seek to optimize the Project as a whole rather than any particular piece.*

Getting Started: The individual components of the project...parking, public market, bicycle station, rail station, hotel...were being pursued independently of each other through other staff work and outside contracts. To engage the broad objectives of the project and to begin to get organized, the staff team members first shared the status of the existing activities already in progress from their areas, and prepared "Questions to be Answered/Issues to be Addressed" from their perspectives. This work led to the development of a preliminary schedule where the individual work components were integrated into an overall schedule which began to reveal the network of commitments needed to make the Public Market Square development a reality.

This work revealed the following realities.

1. Providing the 400 stalls of parking for the high speed rail station by the end of 2013 was the main driver of the schedule.
2. The public market planners believe the best site for the market is Block 105.
3. The Marcus Corporation has development rights in Block 88 regarding any future hotel development. It believes Block 88 to be the best site for additional rooms to support Monona Terrace. Understanding how Block 88 could be developed is pivotal to the approach to the development of Blocks 88 and 105.
4. Understanding the future role for the Madison Municipal Building, on the National Register of Historic Places, and City of Madison's needs for office space are an important early issue to consider.
5. Sorting through the competing uses proposed for Block 105 has to be thought about as a whole and not independently of one another in order for the project to be successful.
6. Staging the construction of the Block 105 replacement parking so that the removal of the Government East ramp doesn't eliminate the parking supply that is necessary during construction to support the vibrant commercial district in this quadrant of the Square.
7. Receipt of the \$950,000 TIGER II planning grant from the federal government establishes the opportunity to plan on a larger scale for transit oriented development in this quadrant of the central business district.

To begin to address these issues, the following activities were undertaken by the Staff Team.

1. In October, the City engaged the Marcus Corporation in a discussion about its interest in developing a hotel in Block 88 and willingness to jointly plan with the City. Four discussions were held through the end of December to frame how this might occur. The Marcus Corporation chose to joint venture with Urban Land Interests for the joint planning discussion.
2. In October, planning for the high speed rail station was accelerated to meet the State's timeline. However, in December, the federal Department of Transportation took back the funding for the high speed rail project. Given the need to replace the Government East ramp soon due to its condition, the staff team concluded that the goal to complete the first phase of the parking by the end of 2013 should still be the Team's goal even

though the parking for the high speed rail station was no longer anear term element of the project.

3. A June 2010 draft of a “Request for Proposals” for planning services in Blocks 88 and 105 is being updated to focus on Block 105.

A Path Forward: Given the complex, multiple issues related to this development, we need to create the foundation upon which a successful mixed use development on Blocks 88 and 105 can occur. To this end, the Staff Team believes the City should continue to plan with the expectation that a multi-modal transit hub will occur in this quadrant in the future. The lost opportunity for passenger rail today doesn’t preclude it in the future and proper planning will enhance the ability to achieve that element in the future. The Staff Team recommends the following path forward:

1. *Engage in a 90 day joint planning process with the Marcus Corporation for Block 88. By jointly planning, the underground parking ramp which would be connected to the parking ramp in Block 105 can be properly designed to support the above grade uses. The Parking Utility staff will participate in the joint planning effort and not move ahead independently until the work is completed. The 90 day planning process will produce for consideration by City decision makers:*

- architectural floor plan concepts of all parking levels of the parking ramp in Block 88;
- parking functional floor plan concepts of all parking levels of the full ramp;
- architectural site section concept drawings for the full ramp, with descriptive outline specifications;
- parking phasing plan;
- site work and engineering concepts for utilities, underpinning, earth retention and excavation support performance on site in Block 88 and the public infrastructure outside the building envelope;
- architectural floor plan concepts of above-grade buildings in Block 88 integrated with the parking garage below;
- planning concepts suitable for conceptual cost estimates to be prepared by others.

During the 90-day joint planning period, the City of Madison and the Marcus Corporation will also begin to formulate the conceptual responsibilities of the respective parties and the economic framework for planning, including:

- The cost of the land, the subterranean rights required for the parking, the air rights and the Madison Municipal Building, as well as the terms of payment for the respective property interests.
- A proposed condominium structure or other appropriate ownership structure for ownership of the respective property interests to be created.

- An approach for the preparation of detailed architectural and engineering plans required for construction of the parking ramp and air rights development.
 - The construction of the parking and the respective responsibilities of the City of Madison and the Marcus Corporation.
 - The financing and operation of the completed parking ramp (taking into consideration the limits of the bonding capacity of the Parking Utility, the ability to create a discrete financing package for the portion of the ramp that supports Block 88 private uses, and the need to resolve financing of construction and carrying costs for excess capacity until completion of the development of the supported air rights).
2. *Issue a Request for Proposals for planning services for the Public Market Square in Block 105 while the joint planning work is underway for Block 88. The Block 105 proposed consulting team and agreement will come back for Council approval before proceeding. The Block 105 planning consultant can be retained by the end of the 90 day period and move forward in context with the product of the Block 88 joint planning work.*
 3. *Looking a bit farther ahead, the selected planning consultant for Block 105 can assist with the planning of the larger 12 block area identified in the successful TIGER II grant application.*

Respectfully submitted,

Public Market Square Staff Team