

**From:** John Jacobs [jjacobs\_msn@yahoo.com]  
**Sent:** Tuesday, July 05, 2016 6:42 PM  
**To:** All Alders  
**Subject:** Doyle Square not-ready-for-prime-time development agreement

Dear Madison alders:

It's unfortunate that once again, you are being asked to approve the largest public-private development agreement in Madison history under a tight time deadline before many important details are worked out.

As a result of the time and opportunities wasted on exclusive negotiations with JDS for the Exact Sciences fiasco, the mayor's team again wants hasty approval - this time in order to access TID 25 funds. It must be difficult to completely understand the ramifications of such a consequential vote when time is so short (including the July 4th holiday weekend).

The final development agreement strikes me as:

1. Unresponsive to the room block requirement of the RFP which specified; *"A room block proposal for Monona Terrace must be included in the RFP response."* Under the terms of the agreement, the Council may still be discussing room block in late 2020.
2. Weak on *"hotel flag"* and *"national sales force and reservation system"*. Under the terms of the agreement, the Council may still be discussing the hotel brand in late 2020.
3. Very weak on; *"Maintain the commitments approved by the Common Council on September 30, 2015 (for JDS/Exact development) for a Project Labor Agreement, Labor Peace Agreement, targeted business and workforce hiring goals for construction ... , creation of a Judge Doyle Square Monitoring Team."* The developer seems to have agreed to nothing beyond *"we'll try and see what we can do."*
4. Indeterminate with regard to parking ramp configurations including entrances, exits, space utilization, and traffic flow in and out of ramps. At a staff briefing for Council members just days before the JDS/Exact vote, I learned of inefficiencies caused by JDS's hybrid above-ground, partially underground parking configuration. It's a shame that apparently little consideration has been given to these important factors in this congested part of downtown.
5. Representative of poor planning with above-ground parking which wastes valuable above-ground space which could otherwise be used for high value, taxable uses. For any other development in this part of downtown, the city would ordinarily prefer and expect underground parking. Just down the block from Government East, the twelve year old, twelve story, 112 unit, Madison Mark at 132 E. Wilson has underground parking. Block 89, the new Anchor Bank and the Hilton Hotel all have underground parking. It is shortsighted to allow above ground parking here.
6. Expensive for the city. While the RFP expects that *"the air rights above the parking must be purchased or leased a fair market value"* Beitler's leases fall \$4 million short of appraised value. In addition, by leasing instead of owning, the developer may escape paying \$250,000 a year in property taxes on the \$11 million air rights. \$63,000 per parking stall is ridiculously high.
7. An good example of what happens when you negotiate from a bad position - when your negotiating partner knows you have a (self-imposed) looming deadline. That the mayor's team agreed to a \$1.5 million developer's service agreement (for what?) instead of a cap of \$250,000 illustrates the city's poor negotiating position.

That Beitler is able to proceed without meeting many of the requirements and expectations of the RFP is bad public policy. One of the developers - Urban Land Interests/North Central Group - dropped out of this latest round when new requirements for the hotel were added after JDS/Exact. Presumably, these are the same requirements (#3 above) that Beitler has not agreed to either. I call foul.

"Andy Inman, vice president for development for North Central Group, said his company began to express concerns about the Judge Doyle project in November and withdrew because restrictions placed on the hotel after the latest negotiations with another developer didn't make sense for North Central's business model. He declined to share details, but said ULI's inability to secure another hotelier validates their concerns."

[http://host.madison.com/wsj/news/local/govt-and-politics/development-teams-submit-new-proposals-for-judge-doyle-square-another/article\\_8edc1f7e-2124-5774-9633-1b6b9a8cfb88.html](http://host.madison.com/wsj/news/local/govt-and-politics/development-teams-submit-new-proposals-for-judge-doyle-square-another/article_8edc1f7e-2124-5774-9633-1b6b9a8cfb88.html)

It's too bad that Urban Land Interests' 2015 proposal was set aside on the recommendation of the mayor's team. ULI had proposed a complete project on blocks 88 and 105 with a major brand hotel which included an efficient, large plate, fully underground parking facility. ULI had proposed paying fair value for the land and expected only \$34.5 million total from the city (\$22 million for 600 public stalls = \$36,700 stall + \$12.5 million TIF for private underground parking).

The city's poor negotiating position will only get worse if you approve the Beitler development agreement today. Hopes, dreams and wishes that Beitler will do things they haven't agreed to aren't in the agreement. As Alder Kemble pointed out during the JDS/Exact discussion, you are voting on only what's in the agreement.

*"A man should look for what is, and not for what he thinks should be" - Albert Einstein*

John Jacobs