

## A Resolution

Accepting the Report of the Board of Estimates and the June 10, 2016 Report of the Judge Doyle Square Negotiating Team; Authorizing the Mayor and City Clerk to Execute the \_\_\_\_\_ with Beitler Real Estate Services LLC for the Judge Doyle Square Project and Directing Follow-up Actions by the City as Described and Agreed to in the Development Agreement

Introduced: June 21, 2016

### Sponsors:

Fiscal Note: The 2016 Adopted Capital Budget includes \$53,137,000 for the Judge Doyle Square project. Funding for the project is split between TID 25 cash (\$21.2m), Parking Utility reserves (\$18.0m), and proceeds from the land sale (\$13.9m). The 2016 capital budget reflects this funding across projects in the Economic Development Division, Parking Utility, and Engineering.

- Economic Development Division, TID 25-Judge Doyle Square (pg. 287)
  - Budget: \$32.8m
  - Use: Funding available for project costs consistent with Council resolution and project plan amendments.
- Parking Utility, Judge Doyle Square Garage (pg. 354)
  - Budget: \$18.0m (Parking Utility Reserves)
  - Use: Construction costs associated with replacement of Government East parking ramp
- Engineering-Facilities: City Fleet Stalls-JDS (pg. 293)
  - Budget: \$1.3m (Land Sale Proceeds)
  - Use: Purchase of 40 parking stalls for City's fleet housed at the Madison Municipal Building
- Engineering-Ped/Bike: Bike Station (pg. 299)
  - Budget: \$1.0m (Land Sale Proceeds)
  - Use: Construction of Bike Station at the Government East parking ramp as part of the renovation efforts

The adopted 2015 capital budget includes \$700,000 under PCED Project #12 for the South Capitol Transit Oriented District (\$380,000 in Federal TIGER II grant funds and \$320,000 in TID 25 proceeds). The Parking Utility budget includes \$11.95 million in 2015 for replacement of the Government East parking garage (Parking Utility project #2, Judge Doyle Square Garage).

Additional background information on the project can be found at the Judge Doyle Square page on the City Planning website (<http://www.cityofmadison.com/planning/judgeDoyleSquare/>).

Staff resources from the Department of Planning & Community & Economic Development, Finance, Traffic Engineering, Parking Utility, Monona Terrace and City Engineering will be allocated to provide support for the negotiation process without the need for an additional appropriation.

All future expenditures associated with the project will require further Council approval other than the costs associated with the review and developer selection and negotiations with the selected developer.

WHEREAS, on November 17, 2015, the Common Council adopted RES-15-00893 to request that the remaining three RFP respondents update their respective Judge Doyle Square proposals based on specific criteria included in RES-15-00893 and to submit those updated proposals to the City no later than January 19, 2016;

WHEREAS, on November 18, 2015, a Letter of Direction was sent to the remaining RFP respondents instructing them to incorporate the criteria in RES-15-00893; and

WHEREAS, on January 19, 2016, two of the three development teams, Beitler Real Estate Services of Chicago, IL and Vermilion Enterprises of Chicago, IL, submitted updated proposals to the City; and

WHEREAS, on February 15, 2016, the Negotiating Team presented an informational report to the Board of Estimates regarding the two proposals, and the Board of Estimates decided to accept both proposal updates recognizing that neither development team had provided a response that met all the requirements of the RFP or the Letter of Direction, and further directed that developer interviews be scheduled and posed further questions for each development team to address; and

WHEREAS, on March 9, 2016, the Board of Estimates conducted developer interviews and requested alternate proposals that more closely conformed with the RFP and Letter of Direction, and directed the Negotiating Team to prepare an additional informational report which incorporated the alternate proposals and was considered by the Board of Estimates at its meeting of March 21, 2016; and

WHEREAS, on April 11, 2016, the Board of Estimates received a third informational report from the Negotiating Team, a report from the Racial Equity and Social Justice Initiative Team and a comprehensive list of responses to Alder questions on the respective proposals; and

WHEREAS, on April 19, 2016, the Common Council adopted RES-16-00317 to approve the selection of Beitler Real Estate Services LLC as the Judge Doyle Square Development Team with which to commence negotiations on proposal version B, and directed the Judge Doyle Square Negotiating Team to immediately initiate negotiations with the selected development team and to report back to the Board of Estimates by June 27, 2016; and

WHEREAS, on June 10, 2016, the Judge Doyle Square Negotiating Team prepared a fourth informational report outlining the key unresolved issues and presenting two draft development agreement, one based on the City's position (the "City Development Agreement") and one based on Beitler's position (the "Beitler Development Agreement") (together the "Development Agreements") for the Board of Estimate's consideration; and

WHEREAS, Beitler has requested that the Board of Estimates make a recommendation on a final development agreement on June 13, 2016 and send its recommendations to the Common Council for consideration on June 21, 2016;

WHEREAS, on June 13, 2016, the Board of Estimates considered the Development Agreements and recommended acceptance of the Report of the Judge Doyle Square Negotiating Team and execution of the \_\_\_\_\_ with Beitler Real Estate Services, LLC;

NOW, THEREFORE BE IT RESOLVED that the Common Council does hereby accept the Report of the Board of Estimates and the June 10, 2016 Report of the Judge Doyle Square Negotiating Team and

authorizes the Mayor and City Clerk to execute the \_\_\_\_\_ with Beitler Real Estate Services, LLC for the Judge Doyle Square Project and directs follow-up actions by the City including executing Ground Leases, Developer Services Agreement, and any other necessary contracts to fulfill the objectives as described and agreed to in the development agreement subject to final approval of the City Attorney;

BE IT FURTHER RESOLVED that the City hereby finds and determines that the project is consistent with the public purposes of Tax Increment Finance Law, representing the potential to eliminate blighting conditions, attract and retain businesses and employment in the Capitol Square area that would stimulate commercial redevelopment in TID #25, thereby making more likely the accomplishment of the public purpose objectives set forth in the Project Plan, the TIF Law and City TIF Policy.