



State St

**State Street
Parking Ramp -
Lake Street**

N Lake St

Hawthorne Ct

N Frances St

W Glisan St

University Ave

Milestone	Date	Description	Remarks
Intro to Common Council	9/1	Authorization to release RFP	
Adoption Common Council	10/6	Authorized to proceed with RFP	
Release RFP	10/12		3 month open period
Pre-submittal Info meeting	Week of 11/9		
RFP due	1/11		
RFP review and selection of preferred proposal	January 2021		
BCC's & Common Council approval to move forward with development agreement	Early February 2021		
Negotiate development agreement	Feb 2021 – Apr 2021		
BBC's & Common Council approves development agreement	May 2021		
Get development approvals	Summer – Winter 2021		
Development breaks ground	1 st – 2 nd Quarter 2022		

Request for Proposals

**Lake Street Mixed-Use Project
Madison, Wisconsin**

<http://www.cityofmadison.com/planning/lakestreetmixed-useproject/>

Due: _____

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RFP Summary

SECTION ONE

Introduction

The City of Madison, the seat of the State of Wisconsin Capitol, University of Wisconsin, and Dane County, is at the center of the State's fastest growing region. Continually recognized by many national organizations for a wide variety of quality of life awards and rankings, the Madison region offers easy, affordable living, making it a prime choice for businesses and employees alike. With growing diversity among its population, the Madison region fosters a culture of openness, dialogue and energy, and offers a vital and dynamic workforce, the result of an outstanding education system, a diverse economy and successful partnerships between the public and private sectors.

At the heart of the region is downtown Madison. It is unlike any other in the world. In his 1911 *Madison: A Model City*, renowned city planner John Nolen said, "Madison is one of the most striking examples that could be selected in the United States of a city which should have a distinct individuality, marked by characteristics separating it from and many respects elevating it above other cities."

The Downtown serves as Madison's signature. It is the geographic, economic and civic heart of the community. When people think of Madison, images of the Downtown and its unique isthmus setting often drive their impressions. It is the place where the community comes together, especially for the many events it hosts and the abundant activities it provides.

Downtown Madison has experienced a renaissance over the past twenty years. A new Downtown Plan was enacted by the City in 2012 that sets the stage for that momentum to continue. It proposes a framework to continue to enhance the qualities that make Madison a world class city.

Successful downtown are comfortable, but at the same time, exciting, fun, and places of continual discovery. Successful downtowns spend considerable resources planning for and working towards a desired future. This includes identifying and building on the things that work well, while recognizing and seizing new opportunities that will keep Downtown fresh and dynamic. Downtown Madison today is much different than the city John Nolen knew, but the natural features that provide the unique setting that so enamored Nolen continue to be the cornerstones influencing its evolution.

It is within this context that the City of Madison is pursuing an exciting new development opportunity that would be a mixed-use project containing an inter-city bus terminal, public parking structure, ground floor retail, and housing - the ***Lake Street Mixed-Use Project***.

The 510 space State Street Campus Garage at 415 N. Lake Street was constructed in 1964 and contains 510 regular stalls, 7 disabled stalls, 24 bicycle spaces, 16 motorcycle/moped spaces, 2 electric vehicle charging stations, and 5 spaces for authorized vehicles (City staff, cashiers, etc). The 5__ space addition at 430 N. Frances Street was constructed in 19___. The original structure is approaching the end of its useful life and has become financially challenging for the City to continue to invest in its ongoing maintenance.

The site is bounded by Lake Street on the west, a group of buildings that front on State Street on the north, N. Frances Street on the east, and a group of buildings that front on University Avenue on the south. See figure page X. Hawthorne Court runs north/south between the existing parking structures.

SECTION TWO

Project Goals

The ***Lake Street Mixed-Use Project*** represents an important opportunity to add another dynamic and high quality, tax-generating development for the benefit of the City and its other taxing jurisdictions. The ***Lake Street Mixed-Use Project*** can provide connectivity, transportation, housing and additional amenities to visitors, residents, and students and more effectively connect downtown Madison and the University of Wisconsin campus.

The City has a unique opportunity to guide a project to re-build the functionally obsolete Lake Street portion of the State Street Campus Garage, using the property as a catalyst for new tax producing development. This opportunity can significantly improve intercity bus services by creating a permanent bus hub that is integrated into a mixed-use development and is intended to:

- Utilize City-owned, tax-exempt parcels to significantly expand the City's tax base by replacing an obsolete parking facility, activating Lake Street, improving intercity bus connectivity and connectivity between Downtown Madison and University of Wisconsin campus;
- Unlock the development potential of the site through careful selection of mixed uses that include residential, retail, parking facilities, and inter-city bus hub;
- Increase economic and retail activity;
- Increase housing units (market rate/affordable/student).

The result of this effort will be a healthier downtown through increased property values, added employment opportunities and downtown residents, improved public facilities (both parking and inter-city bus).

The project goals are:

Economic Development

- Unlock the development potential of City-owned, tax-exempt parcel to significantly expand the City's tax base and employment, consistent with the Project Requirements found in Section __ of the RFP.
- Unlock the development potential of the site through careful selection of mixed uses that includes retail and housing along with inter-city bus hub and parking.

Residential

- Attract additional residents and increased density to the central business district/downtown to increase the vitality of the area.

Retail, Restaurant and Entertainment

- Draw residents and visitors to a mix of retail and restaurants that engage and activate the sidewalk and street.

Bicycles

- Enhance Lake Street as an important connection for bicyclists and pedestrians.

Parking

- Replace the State Street Campus Garage at 400 N. Lake Street with a new parking facility that connects to the 415 N. Frances Street addition and that serves the public parking needs in the area and the above ground development.
- Design the parking structure at an affordable cost to the Parking Utility and its customers, and provide a customer-friendly experience.
- Ensure the project, which has a 75+ year horizon life cycle cost, is affordable for the Parking Utility to continue its mission to provide service to the public.

Intermodal Connectivity

- Create a permanent inter-city bus hub that is integrated into the mixed-use development.

- Ensure high quality pedestrian and bicycle connectivity to Metro Transit and inter-city bus hub

SECTION THREE

Project Requirements

Your response to the Lake Street Mixed-Use Project Request for Proposals must recognize and address the following program and project elements.

1. The RFP response shall propose redevelopment on 400 N Lake Street and may include adjacent parcels.
2. The parking structure at 415 N. Frances Street will remain in use and should connect to new parking structure at 400 N Lake Street.
3. The City of Madison will construct, own, and operate the automobile parking to be constructed at 400 N Lake Street. The City plans to replace the 510 public parking spaces and construct needed accessory parking required for the new development in the parking facility, and lease the parking required by the development to the private developer. While the City intends to own and operate the parking, it will entertain proposals where the developer would construct the parking. Per State Statute, the parking must be constructed according to public works bidding requirements.
4. The City is committed to maintaining a significant amount of the existing public parking supply during the construction process.
5. The project must be a high-quality mixed-use project that is compatible with surrounding buildings and uses.
6. The project must include a permanent inter-city bus hub as well as good pedestrian, bicycle, and Metro Transit connectivity and be consistent with the Adopted Downtown Master Plan.
7. The development must be affordable for taxpayers with the following expectations:
 - a. The City of Madison will be responsible for financing the cost of the parking, subject to the terms of a Final Development Agreement to be negotiated with and approved by the City.
 - b. The air rights above the parking must be purchased or leased at fair market value as determined by the City's appraisal.
 - c. The City anticipates the creation of a tax incremental district (TID), solely to pay for the construction cost of a City-owned public parking structure, with flexibility for other City uses. The City may consider financial assistance to a private development project that generates significant tax incremental value, provided that it demonstrates a gap to the City's satisfaction, the public parking construction costs remain financially feasible, and the private financial assistance requested conforms to the City's TIF Policy. The City shall not consider TIF assistance to assist student housing.

The City of Madison TIF Policy and Objectives and TIF Loan Underwriting Standards are available for your review:

<https://www.cityofmadison.com/dpced/economicdevelopment/tax-incremental-financing/415/>

- d. The City reserves the right to audit construction costs related to the public elements of the project.

SECTION FOUR

Information Requirements

The Lake Street Mixed-Use Project Request for Proposals requires the following elements be included in your RFP response.

- A. Identification of the development venture and team
 - a. Identify the legal name of the proposer and the officers who would be legally authorized to bind the development venture to the development contracts.
 - b. Identify the key entities comprising your team, describing briefly their respective backgrounds and history.
 - c. Identify the key project team members (names and titles) and affiliates who would become directly responsible for the various aspects of the proposed development.
 - d. Identify the development manager for your team. Provide resumes of all key team members to be involved in the project. A principal or partner level individual shall be the contact provided for all issues related to the RFP.
 - e. Describe the proposed organizational structure for the project team planning to undertake the Lake Street Mixed-Use Project, their roles, reporting responsibilities and team interface with City of Madison project management.
 - f. Include a brief statement of the availability of key assigned personnel to the team.
- B. Experience to successfully undertake this project
 - a. Demonstrate your capability, experience in planning, designing and constructing mixed-use urban scale projects similar to the proposed Lake Street Mixed-Use Project. Include information for each land use element of the proposed project.
 - b. Demonstrate your capability in managing the completed mixed-use urban scale projects similar to the proposed Lake Street Mixed-Use Project.
 - c. Demonstrate your team's experience with public/private partnerships.
 - d. Disclose any alleged significant prior or ongoing contract failures, contract breaches, tax delinquencies, any civil or criminal litigation or investigation pending within the last five years which involves your firm and the key team members identified above. List any contracts in which your firm and/or key team member has been found guilty or liable, or which may affect your

performance. Describe any bankruptcy filing by your firm or key team member or an entity they controlled in the last ten years.

- e. Disclose any potential conflict of interest due to any other clients, contracts or property interests.
- C. Preliminary project concept(s)
- a. A detailed project concept design and general outline specifications. This includes: a) conceptual site and landscape design plans sufficient to convey how the project will generally create an engaging pedestrian environment along all street frontages; b) preliminary architectural direction, including anticipated building massing, architectural expression, a shading study and typical building materials to convey the general style of the building and how it will relate to the surrounding buildings and positively contribute to the built urban character of the immediate area; c) green building practices to be used during the construction phase; d) preliminary floor plans for all floors sufficient to understand how the building's internal program is expressed on the exterior of the building; and e) a count of total units, bedrooms, and type of use by SF (i.e. SF of commercial, office, etc.).
- D. Financial capability to complete the project
- a. Provide evidence that the development venture has the financial stability and capacity to undertake the development. A lender's preliminary commitment letter will be considered a demonstration of the development venture's financial capacity.
 - b. Provide a preliminary estimate of the expected range of total project cost (hard and soft costs). To the extent possible, the development venture should also provide the financing approach(es) it wishes to use and the preliminary roles it expects the public and private partners to have in developing Lake Street Mixed-Use Project.
 - c. Provide a development phasing plan including a plan to maintain the public parking supply during construction. Identify any constraints that the phasing of the Lake Street Mixed-use Project development may have on your financing capability or financing plan.
 - d. Market information and data that demonstrate the appropriateness of the assumptions made within the financial plan and operating pro forma outlined below.
 - e. A description of the terms of real estate acquisitions, phasing of such acquisitions, purchase price and planned ownership structure.
 - f. A workforce utilization plan and targeted business goals for the construction and operations periods.
 - g. A detailed public/private financial plan showing how the project is to be financed, including letters of interest or commitment from potential lenders/partners. The financing strategy should describe the following:
 - Estimated uses of capital providing at least this level of detail:
 - Land acquisition price to be paid
 - Estimated demolition/site prep

- Hard costs for construction
- Developer fee
- Architectural and engineering expenses
- Other soft costs
- Other costs
- Estimated sources of capital including:
 - Debt (private borrowing)
 - Debt (City or CDA borrowing)
 - Equity (cash or cash equivalent)
 - Equity (deferred or forgiven developer/professional/construction fees)
 - Parking Utility contributions for publicly owned parking component
 - City TIF contribution to project
 - Estimate of Value Calculations, including cap rate assumptions
 - Estimate of Annual Property Tax Payments
 - Details of potential City TIF investments which must be limited to parking
 - Payback of City TIF Investments
 - Specify other special sources such as New Market Tax Credits, Section 42 Tax Credits, conduit bonding, etc.
- Sources and uses should be further broken down by component (parking, retail, apartment, etc.) to the extent practicable.
- Please review the City's TIF Policy and note any exceptions from policy the development team anticipates requesting. See <https://www.cityofmadison.com/dpced/economicdevelopment/tax-incremental-financing/415/>
- Provide any available letters of interest, credit, or commitment from investors or lenders that demonstrate the financial strength of the team and financial feasibility of the project.
- If utilizing New Market Tax Credits or other financial assistance programs, indicate team's experience with these financing methods.
- Annual cash flows and pro-forma for term of project financing for a minimum of 10 years, by major component
- Net cash on cash returns.

E. Professional and project references

- a. Include a list of contacts from no more than five organizations, from recent projects, similar in scope and size. Selected organizations may be contacted to determine the quality of work performed and the personnel assigned to the project.

SECTION FIVE

Instructions to Proposers and Selection Process

SECTION SIX
General Conditions

SECTION SEVEN
Project Schedule

The City of Madison anticipates the follow schedule of events for the RFP processes:

Milestone	Timing / Schedule
Release RFP	Week of October 12
Pre-submittal Info meeting	November 9
RFP due	December 7 or January 11
RFP review and selection of preferred proposal	January 2021
BCC's & Common Council approval to move forward with development agreement	Early February 2021
Negotiate development agreement	February 2021 – April 2021
BCC's & Common Council approves development agreement	May 2021
Get development approvals	May 2021 – Oct 2021
Development breaks ground	Fall 2021 /Winter 2022