

From: [Alex Saloutos](#)
To: [Finance Committee](#)
Cc: [Govindarajan, MGR](#); [Verveer, Michael](#); [Vidaver, Regina](#); [Madison, Sabrina](#); [Mayor](#); [Evers, Tag](#); [Figueroa Cole, Yannette](#)
Subject: Re: Public Comments – Agenda Item 12, Legistar File No. 92015 (Royster Corners Acquisition)
Date: Monday, March 2, 2026 4:54:56 PM
Attachments: [260302 LEGISTAR92015 MEMORANDUM FINANCECOMMITTEE.pdf](#)

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The CUP for the 138-unit project at 526 Pinney was approved in 2023, not 2022. Please disregard the previous memo. --Alex

From: Alex Saloutos <asaloutos@tds.net>
Date: Monday, March 2, 2026 at 4:26 PM
To: <financecommittee@cityofmadison.com>
Cc: <district8@cityofmadison.com>, Michael Verveer <district4@cityofmadison.com>, Regina Vidaver <district5@cityofmadison.com>, <district17@cityofmadison.com>, <mayor@cityofmadison.com>, "Evers, Tag" <district13@cityofmadison.com>, <district10@cityofmadison.com>
Subject: Public Comments – Agenda Item 12, Legistar File No. 92015 (Royster Corners Acquisition)

Dear Finance Committee Members,

Please find attached my public comments on Legistar File No. 92015, the proposed \$6.2 million Royster Corners land acquisition. This is a familiar pattern: a major financial commitment brought forward with a legislative file that is limited to: “We have the money” and “We think this is a good idea. That’s it. The memo explains why should be referred.

Respectfully,

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M E M O R A N D U M

Date: March 2, 2026

To: Finance Committee

From: Alex Saloutos

RE: **Public Comments on Legistar File No. 92015 – Amending the 2026 EDD Land Banking Program and Authorizing the Purchase of Seventeen Properties in the Royster Corners Development for \$6.2 Million (District 15)**

The following are my public comments on Legistar File No. 92015, Agenda Item 12 on the Finance Committee agenda for Monday, March 2, 2026.

SUMMARY

The city proposes to spend \$6.2 million to acquire 9.36 acres of vacant land (17 parcels) from RDC Development, LLC, the developer that purchased the former Royster-Clark fertilizer plant site along Cottage Grove Road in 2011 but never completed the planned mixed-use redevelopment. The purchase price is \$5.2 million, with another \$1 million for environmental assessment, closing costs, holding costs, demolition, and pre-development work.

This investment proposal may have appeal: infrastructure is in place, parcel sizes allow for a range of housing and commercial uses, and TID 44 was created in 2013 for this area. But whether land banking a site that a private developer could not make work in 15 years is a sound investment is exactly the question a feasibility study, market analysis, and business plan are supposed to answer. None of these exist in the legislative file.

You are being asked to authorize \$6.2 million for a speculative land purchase based on a fiscal note that simply says we have the money and where it will come from, and on the assumption that the city can succeed where a private developer couldn't after 15 years. For these reasons, this resolution should be referred until the city completes a feasibility study, a market analysis, and a business plan, and makes them available for review by the committee and the public.

ANALYSIS

Approving this purchase before the analysis is done is not a minor sequencing issue. It has cascading consequences, because each of the critical questions the Finance Committee needs to answer depends on analysis that does not yet exist. In addition, the resolution states that the land banking purposes “are contemplated in the proposed Southeast Area Plan”—a plan that has not been adopted.

Why the feasibility study and market analysis come first

Without a feasibility study and market analysis, the Finance Committee cannot evaluate the core elements of this transaction. You cannot assess whether the \$5.2 million purchase price is reasonable based on reasonable projections of future sales, because highest and best use determines value, no use has been established, and no feasibility study or market analysis have been done. You cannot evaluate the \$850,000 in pre-development costs, because those costs depend on what is built. You cannot determine whether TID 44 can support \$4 million in new borrowing, because debt capacity depends on projected tax increment from development that has not been defined. And you cannot assess downside risk—what happens if the market does not support the intended uses, if construction costs make projects infeasible, or if private developers are

not interested—because there are no development scenarios to test. Every financial question the committee needs to answer leads back to the same missing documents.

The developer has held this land for 15 years and could not make it work during one of the strongest development cycles in Madison's history. The city has not explained what will be different about its approach, because it has not yet defined that approach beyond a general concept or validated the plan. Once the city closes, its leverage disappears—it will be holding vacant land, servicing debt, and hoping an unfinished plan delivers. A prudent buyer completes the analysis before signing the check.

The Finance Committee should ask itself what it has learned from the Madison Public Market, the Bartillon Drive men's shelter, and the Truman Olson redevelopment—three projects where the city committed public funds before fully understanding the costs, the operating requirements, or the market conditions, and where the Council has been asked repeatedly to close funding gaps that better upfront analysis might have anticipated. No private developer would move forward on these terms.

Red flags not addressed in the legislative file

Three significant concerns are absent from both the legislative file and the fiscal note. First, high-voltage power lines cross the site and negatively affect its potential use and property value, yet there is no indication this constraint has been accounted for in either the appraisal or the development planning. Second, the developer's failure to complete the previously approved project after 15 years is not simply context—it is a red flag that demands explanation. The City approved a CUP for a 138-unit apartment project at 526 Pinney in 2023, but it has yet to break ground. Why has this development stalled? What site-specific or market conditions contributed? The legislative file is silent. Third, the assessed value of these parcels is fraction of the \$5.2 million purchase price, yet the appraisal that purportedly justifies that price is not in the record. Taken together, these factors make it essential that the Finance Committee and the public have time to review the appraisal before voting.

No staff report

The legislative file includes a resolution, a fiscal note, and a purchase agreement. It does not include a staff report explaining why this acquisition is being recommended now, what housing and commercial development is contemplated and at what scale, what alternative scenarios were considered, the projected timeline, the expected financial performance of TID 44, or what the city's strategy is if development does not occur as planned.

Media comments by staff about parcel configuration or aspirational construction timelines are not substitutes for written analysis available before the meeting. Madison is the second-largest city in Wisconsin, with a 2026 budget exceeding \$800 million. It is striking that a \$6.2 million investment tied to new TID borrowing could be approved with so little information.

CONCLUSIONS

One may think this is a promising investment, but we don't know. There is no feasibility study, market analysis, or business plan in the legislative file to justify it. The legislative file tells us we have the money and where the money comes from, but there are no facts or analysis in the record that support this is a sound investment. Recommending the Council to authorize a \$6.2 million speculative investment for a development that a private developer could not make work in 15 years is based on a wing and a prayer.

RECOMMENDED ACTION

For the reasons set forth in this memorandum, refer this resolution to a future meeting until staff provides, at a minimum:

- The appraisal
- A feasibility study, market analysis, and business plan supporting the proposed housing types, commercial uses, and densities, a financial pro forma with absorption schedule, and an analysis of downside scenarios and carrying costs
- A breakdown of the \$850,000 in pre-development costs
- A TID 44 financial summary, including current increment, outstanding debt, remaining capacity, and projected closure date

This is not a request to delay for the sake of delay. It is a request for the information the Finance Committee needs to fulfill its role. The Finance Committee works for the public, and the public is entitled to see and understand the analytical basis for a \$6.2 million investment before it is approved.

