

CITY OF MADISON
INTER-DEPARTMENTAL
CORRESPONDENCE

DATE: January 5, 2011

TO: Transit and Parking Commission

FROM: William Knobloch, Parking Operations Manager

SUBJECT: **Purchase of State of Wisconsin's portion of Brayton Lot Block**

Background

The 1995 First Settlement Neighborhood Master Plan has identified this block as a strategic mixed-use development site. The 2001 First Settlement District Planning Committee report issued a design and development framework for Brayton Lot block that included providing a better development platform for redevelopment and better parking opportunities for parkers. It is one of the best development parcels left in downtown Madison. The planned land use includes housing, office space, retail space and a parking facility. The parking facility would be below-grade to preserve the higher levels for higher-use development.

For over five years, the Parking Utility has been pursuing the possibility of purchasing the State's portion of the Brayton Lot block. This parcel is about 25% of the total area of the block bordered by East Washington Avenue, South Hancock Street, East Main Street and South Butler Street. (See Exhibit A map attached to Leg. File 20863.) It's critical to the future development of this block since "L" shaped parcels are more difficult and expensive to develop. In parking structures they create dead-ends and customer inconvenience. The efficiency is reduced and the cost to construct increases resulting in higher fees to parkers.

In 2007, the Parking Utility had a \$2M line item in its approved Capital Budget to purchase the parcel, but the State withdrew its offer to sell the properties. This authority was never formally withdrawn, but the Comptroller's office has recommended that the authority should be reauthorized before a purchase takes place. The funds will come from Parking Utility reserves and will not impact the tax levy.

The State is currently using their portion of the Brayton Lot to park up to 29 share-ride vans and up to 43 State employee vehicles. The Parking Utility is using their portion to park up to 154 vehicles in a gated, automated surface lot (\$1.35/hour), and up to 12 vehicles in metered areas (\$1.20/hr). In 2009, this lot generated \$341,000. Its occupancy is typically the highest in our system indicating a high local demand for parking.

Recent Negotiations

In 2010, a team effort involving the Parking Utility, Real Estate Services, the Office of Community Development and the Mayor's office, has resulted in successful negotiations. Following three appraisals, we have agreed that a fair price for the parcel is \$1,380,000. This is significantly lower than the expected price in 2007 due to the sluggish real estate environment.

The City has also agreed that we will take responsibility for providing up to 30 stalls for the State's share-ride van program at downtown City parking facilities (except Buckeye Lot) that can

accommodate the higher vans at a rental price linked to the residential monthly parking rate in that facility. This was a critical element in the State's negotiations from their perspective. The Parking Utility will not be negatively impacted financially, since revenue generated from leasing up to 30 parking stalls to the State and renting up to 44 stalls to the general public will compensate the Utility for its increased expenses.

TPC Action required

- Approve the attached resolution authorizing the Parking Utility to purchase the State's portion of the Brayton Lot parcel using Parking Utility reserve funds. The purchase cost will be \$1,380,000, plus \$7,000 in miscellaneous charges for a total of \$1,387,000. The approved resolution will be forwarded to the Common Council for their action. This resolution also approves the development of a parking lease with the State of Wisconsin for up to 30 van parking stalls in City-owned facilities in the downtown area (except Buckeye Lot). The lease will follow the terms outlined in Exhibit B of the resolution. (See Exhibit B attached to Leg. File 20863.)
- Approve a monthly residential parking rate at Brayton Lot of \$121 and a non-residential monthly rate of \$145. (See Resolution No. TPC-39, attached.) Parking Utility staff will make decisions concerning future permit availability to non-state vehicles.

WK:abc

Attachments