



## **CAPITOL EAST**

*District*

## **Development Opportunity**



**Madison, Wisconsin**

## **A Request for Proposals**

The City of Madison, Wisconsin, is soliciting proposals for the purchase and redevelopment of a prime site within the Capitol East District.

### **Disclosure and Disclaimer**

This Request for Proposals (“RFP”) is being furnished to the recipient by the City of Madison (the “City”) for the recipient’s convenience. Any action taken by the City in response to submissions, made pursuant to this RFP, or in making any awards or failure or refusal to make any award pursuant to such submissions, or in any cancellation of awards, or in any withdrawal or cancellation of this RFP, either before or after issuance of an awards, shall be without any liability or obligation on the part of the City and its officials and employees.

The City, in its sole discretion, may withdraw this RFP before or after receiving submissions, may accept or reject any or all submissions, and may waive any irregularities if the City deems it appropriate and in its best interest. The City shall determine the responsiveness and acceptability of any proposal submitted.

Prospective developers should rely exclusively on their own investigations, interpretations and analyses in preparing and submitting proposals, and should not rely on communications with City staff or officials. The City makes no warranty or representation that any submission which conforms to the requirements of this RFP will be selected for consideration, negotiation, or approval.

The City and the selected developer will be bound only if and when a submission, as same may be modified, and any applicable definitive agreements and budgetary authorizations pertaining thereto, are approved by the Common Council of the City of Madison and then only pursuant to the terms of the definitive agreements executed among the parties.

**All submissions and supporting data shall be subject to disclosure as required by State law.**

**Respondents are directed to look at Section A as a critical component to any successful response.**

## SECTION A – RFP Information

### 1. Introduction

The City of Madison, Wisconsin, is soliciting proposals for the purchase and redevelopment of a prime site (the “Site”) within the City’s Capitol East District (the “District”) from developers with demonstrated experience in the redevelopment of urban properties (“Developers”). The Site is centrally located on the Isthmus in downtown Madison in the 800 block of East Washington Avenue (see Exhibit A). This Request for Proposals (“RFP”) provides prospective developers with information to assist in the preparation of a competitive proposal, proposal submission requirements, and the process that will be used to select proposals for the Site.

The Site provides a unique opportunity for the redevelopment of an entire City block. **The City is requesting proposals for the redevelopment of the entire Site** and will not consider proposals for the redevelopment of only a portion of the Site. Proposals that contemplate a phased redevelopment of the Site must provide a comprehensive, integrated approach to the redevelopment of the entire Site.

### 2. Previous RFP

In May 2011, the City of Madison released an RFP to solicit proposals for three parcels comprising the former Don Miller properties, including the 800 North block that is the subject of this RFP. That RFP and the six responses the City received can be found on this page: <http://www.cityofmadison.com/business/>.

One of the proposals, the Gebhardt Development/Bark Design proposal, is currently under construction on the adjacent 700 North block of East Washington Avenue. In addition, the City selected Urban Land Interest’s proposal for a mixed-use project including commercial, residential, and retail elements on the 800 North block. Due to the current weakness in the market for commercial space, ULI’s proposal proved financially infeasible without a TIF subsidy that exceeded 100% of the increment the project would have generated. In other words, analysis suggested the project would have consumed all of the increment the project generated as well as some increment from other properties within the Tax Increment District. For this reason, ULI and the City mutually agreed not to pursue the project at this time.

Several important lessons were learned during the previous RFP process:

- The City expects to select a master developer for the entire 800 North block. If land is to be purchased and developed in phases, a solid plan for phasing and dealing with the complexity will be required.
- The City is seeking proposals that reflect current market conditions
- To the extent that TIF assistance is required, the City is seeking proposals that can be supported solely by the increment generated on the 800 North block.
- There is significant interest in the neighborhood in the development of a full service grocery store.

### 3. RFP Site Project Goals

Proposals should:

- Create a significant intensity and a mix of residential, commercial and / or retail development that will serve as a catalyst for additional reinvestment and a range of employment opportunities within the District.
- Show how redevelopment projects on the Site would relate to a greater utilization of Breese Stevens Field, a historic sports field adjacent to the site, and how shared parking for users of Breese Stevens Field may be accommodated on the site. The City has the goal of the rebirth of Breese Stevens Field into a lively sports, entertainment and community destination.
- Create a project that sets a dynamic and high quality architectural design for future redevelopment efforts in the District.
- Be compatible with and add vitality to the surrounding neighborhoods. Proposals should be four sided, with particular sensitivity to the Bike Blvd on East Mifflin St.
- Create development consistent with guidelines in Urban Design District #8.
- Maximize green building principles and implement sustainability systems on a block and district-wide basis to the extent feasible (see Section B).
- Create development consistent with the East Washington Avenue Capitol Gateway Corridor plan and the Tenney Lapham Neighborhood Plan.

### 4. Purchase Price

All proposals must include a price at which the Developer proposes to purchase the Site. City Land Banking Funds were used to purchase the Site. City Land Banking Guidelines require that the Site be sold at market value with a goal that the City be compensated at a price at or above its cost of purchasing the Site. Therefore, the City will be looking for a minimum purchase price of Sixteen Dollars (\$16.00) per square foot. The City reserves the right to negotiate the purchase price after submittal of the proposals with the prospective Developer. The City is not obligated to select a Developer based solely on the highest purchase price offered.

**The purchase price, any request for City financial assistance, and any related financial information must be sealed in a separate envelope and clearly labeled with the development team or proposal's name. This information should either be excluded from digital submissions or flash drive / CD or clearly identified as a separate document.**

## 5. City Assistance

Facilitating the development of the District is a high priority for the City. The City will assist the selected Developer by:

- Providing information and assistance obtaining entitlements as noted in this RFP.
- Facilitating meetings with various stakeholders as needed (e.g., City staff, elected officials, neighborhoods, etc.)
- Providing information on TIF and the TIF application process.
- Assisting developers in accessing other financial resources (e.g., environmental remediation incentives, state programs, etc.)
- The City has an authorized Community Development Authority (CDA) that can issue tax exempt bonds.

## 6. Proposal Submission Requirements

Each proposal should conform to the outline below and contain all of the following information. While the City is interested in quality and well thought through proposals, brevity is strongly encouraged.

### PUBLIC SUBMISSION

- a) Describe the development program and concept.
- b) Describe the composition, expertise, and experience of the development team.
- c) Submit preliminary site and building plans, building elevations, and sketches with enough detail to help communicate development concept.
- d) Indicate the development land uses, prospective business types, along with unit counts and square feet per use.
- e) Demonstrate/describe the development's compatibility with the surrounding context and how it adds vitality to the surrounding blocks.
- f) Describe any unique design elements or other features that make the proposal a signature development.
- g) Provide a timetable for each major phase of the project.
- h) Summarize the overall economic impact and tangible benefits for the City, including tax base generation, construction jobs, and post-construction jobs.
- i) Provide a summary of the marketing approach/plan if applicable.
- j) Describe the Developer's desired approach for securing ownership; does the Developer desire to secure an option on the property and for how long.

### SEALED SUBMISSION

- k) Explain the financial strategy (including sources and uses of funds) and demonstrate project feasibility. If utilizing New Market Tax Credits or other financial assistance programs, indicate team's experience with these financing methods.
- l) Estimate of Value Calculations
- m) Estimate of Annual Property Tax Payments (life of TIF)
- n) Details of potential City TIF investments
- o) Payback of City TIF Investments
- p) Developer Guarantee Proposals
- q) Terms of TIF investment

- r) Financing component breakdown (e.g. by building)
- s) Sources of funds and potential commitments
- t) Uses of Funds and basis of cost estimates
- u) Monthly cash flows for first three years
- v) Annual Cash flows for term of TIF or minimum 10 years.
- w) **The purchase price, any request for City financial assistance, and any related financial information must be sealed in a separate envelope and clearly labeled with the development team or proposal's name. This information should either be excluded from digital submissions or flash drive / CD or clearly identified as a separate document.**

## 7. Additional Information

- The City reserves the right to reject any or all proposals for any reason at its sole discretion.
- The City reserves the right to combine development proposals and suggest development partnerships between development proposals.
- If no development proposal is selected, or the selected Developer is unable to finalize an agreement with the City, the City reserves the right to advance development proposals as they come forward.

## 8. General Selection Criteria and Process

The City has created a selection committee, who will be responsible for evaluating the proposal based on the following criteria:

- Development team's independent and collective expertise, experience, and financial capacity.
- Quality and attractiveness of the proposed development.
- Understanding of and adherence to adopted plans and design guidelines for the Site.
- Value of the estimated property tax base to be generated by the development.
- Permanent employment to be generated by the proposed development.
- Additional economic impact including likeliness to attract residents, visitors, employers and to catalyze additional development in the District
- Purchase price, and terms and conditions for the purchase of the Site.
- The degree to which the proposal is an integrated and comprehensive redevelopment plan for the entire Site.
- The length of time required to implement all phases of the redevelopment of the Site.
- Overall responsiveness to the RFP requirements.
- Public feedback relative to the response to the RFP.
- Market information / data demonstrating the feasibility / appropriateness of the project.
- Maximize green building principles and implementation of sustainability systems and building performance.

The selection committee will rank proposals for the Site.

The selection committee may conduct interviews/proposal meetings with Developers submitting a proposal.

Upon selection, the committee will make a final recommendation to the City's Common Council which will approve the terms and conditions of and authorize the execution of an option, or a Purchase and Sale Agreement.

## **9. RFP Proposed Schedule**

December 2012	RFP Released
January 8, 2013	RFP Pre-Proposal Submittal Meeting (see below)
February 15, 2013	RFP Responses Due
February – April 2013	RFP Response Review, Ranking, Interviews, Public Hearing, etc.
April 2013	Committee Recommendation to Common Council
April – May 2013	Action by Common Council and relevant subcommittees

Developers should plan for a 4-6 month minimum entitlement schedule following the Common Council approval date.

**NOTE: It is unlikely that the City will be able to sell the Site until the end of 2013. The City is willing to consider a lease-to-own scenario. Under this scenario, the City would lease the Site to the selected developer to allow construction to commence prior to closing.**

## **10. SUBMISSION OF PROPOSALS, PROPOSAL DEADLINE, AND PRE-PROPOSAL SUBMITTAL MEETING**

### **Pre-Proposal Meeting**

A pre-proposal meeting for interested respondents will be held at 10:00 AM on Tuesday, January 8, 2013 in the Madison Municipal Building (215 Martin Luther King, Jr. Blvd) in Room LL-110. Respondents will have an opportunity to ask questions of City Staff. Respondents are encouraged to attend.

**Proposal Due Date**

Proposals must be submitted in sealed envelopes or boxes by **12:00 noon Central Standard Time on Friday, February 15, 2013**, to:

Economic Development Division  
City of Madison  
Madison Municipal Building, Room 312  
215 Martin Luther King Jr. Boulevard  
P.O. Box 2983  
Madison, WI 53701-2983

**Twelve (12) copies** of the proposal shall be submitted, along with a complete Word or PDF document containing the proposal on a CD or flash drive in a sealed box or envelope. All graphic images included in the proposal shall be included on the CD or flash drive.

Proposal submissions should be organized in an 8.5" x 11" format with tabled sections corresponding to the Submission Requirements listed in the "Proposal Submission Requirements" Section of this RFP. Any images, site plans, elevations, cross-sections, etc. should be in scalable format and put on sheets no larger than 11" x 17".

**Late responses will not be accepted and will be returned unopened.**

**Contact Information:**

All questions related to this RFP should be directed to:

Don Marx  
Manager, Office of Real Estate Services  
Economic Development Division  
Email: [dm Marx@cityofmadison.com](mailto:dm Marx@cityofmadison.com)  
Phone: 608.267.8717

All questions and answers will be answered until February 1, 2013. After this cut-off date, City Staff will not answer any further questions until after the RFP deadline of February 15, 2013.

**Developers may be disqualified by the City if contact is made with other City staff, elected or appointed officials, members of the 800 North Block East Washington Avenue Committee or representatives of the neighborhood during the RFP period, prior to the due date of February 15, 2013.**

The City reserves the right to issue an addendum to this RFP if required.



## **SECTION B – Background and Site Information**

### **1. Background**

The City of Madison is a thriving innovation and business hub and a capital city. The Madison metro area has a population of over 491,000 which grew at a rate of over 15% from 2000 to 2009 (approximately 1.6% annual growth). The District is a revitalizing post-industrial corridor that is strategically located:

- On the City's Isthmus immediately adjacent to the Capitol Square and the Central Business District;
- Between the world-renowned University of Wisconsin – Madison and the Dane County Regional Airport;
- On East Washington Avenue - Madison's central gateway (with 55,000 ADT)
- Adjacent to high energy live/work neighborhoods and lakes, a river and parks;

The City's vision is to transform this historic urban industrial corridor into a 21st century transit oriented employment and living center. The District provides the greatest economic development opportunity within the City for the next 30 years. The District will expand the Central Business District and be a dynamic center of private and public investment for years to come. The City's investment in the Site to facilitate its redevelopment as proposed in this RFP will be a catalyst for District-wide reinvestment by both the private and public sectors.

The City is seeking redevelopment proposals for the Site that will increase the City's property tax base, provide an opportunity to return employment to the central city, provide a mix of housing types, tenures, and price points where appropriate, communicate strong design elements, and shift the East Isthmus to a more sustainable environment. Developers submitting proposals should be able to demonstrate these goals within their plans. Partnerships with other non-profit, public and private entities are encouraged.

### **2. Site Information**

The Site totals 196,020 square feet (approximately 4.5 acres) and is located at 802 and 854 East Washington Avenue, Madison, WI, as shown on Exhibit A. It is the intent of the City to sell the Site in "as-is" condition, with all faults. The City disclaims all warranties and representations that concern the Site. The Developer shall rely on its own inspections and shall be solely responsible for the structures and materials located on the Site from and after the date of closing. The City has performed Phase 1 and Phase 2 Environmental Assessments on the Site and will make them available to prospective developers upon request. The City recognizes that remediation costs will be incurred by the Developer selected to redevelop the Sites. The City will agree to cooperate with the Developer to secure federal, state, and local assistance for any remediation activities, including the items noted in Section 8 below.

### **3. Site Characteristics**

The characteristics of the Site include, but are not limited, to the following:

- The Site is a full urban block, approximately 590 feet by 330 feet.
- The Site is located in Tax Increment Financing District (“TID”) # 36 (Capitol Gateway), which was created in 2005 and expires in 2032.
- Full utilities are available to the Site.
- The water table in the area is within 4 to 8 feet of the surface.
- East Washington Avenue was recently reconstructed and with the exception of the intersection improvement detailed below in Section 10, additional work is not anticipated in the near term.
- The five buildings formerly located on the site were demolished by the City in August, 2012.
- At this time, building foundations and asphalt remain on most of the site as a “cap” covering underlying soil contaminated by petroleum products, metals, and polycyclic aromatic hydrocarbons.
- The City has received \$800,000 in federal and state brownfields grants to clean up contamination on the Site. Final investigation of the site will take place this winter, and remediation will begin in the spring of 2013 and last several months.

### **4. Environmental Remediation**

The City has received \$800,000 to use toward demolition and environmental remediation activities within the 800 North Block; \$400,000 from the Wisconsin Department of Natural Resources and \$400,000 from the U.S. Environmental Protection Agency. The City has already utilized a small portion of these funds to demolish the buildings that were previously located on the Site. The entire Site has some level of environmental contamination within the soil due to fill used within this historic wetland, as well as more contemporary industrial and auto uses. The City will begin remediation work on the areas of greatest concern in the spring of 2013. A large portion of the balance of the site will simply need to be capped with building, impervious surface area, or an appropriate depth of clean soil. The City is prepared to work with the selected developer to use these funds to off-set these remediation costs in coordination with the developer’s building schedule. These funds will be available until September 2014 (DNR) and October 2015 (EPA).

If it becomes apparent that remediation expenses will exceed this \$800,000 of grant funding, the City will work with the selected developer on determining whether or not TIF funds can be used to further offset this environmental work.

## 5. Sustainability and Green Building Principles

The District is envisioned to be a showcase for sustainability and green building principals and district design as well as being a home for a cluster of renewable energy and sustainability-oriented employers. The City seeks Developers that will propose creative ways to advance this vision in the District. Developers are encouraged to consider, but are not limited to, the following:

- Specifying a building performance measure, such as LEED, Energy STAR or Green Built.
- Adaptability to future block-wide or District-wide systems (geothermal, electric, etc.)
- Incorporating vegetated green roofs, solar, and other similar building technologies.
- Stormwater management practices that exceed what is required through State and local law.

## 6. Planned Improvements, Planning Efforts, and City Investment to Adjacent Lands

- Breese Stevens/Patterson Street Gateway: The City rebuilt the entry plaza of Breese Stevens Field at the northeastern corner of the intersection of Washington Avenue and Paterson Street in 2011. As a key intersection within the District, the City will be interested in how a proposed redevelopment project on the Site relates to the northwestern corner of the intersection of Washington Avenue and Paterson Street. Buildings and/or public space at this corner should embrace and reinforce the importance of this intersection.
- Parking: To achieve the density of development for the District as outlined within the Capitol Gateway Corridor BUILD Plan, the City acknowledges the need for structured parking facilities. The City will not own or operate any structured parking facilities on the Site. The City may provide financial assistance, through TIF or other means, for the construction of structured parking on the Site.
- Central Park: The City is in the process of acquiring land and implementing plans to create Central Park in the immediate vicinity of the Site. See <http://www.cityofmadison.com/planning/centralpark.html> for more information.
- Constellation Project: The parcels at 754 East Washington Avenue and 741 East Mifflin Street are currently being developed by Gebhardt Development. The site is under construction and will ultimately contain a twelve (12) story building with 215 residential rental units and 30,000 SF of commercial space. Completion is scheduled for 2013.
- Median Break: The City is installing a median break with a left-in-only center median with ½ signals at the intersection of East Washington Avenue and Livingston Street. Completion is scheduled for June 2013.

- Madison Sustainability Center (MSCC): The MSCC concept is a privately developed and owned 50,000-75,000 s.f. commercial office and flex/tech building to be housed within the District. The City is currently completing a Feasibility Study to further explore the MSCC concept. Additional information about this Feasibility Study work is available at [www.cityofmadison.com/business](http://www.cityofmadison.com/business). The Feasibility Study is anticipated to be completed in February of 2013.

## 7. Adopted Plan and Design Guidelines

The following adopted plans and ordinances will govern redevelopment of the site:

The East Washington Avenue Capitol Gateway Corridor Plan (2008), which identifies desired land uses, design guidelines, and bulk standards for the District was the culmination of a three-year effort by the City, neighborhoods, property owners, and businesses. This plan is available on-line at: <http://www.cityofmadison.com/business/documents/CapitolGatewayCorridorPlan.pdf>

The Tenney-Lapham Neighborhood Plan (2008) includes recommended land uses and improvements for the Tenney-Lapham neighborhood which are generally consistent with the Plan above, but offers more specificity regarding desired business types, the placement and management of loading areas, and other issues impacting the neighborhood. This plan is available on-line at: <http://www.cityofmadison.com/planning/ndp/documents/Tenney.pdf>

### Design Requirements and Guidelines

Development within the District is subject to the bulk and design requirements and guidelines established for Urban Design District #8 (Madison General Ordinances, Section 33.24(15)).

## 8. Development Entitlements

In addition to the Zoning Code, the City has adopted plans and an Urban Design District that will govern redevelopment of the site, and are listed here. **Respondents to this RFP should be familiar with all provisions in these documents**, although a few key provisions are highlighted below.

### Adopted Plans

The East Washington Avenue Capitol Gateway Corridor Plan (2008), which identifies desired land uses, design guidelines, and bulk standards for the District was the culmination of a three-year effort by the City, neighborhoods, property owners, and businesses. Specific to this site, the plan recommends a land use arrangement of Community Mixed Use (CMU) on the East Washington Ave. frontage, with retail at the Paterson St. corner, and Medium Density Residential (MDR) on the East Mifflin St. frontage (see the City's Comprehensive Plan for further definitions). It also calls for buildings that are oriented to Breeze Stevens Field and Reynolds Field, with pedestrian plazas being incorporated at the East Washington Ave. corners. This plan is available on-line at:

<http://www.cityofmadison.com/business/documents/CapitolGatewayCorridorPlan.pdf>.

The Tenney-Lapham Neighborhood Plan (2008), includes recommended land uses and improvements for the Tenney-Lapham neighborhood which are generally consistent with the plan above, but offers more specificity regarding desired business types, the placement and management of loading areas, and other issues impacting the neighborhood. Specific to this site, the plan recommends a land use arrangement consistent with the plan discussed above, but further defines the MDR (referred to as MDR2) as being between 26-40 units per acre. The plan recommends a transit-oriented design that incorporates street level retail/commercial spaces along East Washington Ave.. The plan also recommends that deliveries should occur on the interior of the site, possible utilizing alleys, and that delivery truck access not be provided along residential streets. This plan is available on-line at:

<http://www.cityofmadison.com/planning/ndp/documents/Tenney.pdf>.

### Design Requirements and Guidelines

Development within the District is subject to the bulk and design requirements and guidelines established for Urban Design District #8 (Madison General Ordinances, Section 33.24(15)). Urban Design District 8 (UDD 8) was established to codify many of the recommendations in the plans described above. Notably, UDD 8 establishes a maximum building height of 8 stories, with the potential for up to 2 bonus stories (for a total of 10 stories). UDD 8 also specifies building façade heights and building setbacks and stepbacks, and requires that parking be located behind or on the side of buildings. UDD 8 requirements and guidelines is available on-line at: <http://library.municode.com/index.aspx?clientId=50000>.



