



City of Madison

City of Madison
Madison, WI 53703
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Master

File Number: 33018

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File Type: Resolution

Status: Held in Council

Version: 4

Reference:

Controlling Body: COMMON
COUNCIL

Lead Referral: BOARD OF
ESTIMATES

File Created Date : 02/04/2014

File Name: JDS Development

Final Action:

Title: SUBSTITUTE RESOLUTION, selecting JDS Development, LLC to develop Judge Doyle Square and authorizing the Judge Doyle Square Staff Team under the direction of the Mayor to enter into negotiations with JDS Development, LLC for a final development agreement to undertake the Judge Doyle Square development and to report back to the Common Council no later than August 15, 2014.

Notes:

CC Agenda Date: 02/25/2014

Agenda Number:

Sponsors: Paul R. Soglin, Shiva Bidar-Sielaff, Michael E.
Verveer and Mark Clear

Effective Date:

Attachments: 33018_Version1.pdf,
20131014_JDS_Presentation_Final.pdf,
Ald_Ahrens_102813_Presentation.pdf,
AldAhrens_Response.pdf, AldVerveer_Memo.pdf,
AldVerveer_Response.pdf, BID_Vision_Retail.pdf,
BlockingDiagramOption3A.pdf,
CoreTeamMt04pres20130725.pdf,
CoreTeamMt04pres20130725blkDiagrams.pdf,
CoreTeamMtg01pres20130314.pdf,
CoreTeamMtg02pres20130424.pdf,
CoreTeamMtg03pres20130513.pdf,
CoreTeamMtg03pres20130513pgm.pdf,
Draft_MMB_Conceptual_Study.pdf,
HVACconditionAsmtRptDraft.pdf,
HVS_Response120113.pdf,
HVSPresentation_Oct_28.pdf,
JDS_Development_Followup_Questions_from_Staff
_10_13.pdf,
JDS_Development_Response013114.pdf,
JDS_Letter_Reply.pdf, JDS_RFP_7_17_13.pdf,
JDS_RFP_Addenda.pdf, JDS_RFP_Final.pdf,
JDS_RFP_Sealed_Finance_Plan.pdf,
JDS_RFP_Selection_Process.pdf,
JDS_RFQ_Response_Compliance_Checklist.pdf,
JDS_RFQ_Selection_Process.pdf,
JDS_RFQ021213.pdf, JDS_Slides_Final.pdf,
JDS_Staff_Analysis_120213.pdf,
JDScmtePresentation20130611.pdf,

Enactment Number:

JDSDevelopment_Staff_Response.pdf,
 Journeyman_Group_Followup_Questions_from_Staff_10_13.pdf,
 Journeyman_JDS_Presentation_13_1016.pdf,
 Journeyman_Public_Private_Financial_Plan.pdf,
 JourneymanGroup_FINAL_RFP.pdf,
 JourneymanGroup_Response013114.pdf,
 JourneymanGroup_Response110113.pdf,
 JourneymanGroup_Staff_Response.pdf,
 Judge_Doyle_Square_Staff_Team_Report_Nov2013.pdf, judgedoylesquarepubmtng1113.pdf,
 Marcus_Right_of_First_Refusal.pdf,
 Mtg_Attendees03132013.pdf,
 Project_Elements_Comparrison.pdf, RFQ_JDS.pdf,
 RFQ_Journeyman.pdf, RFQ_Mortenson.pdf,
 RFQ_NCG.pdf, RolledUpPgm.pdf,
 StructureConditionAsmtRptDraft.pdf,
 TechConditionAsmtRptDraft.pdf, Hyperlink,
 Proposed Cost & Design for Block 105 - TPC 02.12.14.pdf, JDS Response to Parking Management Plan - TPC 02.12.14.pdf, Effect of Judge Doyle Square plan on parking facilities-Email 1 - TPC 02.12.14.pdf, Effect of Judge Doyle Square plan on parking facilities-Email 2 - TPC 02.12.14.pdf, Olsen Hand-outs to TPC 02.12.14.pdf, Version 2.pdf, Version 3.pdf

Author: George Austin, Project Manager

Hearing Date:

Entered by: nprusaitis@cityofmadison.com

Published Date:

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Department of Planning and Community and Economic Development	02/04/2014	Referred for Introduction				
	Action Text:	This Resolution was Referred for Introduction					
	Notes:	Board of Estimates, Transit and Parking Commission					
1	COMMON COUNCIL	02/04/2014	Refer	BOARD OF ESTIMATES		02/17/2014	Pass
	Action Text:	A motion was made by Verveer, seconded by Bidar-Sielaff, to Refer to the BOARD OF ESTIMATES. The motion passed by voice vote/other.					
	Notes:	Additional Referral: Transit and Parking Commission					
1	BOARD OF ESTIMATES	02/05/2014	Referred	TRANSIT AND PARKING COMMISSION		02/12/2014	
	Action Text:	This Resolution was Referred to the TRANSIT AND PARKING COMMISSION					
	Notes:						
1	TRANSIT AND PARKING COMMISSION	02/12/2014	Return to Lead with the Following Recommendation(s)	BOARD OF ESTIMATES		02/17/2014	Pass

Action Text: Poulson invited registrants to speak.

Representing CASH (Citizens Against Subsidized Hotels), Former Alder Andy Olsen, Hegg Avenue, 53716, opposed the resolution and commented as follows.

- City resources should be focused on public investments, civic spaces, public needs and public facilities.
- They asked that the group vote no on the proposal, which was a very bad deal for the Madison residents.
- They urged the group not to rush to reach a decision. This was the largest expenditures in City history, and the most important decision they'd ever be like to make.
- The resolution had some nice language about efficiency in the use of public dollars and about restraining costs, but there was no cap on the costs for the project.
- In reviewing info about convention hotels and failed convention hotels across the country, he discovered a Politifact article about public subsidies for a convention hotel there, where costs went up \$100 million in closed negotiations. (See Olsen Hand-outs attached.)
- He also referred to the C.H. Johnson Consulting report (attached), which said Madison had the highest number of hotel rooms of cities surveyed, competitors in this market.
- They urged the group to ask hard questions and ask for more transparency. Projections and discussions made things look very rosy; they didn't really look at the down side. If this went through, the citizens would be left holding the bag.

Fred Schwartz and Brian Smalkoski of Kimley-Horn, 122 W. Washington, 53703, registered in support and were available for questions.

A 40-year Madison resident, Thomas Krajewski, Jerome Street, 53716, spoke in opposition.

- While having no special affinity for the blocks being called Judge Doyle Square, they were obviously of significant value, being in the heart of one of the nation's most beloved cities.
- Per an appraisal done in 2008, the back half of Block 88 was worth \$7.4M. With the growth of the city, he thought it could be worth twice that, even without MMB, which was a magnificent building.
- We should not give these away, esp. not wrapped in \$60M.
- Taxpayers were being told they must do this, because more hotel rooms were needed for Monona Terrace convention go-ers, so the subsidy to Monona Terrace could be reduced.
- There were two things wrong with that: There were a good number of hotels and vacant hotel rooms in downtown Madison, and that number was growing. Madison would soon have 50% more hotel rooms than it had two years ago.
- Some would say they were too far away from Monona Terrace. If that were a problem (which he doubted), then rather than spending \$60M and losing some very valuable public land, why not take \$3M and pay for a taxi service to hotels for convention go-ers.
- Also, a new hotel will not fill Monona Terrace. Rather than eliminating the subsidy to Monona Terrace, we will end up subsidizing Monona Terrace more and also subsidizing another hotel besides the Hilton.
- We should also look around to understand what convention and conference centers compete with Monona Terrace.
- With the internet, the market for conventions and conference centers was not what it once was, and it was unlikely to ever return to its glory years.
- Before approving negotiations to build a new hotel, he urged that an inventory be done of hotels, convention and conference centers that would compete with these facilities.
- He thanked the group for their time and service.

District 15 Alder David Ahrens made the following remarks.

- The resolution was not simply a license or permission to negotiate a contract or agreement with this developer. Some might say just pass the resolution and let the negotiations begin.
- However, this resolution provided some terms for this negotiation, which were rather broadly written and contained some assumptions that needed to be addressed.
- A key provision was #3 at the end of the resolution, which required the development to be affordable and make efficient use of resources.
- It also asked negotiators to carefully analyze the TIF investment, and focus on public benefits for Block 88. However, there was no cap or limit to the city investment that could be made.
- This contrasted with the next line in the instruction for Block 105, which contained a caution against significant investment beyond parking for this new development. In other words, there could be significant public investment in parking-related costs for the new development, and did not focus here on the Gov East structure.
- The key questions before the Commission were:
 - * Do you endorse significant public investment for private parking as well as the hotel and potential

office and residential development? The November 2013 staff analysis gave some guidance to the problem. It estimated the Parking Utility's contributions to the development project as between \$12M and \$19M. On page 95, it read that the Utility was unlikely to be able to make these investments without help replacing its reserves.

* How will the Utility replace those reserves? through revised state legislation allowing TIF for parking utilities (which might or might not happen)? What we would have then would be public investment in this private structure but being routed through this utility. Alternately, a more straightforward approach would simply be big increases in rates, or postponement of planned reconstructions.

- The vote on this resolution did not only concern the financial viability of the Parking Utility. An affirmative vote would mean agreement that the City should invest in this unnecessary and risky development.
- The resolution added the caveat re: Block 105 (Gov East) that the investment should not be significant.
- In the face of a 17% vacancy rate for offices downtown, why should the City invest in additional office space? Would the City be engaged in financing new apartments just as we passed the cusp of the largest increase in apartment growth in the City's history?
- An affirmative vote would mean agreement that the only limitation on the City's negotiating position was that the City carefully analyze the TIF investment, and also focus on the public benefit of the investment. One would hope so.
- The ad hoc committee struggled with attempting to articulate the public benefits of this largest investment in the City's history. What were the public benefits?
- Since the hotel project succeeded the train station that was followed by the public market, there had been major changes in the hotel market. As mentioned by a previous speaker, we would have a 50% increase in hotel rooms in the next year and a half: We had the 115 Hilton Express opening on Monona Terrace, the Edgewater opening with 225 rooms, a 200-room hotel opened for the Hampton Inn, and the Pahl Tire site had been purchased for a 100-room hotel. Also, in November, the UW Fluno Center opened its 100-room hotel for the public. That was even before we got to this 300-room proposal.
- After adding this late-comer, the City-financed hotel, we will have nearly doubled the number of rooms downtown in two years.
- What was the public benefit of this high-risk investment of no social import? Will it be a few hundred part-time jobs with the lowest wages in the private sector? There would be a few hundred construction jobs, but the vast majority of those employees lived outside the city.
- With the exception of the Inn on the Park where the parking was free, other downtown hotels charged about \$10/day, a bargain by any means. Maybe this hotel would be required to charge the actual rate?
- Reviewing the resolution line by line raised more questions than answers. One reason was that there was little of substance in it. It could be characterized as a "wish list": It should have great design, public benefits, unlock potential value, no harm to existing hotels, etc.
- The problem was that this wish list was written on blank check with no limit, that they wanted the Commission to sign.

Ahrens urged the group to reject the resolution.

Golden had process questions.

- He was anxiously awaiting the much-anticipated parking analysis. The Utility had three facilities that had reached the end of their useful life, didn't have the money to rebuild them, and needed a strategy going forward. How could the TPC commit now to the Parking part of this proposal, without that context?
- Secondly, did the resolution address the fact that the Utility needed to replace 500+ spaces at Gov East (with the final number dependent on market demand and what the parking analysis would say)? The proposal seemed to go way beyond that.
- Without having read the many JDS documents, his sense was that the Commission's role here was to say if the Utility's interests were adequately addressed by the proposal; and not to take a position on Judge Doyle Square.
- He wondered what the Commission was supposed to be doing.
- Poulson said, as was true for any resolution, the options for a motion were varied: To approve, to refer to a later meeting, to refer to Lead with/without recommendations, comments and concerns. He thought someone could walk them through the proposal, and then the group could make a motion and have a discussion.

Woznick answered questions.

- The proposal included enough spaces for Gov East to address the Utility's needs. Staff had recommended all along that 520-600 spaces were needed. They anticipated small growth (15%)

related to retail uses, for a total of 560-600 spaces.

- As for the cost of replacement with JDS vs. without, that would depend on negotiations, but the amounts were close to what staff had estimated for probable costs, if things were done in the way staff envisioned them to be done.

Kovich said she supported the resolution as drafted and planned to make a motion in support when appropriate. But before doing so, she talked about her experience on the Judge Doyle Square (JDS) committee.

- She had worked on the committee for over a year, and spent countless hours researching and listening.
- It was a difficult process. Two very qualified developers responded to the RFP and provided excellent responses.
- She thought that what they were being asked to do was to recommend that the City move forward to enter into negotiations with a developer, that they were not being asked to approve a development project.
- There would be ample opportunity to look at development projects and details as they came forward.
- She felt this was an exceptional opportunity for them to move forward with a development for the central business district.
- Not everybody agreed regarding a hotel, but she felt an additional room block was critical to the success and continued growth of Monona Terrace. Experts (HVS) talked to them about the latent demand, and info in the thousands of pages, supported what they had in front of them.
- The JDS Committee felt it was important to provide guidelines for the negotiation process, addressing what they felt were the critical issues. But they also felt it was important to leave flexibility, because they were just at the beginning phases of entering into a negotiation. They couldn't yet see what the end would be.
- She had supported JDS Development's proposal because of the creativity of the design, the flexibility, the parking plan and the equity injection and commitment they brought.
- Looking at the nine items in the final "resolved" section, item 3. said the development must be affordable and efficient, and the other two points supported that. And there were several points that addressed the parking concerns, about which the Committee had had much discussion. They wanted to make sure they were adequately supplying and replacing the parking that was needed, while making sure it was affordable for Madisonians.

Woznick responded to other questions.

- He was confident that the Financial Sustainability Study would be available in March, and they'd find that items in the Study were important, critical elements in the resolution; i.e., to provide the Utility with the flexibility to replace Gov East as part of this development, while maintaining their capital improvement program to continue on and (re)develop and maintain their structures in the manner they'd like moving forward.
- He appreciated member concerns about not having seen the Study. But staff had seen it, and as an integral part of the JDS Staff Team, staff concerns were very much addressed in this resolution.
- In his emails with Alder Weier (attached), when he said he believed this project would not endanger the Utility's ability to maintain its facilities in the central business district, he was referring to their entire program, inc. State St Lake, all their lots, on-street parking, and structured facilities, which were of the greatest concern because of their average age.
- The JDS Committee and Staff Team were very appreciative of Kovich's service on the Committee, and of the input from Commissioners, inc. Poulson, Golden and the Alders, who had come to meetings. The Committee and Staff Team valued their input and insights about how the project would impact the Utility and their program of providing public parking to citizens and the way they had been able to do it historically. He thanked everyone.
- Woznick then identified people who were present and available to answer questions: Dave Schmiedicke (Finance), George Austin (Project Manager), Jeff Edge (Consultant Engineer from JSD Professional Services), Fred Schwartz and Brian Smalkoski (Kimley-Horn), leads on the project design for parking and structural engineering, as part of the JDS Development Team.

Kovich/Schmidt made a motion to move the resolution forward as proposed. Kovich added that everything she said earlier was why she supported it. Not only had she studied it from her own personal point of view, but every time she spoke at the Committee, she thought carefully about how she felt and how she could represent the Transit and Parking Commission while she was there. Poulson said Commissioners appreciated that.

Golden said he would not offer a substitute, though he wanted to; and went on to describe his dilemma. There were three items in the final "Resolved" section of the resolution, #4, 5, and 6, that related to their mission and role and how they interacted with this project. He fully agreed with each of

these items 100%, and he was confident in them. To Kovich he said that he really appreciated the amount of work she put in, and had a high level of confidence in her ability to sort through this and to represent them effectively. He thanked Woznick and said he trusted his judgment on these things, and was willing to close his eyes and say fine.

Noting that he had strongly supported the first Monona Terrace hotel, and respecting people's concerns and the debate about public financing for projects like this, Golden said his problem was that if they were to take a vote on the efficacy of the project, he really didn't have enough info to do that. What he preferred doing would be to create a substitute motion that said the TPC supported #4, 5, and 6 in the resolution, and believed that the Parking element of this proposal was sufficiently addressed; if all other things were fine with others, that they were fine with this part of it. He felt this would be a more meaningful statement and a better reflection of their mission. He wasn't implying lack of support or support for the proposal, because he didn't know enough to do that. If they didn't have a substitute, he'd have a hard time figuring out what to vote. If he ended up abstaining, he would want it known that he strongly supported #4, 5, and 6.

Weier said in her email correspondence with Woznick (attached), it was unclear how many spaces would be needed to serve the hotel and/or other land uses. She added that she really respected the work of the JDS Committee, but she remembered watching them struggle at their last meeting to come up with a public benefit, which was really sad. She also recalled from way back that two of the major reasons that Monona Terrace was rejected as a convention center was 1) Wisconsin weather, and 2) lack of airline connections. This spoke to the need for a hotel. The City and its residents had many needs, and another hotel downtown was not one of them.

Echoing comments about the quality and dedication of Kovich's work on this Committee and having observed the Committee over the past year, Bergamini thought they had been diligent and thoughtful in the process, which she appreciated. She knew they had kept concerns about the Parking Utility and their fiduciary responsibility in mind. She also appreciated the work of Woznick and the Parking staff.

In general, Bergamini felt that the Parking Utility had always been exemplary in terms of its transparency in its operations, its excellent documentation, and their thoughtful management and reporting to the TPC. And she had absolutely no reason to doubt Woznick's judgment. But as a TPC member, one of her primary responsibilities was to consider the financial viability and sustainability of the long-range operations of the Utility. To exercise that responsibility, she needed to read that report herself.

Bergamini said she could either vote against the motion as it stood, or she could make a substitute to postpone the decision to their next meeting. Bergamini, seconded by Bigelow, made a substitute motion to refer the resolution to the next meeting.

Schmidt appreciated Bergamini's comments about not having enough information. But they had started this ball rolling with their decision in this Body, that they were going to suggest to the Council and Mayor at the time, that they would want Gov East to include development of another project. Their goals were to maintain the parking supply, both during the construction process and after, and to allow for a little bit of growth. They were encouraging it be buried, because it seemed at the time, that this would be a better way to go financially. (Time had proven that this might not be correct.)

Schmidt didn't know what they would gain from waiting a month for the report. They knew they had to replace the garages on a certain timeline, this garage sooner than later, in fact they should have started it five years ago, and they waited because they wanted to get a project associated with it. They weren't making any decisions about money now, what the ultimate cost would be. They could make a recommendation about that in a motion, but that was still to be determined as to how much it would cost out of the Utility's coffers.

Schmidt said his recollection of the debate over the past five years was that they could go with the cheapest option for Gov East, and they would still have a problem when they hit garage 3 or 4. These things were very expensive, and would get more expensive as time went on. They might find that they'd have to give one up or end up with some development project that would let them rebuild and still maintain their fiduciary solvency. Schmidt said he didn't think they'd gain much by waiting, and was thinking about making Golden's motion.

Poulson commented that as Chair he didn't vote exc. in a tie; but he would probably vote no on the motion to refer. He thought Schmidt's points were well-made, and would echo them.

Bigelow said he wasn't around when previous discussions had gone on. But if Golden had made the motion, he would have seconded it. He didn't want to vote on the hotel or on the TIF; that was up to the Council as far as he was concerned. He felt his responsibility was the Parking Utility. He was confident enough in what Woznick had said and he knew it would be affirmed when they got the Sustainability Study that he would be correct in this. He was happy to support the Parking components, but he would rather not vote on a hotel or on the TIF, as a whole for the project.

A vote was taken on the motion to refer the item to the next meeting. By voice vote/other, members unanimously voted no. The motion failed.

A substitute motion was made by Golden, seconded by Ellingson, to Return to Lead, the Board of Estimates, with the following comments and recommendations.

- 1) The Commission praised the work of the Judge Doyle Square Committee.
- 2) The Commission appreciated Ann Kovich's representation of the Parking Utility on that Committee.
- 3) The Commission appreciated the quality of all the staff work that went into this.
- 4) The Commission fully endorsed Items 4, 5, and 6 in the "Resolved" clauses of the resolution, as successfully representing the needs of the Parking Utility and its downtown customers.
- 5) The Commission recommended that the Mayor be authorized to enter into negotiations on this element of the project.

As to why they would do this before having the report, Golden said that if he was comfortable going ahead with any facility before they knew the whole picture, this was the one. Gov East was their most popular facility, which he predicted would eventually be overused, that occupancies would return to 90% there, once the downtown vacancy rate went down. Woznick had done a good job in predicting a little more might be needed, and because a negotiation was going on, and because #4, 5 and 6 might make it a little more costly (because of screening), he was comfortable going ahead with this facility. He wouldn't be ready to act on garage 2, without a financial plan for the Utility. But whatever that plan would be, Gov East would be built at the very least as big as it was. It was desperately needed. It was old and they were running out of time. He didn't want to spend another \$2 million filling potholes in the garage. Golden felt that this was the way to go; it would take them out of the need of taking a position on the hotel for which they didn't have enough info to make an informed decision.

Initially, Golden did not include "this element of" in his wording of item 5) in the motion. Bergamini pointed out that (without these words) it sounded like the Commission was weighing in on the shape of the development and weighing in on the uses. Kovich said that they were just asking that they enter negotiations, that they just start the process; there was a long way to go. Lloyd agreed with Bergamini that it sounded like they were endorsing the project. Golden then added the words, "this element of" (as shown), which referred to the Parking element.

The motion passed by voice vote/other.

- Notes:** The Commission made the following comments and recommendations:
- 1) The Commission praises the work of the Judge Doyle Square Committee.
 - 2) The Commission appreciates Ann Kovich's representation of the Parking Utility on that Committee.
 - 3) The Commission appreciates the quality of all the staff work that went into this.
 - 4) The Commission fully endorses Items 4, 5, and 6 in the "Resolved" clauses of the resolution, as successfully representing the needs of the Parking Utility and its downtown customers.
 - 5) The Commission recommends that the Mayor be authorized to enter into negotiations on this element of the project.

1		02/17/2014			
2	BOARD OF ESTIMATES	02/17/2014	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER		Pass
	Action Text:	A motion was made by Schmidt, seconded by Clausius, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.			
	Notes:				
2	COMMON COUNCIL	02/25/2014	Refer to a future Meeting to Adopt	COMMON COUNCIL	Fail
	Action Text:	A motion was made by Subeck, seconded by Cnare, to Refer to a future Meeting to Adopt failed voice vote/other.			
	Notes:				
2	COMMON COUNCIL	02/25/2014	Adopt the Following Amendment(s)		Fail

	Action Text:	A motion was made by Palm, seconded by Resnick, to Adopt the Following Amendment: To add the following language as a #14 "14. At such time as any specific project plans become available to the negotiating team, those plans shall also be made available to the public" failed voice vote/other.		
	Notes:			
2	COMMON COUNCIL	02/25/2014	Move the Previous Question	Fail
	Action Text:	A motion was made by Ellingson, seconded by Clear, to Move the Previous Question. The motion failed by the following vote:		
	Notes:			
		Ayes: 6	Shiva Bidar-Sielaff; Steve King; Sue Ellingson; Joseph R. Clausius; Mark Clear and Matthew J. Phair	
		Noes: 10	Lisa Subeck; Ledell Zellers; Lauren Cnare; Michael E. Verveer; Marsha A. Rummel; Scott J. Resnick; Paul E. Skidmore; Maurice S. Cheeks; Larry Palm and David Ahrens	
		Abstentions: 1	Chris Schmidt	
		Excused: 4	John Strasser; Denise DeMarb; Anita Weier and Paul R. Soglin	
2	COMMON COUNCIL	02/25/2014	Adopt the Following Amendment(s)	Fail
	Action Text:	A motion was made by Subeck, seconded by Resnick, to Adopt the Following Amendment: Add a #11 that would be "11. Employment and Business benefits to community: A. Total minority employment for the hotel development shall meet or exceed 20%. A report shall be provided annually to the Department of Civil Rights indicating a list of positions and racial demographics of individuals holding each position. B. The totalretail component of the project must maintain a local vs. regional vs. national ownership level of at least 30% locally owned businesses defined by ownership in the City of Madison, at least 60% total regional or locally owned businesses defined as ownership within the City of Madison or within the State of Wisconsin, and not more than 40% of businesses owned by individuals or entities outside of Wisconsin." failed voice vote/other.		
	Notes:			
2	COMMON COUNCIL	02/25/2014	Adopt the Following Amendment(s)	Pass
	Action Text:	A motion was made by Rummel, seconded by Resnick, to Adopt the Following Substitute Amendment: Add the following language to the end of #9 "The project team should negotiate opportunities for some affordable housing at 40% AMI best practices for environment sustainability and community spaces for neighborhood groups." The motion passed by voice vote/other.		
	Notes:			
2	COMMON COUNCIL	02/25/2014	Adopt the Following Friendly Amendment(s)	Pass
	Action Text:	A motion was made by Subeck, seconded by Zellers, to Adopt the Alder Subeck's Amendment as Amended. The motion passed by voice vote/other.		
	Notes:			
2	COMMON COUNCIL	02/25/2014	Adopt the Following Amendment(s)	Pass
	Action Text:	A motion was made by Palm, seconded by Subeck, to Adopt the Following Amendment: To remove the words "in closed session if necessary" from the paragraph that starts "Be It Further Resolved". The motion failed by the following vote:		
	Notes:			
		Ayes: 9	Lisa Subeck; Ledell Zellers; Shiva Bidar-Sielaff; Marsha A. Rummel; Scott J. Resnick; Maurice S. Cheeks; Larry Palm; Sue Ellingson and David Ahrens	
		Noes: 6	Lauren Cnare; Michael E. Verveer; Steve King; Joseph R. Clausius; Mark Clear and Matthew J. Phair	
		Abstentions: 2	Paul E. Skidmore and Chris Schmidt	
		Excused: 4	John Strasser; Denise DeMarb; Anita Weier and Paul R. Soglin	
2	COMMON COUNCIL	02/25/2014	Adopt the Following Amendment(s)	Pass

Action Text: A motion was made by Resnick, seconded by Cheeks, to Adopt the Following Amendment: To add the following wording in #7 between "use" and "are" "and permitted room block rates". The motion passed by voice vote/other.

Notes:

- 2 COMMON COUNCIL 02/25/2014
 - 2 COMMON COUNCIL 02/25/2014
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Text of Legislative File 33018

Fiscal Note

Funding of \$990,000 (including \$440,000 in Federal TIGER II grant funds and \$550,000 from TID 25 proceeds) for the Judge Doyle Square project and South Capital Transit Oriented District planning effort has been included in the 2014 Adopted Capital Budget of the Department of Planning & Community & Economic Development (DPCED), Project No. 12, "South Capitol Transit Oriented District (Judge Doyle Square)", Account No. 810707. Funding of \$7,000,000 for the replacement of the Government East parking structure as part of the Judge Doyle Square project has been included in the 2014 Adopted Capital Budget of the Parking Utility, Project No. 2 , "Judge Doyle Square Garage", Account No. 810620. No additional appropriation is required.

This Resolution authorizes initiation of the next phase of planning for Judge Doyle Square - the negotiation of a development agreement with the selected development team for Judge Doyle Square.

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

All future expenditures associated with the project will require further Council approval other than the costs associated with administering the negotiation phase of the process.

Title

SUBSTITUTE RESOLUTION, selecting JDS Development, LLC to develop Judge Doyle Square and authorizing the Judge Doyle Square Staff Team under the direction of the Mayor to enter into negotiations with JDS Development, LLC for a final development agreement to undertake the Judge Doyle Square development and to report back to the Common Council no later than August 15, 2014.

Body

PREAMBLE

Judge Doyle Square 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 on two currently tax-exempt parcels. Judge Doyle Square can be a destination for residents, employees and visitors by expanding and unifying the restaurant and entertainment district on the south side of the Capitol Square. It's the first City initiated development project as a result of the new downtown plan and is intended to:

- Utilize two City-owned, tax-exempt parcels to significantly expand the City's tax base and employment by replacing an obsolete parking facility, activating South Pinckney Street and improving the pedestrian connections between the Square and Monona Terrace;
- Unlock the development potential of the sites through careful selection of mixed uses that includes residential, retail, restaurant, bicycle and parking facilities, and a hotel;
- Retain and grow the business of the Monona Terrace Community and Convention Center;
- Increase economic and retail activity from additional convention attendees, visitors, downtown workers and residents.

The result of this effort will be a healthier downtown though increased property values, added employment opportunities and downtown residents, improved public facilities; and additional external capital injected into the region's economy by visitors to Madison.

Successfully implemented, it can further strengthen the Central Business District (CBD) which, if one closely analyzes the situation, is relatively stagnant in terms of new tax-producing non-residential development recently. To be successful however, the project must meet the City's land use and urban design objectives for the currently City-owned, underutilized and tax-exempt property on South Pinckney Street between East Doty and East Wilson Streets.

The Judge Doyle Square development must also be affordable for the taxpayers and be efficient in the use of the City's financial resources. The City has an unusual opportunity to fashion a project to re-build the functionally obsolete Government East parking ramp, using the property as a catalyst for new tax producing development. This opportunity can significantly improve the walkability of the CBD which is the most important element to improve the CBD as a destination. The inclusion of a bicycle center will also address the City's multi-modal transportation objectives.

Providing an additional hotel room block would be a most important controllable issue to keep Monona Terrace a productive catalyst for attracting visitors, and the outside capital that visitors bring, to fuel our regional economy. In meeting this objective, the new hotel however must not compete with Monona Terrace. The meeting facilities should not take significant business away from Monona Terrace. Equally important, the new hotel should minimize any negative impact on the existing downtown hotels during the absorption of the new hotel rooms into the marketplace.

Achieving these objectives must not harm the Madison Parking Utility's ability to implement its capital plan to maintain the City's parking facilities in the CBD over the next 20 years.

Finally, keeping the Madison Municipal Building (MMB) in civic use will help achieve the City's

desire to maintain a nexus of City offices together in the CBD and continue the historic use of the building as an important civic building. The new structures in Block 88 must be of high design quality, respecting the design requirements of the MMB as a National Register of Historic Places building, and create a project design that is compatible with surrounding buildings and uses.

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WHEREAS, on July 17, 2012, the Common Council directed the Judge Doyle Square Staff Team to draft a Request for Qualifications (RFQ) for development teams for Judge Doyle Square (Blocks 88 and 105) using the Findings and Recommendations of the Judge Doyle Square Staff Team Report and the Blocks 88 and 105 studies as the basis of the RFQ/RFP and to present the recommended RFQ/RFP to the Common Council for approval prior to its issuance; and

WHEREAS, the Common Council appointed the Judge Doyle Square Committee on October 2, 2012; and

WHEREAS, the Common Council reviewed and approved the issuance of the Request for Qualifications on February 5, 2013, and directed the Judge Doyle Square Committee to (1) review the RFQ submissions and recommend to the Common Council those teams to be invited to participate in the Request for Proposals (RFP) stage, the second stage of the Judge Doyle Square selection process and (2) recommend the proposal requirements for the RFP stage by the end of June 2013; and

WHEREAS, the Request for Qualifications was issued on February 18, 2013 and four responses were received by the submittal deadline of April 30, 2013; and

WHEREAS, the Judge Doyle Square Committee (1) established an RFQ selection process and criteria on April 15, 2013, (2) invited three of the four responders on May 9, 2013 for an interview (one responder withdrew from consideration after the invitation was extended), (3) conducted the two interviews on May 16 and 29, 2013 along with reference checks of the two teams; and

WHEREAS, the Judge Doyle Square Committee (1) administered the selection criteria on June 11, 2013 and determined that the JDS Development LLC and the Journeyman Group have the experience, capability and project concept that meets or exceeds the City's expectations and (2) received and reviewed the draft Request for Proposals (RFP) document from the Staff Team; and

WHEREAS, the Common Council on July 16, 2013, (1) reviewed and approved the Request for Proposals (RFP) for the Judge Doyle Square project; (2) invited JDS Development LLC and the Journeyman Group to participate in the RFP stage and (3) directed the Judge Doyle Square Committee to review the RFP submissions and recommend a Judge Doyle Square development team for the Common Council's consideration by the end of November 2013; and

WHEREAS, the Request for Proposals was issued on July 17, 2013 and two responses were received by the submittal deadline of September 30, 2013; and

WHEREAS, the Judge Doyle Square Committee (1) established an RFP selection process and criteria on September 17, 2013, (2) conducted the two development team interviews on October 14, and 16, 2013; (3) held a public feedback meeting on November 5, 2013, (4)

received a staff report from the Judge Doyle Square Staff Team on October 28 and December 2, 2013, and (5) solicited additional feedback from the development teams on December 16, 2013 and January 28, 2014; and

WHEREAS, the Judge Doyle Square Committee completed its analysis of the two RFP responses on February 3, 2014 and finds that JDS Development LLC offers the best combination of project features, feasibility and development attributes which strike the most advantageous balance for achieving the City's Judge Doyle Square goals and the potential best overall value; and

WHEREAS, the Judge Doyle Square Committee, having held 18 meetings since the Committee was appointed by the Common Council in October 2012, has concluded its work and recommends that the Common Council provide negotiating instructions for the Mayor and Judge Doyle Square Staff Team in the negotiation of a final development agreement as provided below;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council does hereby approve the Judge Doyle Square Committee's recommendation and conditionally selects JDS Development, LLC to develop Judge Doyle Square. To the extent a final development agreement cannot be negotiated with JDS Development, LLC, the Common Council authorizes that the Mayor and Judge Doyle Square Staff Team the option to enter into negotiations with Journeyman Group to develop Judge Doyle Square.

BE IT FURTHER RESOLVED, that the Common Council does hereby direct the Judge Doyle Square Staff Team under the direction of the Mayor to enter into negotiations with JDS Development, LLC for a final development agreement to undertake the Judge Doyle Square development and to report back to the Common Council no later than August 15, 2014 and to provide monthly briefings on the progress of negotiations to the Board of Estimates in closed session if necessary.

BE IT STILL FURTHER RESOLVED, that the Common Council does hereby direct the Mayor and the Judge Doyle Square Staff Team to use the following guidelines for the negotiation process:

1. Keep the MMB in civic use. A significant, active connection to the hotel and Pinckney Street is needed and the planning for the MMB and the adjacent hotel should be thought of as an integrated development.
2. The new structures on Block 88 must be of high design quality and respect the design requirements of the MMB as a National Register of Historic Places building, and create a project design that is compatible with surrounding buildings and uses.
3. The development must be affordable for the taxpayers and efficient in the use of City resources.
 - For Block 88, work to carefully analyze the TIF investment and focus on the public benefit of that investment.
 - The density of the Block 105 development must not require significant public investment beyond parking related costs to serve the new development.
4. Rebuild the Government East parking ramp at an affordable cost to the Parking Utility while realizing a new, walkable extension of the retail/entertainment district to the 200 block of South Pinckney Street.

5. A significant amount of the existing public parking supply should be maintained during the construction process.
6. Above ground parking should be visually appealing with its presence masked. No parking should be constructed at street level that is visible on South Pinckney Street.
7. An ironclad hotel room block agreement of 250 rooms, and a national affiliation (hotel flag) and a national sales force and reservation system for the hotel use and permitted room block rates are required.
8. The new hotel meeting/function space should complement Monona Terrace and create synergies with existing Madison hotels.
9. The project should have a community benefit by creating a sense of place for all Madisonians to interact and engage. The project team should negotiate opportunities for some affordable housing at 40% AMI best practices for environmental sustainability and community spaces for neighborhood groups.

(See all project information at <http://www.cityofmadison.com/planning/judgedoylesquare/>)