

CITY OF MADISON ACTION ITEM DETAIL – NOVEMBER 30, 2022

ACTION TITLE: Authorizing Mayor and City Clerk to execute a development agreement with Mortenson Development.

PRESENTER: Transportation, Tom Lynch

CONTACT FOR

QUESTIONS: Tom Lynch, tlynch@cityofmadison.com, David Wills, dwills@cityofmadison.com

ACTION SUMMARY

This resolution approves entering into an agreement with Mortenson, which has several conditions that will be presented by the Economic Development Division at the Transportation Commission. Intrinsic to this agreement, and of particular interest to the Transportation Commission, is:

- The number and allocation of stalls
- Basic circulation for buses, parking, and deliveries.

The resolution also authorizes option A for affordable housing, which maximizes air rights payments to the Parking Utility.

BACKGROUND

The State Street Campus garage was constructed 1963/4 and plays an important role in providing access to the UW campus, lower State Street retail, and numerous community events throughout the year. At 60 years, it is nearing the end of its useful life. The structure, beams, and mechanical equipment are showing signs of distress. Replacement of this 524 space garage would require up to \$50 million or more.

With the effects of Covid and the recent construction of the Wilson Street and Livingston garages, the Parking Fund does not have the funds necessary to replace the State Street Campus garage. Coupling this project with a mixed use development allows almost two-thirds of the garage replacement costs to be borne by air rights and Tax Incremental Financing, making the replacement feasible.

The mixed use redevelopment provides the opportunity to construct an inter-city bus terminal, a key service needed by students and community members that don't have access to a vehicle. It is part of Land Use and Transportation Strategy 4 in the Imagine Madison Comprehensive plan. The location of a potential inter-city bus terminal has been studied twice in the last 8 years, with this location showing the most promise and feasibility.

In April of 2021, the Economic Development Division issued a request for proposals for air rights above the State Street Campus garage. The Mortenson (Theory) proposal was recommended to the Finance Committee because it provided the best combination of parking, financial terms, street frontage design/activation, increased parcel increment, and affordable housing. From the Parking Division's standpoint, the Mortenson proposal was one of only two proposals that provided standard size aisles, stalls, and reasonable garage circulation.

The proposed garage, in the current concept design will have 412 above grade and 104 below grade stalls, for a total of 516 stalls (subject to refinement). Eighty (80) stalls will be dedicated to support the housing that will lie above the garage. This will result in an 88 stall decrease in parking available to the public. Analyses have found that these stalls are rarely used, primarily for UW event parking. Preliminary estimate indicate the cost for keep each of these "extra" stalls would exceed \$90,000 per stall. Each stall is estimated to bring in \$100 to \$150 of revenue per year, making maintaining these stall not cost efficient.

DESCRIPTION

Three memos provide a summary of the relevant issues.

The [Economic Development Division memo](#) summarizes conditions of the development agreement.

The [Transportation Memo to the Plan Commission](#) provides background on the circulation and use of Hawthorne Court

The [Transportation Response Memo](#) addresses [CANA Steering Committee](#) comments.

EQUITY GOAL IMPACTS

Those without access to a car, intercity buses are the only available form of transportation. This affects students, of which about 80 percent of the intercity bus clientele near campus is. It also affects other community members without a car, as they cannot visit family that live in other parts of the state. Providing intercity transportation to those without auto access provides a needed service to those with lower incomes. Just as the city provides covered parking for those with an automobile, it is appropriate to provide bus patrons with a facility sheltered from the elements with restroom access.

FISCAL DETAILS

The project is incorporated in the 2023 budget. Additional fiscal notes may be required at some future time.

PROCUREMENT DETAILS

City Engineering and Economic Development are procuring design professionals to develop contract drawings for a future bid letting, possibly in late 2023.