



Finance Department

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DATE: April 27, 2015

TO: Mayor Paul R. Soglin and the Board of Estimates

FROM: Judge Doyle Square Negotiating Team

SUBJECT: Judge Doyle Square Request for Proposals due on May 1, 2015

On February 3, 2015, the Common Council authorized the issuance of a Request for Proposals for the development of Judge Doyle Square on Blocks 88 and 105 in downtown Madison. Proposals are due to the City of Madison on **Friday, May 1, 2015 by 2:00 pm.**

Background

The current Judge Doyle Square RFP process followed a previous two-year RFP process to develop Judge Doyle Square that concluded on November 1, 2014. On December 2, 2014, the Common Council considered the Report of the City Negotiating Team and directed that negotiations with JDS Development LLC be terminated and a new Request for Proposals document be drafted for the Judge Doyle Square project to come back to the Council for consideration. On February 3, 2015, the Common Council approved a new Request for Proposals document and authorized its issuance. The history of the project, the goals for the development, the current RFP, as well as the documents from the previous process can be found on the Judge Doyle Square website at: www.cityofmadison.com/planning/judgedoylesquare/.

As part of its approval of the Request for Proposals, the Common Council established the following project requirements that the proposals due on May 1st must address:

- a. The RFP response can propose redevelopment on (1) both Blocks 88 and 105, or (2) only on Block 105.
- b. The Madison Municipal Building on Block 88 will remain in civic use (the existing loading dock will be removed). In addition, the City will be considering plans to limit vehicular access and establish a pedestrian mall on Martin Luther King, Jr. Blvd between the City County Building and Madison Municipal Building.
- c. The City of Madison will construct, own and operate the automobile parking and bicycle facilities to be constructed on Blocks 88 and 105. The City's plans to replace the 520-car Government East Ramp on Block 105 with 520-600 public parking spaces plus 40 spaces of municipal fleet parking that is currently on Block 88. In addition, the City will construct the needed accessory parking required for the new development in a parking facility on Blocks 88 and 105, and lease the parking required by the development to the private developer. While the City intends to own and operate the parking, it will

entertain proposals where the developer would construct the parking. The parking has to be constructed under public works bidding requirements.

- d. The City is committed to maintaining a significant amount of the existing public parking supply during the construction process.
- e. The project must be a high-quality mixed-use project that is compatible with surrounding buildings and uses including the Madison Municipal Building, a National Register of Historic Places building.
- f. The project must create a new, walkable extension of the surrounding retail/entertainment district in the 200 block of South Pinckney Street.
- g. Priority will be given to any project that delivers a commercial usage consistent with Section 2.5 of the Adopted Downtown Master Plan.
- h. The project must include a hotel component to complement, enhance and attract additional conventions to the Monona Terrace Community and Convention Center. The City desires an urban mixed-use hotel product that is a nationally recognized convention brand and has many full-service hotel attributes without the full-service hotel cost. This type of hotel is designed for urban markets to meet the needs of today's connected traveler. These hotels are focused on style, technology, and engagement and feature innovative concepts in architectural and modern hotel design, great dining and nightlife.

The City's target room count is a minimum of 250 rooms with as large a room block as possible reserved for Monona Terrace, a national affiliation (hotel flag) and a national sales force and reservation system. The proposal should include plans for a high quality, interesting and reasonably priced restaurant either within or adjacent to the proposed hotel. A room block proposal for Monona Terrace must be included in the RFP response. Please note that Marcus Hotel's Inc. has a development right granted to it by the City in 1999 on Block 88, which is described in Exhibit B in Section 6 of the RFP. The development team should be aware that the City of Madison reserves the right to incorporate up to 20,000 square feet of City-owned meeting spaces as a component of the development.

- i. Development teams should provide the City with options on Block 88 and/or 105 for 70,000 to 140,000 square feet of additional City office space or another future use as part of the RFP response. To the extent a hotel building is sited on Block 88 with an additional use option, the mass of the hotel development should be located closer to East Wilson and South Pinckney Streets (i.e., it should be away from East Doty Street).
- j. The development must be affordable for taxpayers with the following expectations:
 - i. The City of Madison will be responsible for financing the cost of the parking subject to the terms of a Final Development Agreement to be negotiated with and approved by the City.
 - ii. The air rights above the parking must be purchased or leased at fair market value as determined by the City's appraisal.
 - iii. No TIF assistance shall be available for the non-parking elements of the project.

- iv. The City reserves the right to audit construction costs related to the public elements of the project.
- k. A high priority for selection will be given to proposals that express a commitment to negotiate with the City on a development agreement that would include provisions regarding living wages and labor peace agreements for employees associated with the construction of the project as well as employees that are employed by the various users associated with the development.

Next Steps:

Upon receipt of the proposals on Friday, May 1st, the Negotiating Team will review the proposals that are received to ensure no proprietary information is included and then place the proposals in the Gallery section of the Judge Doyle Square website. The proposals will be available to the press and the public once they are placed on the website. The goal is to have them available by the end of the business day on May 1st.

On Friday, May 1st, hard copies of each proposal will be delivered to the Council Office for each Board of Estimates member along with an office copy for the Common Council Office. If you do not want a hard copy of the proposals and would rather access them from the website, please let George Austin, Judge Doyle Square Project Director know by Friday, May 1st.

The City created the Judge Doyle Square Negotiating Team to analyze the RFP responses. The Board of Estimates will make the final selection and recommendation for the Common Council's consideration. The RFP specifies that the City may reject or accept proposals at its own discretion, and holds the right to independently negotiate the final terms of the project. The RFP also requires that the proposers not communicate with members of the Board of Estimates regarding the project at any time during the RFP evaluation process, except at the request of the City of Madison Point of Contact.

The Negotiating Team will prepare a preliminary report for the Board of Estimates consideration at the next BOE meeting on May 11th regarding the proposals received, their compliance with the RFP requirements, the identification of any extraordinary issues and recommended direction and process steps.

CC: Members of the Common Council