

The Alliance for Madison's Future understands and supports the City of Madison's desire to seriously and carefully consider the Exact Science proposal to be incorporated into the Judge Doyle Square project. The timetable the City has been presented to act on this particular development project should review all the questions presented and provide answers to the best of everyone's ability who is involved.

We hope that the City's negotiating team will consider the following points as it enters into discussions with JDS Development LLC. and before it reports back to the Council in June.

1. We do not have a problem with a hotel being located on Block 105. We have however publicly and regularly questioned many of the assumptions made in previous studies about a specific taxpayer subsidized hotel for Monona Terrace. We continue to believe that attracting more conventions to Madison has less to do with a new hotel located 1,100 feet from a facility door than it does to a lack of direct air flights to Madison, harsh winter weather and the fact that Monona Terrace was not built as a convention center. Monona Terrace was built as a conference and community center. Monona Terrace's size is limited and that was always known and recognized when it was built. Despite that fact Monona Terrace is quite successful and our hotels work very hard to insure that continued success. Madison has one of the highest numbers of hotel rooms per Square Foot of exhibition space of the all the cities the Bureau refers to as our main "competition".

2. We continue to oppose any kind of taxpayer subsidy for a hotel. The City of Madison thankfully enjoys a very robust hotel market. Public subsidies are not needed to build hotels in this community. Through careful review we now more clearly understand that this proposal does contain a very large public subsidy for the hotel through low municipal land price, public parking, and that

portion of the project referred to in the financial structure proposed by the developers the "Civic Core" (the meeting spaces, wellness center and a media center.) Our Community deserves to get a fair price for the public land involved. Our community does not need to subsidize a hotel project as put forth in this proposal at this time.

3. We share in the excitement created by the idea that a new large employer will locate downtown. The entrance of a new player in this development is in fact as stated by others a game changer. We hope that the public realistically understands the deadlines given to the city to negotiate such a complex and costly project is a tremendous challenge if even possible. There are many potential risks and costs inherent in the projects proposed financial structure. The timeline given to the City of Madison to "agree or lose it to a community outside Madison" is unnecessary. A private project of this size and scale being financed without taxpayer money would find it near impossible to put a shovel in the ground within eight months of being proposed to any community. We have no interest in Madison getting accused of being an obstructionist or uncooperative if a deal cannot be struck with the kind of detail needed to assure the Council that it is not taking on too much risk or additional cost to the taxpayer under this timeline. We urge patience and careful deliberation. And as in most final good policy...work it out in the public eye as well. A successful project can be achieved through consensus of some kind. George Austin and the City's team are most capable and know how to achieve a final product that will work for the entire community.

4. One particular aspect of the project we hope the City will change is the developer's requirement that the parking utility build and manage all parking and give the developer 800 stalls for \$50 per stall per year...which then the developer can rent to Exact Science and or the new hotel for whatever amount of money the developer so chooses to impose while retaining all the revenue generated through the parking spaces they are given. The difference in the

actual cost to build the stalls versus the amount paid to the city to build these stalls and manage them... will in our view have to be paid for by all other downtown employees and employers, visitors and shoppers by higher parking rates. ..significantly higher rates unless the city can find an alternative source of funds outside of the parking utility to pay for these stalls. Our Alliance had proposed that the city build and manage all the parking and retain all its revenue. Any private development in the project would just pay for its parking like everyone else does downtown at an hourly or monthly rate. That kind of plan removes the prohibitive capital cost of the parking structure from the developer, the development user and those who park pay for parking like everyone else does downtown. We continue to support that model.

We have a great deal of experience in these matters. We know what it takes to run facilities and we are already your taxpayers and partners. None of us are involved in any of the proposals that have been submitted to you but we care deeply about our future and are very committed to making this City strong and a great place to visit and to live. We look forward to reviewing the final negotiated details of the project when it returns to the Common Council at the end of June.

On behalf of our members I wish you much success in your deliberations

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