

From: John Jacobs [jjacobs_msn@yahoo.com]
Sent: Tuesday, November 03, 2015 9:42 AM
To: Veldran, Lisa
Subject: Fw: Don't renew contract with AVA Civic Enterprises - Legistar 40558

Dear Ms. Veldran,

Please put my message (sent earlier and below) regarding this item in the legistar file for this evenings meeting.

Thanks.

John Jacobs

----- Forwarded Message -----

From: John Jacobs <jjacobs_msn@yahoo.com>
To: All Alders <allalders@cityofmadison.com>
Cc: Lisa Veldran <lveldran@cityofmadison.com>
Sent: Tuesday, November 3, 2015 6:48 AM
Subject: Don't renew contract with AVA Civic Enterprises - Legistar 40558

Dear Alders,

I oppose extending the contract with AVA Civic Enterprises for Judge Doyle Square. As Madison taxpayer for 40 years, I don't believe my interests have been well served by Mr. Austin as Project Director.

As leader of the Doyle Square negotiating team, Mr. Austin has seemed more of a salesman for the JDS Development LLC project than a source of unbiased information for the Board of Estimates, the Council and public. He led the decision to set aside competent, competing proposals which put the city in a poor negotiating position.

Mr. Austin also led the decision to upend and pervert the heretofore public process for JDS which resulted in \$47 million TIF being approved at the beginning - instead of the end - of the process thereby eliminating much of the scrutiny a project of this magnitude deserves.

Under Mr. Austin, the mayor's team did a poor job of making sure that Bob Dunn's project was subject to our normal TIF increment guarantees and that taxpayer dollars were responsibly and adequately protected.

Lastly, I'm concerned that Mr. Austin has a conflict of interest in fairly negotiating for the city with Bob Dunn while working for Frautschi Family interests such as the Block 100 Foundation. It has been reported that the Frautschis are big investors in Bob Dunn's Edgewater Hotel.

While recommending the largest public subsidy in Madison history to JDS Development LLC, the negotiating team gave in far too much to developer's demands and conditions at taxpayer expense. Instead of playing hardball with Mr. Dunn, the team simply reported "The developer wouldn't agree" and caved in.

Even though the full \$47 million subsidy has been approved for JDS, the agreement developed under Mr.

Austin does not require the developer to finish the second half of the project including the second office building nor even the hotel.

Prior to the \$47 million vote, in a State Journal Op-Ed, Mayor Soglin told the public:

“the development will guarantee that the property taxes created by the development will be delivered to the city and other taxing jurisdictions as projected.”

The mayor misled the public with that statement. In fact, the JDS increment guarantee covers only about one third of the projected tax increments. Was Mayor Soglin intentionally lying to the public?

Another possibility is that the mayor was given improper or false information by the negotiating team led by Mr. Austin.

Surely, Mr. Austin's report from just one stock analyst about Exact Sciences, an analyst whose firm holds 6% of all Exact stock, represents a failure to provide unbiased information to the Board of Estimates, the Council and the public.

Mr. Austin's financial track record isn't great. He previously led the Overture Development Corporation affiliated with the Frautschi family. A decision to invest about \$100 million of Frautschi's donation to Overture into a trust fund, instead of directly funding building construction, [resulted in a \\$27 million debt](#). The tax increments for the Monona Terrace Hilton TIF (approved when Mr. Austin was city Planning Director) [have fallen far short of projections](#).

Citizens of Madison and our representatives on the Common Council deserve unbiased information. We need a tough negotiator on our behalf when \$10's of millions of taxpayer dollars are at stake.

Please don't renew AVA Civic Enterprises contract.

John Jacobs
Kendall Avenue