



Office of the Mayor

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To: Members of the Common Council

From: Paul R. Soglin, Mayor

RE: Judge Doyle Square

DATE: November 2, 2015

On October 14, 2015, I sent a letter to Bob Dunn of JDS Development LLC and Kevin Conroy of Exact Sciences (with copies to the Common Council) requesting their responses regarding any potential impacts the US Prevention Services Task Force's draft recommendation statement may have on the Judge Doyle Square project. I requested that response within two weeks, by October 28, 2015. JDS Development and Exact Sciences subsequently requested a short extension to November 2, 2015.

I have received a response to my letter from Exact Sciences and a press conference is being held today regarding that response. Exact Sciences has decided to focus its future facility planning on its existing facilities at the University of Wisconsin-Madison Research Park and to end its plans for a downtown location at Judge Doyle Square.

On one hand, this is disappointing, given the level of City effort the past six months to meet an accelerated timetable to secure the downtown location at Judge Doyle Square. At the same time, the City remains committed to work with Exact Sciences to plan for and expand the company's facilities in the City of Madison at the University Research Park. City Planning, Community and Economic Development staff maintained regular communication with the University Research Park as a potential future location for Exact Sciences and will continue to work with Exact Sciences and University Research Park given the company's decision today.

Regarding Judge Doyle Square, the City has three additional proposals that were received on May 1, 2015 to develop the project. These proposals were set aside at the time as the City decided to negotiate exclusively with JDS Development and Exact Sciences on their proposal through September. Now that the Exact Sciences headquarters will not be located on the site, we should follow the process that was approved by the Common Council in May 2015. At the next Board of Estimates meeting, I will ask the Board's concurrence with the following process:

November 9, 2015 - Board of Estimates meeting to consider next steps in the review of the Judge Doyle Square RFP responses.

By November 13, 2015 – Solicit and receive confirmation from the development teams that they remain interested in their respective project proposals and wish to move forward, including whether JDS Development wishes to pursue a proposal without Exact Sciences. Identify for the development teams certain new items that must be a component in any proposal, and ask developers to identify what, if any, changes they wish to make to their respective proposals and to respond by December 18, 2015.

By the end of January 2016 – City Negotiating Team completes an initial review of all proposals still under consideration, and meets with the Board of Estimates/Common Council to obtain direction for future actions.

With each iteration of the negotiations, the City negotiators and elected officials have learned more about the challenges and opportunities with this project. We should make use of this knowledge as we move forward. I recommend that we inform the RFP respondents that we have the following expectations in moving forward:

1. Strict Adherence to the Project Requirements of the City's RFP (Page 8) with the exception on #1 (Proposals can address development on both blocks or on either Block 88 or Block 105) and #9 (City space options on Blocks 88 and 105 are not needed).
2. Maintain the commitments approved by the Common Council on September 29th including the requirements for a Project Labor Agreement, Labor Peace Agreement, targeted business and workforce hiring goals for the construction process, and the creation of a Judge Doyle Square Monitoring Team;
3. Improve the functionality of the parking ramp design, including a fully below-grade parking structure option;
4. Maintain a minimum of a 250 -room count for the hotel;
5. Require appropriate financial guarantees from the development team for all city investment; and
6. Regarding Tax Increment District (TID) #25, the City will continue to strive to maintain a balance at least as large as the amount on December 31, 2014 (\$19 million) for distribution to the taxing jurisdictions upon closure of TID #25. The City will also continue to keep its other partners on the Joint Review Board apprised of future actions related to TID #25 and JDS.

Separately, I will propose a 2016 Capital Budget Amendment to make appropriate changes for the Judge Doyle Square project, reflecting the new situation.

Thank you and let me know if you have any questions.