

From: Ahrens, David

Sent: Wednesday, July 12, 2017 4:06 PM

To: Wallner, David <annedave@chorus.net>; Gnam, Emily <emily.gnam@cunamutual.com>; Leopold, Madelyn <madelyn.leopold@gmail.com>; Cheeks, Maurice <district10@cityofmadison.com>; Ragland, Nancy <nanragland@att.net>; Baldeh, Samba <district17@cityofmadison.com>

Cc: Knepp, Eric <EKnepp@cityofmadison.com>

Subject: Item 31: Resolution for an Additional \$1.6 million for Baum Development at Garver

Members

Please find attached my remarks in reference to the Item above. If the Transit and Parking Commission meeting ends (in a timely manner) I will make an effort to attend your meeting.

Best regards,

David

Dear Parks Commission Members:

Please excuse the receipt of this letter in lieu of my appearance, in person; I am a member of Transit and Parking Commission which meets at the same time as Parks. The purpose of this note is to discuss the proposal of paying an additional \$1.6 million for environmental remediation of the Garver Site. (Item 31, LegStar 47354)

To date, for this project, the city has borrowed \$1,825,000 plus \$500,000 we received in the form of a WEDC Industrial Sites grant

We have leased this wooded site adjacent to Olbrich Gardens for \$1 for 99 years. We have also invested an extraordinary amount of staff time over the past ten years, but particularly in the last three years due to the difficulties of the Developer in getting financing this project.

Now, you are being asked to borrow an additional \$1.6 million for environmental remediation of the site. Is there an Environmental Site Assessment that would normally accompany a request of a fraction of this amount? Or as the resolution is written, you are simply being presented with a bill?

Let's note that the agreement with Baum requires that the Developer is responsible for site excavation, dumping on site and capping before the city has a financial responsibility. Have these costs been allocated? That is, after excavation, disposal and capping the material what are the additional \$1.6 million in costs? If they have been allocated and the city is still responsible for \$1.6 million in remediation it might be worthwhile to rethink the scope of this project.

The only information in the resolution relative to the purpose of the expenditure states that the funds will be used "for remediation, site restoration and other necessary costs." However, the purchase agreement between Baum and the city states:

3(d) Excess Costs. Except with respect to the costs of City as described in Article VIII hereof, any funds required for completion of the Project beyond those stated above will be paid for by the Developer.

Article VIII (referenced above) provides that **Developer's excavation, capping and dumping material on site, and other construction activity specifically related to the construction of the Project** are costs borne by the Developer.

Did the developer know that there were potential remediation problems with the site from the very beginning of the process? In a letter to their project manager from the City Engineer written in 2015, it was noted:

The property has an open investigation site with the DNR (BRRTS #03-13-252719) and also a closed site (#03-13-000437). Developer shall provide proof of coordination with the DNR to close the open site as part of the redevelopment. If contamination is encountered during construction, all WDNR & SSPS regulation must be followed.

In response to this notice, they did not commence an environmental assessment. Instead, they pursued a development strategy that includes building 50 tiny hotel rooms throughout the site. Thus, instead of having a single infrastructure there would be 50 structures with their own foundation, water, sewer, etc.

And so in addition to the \$1 lease, we added a grant of \$1.825 million for repairs. We then added an additional \$500,000 and now they would like us to borrow \$1.6 million to give the developer a total of \$3.925 million. However, because we do not have any information in support of the position as to whether the \$1.6 million is excessive or insufficient, this may once again be the starting point.

What will the position of the Parks Commission and other city committees be if after spending \$3.925 million, the developer states that road construction, rail easements and storm water controls will need an additional \$1 or \$2 million. Do we walk away from the project?

I will note that in the city's recent purchase of property from MGE on Blount St., the city is responsible for environmental remediation, MGE is responsible for only the first \$85,000 of costs of cleaning up a badly contaminated site. After those expenditures, they are the entire responsibility of the city.

I request that you reject this request for borrowing an additional \$1.6 million or failing that to refer the matter to a later meeting so that the necessary information is made available to the public.

Best regards,

David Ahrens
Alder, 15th District