



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Draft ECONOMIC DEVELOPMENT COMMITTEE

Wednesday, June 20, 2012

5:00 PM

215 Martin Luther King, Jr. Blvd
Room 260 MMB (Madison Municipal Building)

CALL TO ORDER / ROLL CALL

The meeting was called to order at 5:05 pm.

Present: 11 -

Mark Clear; Victoria S. Selkove; Julia Stone; Alfred L. Zimmerman;
Sandra J. Torkildson; Ken Opin; Joseph W. Boucher; Edward G. Clarke;
Matthew C. Younkle; Scott J. Resnick and Jill Johnson

Excused: 1 -

Peng Her

*Also Present: Aaron Olver, EDD Director; Matthew Mikolajewski, OBR Manager;
Peggy Yessa, OBR; Steve Cover DPCED Director; Paul Kronberger, Information
Technology(IT) Director; Greg McManners, Monona Terrace Director; Dave
Trowbridge, Transportation Planner, Planning Division*

APPROVAL OF MINUTES

A motion was made by Selkove, seconded by Opin, to Approve the Minutes of the May 16, 2012 meeting. The motion passed by voice vote.

PUBLIC COMMENT

Will be noted with the relevant agenda item.

DISCLOSURES AND RECUSALS

None.

DISCUSSION ITEMS

1

[26332](#)

A SUBSTITUTE accepting the Report of the Judge Doyle Square Staff Team dated March 20, 2012 and Directing Further Follow-up Actions.

A motion was made by Clarke, seconded by Clear, to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES

- Replace all of the inserted (underlined) clauses in Version 2 with the following:

WHEREAS, if the Madison Municipal building were to be retained as city offices, the building may require significant renovation.

- Insert a new bullet 5 1/2: To understand the estimated costs and benefits of relocating city offices from the Municipal Building, city staff will prepare an analysis of potential scenarios for relocation.

- Keep bullet number 6.

A motion was made by Clarke, seconded by Clear, to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES. The motion passed by voice vote.

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George Austin, AVA Civic Enterprises, Inc., reviewed his PowerPoint presentation and handout. He noted the cost per stall for a new parking ramp is approximately \$41,000. In chapter 3 of the report it is recommended that the Madison Municipal Building (MMB) continue as offices for City government.

Mr. Clarke questioned if the substitute resolution were to be adopted would the MMB stay in civic use forever?

Mr. Austin said if adopted the MMB use would not change.

Mr. Austin noted the economic impact of the project would extend beyond the actual boundaries of the project. This is a multi-year/multi-phase project and has an estimated timeline of 2012-2018/2019.

Alder Clear asked who took the MMB "off the table" for redevelopment?

Mr. Austin said it is not "off the table" entirely. The staff team recommended it not to be part of the RFP.

Alder Clear asked what the economic development and impact potential is for including the MMB or not including the MMB in the RFP?

Mr. Oliver said the property tax income of the project is the least important economic factor. More important is the room tax revenues the City will receive and the returns to Monona Terrace. Getting the right-sized hotel is the most significant economic factor.

Ms. Selkove asked about the \$60,000 for hiring a hotel expert on the team? What expertise and data doesn't the staff team have?

Mr. Austin replied:

- The motel study is from 2008 and needs to be updated*
- A person who knows hotel operations and the market dynamics is needed to evaluate future hotel operations.*

Ms. Selkove questioned if the city's negotiator and the market data person could be the same or would two entities be required?

Mr. McManners said consultants could give a nationwide overview of the market.

Ms. Selkove noted a negotiator seems like a different role.

Mr. Oliver explained they would understand the country-wide data and bring it back to Madison, direct negotiations and be a voice of experience.

Mr. Clarke asked if there is pushback on the number of motel rooms?

Mr. McManners explained conventions usually like a block of 250 motel rooms. Right now the Hilton is able to block 150 rooms per convention. Room blocks are important when attracting conventions to Monona Terrace.

Ms. Stone asked if Marcus and Hilton are the same entity?

Mr. McManners said yes.

Mr. Opin commented that he envisions a hotelier using the MMB to enhance their project.

If the City offices are moved elsewhere, would it be into a city owned facility?

Mr. Austin answered it is to be determined if the City offices would be moved into a City-owned facility. The RFP needs to be clear about the civic uses for the MMB. Marcus has said if the MMB is used to expand the development the cost would be \$42,000 per room.

Mr. Younkle noted the opportunity to develop two blocks in Downtown Madison is rare and he wants to see all the options, including the MMB, on the table.

Mr. Zimmerman asked if the cost to relocate the City offices from the MMB is known? Mr. Austin referred to chapter 3 of the staff report. It is the beginning of the analysis of relocating the City employees.

Mr. Zimmerman asked if further analysis on this would be done? Mr. Austin said further analysis is needed and City administration prefers to keep the current use of MMB.

Mr. Zimmerman asked if there were analyses of other developments outside of this two-block area that are needed to occur for Monona Terrace, such as, upgrades to Monona Terrace, other conference centers and maintenance?

Mr. Austin said no street changes are required but street amenities might be added and on Page 6 & 7 a traffic impact analysis is called for.

Mr. McManners added a Monona Terrace has a 20-year capitol improvement plan and is closing for 5 weeks in 2014 for upgrades.

Mr. Zimmerman noted the costs of serving a different customer base will require a different marketing, catering and advertising campaign. These things should be considered.

Mr. McManners explained that Monona Terrace now hosts 700 events per year. Ten percent of these require room blocks and generate 50% of the revenue. So if revenues increase 15-20% the local conventions will go elsewhere locally. Monona Terrace can be tech savvy and efficient but is limited by its size.

Mr. Zimmerman said the costs of interior upgrades might divert the revenues downward.

Ms. Stone asked about the lost convention business at Monona Terrace?

Mr. McManners said the data came from the Greater Madison Convention and Visitors Bureau(GMCVB). Alder Clear added he is on the Board of the GMCVB and knows there are a number of factors but room blocking is the show stopper.

Ms. Stone said the list of competitors in the report are not who she considers as locations for conventions. Who does Madison lose the most business to?

Mr. McManners said for state-wide conventions it is Wisconsin Dells. Alder Clear added Milwaukee gets many conventions also.

Ms. Selkove asked how much of TID 25 revenues are being used?

Mr. Oliver said a large amount of TID 25 is for outstanding debt. It is a large TID and generates a lot of revenue. It may be in the City's best interest to continue TID 25.

Mr. Zimmerman asked why the project has a long timeline?

Mr. Austin said the phasing and requiring available parking during construction call for a long timeline.

Ms. Stone thanked Mr. Austin for all the information and suggested when talking about the economic development perspective to be specific.

Chairperson Boucher asked when will solid numbers be available?

Mr. Austin said this is as far as a conceptual plan can go. More details are needed to develop more economic development numbers.

Mr. Clarke is unhappy with taking the MMB out of the RPF and wants actual language to get the costs to renovate the MMB. This is a problem and sends a signal to potential developers.

Chairperson Boucher is unhappy and stated this is a fundamental mistake to take the MMB out of the RFP.

Chairperson Johnson suggests amending the resolution to a neutral approach for MMB use.

Mr. Austin said the staff report was neutral on the use of the MMB. The Mayor's preference changed it.

Mr. Zimmerman asked if an interim step to study this could come back to the EDC in November?

Julia Stone left the meeting at 6:17 pm.

Present: 10 -

Mark Clear; Victoria S. Selkove; Alfred L. Zimmerman; Sandra J. Torkildson; Ken Opin; Joseph W. Boucher; Edward G. Clarke; Matthew C. Younkle; Scott J. Resnick and Jill Johnson

Excused: 2 -

Peng Her and Julia Stone

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Mr. Zimmerman said we will not get a unique proposal given the current language.

Alder Clear suggested recommending version 1 of the resolution with added text.

Ms. Selkove referred to page 3 which has the resolution coming back to the EDC in July.

Mr. Trowbridge said that is a mistake by the Legistar system and is incorrect.

A motion was made by Alder Clear, seconded by Chairperson Boucher, to table the discussion on this item and discuss the proposed open data ordinance now.

The motion passed by voice vote.

2 [26630](#)

Creating Section 3.72 of the Madison General Ordinances to create an open data ordinance to allow greater public access to data regularly prepared by City of Madison agencies.

A motion was made by Selkove, seconded by Clarke, to Return to Lead with

the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote.

Registered speaker, Eric Paulson, said there is a large community of people interested in having open data in the City of Madison. He gave these economic aspects of it:

- *The data is fuel for local economic development. For example the Alcohol License Review Committee (ALRC) data could be used to develop an iPhone app for bar reviews.*

- *This is an opportunity for Madison to be a national leader in application development.*

- *This is a sign that for Madison to be IT enabled shows it is a modern, progressive city and makes quality of life a big attraction component for Madison.*

Alder Clear asked if Mr. Paulson had any suggested changes to the proposed ordinance language?

Mr. Paulson said he will submit some language tweaks. The big thing is making sure the available data is current.

Ms. Torkildson asked about public-sensitive data, such as voter registration and rape victim names and potential abuse of the data?

Mr. Kronenberger said the City will exclude sensitive data on victims and follow HIPPA (Health Insurance Portability and Accountability Act) guidelines.

Alder Resnick said the Rape Crisis Center has added extra language to exclude sensitive data from being released.

Mr. Opin asked about police officer home data?

Alder Resnick said it is excluded. Alder Clear said it is not currently public record.

Mr. Younkle said this will make Madison very attractive to the creative class and Madison would be a national leader.

Chairperson Boucher asked how difficult will it be to implement this?

Mr. Kronenberger said the IT department will be the facilitator of this; not the publisher of the data. There will be an educational component to it. There are a few tools needed to be acquired by IT that are requested in the fiscal budget now.

Mr. Clarke said Federally funded research often leads to patents. Could the public eventually be walled off from this data if this happens?

Alder Resnick said the original data will always be available to the public, for example the weather data is government provided and used to develop many applications.

Alder Johnson asked if there are any hidden costs such as calls generated from data users?

Mr. Kronenberger said there has been discussion about this and IT is not going to devote time to the users of the data.

Mr. Younkle said it is up to the developers to use the data.

Ms. Torkildson asked for clarification on what data will be available?

Mr. Kronenberger said it is just the City of Madison data, not the school district data.

- 1 A SUBSTITUTE accepting the Report of the Judge Doyle Square Staff Team dated March 20, 2012 and Directing Further Follow-up Actions.

A motion was made by Alder Clear, seconded by Alder Johnson to bring agenda item 1 back to the table.

The motion was passed by voice vote.

Chairperson Boucher called for a motion.

A motion was made by Mr. Clarke, seconded by Alder Clear, to recommend approval of the original, Version 1 resolution without the underlined text.

Mr. Clarke explained this would take out the text excluding the MMB from the RFP.

Mr. Trowbridge explained that staff had reviewed the pros and cons of excluding the MMB and it could be included in an RFP submittal.

Mr. Clarke said it seems that the third underlined WHEREAS clause excludes the MMB. He wants to give a clear message to developers that it can be included in a proposal.

Mr. Trowbridge noted there are significant costs to moving the City employees and we do not want to make the developer use the MMB.

Mr. Younkle suggested telling the developer everything is on the table.

Chairperson Boucher asked how much more value is added to the project if the MMB building is redeveloped?

Alder Johnson wants the economics to drive the decision to redevelop this block and needs the analysis.

Chairperson Boucher asked if the City is viewing replacing the MMB like replacing the state office buildings (GEF 1, 2 & 3)?

Alder Clear made a friendly amendment to modify Mr. Clarke's motion to: recommend accepting Version 2, a SUBSTITUTE accepting the Report of the Judge Doyle Square Staff team dated March 20, 2012 and directing Further Follow-up Actions with the following changes:

- Replace all of the inserted (underlined) clauses in Version 2 with the following: WHEREAS, if the Madison Municipal building were to be retained as city offices, the building may require significant renovation.*
- Insert a new bullet 5 1/2: To understand the estimated costs and benefits of relocating city offices from the Municipal Building, city staff will prepare an analysis of potential scenarios for relocation.*
- Keep bullet number 6.*

Mr. Opin seconded the friendly amendment.

Mr. Clarke accepted the friendly amendment.

Alder Clear noted the MMB is a City and national landmark building and asked for staff reactions.

Mr. Cover said it was good.

The motion passed by voice vote.

3 [24468](#)

A Resolution Adopting the Downtown Plan as a Supplement to the City of Madison Comprehensive Plan.

Mr. Olver referred to the six page chart of EDC recommendations dated February 15, 2012 and Memo 6 dated June 18, 2012. He noted the Plan Commission adopted a lot of the language the EDC recommended. The big issue was that of building heights.

Mr. Cover said the base maximum building height can be exceeded through the PDD and Council approval process.

Mr. Olver said the other change from the EDC recommendations is the Mifflin area being recommended as a mixed-use area.

Mr. Clarke said in Key 3 it is mixed use and that is not desirable. This is an area to recognize the UW and its job creation connection.

Mr. Cover said the language of "potential" landmarks has been removed.

Mr. Clarke said the relationship of the Mifflin area to West Washington Avenue is not in Memo 6. It has the West Washington Avenue area remaining in residential use.

Mr. Zimmerman said this is reasonable for a 20-year plan.

Mr. Clarke said the primary and secondary viewsheds as defined by the EDC were not adopted in the memo.

Alder Clear said the viewsheds were defined as high priority and low priority to allow flexibility.

Chairperson Boucher asked if the EDC is comfortable with this?

Mr. Opin asked if it would be useful for the EDC to say Memo 6 is OK?

Alder Clear said the Alders could take this to the Council.

Alder Resnick said EDC members may want to appear at the July 17th Council meeting and speak about the EDC's suggestions.

4 [26692](#)

EDC Committee and Subcommittee Rules of Order

Chairperson Boucher read the legislative history of the EDC's action on this item in 2010 which allows the chairperson to participate in discussions and make motions.

A motion was made by Mr. Zimmerman, seconded by Mr. Clarke, to allow the EDC Chairperson and chairperson(s) of EDC subcommittees to make motions, second motions, participate in all discussions and vote on all motions. The motion passed by voice vote.

5 [17637](#)

EDC Chairperson's Report

Chairperson Boucher is continuing to set meetings with EDC members.

6 [21360](#)

EDD Director Report

Mr. Olver announced the hiring of Ruth Rohlich as the new Business Development Specialist.

Ms. Rohlich was with the Wisconsin Womens Business Initiative Corporation in Madison. She is a former small business owner. She will be reaching out to the business community as well as working on business retention.

Chairperson Boucher asked how long it took to hire a person into this position?

Mr. Olver responded it took a year.

Mr. Olver said two new committees were created that the EDD provides staffing for:

- 1. The Union Corners RFP Committee had Alder Clear and Mr. Opin as members .*
- 2. Madison Local Food Committee was created to look at a range of issues, such as, a public market, food and health issues and entrepreneurship.*

Mr. Olver noted the Mayor is interested in tech-focused entrepreneurship in the Capitol East District and recently held a focus group on technology. Mr. Younkle is organizing a panel of technology entrepreneurs for the July 18th EDC meeting. Alder Clear noted it is IT focused.

Mr. Clarke said it is important for the panel to also tell the EDC what other communities are doing.

Chairperson Boucher said this is terrific and noted life sciences are not the only strong point in the local economy.

7 [17643](#)

Upcoming Meetings

Chairperson Boucher asked for a time at the next meeting to have the panelists answer questions.

Mr. Zimmerman suggested the entire meeting be for the panel presentation and discussion.

Ms. Selkove asked the next EDC agenda be sent to the business associations and the Chamber of Commerce.

Mr. Zimmerman suggested the EDC discuss developing basic standards for financial and economic development on future referrals. At the minimum a summary of financial data should be included.

Alder Johnson said she asks herself "What am I buying for the City at a basic level when reviewing projects and proposals?" Let's ask what we are buying with the City's money.

Alder Johnson also asked for a review of what is happening in each district. She is excited about the proposal to turn the Roadway Inn located in her district into a corporate headquarters.

Chairperson Boucher wants to know where the money is coming from and the impact of developments on property tax.

Mr. Clarke likes the metrics in the back of the Downtown Plan that track jobs.

Mr. Opin asked where does the room tax revenue go?

Alder Clear said one third goes to Monona Terrace, one third goes to the Greater Madison Convention and Visitors Bureau and one third goes to the general revenue fund.

ADJOURNMENT

The meeting was adjourned at 7:30 pm.