



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Draft JUDGE DOYLE SQUARE COMMITTEE

Monday, February 3, 2014

4:00 PM

Monona Terrace Community & Convention Center
Ballroom C - 1 John Nolen Drive

CALL TO ORDER / ROLL CALL

Present: 8 -

Shiva Bidar-Sielaff; Michael E. Verveer; Bradley A. Cantrell; Ann E. Kovich; Sandra J. Torkildson; Adam J. Plotkin; Annette Miller and Gregory O. Frank

1. APPROVAL OF MINUTES: January 23, 2014

2. PUBLIC COMMENT

Chairperson Adam Plotkin asked if any members of the public wished to address the Committee.

Andy Olsen of Hegg Avenue of Madison, representing Citizens Against Subsidizing Hotels, registered in opposition to the Judge Doyle Square project and wishing to speak. He is opposed to any hotel subsidy, asked the Committee to slow down the process and take into account the project benefit for Madison residents.

Sue Pastor of Green Ridge Drive of Madison registered in opposition to any hotel subsidies and wishing to speak. She is opposed to any hotel subsidy, believes the project is too risky, considers the public process inadequate and requests the Committee slow down the process.

Paul Uebelher of Upham Street of Madison registered neither in support or opposition and wishing to speak. He recommended the project be placed on a referendum ballot just as Monona Terrace was in 1992.

Deb Archer of East Washington Avenue of Madison, representing the Greater Madison Visitors and Convention Bureau, registered in support and wishing to speak. She asked the Committee to focus on selecting a developer for Judge Doyle Square rather than specific details like the scope and service level of the hotel. She indicated the GMCVB continues to do research on meeting planners' selection criteria that it will make available to the City.

Steve Meyers of Dixon Street of Madison, registered in opposition to the Judge Doyle Square project and wishing to speak. He cited hotel projects

that he believes are unsuccessful in other cities and cited the Monona Terrace Hilton's property assessment.

District 19 Alder Mark Clear registered in support of the Judge Doyle Square project and wishing to speak. He urged the Committee to ignore the voices of "don't and "can't" and asked the Committee to be bold and inspiring.

3. DISCLOSURES AND RECUSALS

There weren't any disclosures or recusals under the City's Ethics Code by members of the body.

4. Committee Deliberation on Judge Doyle Square Development Team Selection

The Chair introduced this agenda item. He asked staff to compare the proposed preferred project elements that were presented and discussed at the January 23, 2014 meeting with the RFQ/RFP requirements. George Austin offered the following information.

1. Keep the Madison Municipal Building in civic use.

The RFQ/RFP required that a proposal to maintain the MMB as a city office building be submitted with the option to propose an adaptive reuse of the building. The RFQ also stated that a "proposal to use MMB for another purpose would have to be an exceptional proposal..."

2. The new structures on Block 88 must be of high design quality and respect the design requirements of the MMB as a National Register of Historic Places building.

The RFQ/RFP required that the responses "incorporate exciting urban design and appropriate architectural themes, scale and massing to create a project design that is compatible with surrounding buildings." The RFQ also stated that Pinckney Street from Monona Terrace to the Capitol Square should be a "destination quality space."

3. The development must be affordable for the taxpayers and efficient in the use of City resources. Work to keep the TIF investment focused on the cost of the underground parking cost differential.

The RFQ stated that the City intended to select the team that offered "the best value to the City." It further stated, "The City will determine the potential best value by comparing differences in project features and feasibility, and development team attributes, striking the most advantageous balance for achieving the City's goals for Judge Doyle Square."

4. Rebuild the Government East parking ramp at an affordable cost to the Parking Utility while realizing a new, walkable extension of the retail/entertainment district to the 200 block of South Pinckney Street

The RFQ stated that "the parking structure should be designed "at an

affordable cost to the parking utility and its customers...

The RFQ stated repeatedly the desire for a "destination quality space", "weighted heavily toward a pedestrian experience" to "enliven Pinckney Street and create a sense of place."

5. A significant amount of the existing public parking supply should be maintained during the construction process.

The RFQ required that the response include "a preliminary staging plan to maintain the current parking supply during construction."

6. The density of the Block 105 development must not require significant public investment beyond parking related costs to serve the new development.

The RFQ required the project "develop the sites at an urban density compatible with surrounding buildings." The RFQ also stated that "the massing concept for the redevelopment is envisioned to be relatively dense, and thus maximize the amount of above-grade development. Judge Doyle Square should be weighted heavily toward the pedestrian experience." The RFQ required a mixed use development but land uses other than a hotel, a bicycle center, retail and restaurants at grade and parking (i.e. office and commercial spaces, residential housing, community spaces and public open spaces) were "encouraged but are not mandatory."

7. No parking should be constructed at street level that is visible on South Pinckney Street.

The RFQ stated, "The City prefers the parking for the development be placed below ground. However, the City will consider visually appealing above ground parking as long as there isn't any structured parking facing the sidewalk."

8. An ironclad hotel room block agreement of 250 rooms must be achieved. A hotel affiliation with a national reservation system is required.

The RFQ and the RFP required a 250 room block as a mandatory component of the response.

The RFQ and RFP required the "identification of the national affiliation (hotel Flag) and the national sales force and reservation system for the hotel use(s)."

9. The new hotel meeting/function space should be sized to complement Monona Terrace and not take significant business away from existing Madison hotels. For example, function space for a banquet of 100 people plus multiple meeting spaces.

The RFQ and RFP didn't require a specific size of any new hotel, only that a 250 room block was required. In addition, the RFQ and RFP didn't specify the amount of function space for any hotel. The RFQ required "a description of the type of hotel product(s) to be developed, the type and amount of function space to be included, if any, and an analysis of how the hotel component will complement/compete with Monona Terrace. The City believes its most significant meeting space need is for additional break-out

rooms.”

The Chair then suggested the Committee continue to review the key project elements using the suggestions made by Alder Verveer as a discussion outline. He also noted the responses from the two development teams that had been distributed to the Committee in advance of the meeting.

The Committee considered the suggested preferred project elements as follows:

1. On a motion by Alder Bidar-Sielaff, seconded by Kovich, the Committee unanimously adopted #1 to read: “Keep the Madison Municipal Building in civic use. A significant, active connection to the hotel and Pinckney Street is needed and the planning for the Madison Municipal Building and the adjacent hotel should be thought of as an integrated development.”
2. On a motion by Alder Bidar-Sielaff, seconded by Kovich, the Committee unanimously adopted #2 to read: “The new structures on Block 88 must be of high design quality and respect the design requirements of the MMB as a National Register of Historic Places building, and create a project design that is compatible with surrounding buildings and uses.”
3. On a motion by Alder Bidar-Sielaff, seconded by Kovich, the Committee unanimously adopted #3 (which also incorporated the former #6 of the project elements) to read: “The development must be affordable for the taxpayers and efficient in the use of City resources.
 - For Block 88, work to carefully analyze the TIF investment and focus on the public benefit of that investment.
 - The density of the Block 105 development must not require significant public investment beyond parking related costs to serve the new development.”
4. On a motion by Alder Verveer, seconded by Kovich, the Committee unanimously adopted #4 to read: “Rebuild the Government East parking ramp at an affordable cost to the Parking Utility while realizing a new, walkable extension of the retail/entertainment district to the 200 block of South Pinckney Street.”
5. On a motion by Cantrell, seconded by Alder Verveer, the Committee unanimously adopted #5 to read: “A significant amount of the existing public parking supply should be maintained during the construction process.”
6. On a motion by Kovich, seconded by Miller, the Committee unanimously adopted #6 to read: “Above ground parking should be visually appealing with its presence masked. No parking should be constructed at street level that is visible on South

Pinckney Street.”

7. On a motion by, Kovich, seconded by Frank, the Committee unanimously adopted #7 to read: “An ironclad hotel room block agreement of 250 rooms, and a national affiliation (hotel flag) and a national sales force and reservation system for the hotel use are required.”
8. On a motion by Frank, seconded by Miller, the Committee unanimously adopted #8 to read: “The new hotel meeting/function space should complement Monona Terrace and create synergies with existing Madison hotels.”
9. On a motion by Alder Bidar-Sielaff, seconded by Miller, the Committee on a 7 to 1 vote (Cantrell voted no) adopted #9 to read: “The project should have a community benefit by creating a sense of place for all Madisonians to interact and engage.”
10. On a motion by Kovich, seconded by Verveer, the Committee unanimously directed staff to add a preamble to the draft resolution to address the underlying purposes and need for the project.

The Committee then considered the selection of the development team. Each committee member spoke of their preferences, concerns issues of importance. Following the discussion, on a motion by Kovich, seconded by Cantrell, the Committee unanimously approved, recommended or found:

1. the JDS Development LLC Team and its JDS Scheme #2 be forwarded to the Common Council with a recommendation that the City proceed to the negotiation phase subject to the nine preferred project elements;
2. the JDS Development LLC proposal had addressed everything the City had requested, finding that JDS Development LLC offers the best combination of project features, feasibility and development attributes which strike the most advantageous balance for achieving the City’s Judge Doyle Square goals and the potential best overall value;
3. the expression of the Committee’s appreciation and thanks for the proposal submitted by the Journeyman Group; and

The draft resolution as drafted by the Committee (provided below)

A RESOLUTION

Selecting JDS Development, LLC to develop Judge Doyle Square and authorizing the Judge Doyle Square Staff Team under the direction of the Mayor to enter into negotiations with JDS Development, LLC for a final development agreement to undertake the Judge Doyle Square development and to report back to the Common Council no later than August 15, 2014.

Introduced: February 4, 2014

Referred: Board of Estimates,* TPC

Sponsors: Mayor Paul R. Soglin, Ald. Shiva Bidar-Sielaff, Ald. Michael E. Verveer (At the Request of the Judge Doyle Square Committee)

Drafted By: Judge Doyle Square Committee

Fiscal Note: Funding of \$990,000 (including \$440,000 in Federal TIGER II grant funds and \$550,000 from TID 25 proceeds) for the Judge Doyle Square project and South Capital Transit Oriented District planning effort has been included in the 2014 Adopted Capital Budget of the Department of Planning & Community & Economic Development (DPCED), Project No. 12, "South Capitol Transit Oriented District (Judge Doyle Square)", Account No. 810707. Funding of \$7,000,000 for the replacement of the Government East parking structure as part of the Judge Doyle Square project has been included in the 2014 Adopted Capital Budget of the Parking Utility, Project No. 2, "Judge Doyle Square Garage", Account No. 810620. No additional appropriation is required.

This Resolution authorizes initiation of the next phase of planning for Judge Doyle Square - the negotiation of a development agreement with the selected development team for Judge Doyle Square.

Staff resources from the Department of Planning & Community & Economic Development, Finance, Traffic Engineering, Parking Utility and City Engineering will be allocated to provide support for the negotiation phase process without the need for additional expenditure.

All future expenditures associated with the project will require further Council approval other than the costs associated with administering the negotiation phase of the process.

PREAMBLE

Judge Doyle Square represents an important opportunity to add another dynamic and high quality, tax-generating development for the benefit of the City and its other taxing jurisdictions on two currently tax-exempt parcels. Judge Doyle Square can be a destination for residents, employees and visitors by expanding and unifying the restaurant and entertainment district on the south side of the Capitol Square. It's the first City initiated development project as a result of the new downtown plan and is intended to:

- Utilize two City-owned, tax-exempt parcels to significantly expand the City's tax base and employment by replacing an obsolete parking facility, activating South Pinckney Street and improving the pedestrian connections between the Square and Monona Terrace;
- Unlock the development potential of the sites through careful

selection of mixed uses that includes residential, retail, restaurant, bicycle and parking facilities, and a hotel;

- Retain and grow the business of the Monona Terrace Community and Convention Center;
- Increase economic and retail activity from additional convention attendees, visitors, downtown workers and residents.

The result of this effort will be a healthier downtown though increased property values, added employment opportunities and downtown residents, improved public facilities; and additional external capital injected into the region's economy by visitors to Madison.

Successfully implemented, it can further strengthen the central business district (CBD) which, if one closely analyzes the situation, is relatively stagnant in terms of new tax-producing non-residential development recently. To be successful however, the project must meet the City's land use and urban design objectives for the currently City-owned, under utilized and tax-exempt property on South Pinckney Street between East Doty and East Wilson Streets.

The Judge Doyle Square development must also be affordable for the taxpayers and be efficient in the use of the City's financial resources. The City has an unusual opportunity to fashion a project to re-build the functionally obsolete Government East parking ramp, using the property as a catalyst for new tax producing development. This opportunity can significantly improve the walkability of the CBD which is the most important element to improve the CBD as a destination. The inclusion of a bicycle center will also address the City's multi-modal transportation objectives.

Providing an additional hotel room block would be a most important controllable issue to keep Monona Terrace a productive catalyst for attracting visitors, and the outside capital that visitors bring, to fuel our regional economy. In meeting this objective, the new hotel however must not compete with Monona Terrace. The meeting facilities should not take significant business away from Monona Terrace. Equally important, the new hotel should minimize any negative impact on the existing downtown hotels during the absorption of the new hotel rooms into the marketplace.

Achieving these objectives must not harm the Madison Parking Utility's ability to implement its capital plan to maintain the City's parking facilities in the CBD over the next twenty years.

Finally, keeping the Madison Municipal Building (MMB) in civic use will help achieve the City's desire to maintain a nexus of City offices together in the CBD and continue the historic use of the building as an important civic building. The new structures in Block 88 must be of high design quality, respecting the design requirements of the MMB as a National Register of Historic Places building, and create a project design that is compatible with surrounding buildings and uses.

WHEREAS, on July 17, 2012, the Common Council directed the Judge Doyle Square Staff Team to draft a Request for Qualifications (RFQ) for development teams for Judge Doyle Square (Blocks 88 and 105) using the Findings and Recommendations of the Judge Doyle Square Staff Team Report and the Blocks 88 and 105 studies as the basis of the RFQ/RFP and to present the recommended RFQ/RFP to the Common Council for approval prior to its issuance; and

WHEREAS, the Common Council appointed the Judge Doyle Square Committee on October 2, 2012; and

WHEREAS, the Common Council reviewed and approved the issuance of the Request for Qualifications on February 5, 2013, and directed the Judge Doyle Square Committee to (1) review the RFQ submissions and recommend to the Common Council those teams to be invited to participate in the Request for Proposals (RFP) stage, the second stage of the Judge Doyle Square selection process and (2) recommend the proposal requirements for the RFP stage by the end of June 2013; and

WHEREAS, the Request for Qualifications was issued on February 18, 2013 and four responses were received by the submittal deadline of April 30, 2013; and

WHEREAS, the Judge Doyle Square Committee (1) established an RFQ selection process and criteria on April 15, 2013, (2) invited three of the four responders on May 9, 2013 for an interview (one responder withdrew from consideration after the invitation was extended), (3) conducted the two interviews on May 16 and 29, 2013 along with reference checks of the two teams; and

WHEREAS, the Judge Doyle Square Committee (1) administered the selection criteria on June 11, 2013 and determined that the JDS Development LLC and the Journeyman Group have the experience, capability and project concept that meets or exceeds the City's expectations and (2) received and reviewed the draft Request for Proposals (RFP) document from the Staff Team; and

WHEREAS, the Common Council on July 16, 2013, (1) reviewed and approved the Request for Proposals (RFP) for the Judge Doyle Square project; (2) invited JDS Development LLC and the Journeyman Group to participate in the RFP stage and (3) directed the Judge Doyle Square Committee to review the RFP submissions and recommend a Judge Doyle Square development team for the Common Council's consideration by the end of November 2013; and

WHEREAS, the Request for Proposals was issued on July 17, 2013 and two responses were received by the submittal deadline of September 30, 2013; and

WHEREAS, the Judge Doyle Square Committee (1) established an RFP selection process and criteria on September 17, 2013, (2) conducted the two

development team interviews on October 14, and 16, 2013; (3) held a public feedback meeting on November 5, 2013, (4) received a staff report from the Judge Doyle Square Staff Team on October 28 and December 2, 2013, and (5) solicited additional feedback from the development teams on December 16, 2013 and January 28, 2014; and

WHEREAS, the Judge Doyle Square Committee completed its analysis of the two RFP responses on February 3, 2014 and finds that JDS Development LLC offers the best combination of project features, feasibility and development attributes which strike the most advantageous balance for achieving the City's Judge Doyle Square goals and the potential best overall value; and

WHEREAS, the Judge Doyle Square Committee, having held 18 meetings since the Committee was appointed by the Common Council in October 2012, has concluded its work and recommends that the Common Council provide negotiating instructions for the Mayor and Judge Doyle Square Staff Team in the negotiation of a final development agreement as provided below;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council does hereby approve the Judge Doyle Square Committee's recommendation and conditionally selects JDS Development, LLC to develop Judge Doyle Square. To the extent a final development agreement cannot be negotiated with JDS Development, LLC, the Common Council authorizes that the Mayor and Judge Doyle Square Staff Team the option to enter into negotiations with Journeyman Group to develop Judge Doyle Square.

BE IT FURTHER RESOLVED, that the Common Council does hereby direct the Judge Doyle Square Staff Team under the direction of the Mayor to enter into negotiations with JDS Development, LLC for a final development agreement to undertake the Judge Doyle Square development and to report back to the Common Council no later than August 15, 2014.

BE IT STILL FURTHER RESOLVED, that the Common Council does hereby direct the Mayor and the Judge Doyle Square Staff Team to use the following guidelines for the negotiation process:

1. Keep the Madison Municipal Building in civic use. A significant, active connection to the hotel and Pinckney Street is needed and the planning for the Madison Municipal Building and the adjacent hotel should be thought of as an integrated development.
2. The new structures on Block 88 must be of high design quality and respect the design requirements of the MMB as a National Register of Historic Places building, and create a project design that is compatible with surrounding buildings and uses.
3. The development must be affordable for the taxpayers and efficient in the use of City resources.
 - For Block 88, work to carefully analyze the TIF investment and

- focus on the public benefit of that investment.
- The density of the Block 105 development must not require significant public investment beyond parking related costs to serve the new development.
4. Rebuild the Government East parking ramp at an affordable cost to the Parking Utility while realizing a new, walkable extension of the retail/entertainment district to the 200 block of South Pinckney Street.
 5. A significant amount of the existing public parking supply should be maintained during the construction process.
 6. Above ground parking should be visually appealing with its presence masked. No parking should be constructed at street level that is visible on South Pinckney Street.
 7. An ironclad hotel room block agreement of 250 rooms, and a national affiliation (hotel flag) and a national sales force and reservation system for the hotel use are required.
 8. The new hotel meeting/function space should complement Monona Terrace and create synergies with existing Madison hotels.
 9. The project should have a community benefit by creating a sense of place for all Madisonians to interact and engage.

(See all project information at
<http://www.cityofmadison.com/planning/judgedoylesquare/>)

ADJOURNMENT

Alders Verveer and Bidar-Sielaff, and the Chair Plotkin thanked the Committee members for their hard work over 18 meetings spanning 17 months. They also expressed their appreciation for the support provided by the City Staff Team to assist the Committee in meeting the charge provided it by the Common Council.

A motion was made by Plotkin, seconded by Torkildson, to Adjourn. The motion passed by voice vote. The meeting was adjourned at 6:50 p.m.