



Legislation Text

File #: 40757, **Version:** 3

Fiscal Note

The adopted 2015 capital budget includes \$700,000 under PCED Project #12 for the South Capitol Transit Oriented District (\$380,000 in Federal TIGER II grant funds and \$320,000 in TID 25 proceeds). The Parking Utility budget includes \$11.95 million in 2015 for replacement of the Government East parking garage (Parking Utility project #2, Judge Doyle Square Garage).

The 2016 adopted capital budget includes \$55 million from TID 25, Parking Utility Reserves, and land sale proceeds to support construction of a parking facility (\$40 million), return of developer equity (\$14 million), and a Bike Center (\$1 million).

Additional background information on the project can be found at the Judge Doyle Square page on the City Planning website (<http://www.cityofmadison.com/planning/judgeDoyleSquare/>).

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

All future expenditures associated with the project will require further Council approval other than the costs associated with the review and developer selection and negotiations with the selected developer.

Title

SUBSTITUTE - Concurring In the Direction Provided to the Judge Doyle Square Negotiating Team at the November 9, 2015, Meeting of the Board of Estimates.

Body

WHEREAS, the Common Council approved the issuance of a Request for Proposals (RFP) on February 3, 2015, for the Judge Doyle Square project; and

WHEREAS, proposals were due from developers on May 1, 2015; and

WHEREAS, four RFP responses were received on May 1, 2015, which are considered complete and in compliance with the RFP requirements; and

WHEREAS, the Negotiating Team prepared a Report for the Board of Estimates covering the important aspects of each proposal; and

WHEREAS, on May 19, 2015, following recommendations from the Judge Doyle Square Negotiating Team and the Board of Estimates, the Common Council found that extraordinary circumstances existed in the proposal from JDS Development, LLC and Exact Sciences, and directed that an exclusive negotiation be undertaken with JDS Development and Exact Sciences for a period of time, setting aside the other three RFP responses during the exclusive negotiation period; and

WHEREAS, the Common Council further directed that, to the extent the exclusive negotiations with JDS Development and Exact Sciences could not be concluded on the stated timeline, and Exact Sciences had not extended that deadline(s), the Negotiating Team was directed to initiate a review of the remaining three

proposals; and

WHEREAS, following the adoption by the Common Council of an Amended and Restated Development Agreement on September 30, 2015, Exact Sciences decided on November 2, 2015, to end its plans to locate its corporate headquarters and research facility at Judge Doyle Square; and

WHEREAS, on November 9, 2015, the Board of Estimates considered recommendations from Mayor Soglin regarding the next steps in the Judge Doyle Square RFP review process;

NOW, THEREFORE BE IT RESOLVED, that the Common Council ~~does hereby concur in~~ provides the following direction provided to the Judge Doyle Square Negotiating Team ~~at the November 9, 2015 meeting of the Board of Estimates:~~

1. By November 18, 2015 - ~~Solicit~~ Per the May 19, 2015 resolution, solicit confirmation from the three remaining development teams that they remain interested in their respective project proposals and wish to move forward considering the changes and refinements requested below, including whether JDS Development wishes to pursue a proposal without Exact Sciences. Open RFP responses beyond existing respondents to all interested parties. Identify for the development teams ~~certain~~ the 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~~ to respond within 60 days.

2. By the end of ~~January 2016~~ February 2016 - the City Negotiating Team shall 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.

3. Inform the RFP respondents that the City of Madison has the following expectations ~~in moving forward~~ for their updated responses and the negotiation process which may follow after the Team reports to Board of Estimates and the Common Council :

a. Strict adherence to the Project Requirements of the City's RFP (Page 8) with the exception of numbers 1 and 9. Instead, proposals can address development on both blocks or on either Block 88 or Block 105, and City space options on Blocks 88 and 105 are not required;

b. 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;

c. Improve the functionality of the parking ramp design. Applications without ~~including~~ a fully below-grade parking structure option will not be considered, though additional alternatives that reduce cost by moving some parking above ground will be considered;

d. Maintain a minimum 250 room count for the hotel;

e. Require appropriate financial guarantees from the development team for all city investment, per adopted City policies, such as the TIF Policy; and

f. Regarding TIF: TIF amount shall be determined by a completed application processed according to the City of Madison's adopted TIF Policy and the amount shall not be set prior to processing of the application. TIF provided for private components of the project shall be self-supporting, supported by project increment within the lifetime of the applicable Tax Increment

District (TID). As stated in the RFP, TIF shall not be provided for the hotel. The City will strive to maintain a balance in Tax Increment District (TID) #25, the City will continue to strive to maintain a balance at least as large as equal to or greater than 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 the other taxing jurisdictions on the Joint Review Board apprised of future actions related to TID #25 and Judge Doyle Square.

g. Ownership of parking: The parking structure associated with this project shall be owned and operated by the Parking Utility. The City Negotiating Team, in coordination with the Parking Manager, may negotiate terms for long term reservation of parking stalls for the hotel and other development that cover operating costs of the parking. A minimum of 560 stalls shall be retained for replacement of Government East and 40 stalls for Fleet parking.