



## Legislation Text

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**File #: 33018, Version: 5**

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### **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.

### **Title**

SUBSTITUTE 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.

### **Body**

#### **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, underutilized 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 20 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.

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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 and to provide monthly briefings on the progress of negotiations to the Board of Estimates in closed session if necessary.

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 MMB in civic use. A significant, active connection to the hotel and Pinckney Street is needed and the planning for the MMB 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. The project team should negotiate opportunities for some affordable housing at 40% AMI best practices for environmental sustainability and community spaces for neighborhood groups.
10. The developer will enter into a Project Labor Agreement and establish a Community Work Agreement. The application of the city living wage ordinance shall be monitored by the Department of Civil Rights.

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