



Legislation Text

File #: 70640, **Version:** 1

Fiscal Note

The proposed resolution authorizes Economic Development Division staff to undertake real estate activities and due diligence including consolidation of City-owned properties near Hughes Place and Cypress Way, the sale or transfer of these consolidated properties for the Centro Redevelopment Project, and negotiation of a purchase agreement for the current Centro facility at 810 W. Badger Road. The 2022 Adopted Budget for the Economic Division includes funding to support real estate staff costs. The resolution requires Council approval for any land use change or real estate transaction identified during these activities.

Title

Authorizing City departments to engage in redevelopment activities in support of Centro Hispano redevelopment project. (14th AD)

Body

WHEREAS, Centro Hispano of Dane County ("Centro") is a leading social service provider for the Latinx community of Dane County, providing a range of programs for youth and families, workforce and career training services, and numerous community events and workshops; and

WHEREAS, Centro has owned its 18,000 square foot headquarters building at 810 W. Badger Road in South Madison since 2005; and

WHEREAS, with an ever-expanding list of programs, it has outgrown this space and has been looking to renovate and expand its current building; and

WHEREAS, the costs of modernizing this building would likely cost as much or more than construction of a new, larger building on another site that would better meet its needs for additional office, classroom, training and meeting spaces; and

WHEREAS, City staff are working closely with Centro Hispano to secure a site that would provide Centro sufficient space for an estimated \$10 million, 25,000 square foot facility near its existing location (the "Centro Redevelopment Project"); and

WHEREAS, with City support, the County of Dane applied for and was successfully awarded \$4.8 million in February 2022 for the Centro Redevelopment Project from the Wisconsin Department of Administration's Neighborhood Investment Fund Grant program ("NIF Grant"), with such funding supporting construction of a new facility as well as expanded workforce training and programming; and

WHEREAS, the City purchased a vacant commercial property at 833 Hughes Place in December 2021

(Enactment No. RES-21-00805, File I.D. No. 68333) that is adjacent to two vacant City-owned lots at 2405 Cypress Way and 837 Hughes Place, with the stated intention of combining and conveying all three lots to Centro for redevelopment and thus eliminate the need to significantly renovate and expand their aging building; and

WHEREAS, in support of the Centro Redevelopment Project as contemplated in NIF Grant, the City may elect to transfer fee simple interest in its three lots to Centro for little to no consideration, as well as look to purchase Centro's existing building at 810 W. Badger Rd at appraised market value for future redevelopment purposes consistent with the South Madison Plan (Enactment No. RES-22-00026, File I.D. No. 68084); and

WHEREAS, the Centro site will be particularly valuable to the City as Bus Rapid Transit (BRT) is implemented along the Park Street Corridor and as the long-term use of the Madison Metro South Transfer Point immediately east of the existing Centro site is defined, potentially including redevelopment for mixed use residential, commercial and community uses as outlined in the recently adopted South Madison Plan; and

WHEREAS, acquisition of the existing Centro site would also allow the City to reconfigure some of the existing parking for the South District police station onto that site, and unlocks the "highest and best use" potential of a key gateway block in South Madison by utilizing surplus City land and supporting the long-term growth and stability of a long-term community partner.

NOW, THEREFORE BE IT RESOLVED that the Common Council hereby authorizes City staff to proceed with reasonable and necessary due diligence and real estate activities supporting the above mentioned actions ("Due Diligence"), including, but not limited to, consolidation of City-owned properties near Hughes Place and Cypress Way by Certified Survey Map (CSM); the sale or transfer of said consolidated properties for the Centro Redevelopment Project; and negotiation of a purchase agreement for the current Centro facility at 810 W. Badger Road.

BE IT FURTHER RESOLVED that the EDD Director shall determine the method of disposal for surplus properties designated by non-exempt City departments as necessary to accomplish the Centro Redevelopment Project, and prior to such determination shall direct the completion of an economic feasibility analysis and equity analysis per the requirements of MGO 8.075(3).

BE IT FINALLY RESOLVED that City staff shall seek Council approval(s), via future land use applications and/or resolutions, for any proposed land use change or real estate transaction identified during Due Diligence.