



## Legislation Text

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**File #:** 34626, **Version:** 1

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### **Fiscal Note**

No appropriation is required.

### **Title**

Authorizing the Mayor and City Clerk to execute amendments to the 1999 agreements with Marcus Hotels, Inc. to revise the exclusive negotiation period with the Block 88 hotel developer

### **Body**

In 1999, the City, the Community Development Authority of the City of Madison, and Marcus Hotels, Inc. negotiated the terms of the financing and development of the downtown Hilton Hotel. As part of that transaction, the City and CDA granted to Marcus certain rights in two separate agreements. The language in each is similar, and provides that any developer selected by the City after soliciting proposals to construct a hotel on Block 88 must negotiate exclusively with Marcus for 120 days regarding the operation and management of the hotel. Under the terms of the agreements, the exclusive negotiation period begins on the date following the City's acceptance of the hotel developer's proposal.

On February 25, 2014, the City, after soliciting proposals, selected JDS Development, LLC, to develop a hotel on Block 88. The exclusive negotiation period began February 26<sup>th</sup> and expires June 25<sup>th</sup>. To date, principals of Marcus and JDS Development have been unable to schedule a meeting, and Marcus is not opposed to revising the 1999 agreements to provide for a different commencement date of the negotiation period. The parties have agreed to revise the agreements to provide that the exclusive 120 day negotiation period between Marcus and the hotel developer shall commence on the date Marcus receives the hotel developer's initial substantive written proposal regarding the operation and management of the hotel.

Now therefore, be it resolved that the Mayor and City Clerk are hereby authorized to execute amendments to the 1999 Right of First Refusal and Agreement to Undertake Development with Marcus Hotels, Inc., to alter the commencement date of the exclusive negotiation period as described herein, all in a form approved by the City Attorney.