



Legislation Details (With Text)

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Enactment date:	9/6/2019	Enactment #:		Enactment #:	RES-19-00593
Title:	Approving Stone House Development as the Judge Doyle-Block 88 Development Team				
Sponsors:	Satya V. Rhodes-Conway, Michael E. Verveer, Keith Furman, Shiva Bidar				
Indexes:					
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Date	Ver.	Action By	Action	Result
9/3/2019	1	COMMON COUNCIL	Adopt Under Suspension of Rules 2.04, 2.05, 2.24, and 2.25	Pass
8/28/2019	1	Attorney's Office	RECOMMEND TO COUNCIL TO ADOPT UNDER SUSPENSION OF RULES 2.04, 2.05, 2.24, & 2.25 - MISC. ITEMS	

Fiscal Note

This resolution authorizes termination of negotiations with Gebhardt Development and initiation of negotiations with Stone House Development toward an agreement to develop the private element of Block 88 above the publicly-owned below-ground and above ground parking facilities. A development agreement will also include compensation for the air rights and the above-ground Podium structure consisting of ground floor retail space and two floors of above ground parking. A total of \$50.4 million has been appropriated from Parking Utility Reserves (\$23.4 million), TID 25 incremental revenues (\$24 million), City general obligation borrowing (\$2.3 million), and remaining Federal TIGER grant funds (\$0.7 million). Consulting costs and City staff time related to negotiating a development agreement will be absorbed within the Judge Doyle project budget and current agency budgets. No further city appropriation is anticipated. See staff team report attached to RES-19-00432 (Legistar 56020) for an analysis of the Stone House development proposal, including a proposed payment of \$5 million to the city for the Podium element of the project and the air-rights.

Title

Approving Stone House Development as the Judge Doyle-Block 88 Development Team

Body

WHEREAS, on February 26, 2019, the Common Council adopted RES-19-00161 to authorize the issuance of a Request for Proposals (RFP) to seek a developer to complete the private portion of the Judge Doyle - Block 88 project; and

WHEREAS, on March 1, 2019, the City issued the RFP, with a due date of April 15, 2019; and

WHEREAS, on April 15, 2019, three proposals were received by the City of Madison from Gebhardt Development of Madison, WI, Mandel Group of Milwaukee, WI, and Stone House Development of Madison, WI; and

WHEREAS, on June 11, 2019, the Common Council accepted the proposal from Gebhardt Development and authorized the Judge Doyle Negotiating Team to initiate negotiations with Gebhardt Development in

accordance with RES-19-00432, File #56020 (the "Resolution"); and

WHEREAS, on August 26, 2019, the Finance Committee, after eleven weeks of negotiations and meetings between Gebhardt and the City, determined that the progress of negotiations around the affordable housing component and the scope, timing, and cost of modifications to the City's underground parking facility was insufficient and would not lead to a development agreement based on the direction of the negotiations, and decided it was appropriate to terminate negotiations with Gebhardt Development; and

WHEREAS, the Resolution authorized the Finance Committee to reconsider the other two proposals in the event the negotiations with Gebhardt Development did not result in a development agreement; and

WHEREAS, the Finance Committee has determined that the Judge Doyle Negotiating Team should engage in negotiations with Stone House Development, in conformity with staff's initial recommendation.

NOW THEREFORE BE IT RESOLVED, in consideration of the foregoing, that the Common Council does hereby terminate negotiations with Gebhardt Development as permitted under the Resolution.

BE IT FURTHER RESOLVED, that the Common Council does hereby approve the selection of Stone House Development as the Judge Doyle - Block 88 Development Team with whom to commence negotiations and directs the following actions:

1. Direct the Judge Doyle Negotiating Team to immediately initiate negotiations with the selected development team and to report back to the Finance Committee upon completion of a term sheet; and
2. Provide regular status reports on the negotiating progress to the Finance Committee at its regularly scheduled meetings in September and October of 2019; and
3. To the extent a final development agreement cannot be completed with the selected development team, the Finance Committee will re- consider the remaining proposal by Mandel Group to select the Judge Doyle-Block 88 Development Team.