



Legislation Text

File #: 36686, **Version:** 3

Fiscal Note

This resolution outlines the elements of a new request for proposal (RFP) process associated with development of a hotel and other facilities on Blocks 88 and 105, known as the Judge Doyle Square project. In Res. #35723, the Council directed that a new RFP be issued for the project.

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).

Additional background information on the project to date can be found in Res. #35297 -- Report of Negotiating Team to Board of Estimates at its July 28, 2014 meeting, as well as at the Judge Doyle Square page on the City Planning Division 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 Attorney and City Engineering will be allocated to provide support for the issuance of a new RFP and review of proposals 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 RFP issuance, review and developer selection and negotiations with the selected developer.

Title

SUBSTITUTE: Authorizing the Issuance of a Request for Proposals for the Development of the Judge Doyle Square Project on Blocks 88 and 105.

Body

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. 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.

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 Central Business District (CBD) which is the most important element to improve the CBD as a destination. 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; and
- 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.

WHEREAS, on December 2, 2014, the Common Council adopted Resolution #RES-14-00920, accepting the November 3, 2014 Report of the Judge Doyle Square Negotiating Team and directing that a new Request for Proposals (RFP) be issued for the development of the Judge Doyle Square project on Blocks 88 and 105 in downtown Madison; and

WHEREAS, the Judge Doyle Square Negotiating Team has completed a set of recommendations for the Council's consideration based on the action taken and the direction received on December 2, 2014 and from the Mayor;

NOW, THEREFORE, BE IT RESOLVED that the Common Council does hereby direct the issuance of an RFP as follows:

1. The RFP be issued no later than ~~February 10~~ January 30, 2015 with proposals due to the City from development teams by ~~May 1~~ April 15, 2015.
2. The Judge Doyle Square Negotiating Team, with the assistance of appropriate City staff resources, will review the RFP responses and report its recommendations to the Board of Estimates no later than ~~May 29~~ 15, 2015. The Board of Estimates will be responsible for considering those recommendations and recommending follow-up actions to the Common Council for consideration.
3. The RFP shall include the following requirements:
 - a. The RFP ~~response can propose~~ may address redevelopment on (1) both ~~Blocks 88 and 105~~, or (2) only on Block 105.
 - b. The Madison Municipal Building on Block 88 will remain in civic use (the existing loading dock will be removed). In addition, the City will be considering plans to limit vehicular access and establish a pedestrian mall on Martin Luther King, Jr. Blvd between the City County Building and Madison Municipal Building.
 - c. The City of Madison will construct, own and operate the automobile parking and bicycle facilities to be constructed on Blocks 88 and 105. The City's plans to replace the 520-car Government East Ramp on Block 105 with 520-600 public parking spaces plus 40 spaces of municipal fleet parking that is currently on Block 88. In addition, the City will and to construct the needed accessory parking required for the new development in a parking facility on Blocks 88 and 105, and to lease the parking required by the development to the private developer. While the City intends to own and operate the parking, it will entertain proposals where the developer would construct the parking. The parking has to be constructed under public works bidding requirements.
 - d. The City is committed to maintaining a significant amount of the existing public parking supply during the construction process.
 - e. The project must be a high-quality mixed-use project that is compatible with surrounding buildings and uses including the Madison Municipal Building, a National Register of Historic

Places building.

- f. The project must create a new, walkable extension of the surrounding retail/entertainment district in the 200 block of South Pinckney Street.
- g. Priority will be given to any project that delivers a commercial usage consistent with Section 2.5 of the Adopted Downtown Master Plan. A high priority for selection will be given to any project that delivers a major private sector office user(s) totaling 100,000 square or greater as a component of the development.
- h. The project must include a hotel component to complement, enhance and attract additional conventions to The project must include a hotel component to complement the Monona Terrace Community and Convention Center. The City desires an urban mixed-use hotel product that is a national brand and has many full-service hotel attributes without the full-service hotel cost. This type of hotel is designed for urban markets to meet the needs of today's connected traveler. These hotels are focused on style, technology, and engagement and feature innovative concepts in architectural and modern hotel design, great dining and nightlife.

The City's target room count is a minimum of 250 rooms with as large a room block as possible reserved for Monona Terrace, a national affiliation (hotel flag) and a national sales force and reservation system. The proposal should include plans for a high quality, interesting and reasonably priced restaurant either within or adjacent to the proposed hotel. A room block proposal for Monona Terrace must be included in the RFP response. Please note that Marcus Hotel's Inc. has a development right granted to it by the City in 1999 on Block 88, which is described in Exhibit B in Section 6 of the RFP. The development team should be aware that the City of Madison reserves the right to incorporate up to 20,000 square feet of City-owned meeting spaces as a component for the development.

- i. Development teams should provide the City with options on Blocks 88 and/or 105 for 70,000 to 140,000 square feet of additional city office space or another future use as a part of the RFP response. To the extent a hotel building is sited on Block 88 with an additional use option, the mass of the hotel development should be located closer to East Wilson and South Pinckney Streets (i.e., it should be away from East Doty Street).
- i. To the extent a development is sited on Block 88, the City has been considering configuration and massing options for a 70,000 to 140,000 gross square foot City office building on the site also. The mass of the hotel building should be located closer to East Wilson and South Pinckney Streets (i.e., it should be away from East Doty Street). Development teams should provide the City with options on blocks 88 and 105 for additional city office space as a part of the RFP response. The mass of the hotel building should be located closer to East Wilson and South Pinckney Streets (i.e., it should be away from East Doty Street).
- j. The development must be affordable for taxpayers with the following expectations:
 - i. The City of Madison will be responsible for financing the cost of the parking subject to the terms of a Final Development Agreement to be negotiated with and approved by the City.
 - ii. The air rights above the parking must be purchased or leased at fair market value as determined by the City's appraisal.
 - iii. No TIF assistance shall be available for the non-parking elements of the project.
 - iv. The City reserves the right to audit construction costs related to the public

elements of the project.

- k. A high priority for selection will be given to proposals that express a commitment to negotiate with the City on a development agreement that would include provisions regarding living wages and labor peace agreements for employees associated with the construction of the project as well as employees that are employed by the various users associated with the development.

- l. The RFP shall also include boilerplate language providing the City the authority to independently negotiate with any Proposer as well as reject any proposal in the City's sole discretion.