



## Legislation Text

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**File #:** 47354, **Version:** 2

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### Fiscal Note

The proposed resolution amends the 2017 Parks Capital Budget by adding \$1,600,000 in additional general obligation borrowing for the Garver at Olbrich Botanical Complex project (Munis project 17168). The additional funding will be used for the environmental remediation and site restoration costs to close the environmental investigation of the Garver Feed Mill, and other necessary associated costs to complete the project.

The proposed resolution also authorizes the City to make a grant of approximately \$1,825,000 (less any costs already paid for building stabilization) to Garver Feed Mill, LLC to assist in financing the redevelopment of Garver at Olbrich Botanical Complex. Funding is available in the project for this grant.

### Title

SUBSTITUTE - Authorizing the Mayor and City Clerk to execute a Development Agreement with Garver Feed Mill, LLC to facilitate the redevelopment of the Garver Feed Mill, located at 109 South Fair Oaks Ave, authorizing a grant of up to \$1,825,000, and amending the 2017 Adopted Parks Capital Budget to appropriate \$1,600,000 in additional general obligation borrowing for remediation, site restoration and other necessary associated costs to complete the project authorizing a budget amendment for remediation and site restoration associated with the redevelopment.

### Body

#### PREAMBLE

From 1906 through 1997, the Garver Feed Mill (the “Building”) was a working industrial building and a significant feature on the east side of Madison. The Building was designated as eligible for listing on the National Register in 1992 and designated a local landmark in 1994. In 1997 after a two-year fundraising campaign, the Olbrich Botanical Society (the “OBS”) acquired the Building and approximately five acres of land surrounding it for \$700,000. OBS then transferred ownership of the Property to the City of Madison (the “City”). The City Parks Division acquired the surrounding 17.8 acres north of the Property to Fair Oaks Avenue, commonly known as the “North Plat”.

In 2000, the Board of Park Commissioners adopted an updated Master Plan for the Olbrich Botanical Gardens (the “OBG”). The Master Plan proposed to preserve the five acre Garver Feed Mill property as part of expanded park and botanical garden facilities north of the railroad and bike path. In 2004, OBS commissioned a Historic Structure Report and adaptive reuse study of the Building. In accepting this Report from OBS in 2005, the Board of Park Commissioners recommended that the Building be declared surplus for the purpose of seeking a public/private partnership for adaptive reuse.

Per MGO 8.075 (Disposal of Surplus City Real Property), The Garver Building Reuse Committee (the “Committee”) was established, and its members were appointed by the Mayor and approved by the Council on September 6, 2006 (Resolution No. 06-00767, ID No. 04224). The Committee was charged with establishing criteria for reuse of the Property, with soliciting proposals and with selecting a proposal. A proposal from Common Wealth Development was accepted by the City Council. However, the Great Recession of 2008 - 2009 impacted the ability of the proposal to secure financing, and Common Wealth Development withdrew its proposal in 2011.

In June of 2014, the Mayor reconstituted the Committee with newly appointed members. The Committee was again charged with establishing criteria for reuse of the Building, with soliciting proposals, and recommending

a proposal to the Common Council. The Committee again developed a RFP while holding four (4) public meetings, including a public hearing. The RFP was recommended to the Common Council and approved on October 22, 2014 (Resolution No. 12-00752, File I.D. #35479). In accordance with the RFP, proposals were received until December 19, 2014. Four proposals were received.

The Committee reviewed the proposals, interviewed the developers who submitted the proposals, and heard public testimony. After reviewing the four proposals and all associated information, the Committee determined that the proposal from the Developer best met the criteria that was in the RFP and that its proposal was in the best interests of the City of Madison. On April 21, 2015, the City of Madison Common Council accepted the proposal from the Developer (RES-15-00334, ID #37723) (the "Proposal") and authorized City Staff to negotiate Ground Leases and terms of sale of the Building. Baum Development has since reorganized its development team as Garver Feed Mill, LLC ("Developer").

To finalize the Ground Leases, terms of sale of the Building, and other material terms associated with this project, City Staff has negotiated a Development Agreement (the "Agreement") with the Developer.

WHEREAS, the Proposal has been approved by the City Council for the redevelopment of the Building into approximately 60,000 SF of commercial space, the construction of up to fifty (50) tiny homes or micro-lodges adjacent to the Building, the construction of a cold storage building and all necessary and appropriate infrastructure and parking elements (collectively, the "Project"); and

WHEREAS, the City will draft and record a Certified Survey Map (CSM) that includes both the five acre Garver Feed Mill building parcel and the North Plat; and

WHEREAS, the Agreement authorizes the City to enter into ground leases for Lot 1 and Lot 2 with the Developer; and

WHEREAS, the Agreement authorizes the sale of the City-owned Garver Feed Mill Building to the Developer for \$1.00; and

WHEREAS, the Agreement will authorize the City to enter into a lease for a portion of a cold storage building that Developer will construct on Lot 1 to meet the needs of the City Parks Division; and

WHEREAS, the Agreement authorizes the City to make a grant of approximately \$1,825,000 to Developer to assist in financing the Project, less any costs already paid to the Developer's contractor for building stabilization; and

WHEREAS, the Garver Feed Mill is an open environmental site with the DNR (#03-13-252719) and requires, as outlined in the Materials Management Plan, that excavated contaminated soil be managed in accordance with DNR requirements and all remaining soil contamination be covered with a barrier so that the site can be granted closure by the DNR.

NOW, THEREFORE, BE IT RESOLVED, the Common Council authorizes the Mayor and City Clerk to execute the Development Agreement between the City of Madison and Garver Feed Mill, LLC; and

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are authorized to execute, deliver, accept and record any and all documents, including but not limited to leases, deeds, and purchase and sale agreements, escrow agreements and take such other actions as shall be necessary or desirable to accomplish the purpose of the Development Agreement and this resolution in a form approved by the City Attorney; and

BE IT FURTHER RESOLVED, that the execution of the Ground Leases and the closing on the sale of the Garver Feed Mill shall be completed in accordance with the Development Agreement or this approval shall be

null and void; and

BE IT FURTHER RESOLVED, that the 2017 Parks Capital Budget is amended to include \$1,600,000 in additional general obligation borrowing appropriated for the Garver at Olbrich Botanical Complex project.