



Legislation Text

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Fiscal Note

The proposed resolution authorizes the Economic Development Division to write a new request for qualifications (RFQ) for a national search of a Public Market Operator (PMO). The new RFQ will prioritize experience in the start-up and operation of a complex retail operation and public-private partnerships. No City appropriation is required. Council Adopted RES-17-00962 (File 49283) states the PMO choice will go before the Common Council for approval and that City staff present the proposed choice to the Common Council by April 10, 2018.

Title

Reaffirming the intent of the City of Madison to conduct a national search for the Public Market Operator and requiring the drafting of a new Request for Qualifications (RFQ) that focuses on operations and management experience of a Public Market.

Body

WHEREAS, the City of Madison has been developing a Public Market project for several years. In 2011, the City's Local Food Committee was created to study the local food economy and develop a vision for a Public Market; and,

WHEREAS, in October 2015, the Common Council approved the Business Plan for the Public Market (Resolution 38885). In that Resolution, the City affirmed that the long-term vision for the Public Market as a catalyst for the development of a Public Market District; and,

WHEREAS, the 2018 City of Madison Adopted Budget allocates \$11,800,000 for the Public Market. Construction for the project will begin when all sources of capital for the property, acquisition and construction costs have been secured. City funding for the remaining portion of the project will not be made available until that time. All terms and conditions associated with the project are subject to final approval by the Common Council; and,

WHEREAS, funding for the remainder of the project is through the following sources: anticipated New Market tax credits (\$3.0m), private fundraising efforts (\$2.5m), the City's share of the cash balance resulting from the closure of various TIDs in 2017 and 2018 (\$1.65m), and a transfer from the General Fund (\$4.65m). The City's current estimated expenditure for the Public Market is \$6.3m; and,

WHEREAS, the operating costs for Public Market were evaluated in the 2015 Business Plan. The Council accepted the recommendation for two of the three design options. The estimated stabilized annual operating costs for the two design options range from \$833,000 to \$883,000; and,

WHEREAS, the management and operations of the Public Market will be complex and will encompass many responsibilities that will require considerable knowledge and experience such as fundraising, coordinating the final phases of development and construction, real estate leasing, community outreach, coordinating tenant operations, setting up and testing all building systems, establishing financial and accounting systems, hiring and training staff, and establishing relationships with supply and service vendors; and,

WHEREAS, Resolution 49283, *Alternate - Identifying the Madison Public Market Foundation as the fundraising entity of the Madison Public Market and directing City staff to issue a Request for Qualifications to identify potential operators of the Madison Public Market and obtain Council approval of the operator before negotiation an Operating Agreement* was first introduced on October 23, 2017; and,

WHEREAS, the Council enacted several changes to the final Alternate Resolution 49823 which was adopted on December 5, 2017. The changes included separating the roles of fundraising for and operating the Public Market by identifying the Madison Public Market Foundation as the fundraising entity and authorizing staff to issue a Request for Qualifications to identify possible operators of the Public Market; and,

WHEREAS, the changes to the final Resolution 49823 reflected the Council perspective that the Public Market is a complex operation and that a national search for individuals/organizations with significant experience in operations of a market is necessary to identify and recruit the most qualified candidates; and,

WHEREAS, in the RFQ drafted by the Division of Economic Development, four of the nine qualifications heavily prioritize local experience and knowledge of Madison government, the development of the Market, communities, etc. rather than focusing on the necessary management experience essential for successful management of the City assets; and,

WHEREAS, the RFQ submitted by the Economic Development Division (8710-0-2018-DK) circumvents the clear intent of the Council,

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Division will write a new RFQ that prioritizes experience in the start-up and operation of a complex retail operations, public-private partnerships and will disseminate the RFQ as broadly as practicable.