Legislation Text

File #: 74679, **Version:** 2

Fiscal Note

The proposed resolution authorizes a development agreement for reconstruction of the Lake Street portion of the State Street Campus Garage. The 2023 Capital Budget includes $48m for the State Street Campus Garage Replacement project supported by $29.5m in Non-General Fund GO Borrowing and $18.5m in Parking Reserves. Parking will receive an $18m air rights payment associated with the agreement.

Title

Substitute Authorizing the Execution of a Development Agreement with Mortenson Development, Inc., and its assigns for the Redevelopment of the State Street Campus Parking Facility (2nd AD)

Body

WHEREAS, the Madison Parking Utility is planning to reconstruct the Lake Street portion of the State Street Campus Garage at 415 N. Lake Street, and create an intercity bus terminal, as part of a larger mixed use development project; and

WHEREAS, on April 26, 2021, the Common Council approved resolution (RES-21-00295) establishing a process to select a development team to partner with on the development of the State Street Campus Garage Mixed Use Project; and

WHEREAS, per the process outlined in RES-21-00295, upon review of submitted proposals, the Finance Committee directed staff to begin negotiating with Mortenson Development, Inc.; and

WHEREAS, City staff and Mortenson Development, Inc. have come to terms on a Development Agreement to accomplish the goals set forth in the request for proposals for this site; and

WHEREAS, the Development Agreement calls for the City to make a determination regarding the level of affordability within the housing component of the project; and

WHEREAS, “Option A” provides a level of affordability that will provide the City with an $18 million air rights payment from Mortenson Development, Inc.; and, “Option B” provides a level of affordability that will provide the City with a $15 million air rights payment from Mortenson Development, Inc.

NOW THEREFORE BE IT RESOLVED, that the Common Council hereby authorizes the Mayor and City Clerk to execute the Development Agreement with Mortenson Development, Inc, and its assigns, attached hereto;

and

BE IT FURTHER RESOLVED, that the Common Council selects affordability “Option A” in Exhibit F of the Development Agreement, which will provide the City with an $18 million air rights payment; and

~~BE IT FINALLY RESOLVED, that the Mayor and City Clerk are authorized to execute and record the various documents referenced in the Development Agreement, and any other documents required for the real estate closing in a form approved by the City Attorney.~~

BE IT FURTHER RESOLVED, that the Memorandum of Understanding (MOU) between Mortenson Development and the University of Wisconsin-Madison Office of Student Financial Aid shall be subject to the approval of the Common Council prior to closing, and shall include a provision to modify the MOU at least every five (5) years based upon student need and other metrics that become available over the course of performance of the MOU; and

BE IT FURTHER RESOLVED, that Release Milestone Date shall remain subject to change prior to January 31, 2023, and that the Release Milestone Date may be amended by City staff as required to reflect the estimates made during the period until January 31, 2023; and

BE IT FINALLY RESOLVED, that the Mayor and City Clerk are authorized to execute and record the various documents referenced in the Development Agreement, and any other documents required for the real estate closing in a form approved by the City Attorney.

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