

From: [Alex Saloutos](#)
To: [All Alders](#); [Finance Committee](#); [Mayor](#)
Subject: Opposition to Sole-Source Contract with Downtown Madison Inc. (File #89347)
Date: Monday, August 25, 2025 5:52:19 PM
Attachments: [250825 MEMO LEGISTAR89347 DMISOLESOURCECONTRACT.pdf](#)

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I am unable to attend the Finance Committee meeting today. Attached please find my public comments regarding significant legal and ethical concerns with the proposed \$150,000 sole-source contract to Downtown Madison Inc. for developing the city's economic investment strategy. I urge the Committee to reject this contract and direct staff to pursue a competitive RFP process.

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M E M O R A N D U M

Date: August 25, 2025

To: Finance Committee, Common Council, City of Madison

From: Alex Saloutos

Re: **Opposition to Sole-Source Contract with Downtown Madison Inc., Legistar ID No. [89347](#)**

I write to urge the Finance Committee to reject the proposed \$150,000 sole-source contract with Downtown Madison Inc. (DMI) for development of a Downtown Economic Investment Strategy.

Fundamental Conflict of Interest

The city proposes to contract with DMI—an organization representing downtown property owners, businesses, and developers—to write the strategy that will determine public investments benefiting those same members. This arrangement allows beneficiaries to draft their own investment plan. DMI is not performing the work directly but subcontracting with consultants the city could hire through a competitive process.

Public Perception

Setting aside policies, procedures, and ordinances, this arrangement will damage public trust. Residents will reasonably question why the city is paying downtown business and property owners to write a plan for investing public dollars in downtown. The appearance of self-dealing is unavoidable when the beneficiaries create the city's policies and plans that determine their benefits.

Violations of City Procedures

This proposal appears to violate multiple city ordinances and administrative procedures:

1. The Economic Development Committee has statutory responsibility for reviewing economic development plans. It appears that this proposal bypasses the EDC ([MGO 33.17](#)).
2. The resolution lacks required elements, including the actual contract, total project cost, contract term, and DMI's contribution amount. The Committee cannot properly evaluate an incomplete proposal ([APM 1-1](#)).
3. Sole-source contracts require that services be available from only one firm. Multiple consultants provide economic development strategy services. DMI's plan to subcontract the work demonstrates that they are not the sole provider ([MGO 4.26\(4\)\(a\)\(2\)](#)).

Lack of Transparency

DMI operates outside open records laws. The public will have no access to private meeting records, correspondence with members about recommendations, or documentation of how private funders influence the strategy. Public planning processes require transparency.

Viable Alternative Exists

DMI can contribute its private funds to the city. The city can then:

- Issue a competitive RFP for consulting services.
- Select qualified consultants through proper evaluation.

- Maintain control over strategy development.
- Ensure all records remain public.
- Provide meaningful public input opportunities.

Recommendation

The Finance Committee should:

1. Reject this sole-source contract.
2. Direct staff to prepare an RFP for economic development strategy consulting services.
3. Authorize staff to accept private donations to supplement city funding if needed.
4. Refer any future proposal to the Economic Development Committee for review.

The city should not abdicate its responsibility for public planning to private interests. A competitive process will ensure the resulting strategy serves all residents, not just downtown property owners.

Thank you for your consideration. For questions or additional information, please contact me at asaloutos@tds.net or (608) 345-9009.