



Department of Planning & Community & Economic Development

## Economic Development Division

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## 700 & 800 Block East Washington Avenue Proposal Summary July 25, 2011

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As outlined in the 700 & 800 Block East Washington Avenue Request for Proposals, a Selection Committee was formed to work with City staff to review submitted proposals and provide the City of Madison Common Council with recommendations on how the City might proceed. The Selection Committee includes the following individuals:

- Alder Bridget Maniaci, District 2
- Alder Satya Rhodes-Conway, District 12
- Alder Marsha Rummel, District 6
- Mr. Ed Clarke, Member, City of Madison Economic Development Committee
- Mr. Steve Cover, Director, City of Madison Dept. of Planning, Community, and Economic Development
- Ms. Natalie Erdman, Executive Director, City of Madison Community Development Authority
- Mr. Tom Landgraf, private-sector developer

The Selection Committee reviewed six proposals, and is recommending the following course of action. The sites identified below are highlighted within the map located at the end of this summary.

### **800 South Site**

The Selection Committee is recommending that City staff begin negotiating the terms of a Purchase and Sale Agreement, which will require City of Madison Common Council approval, with The Rifken Group for the development of their 800 South Site proposal. The Rifken Group proposal provides an opportunity for desired employment space within a development of a density generally consistent with the *Capitol Gateway Corridor BUILD Plan*.

### **700 North Site**

The Selection Committee is recommending that City staff begin negotiating the terms of a Purchase and Sale Agreement, which will require City of Madison Common Council approval, with Gebhardt Development/Bark Design for the development of the western half of their 800 North Site proposal to be located on the 700 North Site. The Gebhardt Development/Bark Design proposal included two elements within the original proposal, a Gebhardt Development/Bark Design element on the western half of the 800 North Site, and a Hovde Properties element on the eastern half of the 800 North Site. Hovde Properties withdrew their proposal, leaving only the western segment of the proposal remaining.

The Selection Committee supported the uses and density of the proposed development; however, questioned if it could not be located on the 700 North Site in the context of other opportunities for the 800 North Site. Gebhardt Development/Bark Design has agreed to modify the design of their proposal for the 700 North Site.

### **800 North Site**

The Selection Committee has not made a final recommendation regarding the 800 North Site; however, they have requested Urban Land Interests (ULI) to present a revised version of their proposal for the Selection Committee's consideration. The Selection Committee was very interested in the proposed office development along E. Washington Avenue and is supportive of housing along Mifflin Street as part of a whole-block concept; however, the Committee had concerns about other aspects of the ULI proposal. ULI proposed a phasing plan that included use of all of the Sites. In the context of the other proposals, the Selection Committee was not comfortable with this approach. The Committee also had some concern about the proposed building design.

Despite these concerns, the Selection Committee is very interested in the opportunity that may be available to attract ULI's prospective office users to the Capitol East District. As such, the Selection Committee is recommending to provide ULI with 45-60 days to return with a revised proposal utilizing only the 800 North Site.

### **Remaining Proposals**

The Selection Committee is not recommending that the following three proposals continue forward at this time.

#### **Stone House Development – 800 South Site – Ale Asylum**

The Selection Committee and City of Madison desire to see Ale Asylum grow within the City of Madison. The Committee; however, did not believe that this proposal provided the level of density desired by the City as outlined within the *Capitol Gateway Corridor BUILD Plan*.

#### **Stone House Development – 800 North Site – Residential**

The Selection Committee appreciated the quality and benefits of the Stone House Development 800 North Site residential proposal; however, the Committee was not comfortable recommending the proposal as an initial phase absent exploring an integrated master development plan for the entire block that includes both employment and housing.

#### **The LaFollette**

The Selection Committee supports the goals of The LaFollette proposal; however, they thought additional work was needed on the plan before they would be able to provide a firm recommendation in support.

### **Next Steps**

Based on the recommendation of the Selection Committee, City staff will begin negotiating a Purchase and Sale Agreement with The Rifken Group and Gephardt Development/Bark Design for their respective proposals as outlined above. This Purchase and Sale Agreement will require approval by the City of Madison Common Council, and will provide the developers with a six-to-nine month period to finalize their development proposals. This will include finalizing building/site plans, receiving City development approvals, finalizing tenants, and securing financing.

As noted above, the Selection Committee will review a revised proposal for the 800 North Site by ULI sometime during the next 45-60 days. The Selection Committee will then make a recommendation on how to proceed. The work of the Selection Committee will likely be concluded at that time.

In all cases, developers will be required to submit their proposals through the City's standard development review process. This will include all customary neighborhood meetings, and approval by the Plan Commission and Urban Design Commission, as these sites fall within Urban Design District # 8.

If, at any time during negotiation of a Purchase and Sale Agreement or the development review process, it appears that a proposal will not move forward, the City will be open to accepting new development proposals for the respective Site.

The City has not received an application for Tax Increment Financing (TIF) from any of these developers for their respective projects, and the City has not made any commitment of TIF funds to date. Developers will be required to apply for TIF assistance, if appropriate, and will be subject to all standard TIF underwriting and approvals.

The same is true of any of the other financing programs outlined in the aforementioned proposals that require any level of City commitment.

The City of Madison is in the process of working with the area Alders on scheduling the first, of what will likely be several, neighborhood meetings regarding the proposals that the Committee has recommended to be brought forward to the Common Council. Alders, City staff, and the developers will be available at this meeting to answer questions and receive feedback about the Committee's recommendations.

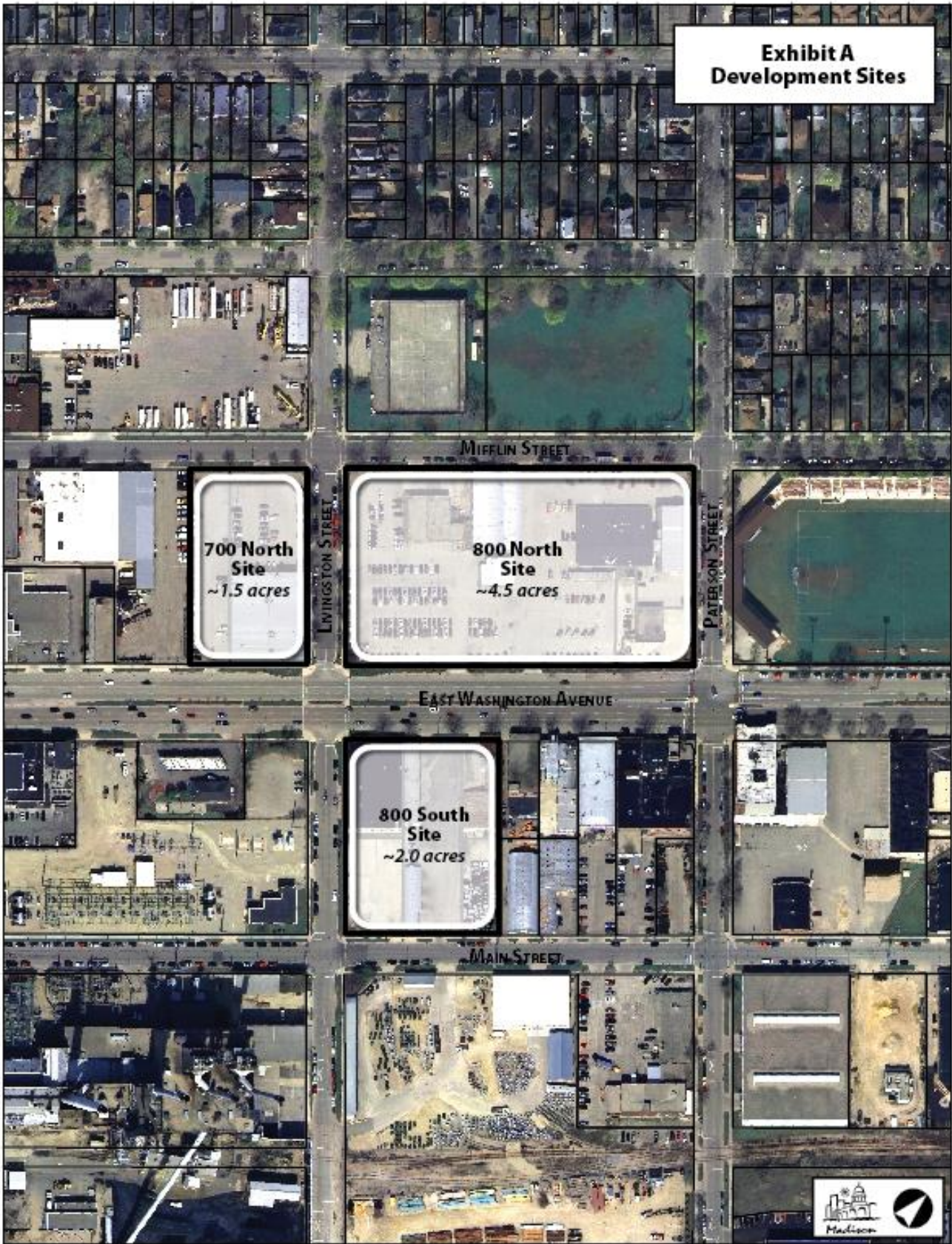
### **Questions**

Questions may be directed to the following City staff:

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**Exhibit A  
Development Sites**



**700 North Site**  
~1.5 acres

**800 North Site**  
~4.5 acres

**800 South Site**  
~2.0 acres

