

Mid-State Street
Parking & Mixed-Use Facility
Evaluation Team Meeting
November 14, 2005

MINUTES

Members Present: Ald. Zach Brandon, David Dryer, Sheridan Glen, Jeanne Hoffman, Larry Nelson, Archie Nicolette, Susan Schmitz, Ald. Mike Verveer, Ledell Zellers

Guests: Curt Brink, Eileen Bruskewitz, Annie Dean, Dolores Grengg, Kris Grutzner, Lynn Heidmann, Peter Korotev, Thomas Link, Sharon McCabe, Paul Muench, Bill Patterson, Mike Schmidt, Lily Shroger, Robbie Webber

1. Introductions

Mr. Olinger welcomed team and guests. Team and guests introduced themselves.

2. Review of Agenda

3. Approval of Minutes

On a motion by Mr. Glen, seconded by Mr. Dryer, the Minutes of June 20, 2005, were approved.

4. Presentation and Discussion of Parking Alternative Analysis by Thornton-Tomasetti Group (materials attached)

- Mr. Dryer presented handout, which identified alternatives which were prepared by Thornton-Tomasetti Group (TTG). TTG was selected by City to provide engineering services for the underground ramp through an RFP process.
- Mr. Dryer discussed more of the larger issues related to the underground parking: the location of the water table, the estimate of cost prepared by TTG - \$16.1 million, including the three houses on West Gilman – based upon proposal of Statehouse West, LLC.
- Ms. Hoffman stated that the Mayor was looking for other options given preliminary cost estimates and asked staff to revisit analysis and explore options before finalizing a design plan and beginning construction documents.

Discussion:

- Mr. Nicolette discussed how many options have been offered; and not eliminate all housing options. Was curious how people feel about that.

- Ms. Zellers stated that she didn't like eliminating three houses to begin with, but ramp without housing is a travesty.
- Mr. Glen: Hope that houses could be relocated someplace else.
- Ms. Hoffman: Is a linear building a possibility? Answer: Possibly, but it could affect number of stalls and efficiency of ramp. Mr. Glen: Core studies a possibility?
- Mr. Dryer: Yes, and that info has been provided to TTG. Their experience in Madison was Overture. Arnold and O'Sheridan have significant experience with downtown ramps. Mr. Glen: Will Evaluation Team be asked to rank at some point?
- Mr. Olinger: Discussion regarding alternatives regarding costs vs. potential revenue, air rights development. Not really designed to suggest this as the new direction, but a way to compare / contrast all elements of project.

5. Presentation of Statehouse West, LLC, on proposal update

- Mr. Brink presented an update on his proposal. He has been briefed on TTG study and believes that the gap can be filled.
- For example, the estimated cost of \$12-13 million, including houses, does not include Statehouse West, LLC buying back 63 spaces. Does not include value of air rights of approximately \$2.5 million.
- TIF could conceivably help close gap in project.
- Mr. Glen: How do we value \$2.5-2.6 million in air rights?
- Mr. Marx, Real Estate Manager, discussed how air rights are valued, the "bundle of rights" of ownership, etc.
- At \$2.5 million, about \$50K/unit – on the higher end of what we're seeing in downtown now.
- \$20 - \$25K/stall estimated for parking.
- Mr. Brink: Our costs "right on" – Adjusting for '06 budget
 - Water conditions in are a vary along Isthmus.
 - Discussed draw-down test.
 - Contractor Statehouse West is using –knowledgeable about downtown construction projects. Have had 24 meetings with various departments in year since proposing project.
- Mr. Glen: Not in substantial costs associated with project \$250-375/sq. ft. – barrier to.
- Mr. Marx: How City might put \$ into project. No TIF for public facilities.
- Can use TIF to write down costs if gap is caused due to underground parking.
 - \$35K/stall – cost to rebuild.
 - \$25/stall – sales price.
 - \$10K/stall – TIF could potentially be used to cover this gap.
- Mr. Glen: Any adjustments to footprint of project at this point?
 - Mr. Brink: No. We're proceeding with plan as submitted.
- Mr. Olinger: Is parking layout as originally proposed or the one proposed by TTG?
 - Mr. Brink: We're using original proposal.

- Ald. Brandon: Discussed underground parking vs. sales price and why aren't we selling stalls for what it costs to build?
- Mr. Glen: Frequently there is a gap between cost to produce and sales price of an underground stall.

6. Public Comment

- Ald. Webber: Cost / stall – how long to pay back? Especially of borrowing – was noted that \$3 million is estimated to be borrowed at this time. Also noted that \$500K/cash from Parking Utility is in proposed 2006 Operating Budget to go to City in form of PILOT. Will affect ability of Parking Utility to finance ramp.
- Mr. Nelson: If project remains in 2006 Capital Budget, the City will schedule a pump test of groundwater soon to see what we're dealing with as it relates to flow outs.
- Ald. Brandon: Do we think this is buildable?
- Mr. Nelson: Feel better now than earlier, TIF District, increasing confidence in ability of Arnold & O'Sheridan's ability to build a project like this.
- Ald. Verveer: Language has been in Capital Budget for many years – not a new project. Should be in budget so process can continue.

7. Next Steps

Mr. Olinger stated that we wanted to bring this to Evaluation Team so we could have a better sense of the costs associated with project. If the Mid-State project remains in Capital Budget, we'll work to get to a final recommendation that will let us know whether to "fish or cut bait." Our goal, to wrap up our discussions so we can bring something back to Team early in 2006.

8. Schedule of Next Meeting

Early January – To be scheduled by staff later.

9. Adjourn

The meeting adjourned at 6:17 p.m.

Respectfully submitted,



Mark A. Olinger, Director
Department of Planning & Development

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