

Downtown Madison, Inc. (DMI)

Avenue 800 Redevelopment Project

March 2006

At the core of Downtown Madison, Inc.'s (DMI) mission statement is the health and vitality of our central city. In addition to the historical core of the central business district, DMI also focuses on specific areas that are both tied to downtown Madison and ripe for redevelopment. DMI refers to these areas as "gateways"—connectors to the central business district. The first and most important of the gateways is the East Washington Avenue Corridor. DMI—along with other public and private entities—has put a great amount of work and financial resources into planning for this important and key gateway.

TID 36 is key to the East Washington Avenue Corridor's future. The expected increment from this TID will allow East Rail Corridor improvements and fund Street Cars (if this initiative becomes a reality for the corridor). To move plans forward within the newly created TID, a generator is required and DMI thinks that the Avenue 800 Redevelopment Project is the project that is needed.

DMI supports this project for the following reasons:

1. The Avenue 800 Redevelopment Project will be an anchor for TID 36—it will seed future development of East Washington Ave. and is what the corridor needs now.
2. An \$84 million dollar mixed-use (condos, retail, parking) development on underdeveloped land (mainly parking lots and old steel buildings) is excellent land use. And the fact that this land is only eight blocks from the Capitol Square makes it even more desirable for redevelopment.
3. \$4.2 million dollars of investment from the City of Madison on an \$84 million dollar project generates approximately \$2 million dollars per year in new property tax increment. Even with two phases of development, the City's investment will be paid off before Phase II begins. The expected increment per year can be used for over 20 years for additional TIF costs that will flow into new infrastructure for the East Washington Avenue Corridor.
4. The developers of the Avenue 800 Redevelopment Project have worked in good faith over a long period and listened to and respected the thoughts and concerns of the surrounding neighborhoods that in turn, support and embrace the Project. The surrounding neighborhoods are ready to move forward with redevelopment plans.
5. If the financing for this project does not move forward, it will greatly hinder marketing future projects for not only the East Washington Ave. Corridor, but also the City of Madison.

DMI has confidence in the City's leadership and the City staff to overcome any obstacles that exist at this time. We are convinced that even though the City leadership is working to achieve the best deal for the City, the overriding goal will be what is best for the greater good—the public purpose.