



## ***NEWS RELEASE***

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**April 20, 2017**

### **Madison College to recommend local firm for downtown ground lease Hovde Properties and Drury Southwest selected to redevelop downtown campus site**

(MADISON, Wis.) – Officials at Madison Area Technical College (MATC) are recommending to the college’s District Board of Trustees their selection of Madison-based Hovde Properties and Drury Southwest to enter into a ground lease agreement for the redevelopment of the college’s Downtown Education Center (DTEC).

In January, five firms were invited by the college to submit responses to a Request for Proposals (RFP). The proposals were scored against these criteria, which were outlined in the RFP:

- General Criteria (20 percent weighting factor) – Team experience and capacity in planning and completing development projects of comparable scale
- Technical Criteria (30 percent weighting factor) – The financial and market feasibility of the proposed project, adherence to City plans and zoning regulations, and alignment of proposed timeline with goals and requirements of the college
- Financial Criteria (50 percent weighting factor) – Ground lease terms including projected revenue to the college, the financial capacity of the ownership entities and the strength of their proposed financing structure

An evaluation team made up of MATC executive leadership staff and professional real estate consultants determined the proposal submitted by Hovde/Drury is in the best interest of the college and the communities it serves, said Madison College President Jack E. Daniels.

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The Hovde/Drury ground lease proposal offers the potential of more than \$200 million over the term of the agreement, starting with an initial payment of \$750,000 that escalates throughout the potential 98-year term of the agreement. “It is our responsibility to make decisions that place the needs of our students and communities first,” Daniels said. “This predictable revenue stream will help support initiatives that align with our mission of addressing the diverse needs of the communities we serve.”

The response to the RFP submitted by Hovde/Drury features adaptive reuse of the existing buildings into a limited-service hotel with onsite meeting rooms, a restaurant and valet parking. New construction on the remainder of the site includes three levels of underground parking, grocery, retail, office space and a courtyard.

Additional information regarding the criteria used and rationale for the Hovde/Drury selection will be shared at a special meeting slated for 4:30 p.m. Monday, April 24, in Room 122/130 at the MATC Administration Building, 1701 Wright Street. The meeting will include an opportunity for public comment.

On April 26, the agenda for the regular public meeting of the MATC Board of Trustees, slated for May 3, 2017, will be published. The agenda will include the college’s formal recommendation to grant authority to college officials to execute a ground lease agreement with Hovde Properties and Drury Southwest.

If the MATC board approves the recommendation, the college will submit documentation to the Wisconsin Technical College System board to begin its approval process. Upon resolving contingencies articulated in the lease and gaining necessary approvals, it is expected that the college will completely vacate the property so redevelopment of the site can begin in 2019.

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