



January 30, 2014

Mr. George E. Austin  
Judge Doyle Square Project Director  
Room LL-100, Madison Municipal Building  
215 Martin Luther King Jr. Blvd.  
Madison, WI 53703-3346

Re: Judge Doyle Square – Response to JDS Committee Request

Dear Mr. Austin:

In response to the Judge Doyle Square Committee discussions and directions made during the deliberation of January 23, 2014 we offer the following:

**1. Keep the Madison Municipal Building in civic use.**

We are in agreement with this direction and both our RFQ and RFP response were consistent with keeping the Madison Municipal Building for civic use. We are, however, very willing to evaluate better "connectivity" of these two buildings and will be mindful of the other issues and unintended consequences involved with two businesses with wildly different hours of operation and use. Thus, security and staffing issues and expanded finish levels will be incorporated in the revised layout, design and economics.

**2. The new structures on Block 88 must be of high design quality and respect the design requirements of the MMB as a National Register of Historic Places building.**

As stated previously, if selected as developer, we are committed to collaborating with City staff, UDC, Landmarks Commission and other stakeholders to create a high-quality design and experience. Our team has extensive experience in the development of hotels both within and adjacent to historic buildings. We embrace the public improvements that have been conceived for the MMB, especially the opportunity to create a significant connection to the hotel which will leverage the complementary uses of both projects. We recognize that the mass and form of the hotel may change if the hotel program is revised. This will offer additional means to achieve building setbacks and further articulation of the façade both at the streetscape and at the skyline.

**3. The development must be affordable for the taxpayers and efficient in the use of City resources. Work to keep the TIF investment focused on the cost of the underground parking cost differential.**

Upon selection we will continue to refine the project requirements and we are confident the TIF investment can and will be reduced while still achieving the desired objectives for the Project. The Journeyman Group would like to offer what we believe would be a solution to the TIF issue.

We are able to provide a smaller full service Marriott and a focused service Hotel in the same block. We are able to offer a 324 room Hotel with approximately 14,000 square feet in meeting space. This still provides the ironclad 250-key room block required by the city. We are able to reduce our TIF assistance request on Block 88 to approximately \$24.65 million.

<b>BLOCK 88</b>				
	Marriott Full-Service / Select-Service Hotels		City Parking	
Net Area (Conditioned)	232,265	SF		0 SF
Garage Area	80,626	SF		29,222 SF
Gross Square Feet	312,891	SF		29,222 SF
Parking	227	Spaces		82 Spaces
Unit	324	Keys		82 Spaces
<b>Sources</b>				
First Mortgage	\$ 53,131,300	60.0%	\$ -	0.0%
Parking Utility Reserve Contribution	\$ -	0.0%	\$ -	0.0%
City Bonds (Parking)	\$ -	0.0%	\$ 3,146,056	100.0%
TIF Bonds	\$ 24,645,153	27.8%	\$ -	0.0%
Cash/Other Equity	\$ 10,775,713	12.2%	\$ -	0.0%
<b>Total Sources</b>	<b>\$ 88,552,166</b>	<b>100%</b>	<b>\$ 3,146,056</b>	<b>100%</b>

**4. Rebuild the Government East parking ramp at an affordable cost to the Parking Utility while realizing a new, walkable extension of the retail/entertainment district to the 200 block of South Pinckney Street.**

We believe the overall parking on Block 105 can be reduced with cooperation from the City by collaboratively reducing its parking requirements and further analyzation of the other Block 105 elements using shared parking concepts. We agree with the concept of the workable extension of the retail entertainment district to the 200 block of South Pinckney Street. Our proposal has embraced this concept and we will further work with the city to enhance it.

**5. A significant amount of the existing public parking supply should be maintained during the construction process.**

We are willing to reconsider our phasing and believe 309 new spaces could be constructed on Block 88 before demolishing the Block 105 City East Garage. The additional costs and risks previously cited for delaying the Block 105 portions of the Project can be mitigated if the Block 105 program is reduced. Should it be determined that the City is acceptable with such a phased approach, the Block 88 parking would be available to the public until completion of the Block 105 parking.

**6. The density of the Block 105 development must not require significant public investment beyond parking related costs to serve the new development.**

We have made some initial evaluations for Block 105 in response. We also propose eliminating the office portion of the project and reducing the multifamily by 20 units. We this believe reduced scope could substantially reduce the Public investment in this block to approximately \$3.5 million in TIF investment. We could share some parking and reduce the overall count on Block 105, reducing the parking cost to the City to \$21 million (from \$30 million).

	BLOCK 105							
	Retail		Residential		Bicycle Center		City Garage	
Net Area (Conditioned)	12,573	SF	136,564	SF	3,000	SF		SF
Garage Area	12,309	SF	53,454	SF		SF	155,935	SF
Gross Square Feet	24,882	SF	190,018	SF	3,000	SF	155,935	SF
Parking	36	Spaces	156	Spaces		Spaces	455	Spaces
Unit	12,573	SF	104	Units	3,000	SF	455	Spaces
<b>Sources</b>								
First Mortgage	\$ 2,825,801	70.0%	\$ 22,202,407	70.0%	\$ -	0.0%	\$ -	0.0%
Parking Utility Reserve Contribution	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 9,000,000	52.8%
City Bonds (Parking)	\$ -	0.0%	\$ -	0.0%	\$ 708,882	100%	\$ 8,047,171	47.2%
TIF Bonds	\$ 403,686	10.0%	\$ 3,171,772	10.0%	\$ -	0.0%	\$ -	0.0%
Cash/Other Equity	\$ 807,372	20.0%	\$ 6,343,545	20.0%	\$ -	0.0%	\$ -	0.0%
<b>Total Sources</b>	<b>\$ 4,036,859</b>	<b>100%</b>	<b>\$ 31,717,725</b>	<b>100%</b>	<b>\$ 708,882</b>	<b>100%</b>	<b>\$ 17,047,171</b>	<b>100%</b>

**7. No parking should be constructed at street level that is visible on South Pinckney Street.**

Our design solutions presented at both the RFQ and RFP stages feature an exclusively “pedestrian oriented” environment on South Pinckney Street. The parking structure is not visible on Pinckney Street since it is fronted with retail and office space.

**8. An ironclad hotel room block agreement of 250 rooms must be achieved. A hotel affiliation with a national reservation system is required.**

We recognize that a 250-Key room block must be achieved and our proposal is ironclad in providing that to you. We plan to consider a mix of full service and focused service rooms similar to that made during our RFQ response, recognizing that support must be garnered by the Monona Terrace Convention Center in regards to their ability to sell the facility to meeting planners. Our Hotel will be a Marriott which will have a national/global reservation system.

**9. The new hotel meeting/function space should be sized to complement Monona Terrace and not take significant business away from existing Madison hotels. For example, function space for a banquet of 100 people plus multiple meeting spaces.**

We have revisited our proposal in light of the committee recommendations and are able to offer approximately 14,000 square feet of meeting space. We believe this will complement Monona Terrace. It

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should be recognized the Hotel(s) must incorporate an appropriate amount of meeting space to deliver a "sellable" product and minimize the cost of the TIF.

We welcome additional feedback and comment and are committed to continuing to provide substantial improvements to our project plan as it is further evaluated by the Committee. The Journeyman proposal can be of course tweaked and redesigned in ways that speak to most, if not all of the staff concerns, but the real message is that this is a proposal that even with such redesign is ready to go, and can be readily under-written by our bankers.

Respectfully submitted,

Journeyman Group

A handwritten signature in blue ink, appearing to read "H. Blackburn", with a long horizontal flourish extending to the right.

Harley Blackburn  
Vice President