

From: [Peter Isaac](#)
To: [Finance Committee](#)
Cc: [Wachter, Matthew](#); [Schmiedicke, David](#)
Subject: Clarification to Informational Report for State Street Campus Garage - CA Ventures
Date: Monday, March 21, 2022 4:05:52 PM
Attachments: [image001.png](#)
[CALogo-CodeTwo_2b24bc88-cb8e-44f9-a2d0-f997b323b238.png](#)
[Clarification to Informational Report for State Street Campus Garage - CA Ventures - 03.21.2022.pdf](#)

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To whom it may concern on the Finance Committee re: State Street Campus Garage,

My name is Peter Isaac and I am the project executive and lead point of contact for CA Ventures’ proposal for the redevelopment of the State Street Campus Garage. I recently reviewed the “Informational Report: Development Teams Technical Interviews (December 2021)” and believe there is inaccurate information about CA Ventures’ proposal that could impact the Finance Committee’s discussion about partner selection. For reference, the Informational Report is dated March 21, 2022 and can be found at this link: <https://madison.legistar.com/View.ashx?M=F&ID=10658576&GUID=6ED3F31C-ABD4-4B07-941E-A517C57FE497>

The information that I believe is misrepresented is related to the costs for the Public Parking. In multiple instances throughout the Report (Page 7, 8, and 9) there are references that “the estimate does not include soft costs.” This statement is most notably referenced in the chart at the top of Page 9, with a screenshot seen here:

Comparison of Financial Terms Proposed to the City

	CA Ventures	CRG	Mortenson	Smith Gilbane
Square Footage	515,000	516,800	544,795	409,631
Cost	\$102.8 million	\$80 million	\$97.3 million	\$69.8 million
Cost per SqFt	\$200	\$155	\$179	\$170
Total Residential Beds	259	235	263	157
Affordable Beds	64	20	100	52
Cost to City	\$22 million*	\$22.5 million	\$42.7 million	\$33.2 million
Estimated TIF Available	\$12.4 million	\$11.6 million	\$11 million	\$7.3 million
Air Rights Purchase	\$25 million	\$20 million	\$18 million**	\$14.1 million
Net Cost to City	-\$15.4 million	-\$9.1 million	\$13.7 million	\$11.8 million

**Hard costs only, soft cost were excluded.*

***Increased payment from \$6.2 million to \$18 million in supplemental materials submitted during review process.*

I am writing because I believe these statements are misleading and inaccurate and are likely the result of a simple misunderstanding.

The \$22 million “Cost to City” represented in the chart is an accurate number. Our written response proposes that the cost to the City for the public components of the project is \$22 million.

The misrepresentation comes from the footnote that the public components are “hard cost only, soft costs were excluded.” It is accurate that the \$22 million referenced in the chart only includes the hard

costs; however, it is misleading to say that the soft costs were excluded. The soft costs were included in CA Ventures' project budget (they are included in the \$102.8 million project budget that was in our formal written proposal), but they were intentionally omitted from the "Cost to City" calculation because our proposal assumes that the anticipated soft costs would not be a cost that the City would bear. Instead, per our proposal, CA Ventures' budget would be responsible for the anticipated soft costs for the public components. Essentially, the soft costs are included in the budget – they are just not passed through to the City.

We appreciate the opportunity to provide this clarification and hope that we will be further considered for the State Street project. We are available at your convenience to discuss our proposal – and to provide any additional clarifications – as the Finance Committee continues its partner evaluation.

Thank you,
Peter Isaac

Peter Isaac
Executive Vice President, Campus Partnerships

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March 21, 2022

Finance Committee
City of Madison
Madison, WI 53703
www.cityofmadison.com

Delivered via email: financecommittee@cityofmadison.com
CC: Matt Wachter – DPCED Director, David Schmiedicke - Finance Director

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Peter Isaac
Executive Vice President – Public Private Partnerships
CA Ventures