

JUDGE DOYLE SQUARE

Interview Presentation

JDS Development, LLC

A Joint Venture of:
Hammes Company and Majestic Realty

October 14, 2013



OUR VISION

Our vision for Judge Doyle Square is to create a unique destination designed to strengthen Madison’s urban core and complement our primary destinations — Monona Terrace and Overture Center — by creating a dynamic place with programmatic uses that define Madison’s character. Imagine a place that captures all of the elements that define Madison for the next generation ...

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VISION / DESTINATION

MADISON MUNICIPAL BUILDING



CAPABILITY

Our extensive experience in developing destination projects across the country and our knowledge of the local market provides the foundation that will be needed to execute a project of this complexity over multiple phases.

- ◆ Leader in Destination Developments
- ◆ Community Anchors
- ◆ Driver of New Visitation
- ◆ Local Equity Commitment
- ◆ Leverage Operating Entity
- ◆ Long-Term Investment Perspective



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VISION / DESTINATION

Scheme 1 MMB Anchors Hotel

Block 88

- ◆ MMB anchors destination hotel
- ◆ Unique dining experience – Food Emporium
- ◆ Wellness

Block 105

- ◆ City offices move to Block 105
- ◆ Mixed Use / Residential on Block 105



Scheme 2 MMB Remains City Offices

Block 88

- ◆ MMB remains city offices
- ◆ No destination dining in hotel
- ◆ Wellness

Block 105

- ◆ Private office
- ◆ Mixed Use / Residential





How to Build a Destination

◆ Vision

- Unique Urban Experience
- A Landmark Destination
- Stylish Hospitality
- A Public Place . . . Rooftop Terrace
- Food Emporium
- Urban Wellness

◆ Market and Program

◆ Density

◆ Streetscape

◆ Public / Private Investment

◆ Equity Commitment

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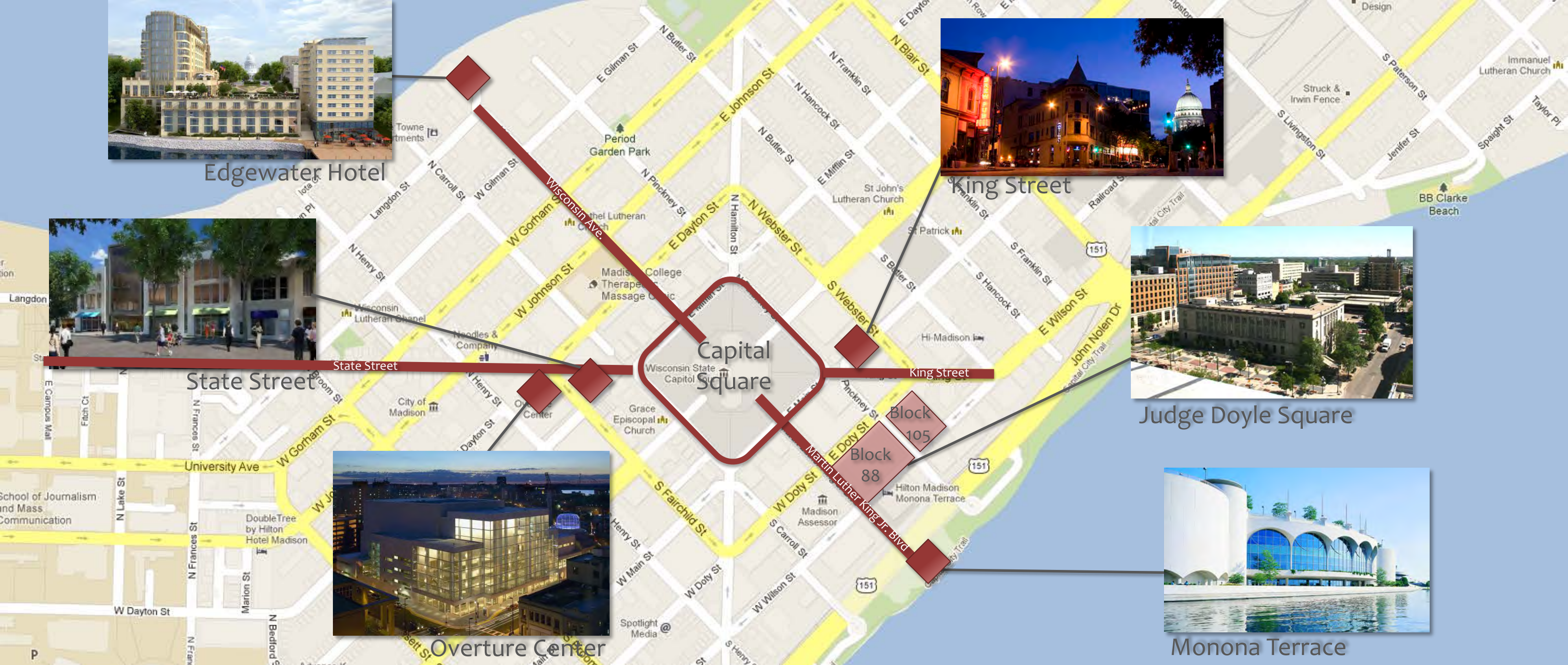
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HOW TO BUILD A DESTINATION

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VISION



URBAN EXPERIENCE

Our vision for this project is to create a connection between the places that make Madison a great destination.

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VISION



A LANDMARK DESTINATION

Historical, landmark places: create a sense of place, destination, drive year round visitation

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VISION



STYLISH HOSPITALITY

Judge Doyle Square will be a core destination connecting Monona Terrace and the Capitol Square and enhancing the culture of the urban core.

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VISION



*A PUBLIC PLACE . . .
ROOFTOP TERRACE*

The roof of MMB offers amazing views of the things that make downtown Madison great... lakes, Monona Terrace and Capitol Square.

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VISION



FOOD EMPORIUM

This unique dining destination will offer a downtown experience that will enhance the Madison restaurant culture. Will bring the best of Wisconsin to downtown visitors. This will become a focal point to the culture of Madison and a compliment to Monona Terrace.

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URBAN WELLNESS

Health and wellness in the urban core will promote the Madison lifestyle, with a focus on fitness and active lifestyles. This builds on an energizing urban trend in health & wellness.

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VISION

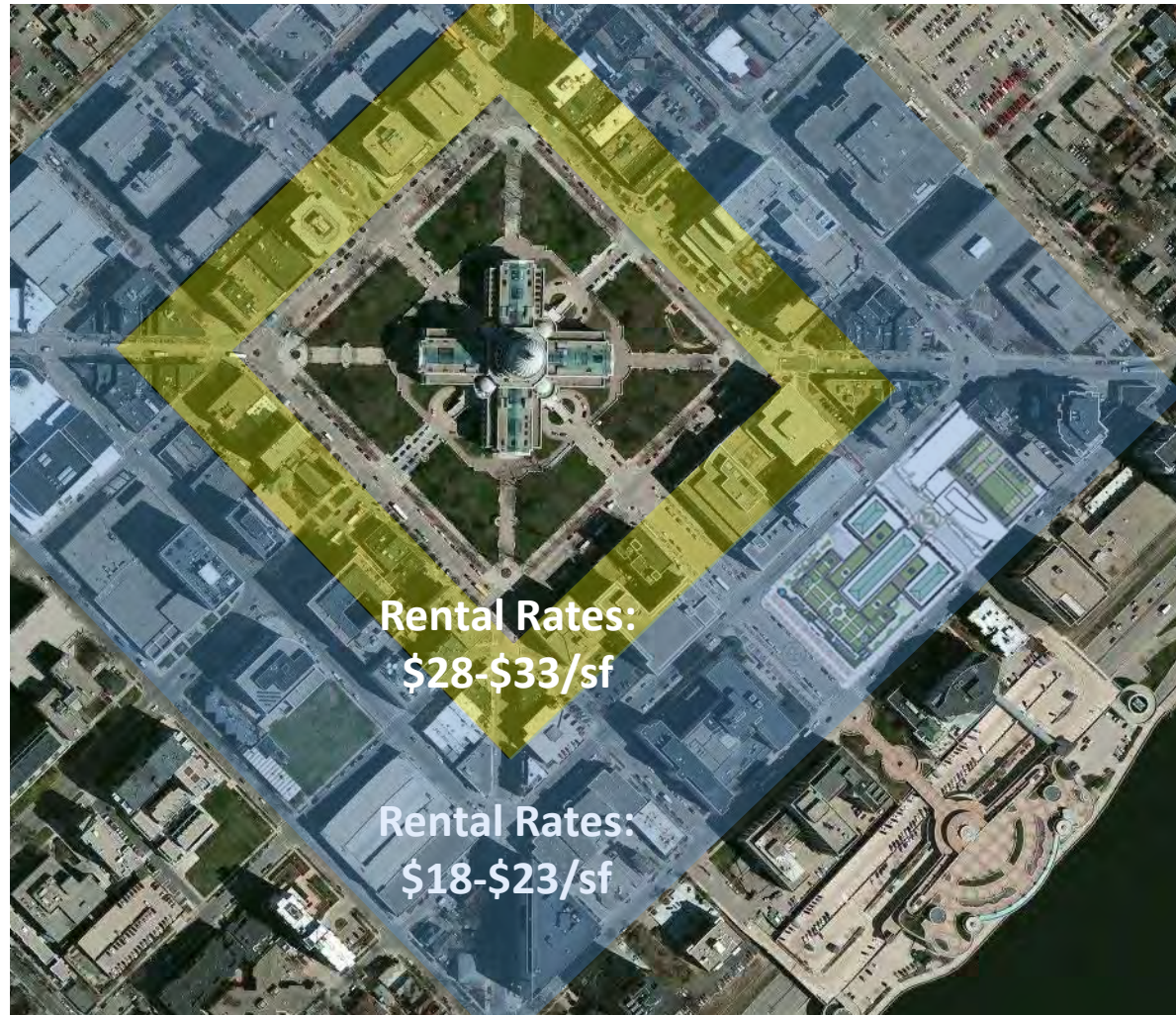


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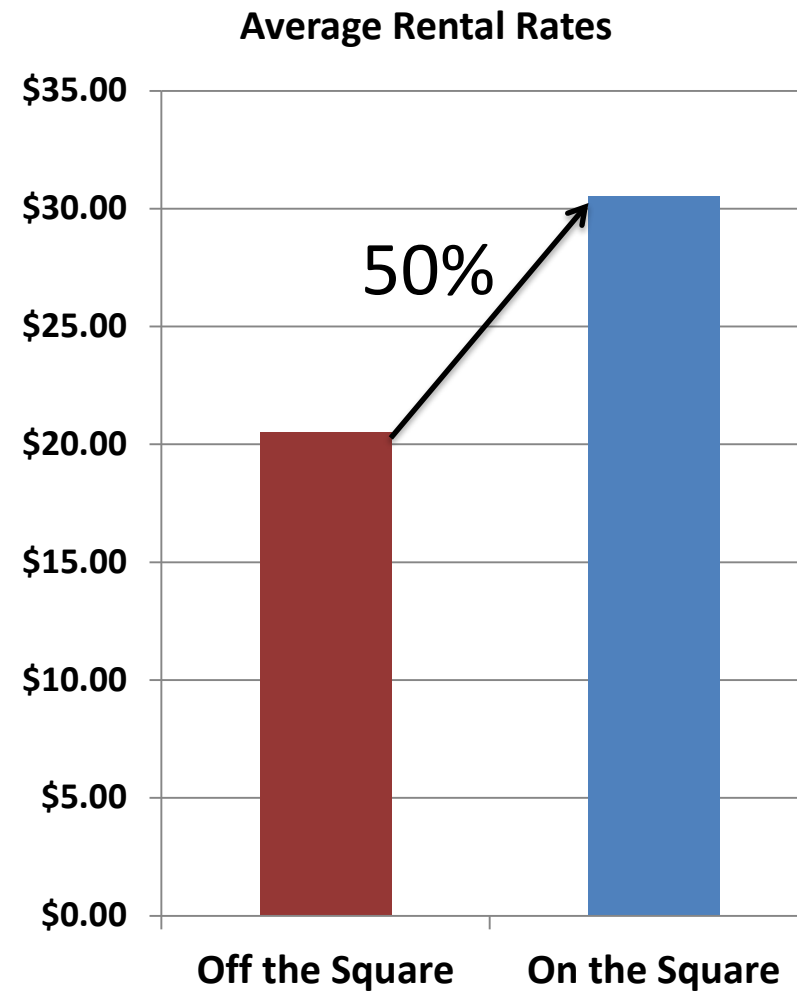
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MARKET AND PROGRAM



In 2013, the vacancy rate for downtown Madison office space increased to **17.2%**



“JDS is not a prime location for new Class A office space because Block 105 is one block off the Capitol Square. Judge Doyle Square would be appropriate for Class B office space (such as government offices).” - JDS Master Plan Chapter 2, Page 4

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MARKET



Private Program Summary

	Scheme 1	Scheme 2
Block 88 - Private	MMB Anchors Hotel	MMB Remains City Offices
Hotel	213,380	180,270
Food Emporium	19,800	-
Meeting Space	11,250	6,800
Wellness	11,000	10,000
Total Block 88 - Private	255,430	197,070
Block 105 - Private		
Office - Private	-	80,620
Residential/Mixed Use	106,250	106,360
Total Block 105 - Private	106,250	186,980
Total Private Program	361,680	384,050
Expansion Area	65,000	
Potential Program - Private	426,680	384,050

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PROGRAM

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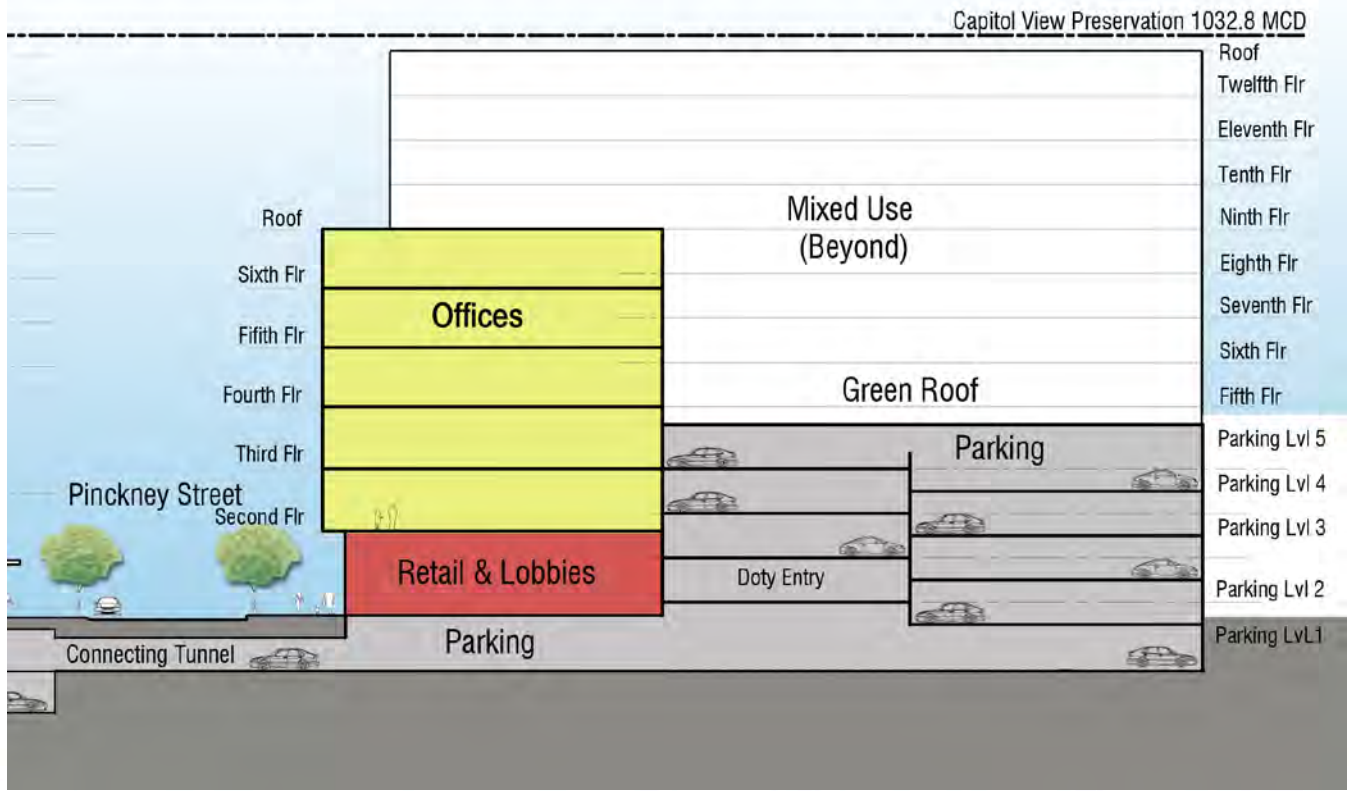
DENSITY



DENSITY CONSIDERATIONS

There are several important factors that will impact the marketability and feasibility of private development.

- ◆ Dimensions of Floor Plate
- ◆ Market Value of Floors 2 – 5
- ◆ Relationship of Commercial Space to Parking
- ◆ Cost of Transferring Parking Below Grade
- ◆ Maintain an Active Street
- ◆ Façade Treatment to Enhance Architectural Character



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DENSITY



FUTURE EXPANSION

Our design concept has been established to accommodate future growth in program if a market exists.

- ◆ We have allowed for the ability to expand if market demand shifts
- ◆ Expansion area could accommodate up to an additional 65,000 square feet
- ◆ Expansion planned to maintain interesting views and double window walls

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DENSITY

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STREETSCAPE



SCHEME 1
MMB Anchors Hotel

URBAN CONTEXT

Pinckney Street must become an attractive and pedestrian friendly environment. The scale and density of development will define this space.

- ◆ Avoid an urban canyon



SCHEME 2
MMB Remains City
Offices

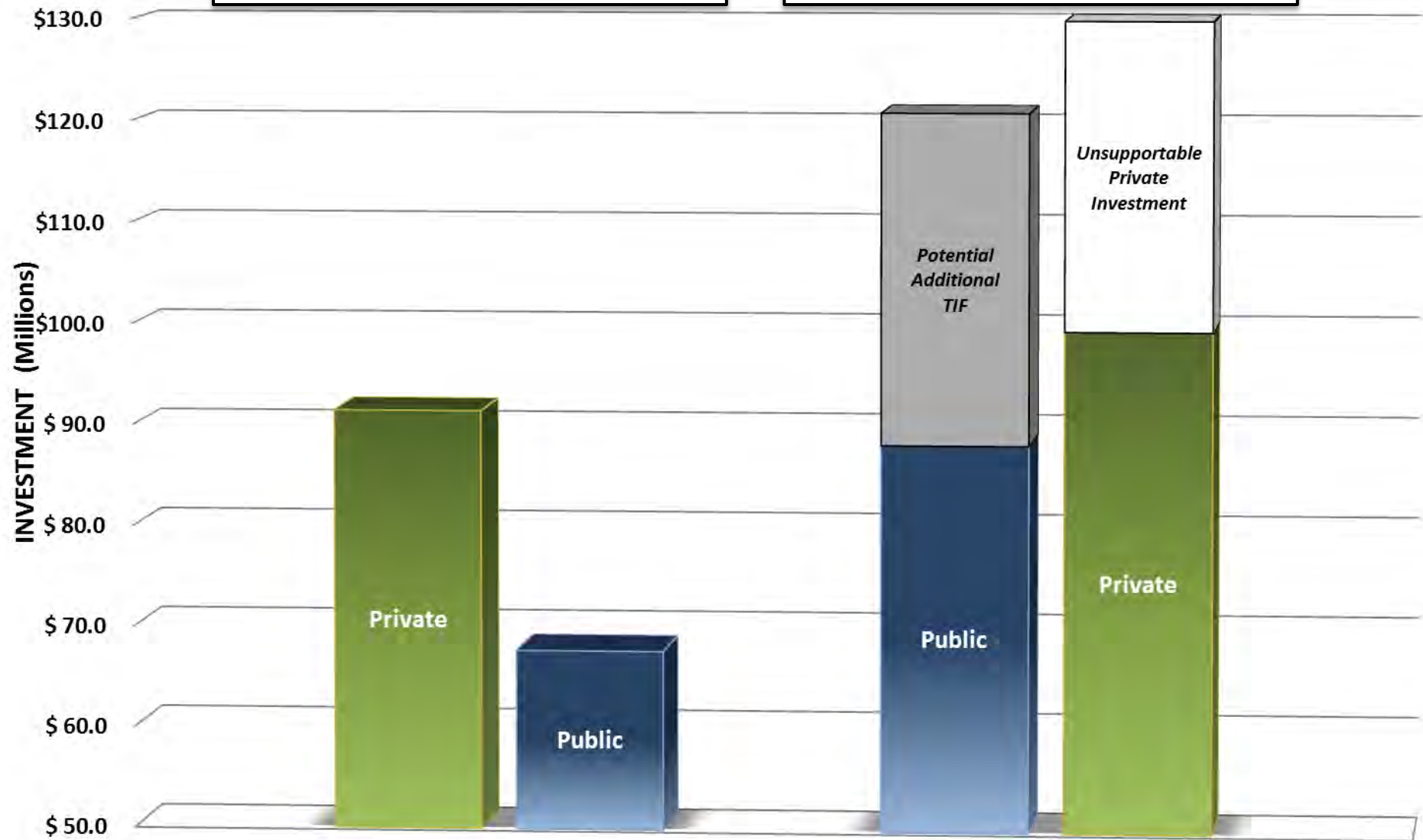


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PUBLIC / PRIVATE INVESTMENT

Scheme 1
MMB Anchors Hotel

Scheme 2
MMB Remains City Offices



Public	Scheme 1	Scheme 2
TIF	\$16,795,577	\$21,218,761
Parking and Bike Center	\$28,016,699	\$41,115,005
City Offices	\$22,900,290	\$25,920,000
Total	\$67,712,566	\$88,253,766

The public investment for Judge Doyle Square is one of the primary considerations in our evaluation of Scheme 1 vs. Scheme 2

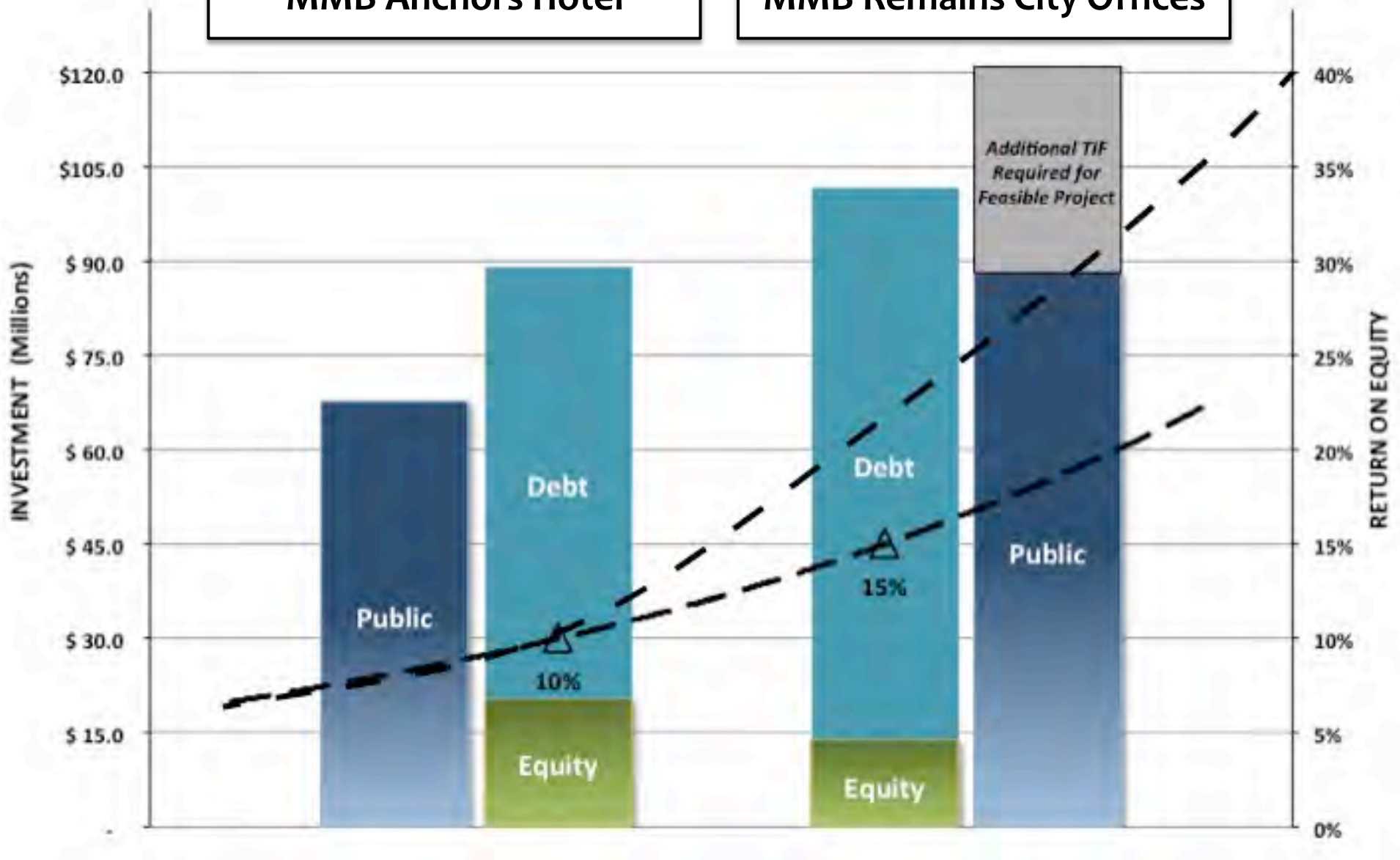
- ◆ A base difference of \$20M of public dollars invested between Scheme 1 vs. Scheme 2
- ◆ High probability that \$30M to \$35M of added public dollars will be required for Scheme 2
- ◆ Other forms of public support may be required (i.e. operational subsidies, etc.)

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EQUITY COMMITMENT

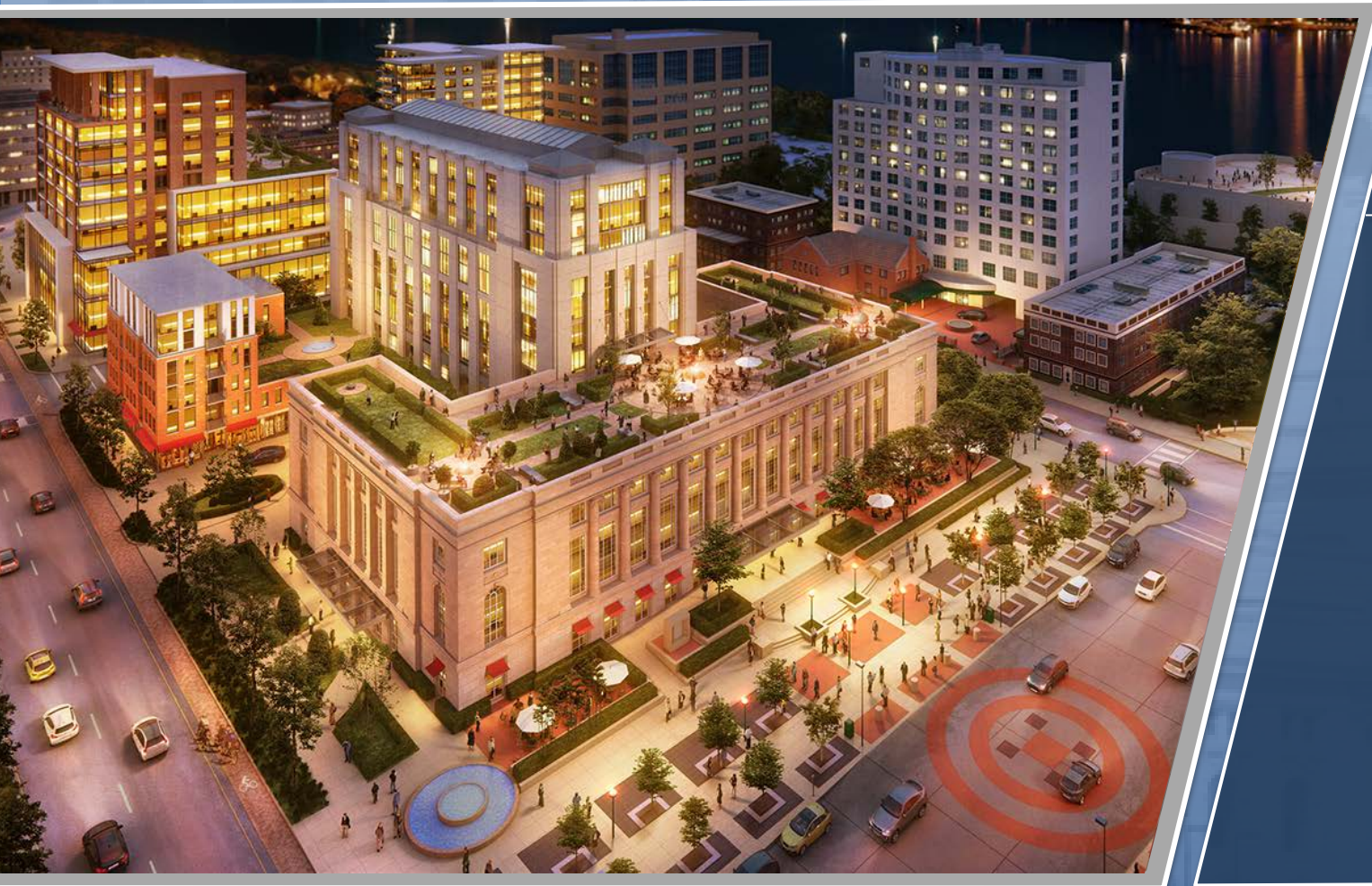
Scheme 1
MMB Anchors Hotel

Scheme 2
MMB Remains City Offices



We are prepared to make a substantial equity investment in Judge Doyle Square. There are several important considerations in our investment of equity in this Project, including:

- ◆ Local commitment of equity
- ◆ Our investment threshold is driven by the opportunity to create a landmark project for Madison
- ◆ Our yield expectations are built around a long-term economic model
- ◆ Significant difference in the yield curve between Scheme 1 vs. Scheme 2
- ◆ We view Scheme 2 as having dramatically different risk considerations



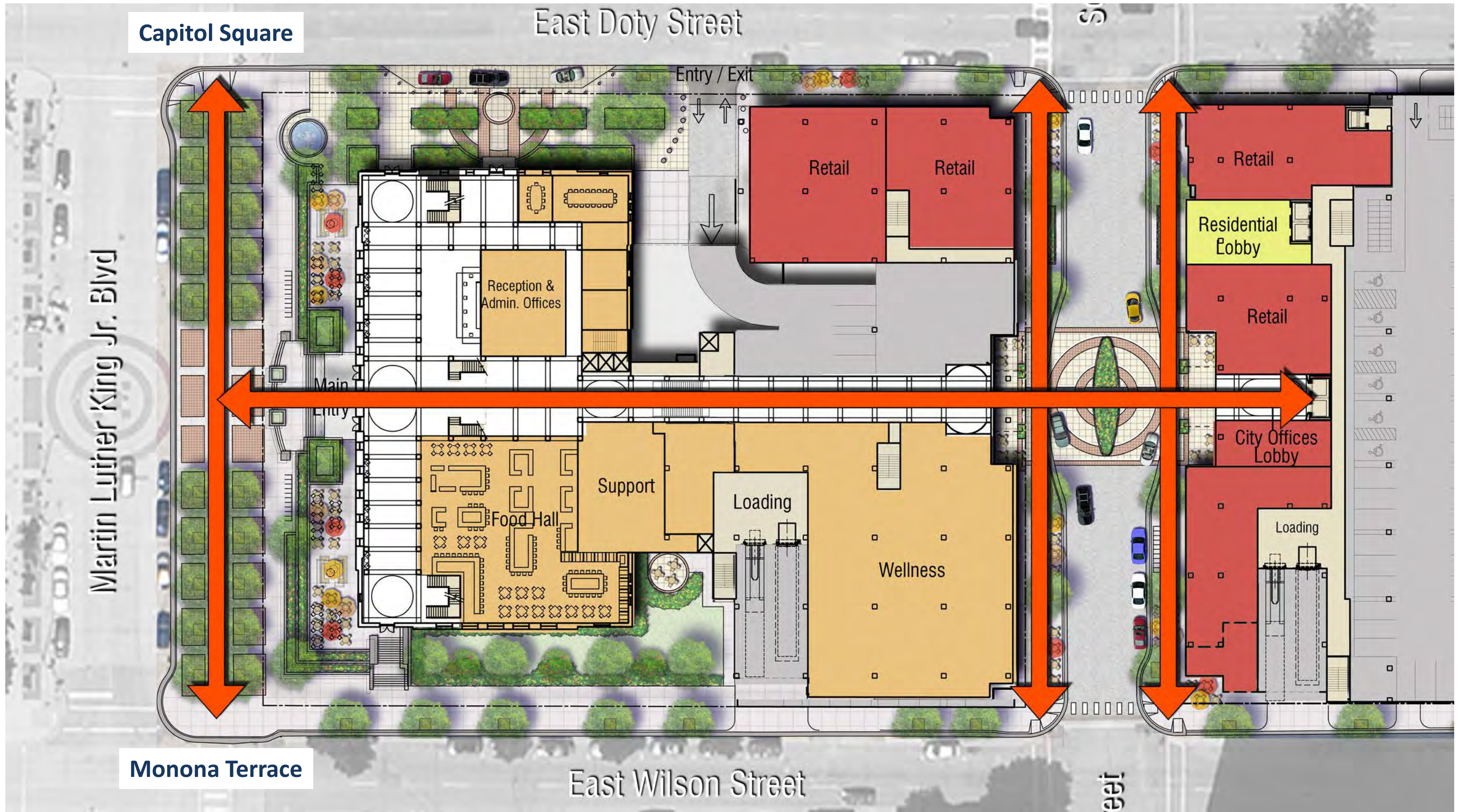
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URBAN EXPERIENCE