



## MEMORANDUM

**To:** Heather Stouder, Director, City of Madison Planning

**From:** Andrew B. Inman, Vice President of Development, North Central Group

**Date:** October 22, 2020

**Subject:** Supplemental Analysis and Findings of Fact for the American Exchange, Block 101 (1 N Pinckney St), Madison, WI

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### **Summary**

This memorandum supplements the October 19, 2020 Technical Review Memorandum for the Urban Land Interests (ULI) proposal to develop Block 101 (1 N. Pinckney St.), titled “American Exchange Development”, submitted by North Central Group and dated October 19, 2020. Between ULI’s initial Land Use submittal to the City of Madison and the most recent submittal, ULI modified the zoning request to rezone the site to Planned Development rather than securing Conditional Use Approval under the existing Downtown Core Zoning. This memorandum is intended to supplement rather than replace the October 19, 2020 technical review. The underlying zoning does not impact the analysis related to the Urban Design Commission’s review relative to the applicable design standards and codes and does not change the conclusion that the ***ULI proposal to develop Block 101 does NOT meet several of the City of Madison required standards for approval. Notably, the development proposal as currently designed adversely impacts, substantially impairs, and diminishes the uses, value, and enjoyment of other property in the immediate neighborhood. Since the Block 101 plan proposed by ULI fails to meet several of these standards it must be denied, placed on file, or referred so the applicant can improve the design to meet these standards.***

### **Applicable Standards/Code**

ULI technical review is supplemented to address the additional standards contained in:

1. Madison Code of Ordinances: 28.098 Planned Development Districts establishes a voluntary regulatory framework as a means to facilitate the unique development of land in an integrated and innovative fashion.
2. Madison Code of Ordinances: 28.182 Text and Map Amendments establish the standards for review and approval of proposed zoning amendments.

It should be noted that at the time this review was completed, ULI’s specific Zoning Text was not publicly available despite a draft zoning text being a required part of the land use submission. To avoid a future due process claim, the City and ULI should consider delaying the commission review this project and the zoning text should be made available for review and comment in accordance with public notice requirements for rezonings.

## Supplemental Analysis

By modifying the zoning request from a Conditional Use under the existing Downtown Core Zoning to a rezoning request to Planned Development, ULI actually elevated the standard for approval beyond the standards analyzed in the October 19, 2020 Technical Review. Under a Conditional Use request, an applicant is entitled to approval if it meets the applicable conditional use standards by right as such uses are already contemplated under the existing zoning district attached to the property. There is no such right for requests for rezoning and the use of planned development districts in particular create an even higher standard as they are explicitly disfavored under the City's zoning code. To that end, pursuant to the City's zoning ordinance, for a request to rezone to a planned development district, an applicant *must demonstrate* that no other base zoning district can be used to achieve a substantially similar pattern for development. In making their determination on whether the applicant has met this heightened burden, the Plan Commission and Common Council can consider a broader set of criteria including the design objectives listed in Section 28.098, all development goals and standards contained in the Comprehensive Plan and other adopted plans and standards, and the broader welfare of the City and neighbors. Ultimately, the rezoning request is a legislative decision of the Common Council that shall be based on a broader set of criteria beyond the standards for approval of a Conditional Use permitted by the existing zoning. Below is an analysis of the broader rezoning to Planned Development standards.

**Standard:** *The PD District plan shall not adversely affect the economic health of the City or the area of the City where the development is proposed.*

**Analysis:** As the Economic Impact Analysis included in the Technical Review Memorandum dated October 19, 2020 concluded that **the American Exchange development as currently proposed by ULI will substantially depreciate the gross revenue, rental income, net operating income, market value, assessed value and property tax revenues from the adjacent property analyzed.** The ULI proposal will most definitely also adversely impact the value of other adjacent properties, such as the Capitol Edge Apartments, and businesses, such as Eno Vino Downtown.

**Standard:** *The PD District plan shall not create traffic or parking demands disproportionate to the facilities and improvements designed to meet those demands.*

**Analysis:** The traffic and parking demands have been inflated. According to the developer, the project density must be increased to the proposed 300,000 SF of office to financially support the inflated number of subterranean parking stalls included in the proposal. At the time of the drafting of this Supplemental Analysis, the Traffic Impact Assessment and TDM plan had not been made available publicly.

**Standard:** *The PD District plan shall coordinate architectural styles and building forms to achieve greater compatibility with surrounding land uses and create an environment of sustained aesthetic desirability compatible with the existing or intended character of the area and the statement of purpose of the PD District.*

Analysis: ULI failed to coordinate the architectural massing to achieve compatibility with the neighboring properties. The current ULI proposal includes an approximately 80 foot mass up to and actually encroaching several feet beyond the ULI property line into the City owned East Washington Ave. Right-of-Way. The upper approximately 20 feet of the East Washington Ave. façade does have a modest (approximately 20 foot) step-back from the East Washington Ave. right-of-way/property line and continuing up to the Capitol Height Limit. The mechanical screening on the roof extends another 12 feet above the Capitol Height Limit and, while not dimensioned, the elevator over-run extends several feet above the mechanical screening. The result of this massing is to obstruct most of the public view of the Capitol Dome from the AC Hotel and Eno Vino Downtown (as illustrated with the red and yellow shading on the



ULI Proposed American Exchange Development




ULI Proposed American Exchange Building		
View Type		View Percentage
Partial Impact to Capitol Building View		10%
Partial Impact to Capitol Dome View		15%
Full Impact to Capitol Dome View		75%

Figure to the right) except for the few views closest to the East Washington Ave. elevation (as illustrated with the tan shading on the same Figure). **As demonstrated in the Technical Review Memorandum dated October 19, 2020, and as concluded by GBA, a Wisconsin licensed architect well versed in the City of Madison zoning standards, the ULI proposal as currently designed will substantially depreciate, adversely impact, diminish and impair the uses, values, and enjoyment of property.**

The immediately adjacent Lamp House block should be used as an example of how the City can initiate a thoughtful and inclusive review of existing structures to accommodate growth of new development that is harmonious with the remaining built environment. Given the numerous historic structures and Capitol view sheds impacted by this project, we encourage the Plan Commission to have the applicant follow a similar process to that done by the 2014 Lamp House Study Committee and would be happy to participate.

**Standard:** *A Planned Development shall comply with all standards, procedures, and regulations of this ordinance that are applicable to the individual uses within the development*

**Analysis:** ULI does not comply with all the standards, procedures and regulations of the City of Madison ordinance that are applicable to the individual uses within the development. A thorough review is also rendered impossible given the lack of a publicly available zoning text for this project and sufficient time to review its impact.

**Standard:** *This section allows the Common Council to amend the text of this Chapter or the zoning districts in order to promote public health, safety, and welfare throughout the City, giving due consideration to existing conditions, conservation of property values, building development providing best advantage to the City*

**Analysis:** **As demonstrated in the Technical Review Memorandum dated October 19, 2020 and as concluded by GBA, a Wisconsin licensed architect well versed in the City of Madison zoning standards,**

**the ULI proposal as currently designed will substantially depreciate, adversely impact, diminish and impair the uses, values, and enjoyment of property. The Economic Impact Analysis also demonstrated that the American Exchange development as currently proposed by ULI will substantially depreciate the gross revenue, rental income, net operating income, market value, assessed value and property tax revenues from the adjacent property analyzed.** The ULI proposal will also adversely impact the value of other adjacent properties, such as the Capitol Edge Apartments, and businesses, such as Eno Vino Downtown.

***Standard:** The adoption of a map amendment changing the zoning classification of the property in question to any classification in the same subchapter that is more restrictive than that proposed by the applicant*

**Analysis:** ULI has not demonstrated the need to modify the zoning classification of the property in question. The current proposal does not meet the standards for approval under the existing zoning classification, however, the PD is not intended to be less restrictive; it should be more restrictive, and the proposal should be modified to comply with the existing zoning district standards or the intent the Planned Development District is rendered meaningless.

***Standard:** Text amendments or map amendments are legislative decisions of the Common Council that shall be based on public health, safety and welfare, shall be consistent with the Comprehensive Plan, and shall comply with Wisconsin and federal law.*

**Analysis:** As demonstrated in the Technical Review Memorandum dated October 19, 2020, As the Architectural Study and Economic Impact Analysis **the American Exchange development as currently proposed by ULI will adversely impact and substantially depreciate the gross revenue, rental income, net operating income, market value, assessed value and property tax revenues from the adjacent property analyzed.** The ULI proposal will also adversely impact the value of other adjacent properties, such as the Capitol Edge Apartments, and businesses, such as Eno Vino Downtown. ULI has failed to demonstrate compliance with all requirements of the Comprehensive Plan and other standards.

***Standard:** Any development on a zoning lot adjoining a landmark or landmark site for which Plan Commission or Urban Design Commission review is required shall be reviewed by the Landmark Commission to determine whether the proposed development is so large or visually intrusive as to adversely affect the historic character and integrity of the adjoining landmark or landmark site. Landmark Commission review shall be advisory to the Plan Commission and the Urban Design Commission.*

**Analysis:** While the Landmark Commission approved the proposal, it is only advisory to the Plan Commission and Urban Design Commission. The proposal as currently designed, demolishes the Centre Seven building and looms over the American Exchange Building. Modifying the design as shown in the Feasibility Study prepared by GBA and recommended by the Urban Design Commission to better utilize the mid-block portion of the site would better relate to the American Exchange building. Again, a more robust and inclusive planning process similar to what was done by the Lamp House Committee in 2014 is warranted.

## Findings of Fact

Based on the comprehensive technical review of the ULI proposal relative to the applicable codes, plans and design standards adopted as supplements to the plans and as demonstrated by the technical analysis, **the ULI proposal is found to fail to meet the multiple standards required for approval. The following findings of fact support the denial, placement on file, or referral until the applicant submits a complete application that is made available for a thorough review by its neighbors and improves the design to meet the required standards for approval:**

1. Urban Design District No. 4 was established to improve the appearance of major transportation corridors east of the Capitol Square which constitute a major entrance to the City of Madison, to preserve and enhance the property values in the district, and to avoid a substantial depreciation of the property values in the district.
2. No application for rezoning to Planned Development shall be granted by the Plan Commission or Common Council unless it finds that approval promotes the public health, safety and welfare including consideration of existing conditions and conservation of property values and other zoning and plan requirements.
3. Urban Land Interests (ULI) submitted a proposal to the City of Madison to develop Block 101 (1 N. Pinckney St.), titled "American Exchange Development", dated September 16, 2020. Said application was initially received by the City of Madison on August 12, 2020.
4. GBA is a State of Wisconsin licensed architect well versed in the City of Madison Zoning Ordinance, Plans and Standards as well as the State of Wisconsin Building Code.
5. GBA completed a comprehensive review of the impact of ULI's proposed development proposal dated September 16, 2020 on the uses, value, and enjoyment of adjacent properties with particular focus on the public amenities located in public areas within the AC Hotel and Eno Vino Downtown. Based on the comprehensive review, GBA concluded that the ULI proposal as currently designed will substantially depreciate, adversely impact, diminish and impair the uses, values, and enjoyment of property.
6. GBA also completed a feasibility analysis on certain design modifications to mitigate the impact, better utilize the mid-block portion of the site, and address the City requirements. The feasibility analysis demonstrated, and GBA concluded, that the ULI proposal can in fact be modified to so as to not substantially depreciate, adversely impact, diminish or impair the uses, values, and enjoyment of an important public amenity while still accomplishing the desired development density and program.
7. NCG commissioned an economic impact analysis, based on the results of the GBA's analyses, on a single property owner, 202 E Washington, LLC, the owner of the building in which the AC Hotel and Eno Vino Downtown are located. The economic impact analysis demonstrated that the ULI proposal as currently designed will substantially depreciate the value of property of the adjacent property owner and other businesses in the district. The negative impact on property value will also negatively impact the tax revenues collected by the City of Madison.
8. The ULI proposal has significant public opposition. Over 1200 members of the public have registered their opposition to the project. ULI failed to adequately solicit public feedback by not inviting many of the neighboring property owners, business owners and residents to the one (or any if there was in fact more than one) neighborhood meeting(s) that were held. The CNI letter

of support fails to fully assess the impact of the development on the surrounding properties, ignores conflicts with the applicable City of Madison Plans and Codes, and does not represent the views of the public that were not included in the neighborhood input process.

9. The scale and massing on the East Washington Ave. and Webster St. side are incompatible with portions of the Downtown Urban Design Guidelines. Such notion was supported with comments from staff and UDC commissioners during the Informational Presentation at the May 27, 2020 UDC meeting.
10. The proposal is incompatible with several key elements of the City of Madison Downtown Plan.
11. The proposal and process is a step backward from the precedent set by the 2014 Lamp House Committee process on the immediately adjacent block.

**Based on the above Findings of Fact, the ULI proposal to develop Block 101 does NOT meet several of the City of Madison standards for approval. Since the Block 101 plan proposed by ULI fails to meet several of these standards it must be denied, placed on file, or referred so the applicant can improve the design to meet these standards.**



## **TECHNICAL MEMORANDUM**

**To:** Heather Stouder, Director, City of Madison Planning

**From:** Andrew B. Inman, Vice President of Development, North Central Group

**Date:** October 19, 2020

**Subject:** American Exchange, Block 101 (1 N Pinckney St), Madison, WI City Plan and Code Compliance Findings of Fact

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### **Summary**

This memorandum summarizes the results of the technical review of the Urban Land Interests (ULI) proposal to develop Block 101 (1 N. Pinckney St.), titled "American Exchange Development", dated September 16, 2020, and application initially received by the City of Madison on August 12, 2020. The technical review consisted of the following:

1. A comprehensive review of the materials submitted to the City of Madison and posted on Legistar.
2. A review of the ULI proposal relative to the applicable City of Madison codes and ordinances, adopted land use plans, and land development standards.
3. An architectural study completed by GBA, a State of Wisconsin licensed architect well versed in the City of Madison Zoning Ordinance, Plans and Standards as well as the State of Wisconsin Building Code, to evaluate the impact of ULI's development proposal on the surrounding area with specific focus on public access areas located in Eno Vino Downtown and the AC Hotel, located at 1 N. Webster Street.
4. A feasibility study of a modified design which significantly mitigates the adverse impacts of the ULI proposal on the surrounding properties, incorporates recommendations of the UDC commissioners as part ULI's May 27, 2020 Informational Presentation to the UDC and better addresses the City of Madison Standards for Approval.
5. An economic impact study on one impacted property adjacent to Block 101.

***The technical review concluded that the ULI proposal to develop Block 101 does NOT meet several of the City of Madison required standards for approval. Notably, the development proposal as currently designed adversely impacts, substantially impairs, and diminishes the uses, value, and enjoyment of other property in the immediate neighborhood. Since the Block 101 plan proposed by ULI fails to meet several of these standards it must be denied, placed on file, or referred so the applicant can improve the design to meet these standards.***

## **Applicable Standards/Code**

All development within the City of Madison must comply with all applicable City of Madison codes, plans and standards. The City of Madison Urban Design Commission, Plan Commission and Council shall not approve such development proposals without consideration of the applicable codes, plans and design guidelines adopted as supplements to the plans and a finding that the proposal meets ALL standards for approval. The ULI proposal for redevelopment of Block 101 must comply with the following applicable codes, plans and standards:

1. Madison Code of Ordinances: 28.071 General Provisions for Downtown and Urban Districts establishes standards applicable to all new buildings and additions to all new buildings and additions within any ten year period, exceeding fifty percent of existing building's floor area for non-residential buildings, mixed use buildings, lodging houses, and residential buildings with 8 or more dwelling units.
2. Madison Code of Ordinances: 28.074 Downtown Core District establishes heightened standards to recognize the Capital Square and surrounding properties.
3. Madison Code of Ordinances: 28.183 Conditional Use establishes minimum standards for approval as a conditional use and requires that conditional uses not adversely impact, diminish, or substantially impair the uses, values and enjoyment of other property already established.
4. Downtown Urban Design Guidelines establish the primary elements to be evaluated when reviewing development proposals to ensure new buildings, additions and alterations are compatible on a city, neighborhood, and block level.
5. City of Madison Downtown Plan describes the desired vision for the future of downtown and establishes a decision making framework for realizing that future.
6. Urban Design District No. 4 establishes requirements to improve the appearance of the major transportation corridors east of the Capitol Square which constitute a major entrance to the City of Madison and to preserve and enhance the property values in the district, and to avoid a substantial depreciation of the property values in the district.
7. East Washington Avenue Capitol Gateway Corridor Plan establishes four Core Development Principles to preserve the viewshed and Capitol view [Reviewer Note: while Block 101 is not located within the plan area, it does adversely impact the protected viewshed and impairs the Capitol view which is the number one criteria of the plan]

## **Analysis**

The ULI proposal to develop Block 101 was analyzed as it relates to the above referenced Codes, Plans and Standards. Based on this analysis, the major areas of non-compliance are presented below. A more detailed code analysis including links to the specific code sections is included as Attachment A to this Technical Memorandum (Attachment A – Code Compliance Checklist for ULI's Proposal to Redevelop Block 101 in the City of Madison).

### Adverse Impact on Adjacent Properties

Both Urban Design District No. 4 and Section 28.183 of the Zoning Ordinance contain language that require development proposals to enhance and not substantially depreciate, adversely impact, diminish or impair the uses, values, and enjoyment of property. Urban Design District standards are under the



jurisdiction of the Urban Design Commission and the Conditional Use Approval Process is under the jurisdiction of the Plan Commission. The specific language is as follows:

*Urban Design District No. 4 is hereby established to improve the appearance of those major transportation corridors east of the Capitol Square which constitute a major entrance to the City of Madison, **to preserve and enhance the property values in the district, and to avoid a substantial depreciation of the property values in the district.** (emphasis added)*

*Madison Code of Ordinances: 28.183 (6) Approval Standards states: The City Plan Commission shall not approve a conditional use without due consideration of the recommendations in the City of Madison Comprehensive Plan and any applicable, neighborhood, neighborhood development, or special area plan, including design guidelines adopted as supplements to these plans. **No application for a conditional use shall be granted by the Plan Commission unless it finds that all of the following conditions are present... 3. The uses, values, and enjoyment of other property in the neighborhood for purposes already established will not be substantially impaired or diminished in any foreseeable manner.** (emphasis added)*

To evaluate the impact on the adjacent properties, North Central Group a) engaged GBA, a State of Wisconsin licensed architect well versed in the City of Madison Zoning Ordinance, Plans and Standards as well as the State of Wisconsin Building Code, to evaluate the impact of ULI's proposed development proposal dated September 16, 2020 on the uses, value and enjoyment of adjacent properties with particular focus on the public amenities located in public areas within the AC Hotel and Eno Vino Downtown, b) engaged GBA to complete a feasibility analysis on design modifications to mitigate the impact, better utilize the mid-block portion of the site, and address the City requirements, and c) based on the results of the GBA analysis, completed an economic impact analysis on a single property owner, 202 E. Washington, LLC, the owner of the building in which the AC Hotel and Eno Vino Downtown are located.




Architectural Impact Study and Feasibility Study (Refer to Attachments B and C). GBA completed a comprehensive review of ULI's Block 101 development proposal and reviewed the staff and UDC Commissioner Comments from the May 27, 2020 UDC informational presentation by ULI. Based on the ULI proposed design posted on Legistar, GBA constructed an electronic, three-dimensional model of the proposed design related to the existing surrounding buildings, notably the State Capitol, and the AC Hotel and Eno Vino Downtown. A GBA representative also took precise photographs from several locations with particular emphasis on public areas within the AC Hotel and Eno Vino Downtown. The photographs were inserted into the three-dimensional model to evaluate the impact of the current ULI development proposal.

As background, five years ago the UDC, Plan Commission and City Council determined that the AC Hotel design met the standard for exceptional design established by the City of Madison Downtown Plan, thereby qualifying for two bonus stories. An important component of this approval was to incorporate extraordinary design and construction provisions, including carrying a third, separate structural system to the upper floors, and elevating the public spaces to the upper two floors of the AC Hotel. This design and subsequent approval resulted in a public space available to all residents and visitors to the City of Madison, creating elevated views of the State Capitol and a signature, one-of-a-kind public amenity visited by over 170,000 people in 2019.

The current ULI proposal includes an approximately 80 foot mass up to and actually encroaching several feet beyond the ULI property line into the City owned East Washington Ave. Right-of-Way. The upper approximately 20 feet of the East Washington Ave. façade does have a modest (approximately 20 foot) step-back from the East Washington Ave. right-of-way/property line and continuing up to the Capitol Height Limit. The mechanical screening on the roof extends another 12 feet above the Capitol Height Limit and, while not dimensioned, the elevator over-run extends several feet above the mechanical screening. The result of this massing is to obstruct most of the public view of the Capitol Dome from the AC Hotel and Eno Vino Downtown (as illustrated with the red and yellow shading on the Figure to the right) except for the few views closest to the East Washington Ave. elevation (as illustrated with the tan shading on the same Figure). Accordingly, GBA concluded that the ULI proposal as currently designed will substantially depreciate, adversely impact, diminish and impair the uses, values, and enjoyment of property.






**ULI Proposed American Exchange Development**

ULI Proposed American Exchange Building		
View Type		View Percentage
Partial Impact to Capitol Building View		10%
Partial Impact to Capitol Dome View		15%
Full Impact to Capitol Dome View		75%

GBA also evaluated the feasibility of incorporating modifications to the ULI proposal based on recommended design improvements from UDC Commissioners during the ULI informational presentation at the May 27, 2020 Urban Design Commission meeting. Specifically, GBA evaluated the feasibility of mirroring the office tower and decreasing the height modestly along the East Washington Ave portion of the office tower as shown on the two figures on the following page. The results of this feasibility analysis determined that the ULI design can be modified to: a) preserve approximately the same density (300,000 SF) in the current ULI development proposal, b) accommodate a similar structural grid as the current ULI proposal, c) incorporate ULI's desired first and second floor uses with modest reconfiguration, and d) not significantly modify the ramping or number of parking stalls



**Modified Proposed American Exchange Development**

Modified Proposed American Exchange Building		
View Type		View Percentage
Partial Impact to Capitol Building View		31%
Partial Impact to Capitol Dome View		18%
Full Impact to Capitol Dome View		51%

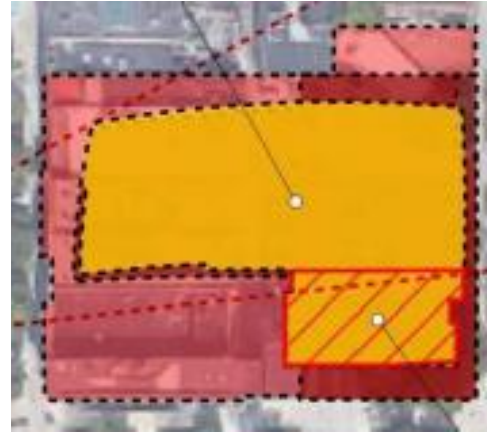
incorporated into the subterranean parking. Significantly, as illustrated in the Figure to the right, the feasibility analysis demonstrated and GBA concluded that the ULI proposal can in fact be modified to not

substantially depreciate, adversely impact, diminish or impair the uses, values, and enjoyment of an important public amenity while still accomplishing the desired development density and program.

#### ULI Proposed Design



#### Modified Proposed Design



Economic Impact Analysis. NCG commissioned an economic analysis using the historical financial performance of one neighboring entity, 202 E. Washington Ave., LLC, the owner of the building in which the AC Hotel and Eno Vino Downtown are located, and the results of the Architectural Impact Study and Feasibility Study. **The results of this Economic Impact Analysis concluded that the American Exchange development as currently proposed by ULI will substantially depreciate the gross revenue, rental income, net operating income, market value, assessed value and property tax revenues from this single property included in analysis.** The ULI proposal will most definitely also adversely impact the value of other adjacent properties, such as the Capitol Edge Apartments, and businesses, such as Eno Vino Downtown. Specifically, the economic impact of the proposal on the studied property are as follows:

- Guestroom Revenue Negative Economic Impact – There are 30 guestrooms that currently offer guests a Capitol View. On average, the Capitol View guestrooms have a \$40 per night premium. It is further estimated that the negative impact on the public areas within the hotel such as the fitness center, library and media center, Terrace Lounge and Terrace will have a modest \$5 per room impact on average daily rate. Based on 2019 occupancy and average daily rates, it was estimated that the ULI proposal as currently designed would have a **negative impact of \$1,000,000 to \$1,400,000 per year on guestroom revenue annually.**
- Eno Vino Downtown Rental Income Negative Impact – The Eno Vino lease is structured as a percentage lease in which the Tenant (Eno Vino Downtown) pays the Landlord (202 E Washington, LLC) a percentage of the gross revenues as rent and includes a profit sharing component as additional rent. Eno Vino Downtown has submitted a separate documentation regarding the significant adverse impact the ULI proposal as currently designed will have on their business. Based on this adverse impact on Eno Vino Downtown’s business, it is conservatively estimated that the ULI proposal as currently designed will **have negative impact of an additional \$150,000 to \$200,000 per year on rental income** to 202 E Washington, LLC.

[Note: This amount does not include the negative impact on Eno Vino Downtown's revenues, only the rental income to the Landlord].

- Negative Impact on Market Value – The market value of the 202 E Washington, LLC property is based on a market cap rate on the Net Operating Income. The results of the Economic Impact Analysis estimate that **the Market Value of the Property will drop by over \$10,000,000** should the ULI proposed development plan be approved without modification.
- Negative Impact on Assessed Value and Tax Revenues – The City of Madison utilizes an income approach to assessing the value of real estate. Based on the results of the Economic Impact Analysis, the ULI Block 101 development proposal will **have a significant negative impact on the assessed value and consequently the real estate tax revenues received by the City of Madison.**

**The conclusion of the above Architectural Impact Analysis and Economic Impact Analysis document ULI's development proposal as currently designed adversely impacts, substantially impairs, and diminishes the uses, value, and enjoyment of other property in the immediate neighborhood.** Of particular concern is the public amenity incorporated into the design and approval of the public spaces on the upper floors and East Washington side of the Webster St. façade. The analyses were further supplemented with a Feasibility Analysis of proposed modifications to demonstrate to the City decision makers that **the plan can in fact be improved to comply with the standards and mitigate the adverse impact to other property in the immediate neighborhood. ULI to date has elected not to do so. Since the Block 101 plan proposed by ULI fails to meet several of these standards it must be denied, placed on file, or referred so the applicant can improve the design.**

#### Additional Zoning and Design Considerations

In addition to the analyses of the fatal flaws, there are other issues that City Staff and the Urban Design Commission, Plan Commission, and Council should consider in their evaluation of ULI's current proposal.

Public Impact. Capitol Neighborhood, Inc. submitted a letter supporting the Block 101 proposed development. However, the ULI proposal has significant public opposition. **Over 1200 members of the public have registered their opposition to the project.** ULI failed to adequately solicit public feedback and did not invite many of the neighboring property owners, business owners and residents to the one (or any if there was in fact more than one) neighborhood meeting(s) that were held. **The CNI letter of support fails to fully assess the impact of the development on the surrounding properties, ignores conflicts with the applicable City of Madison Plans and Codes, and does not represent the views of the public that were not included in the neighborhood input process.**

Downtown Urban Design Guidelines/UDC Comments. The scale and massing on the East Washington Ave. and Webster St. side are incompatible with portions of the Downtown Urban Design Guidelines, specifically Section 1(b) Architectural Massing requires stepping back the upper floors from lower floors" and design to "prevent the feeling that large buildings are looming over the street". ULI's proposal as currently designed creates a looming, unfriendly pedestrian experience, and this notion was echoed by preliminary comments at the UDC informational meeting. Preliminary comments from UDC included:

1. "Tower seems to loom over American Exchange Building. It would benefit by moving upper tower portion north toward middle of block."

2. “The aesthetic along E. Washington and Webster at pedestrian level is not human scale, which is not in keeping with the surrounding fabric. This is one of the more enjoyable areas to be a pedestrian in Madison, but the way the new building meets the street does not support that. The glass boxes do not seem to relate to the base structures. The smoothness of the glazing detail is not harmonious with the timeless character of the American Exchange Bank - why add more anonymous glazing to the Capital area? The Webster facade is particularly lacking in scale for pedestrians. The idea of the project is - sound, but the detailing and architecture is not there yet.”
3. “While the maintaining of the sidewalks and planters is appreciated, the architecture is not at the same scale. The corner of Webster and E. Washington, per the rendering, looks barren and uninviting to pedestrians.”
4. “While the maintaining of the sidewalks and planters is appreciated, the architecture is not at the same scale. The corner of Webster and E. Washington, per the rendering, looks barren and uninviting to pedestrians.”

Conflicts with the Downtown Plan. Other conflicts with the Downtown Plan include:

1. Iconic Views. Downtown Plan Key 3 – Ensuring a Quality Urban Environment. Views. “The dramatic views of Downtown’s skyline and the Capitol building, and the views across the lakes from Downtown vantage points are Madison’s most engaging attributes.” Eno Vino is a publicly accessible space unique in Downtown that affords a dramatic view that is otherwise limited to privately owned spaces. “Preserving the many unique & engaging views afforded by Downtown has long been a desire of the state and city.”
2. Table Topping. (Downtown Plan, Key 3, page 32) – There is also concern that the Capitol View height limit creates a “table topping” effect. The ULI proposal as currently designed exacerbates this issue.

### **Findings of Fact**

Based on the comprehensive technical review of the ULI proposal relative to the applicable codes, plans and design standards adopted as supplements to the plans and as demonstrated by the technical analysis, **the ULI proposal is found to fail to meet the multiple standards required for approval. The following findings of fact support the denial, placement on file, or referral until the applicant improves the design to meet the required standards for approval:**

1. Urban Design District No. 4 was established to improve the appearance of major transportation corridors east of the Capitol Square which constitute a major entrance to the City of Madison, to preserve and enhance the property values in the district, and to avoid a substantial depreciation of the property values in the district.
2. The Downtown Core District language requires that all new buildings greater than 20k square feet or taller than 4 stories obtain a conditional use approval. No application for a conditional use shall be granted by the Plan Commission unless it finds that all of the following conditions are present... 3. The uses, values, and enjoyment of other property in the neighborhood for

purposes already established will not be substantially impaired or diminished in any foreseeable manner.

3. Urban Land Interests (ULI) submitted a proposal to the City of Madison to develop Block 101 (1 N. Pinckney St.), titled "American Exchange Development", dated September 16, 2020. Said application was initially received by the City of Madison on August 12, 2020.
4. GBA is a State of Wisconsin licensed architect well versed in the City of Madison Zoning Ordinance, Plans and Standards as well as the State of Wisconsin Building Code.
5. GBA completed a comprehensive review of the impact of ULI's proposed development proposal dated September 16, 2020 on the uses, value, and enjoyment of adjacent properties with particular focus on the public amenities located in public areas within the AC Hotel and Eno Vino Downtown. Based on the comprehensive review, GBA concluded that the ULI proposal as currently designed will substantially depreciate, adversely impact, diminish and impair the uses, values, and enjoyment of property.
6. GBA also completed a feasibility analysis on certain design modifications to mitigate the impact, better utilize the mid-block portion of the site, and address the City requirements. The feasibility analysis demonstrated, and GBA concluded, that the ULI proposal can in fact be modified to so as to not substantially depreciate, adversely impact, diminish or impair the uses, values, and enjoyment of an important public amenity while still accomplishing the desired development density and program.
7. NCG commissioned an economic impact analysis, based on the results of the GBA's analyses, on a single property owner, 202 E Washington, LLC, the owner of the building in which the AC Hotel and Eno Vino Downtown are located. The economic impact analysis demonstrated that the ULI proposal as currently designed will substantially depreciate the value of property of the adjacent property owner and other businesses in the district. The negative impact on property value will also negatively impact the tax revenues collected by the City of Madison.
8. The ULI proposal has significant public opposition. Over 1200 members of the public have registered their opposition to the project. ULI failed to adequately solicit public feedback by not inviting many of the neighboring property owners, business owners and residents to the one (or any if there was in fact more than one) neighborhood meeting(s) that were held. The CNI letter of support fails to fully assess the impact of the development on the surrounding properties, ignores conflicts with the applicable City of Madison Plans and Codes, and does not represent the views of the public that were not included in the neighborhood input process.
9. The scale and massing on the East Washington Ave. and Webster St. side are incompatible with portions of the Downtown Urban Design Guidelines. Such notion was supported with comments from staff and UDC commissioners during the Informational Presentation at the May 27, 2020 UDC meeting.
10. The proposal is incompatible with several key elements of the City of Madison Downtown Plan.

**Based on the above Findings of Fact, the ULI proposal to develop Block 101 does NOT meet several of the City of Madison standards for approval. Since the Block 101 plan proposed by ULI fails to meet several of these standards it must be denied, placed on file, or referred so the applicant can improve the design to meet these standards.**

**Attachments:**

Attachment A – Code Compliance Checklist for ULI’s Proposal to Redevelop Block 101 in the City of Madison

Attachment B - Architectural Impact Study completed by GBA

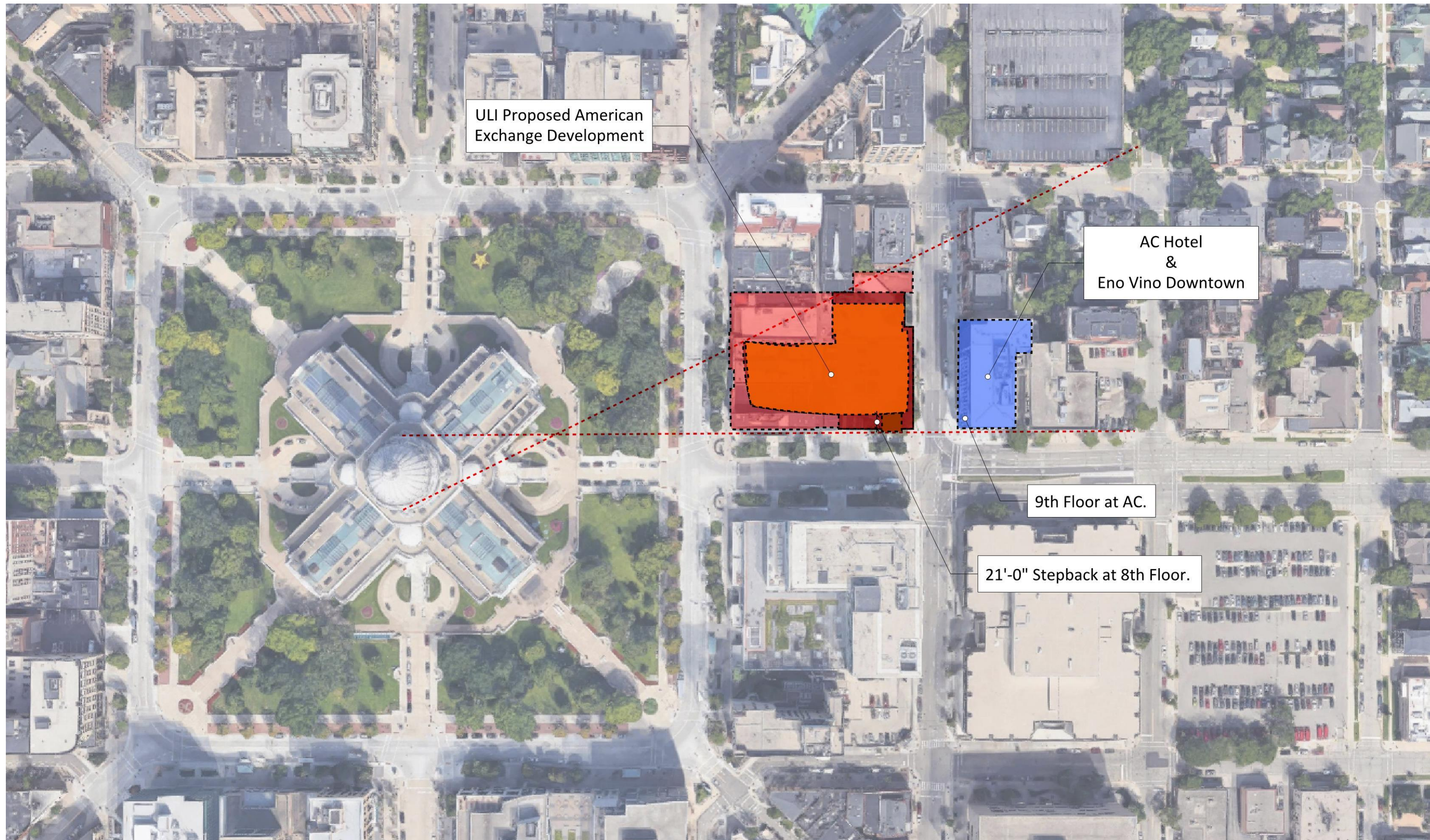
Attachment C - Feasibility Study Completed by GBA



One N Webster St  
Madison, WI

# Architectural Impact Study



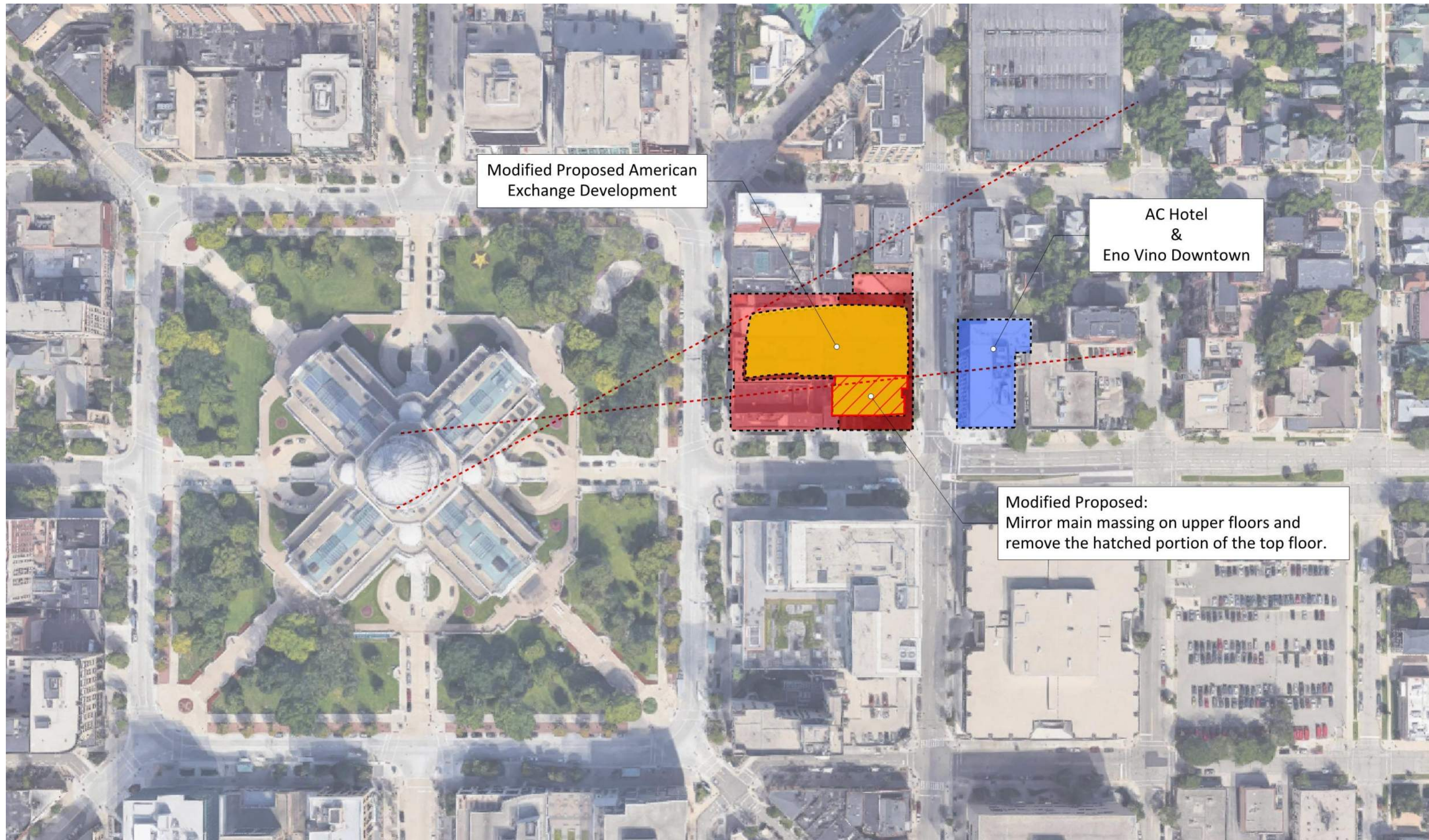


ULI Proposed American Exchange Development

AC Hotel & Eno Vino Downtown

9th Floor at AC.

21'-0" Stepback at 8th Floor.



Modified Proposed American Exchange Development

AC Hotel & Eno Vino Downtown

Modified Proposed: Mirror main massing on upper floors and remove the hatched portion of the top floor.

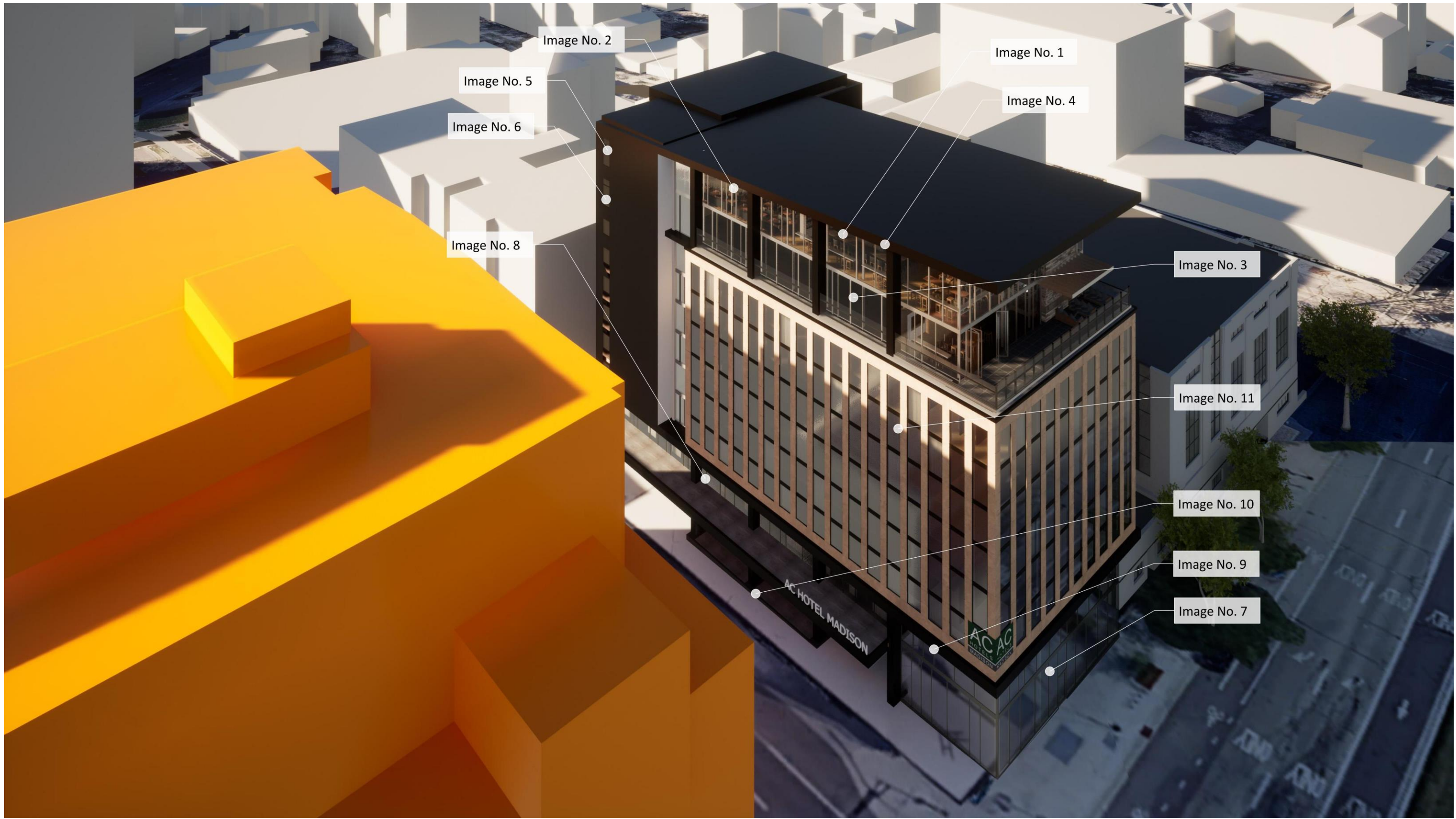




Image No. 1  
Existing



Image No. 1  
ULI Proposed



Image No. 1  
Modified Proposed



Image No. 2  
Existing



Image No. 2  
ULI Proposed



Image No. 2  
Modified Proposed



Image No. 3  
Existing



Image No. 3  
ULI Proposed



Image No. 3  
Modified Proposed

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**Before & After**



Image No. 4  
Existing



Image No. 4  
ULI Proposed



Image No. 4  
Modified Proposed



Image No. 5  
Existing



Image No. 5  
ULI Proposed



Image No. 5  
Modified Proposed





Image No. 6  
Existing



Image No. 6  
ULI Proposed



Image No. 6  
Modified Proposed



Image No. 7  
Existing



Image No. 7  
ULI Proposed



Image No. 7  
Modified Proposed



Image No. 8  
Existing



Image No. 8  
ULI Proposed



Image No. 8  
Modified Proposed



Image No. 9  
Existing



Image No. 9  
ULI Proposed



Image No. 9  
Modified Proposed



Image No. 10  
Existing



Image No. 10  
ULI Proposed



Image No. 10  
Modified Proposed



Image No. 11  
Existing

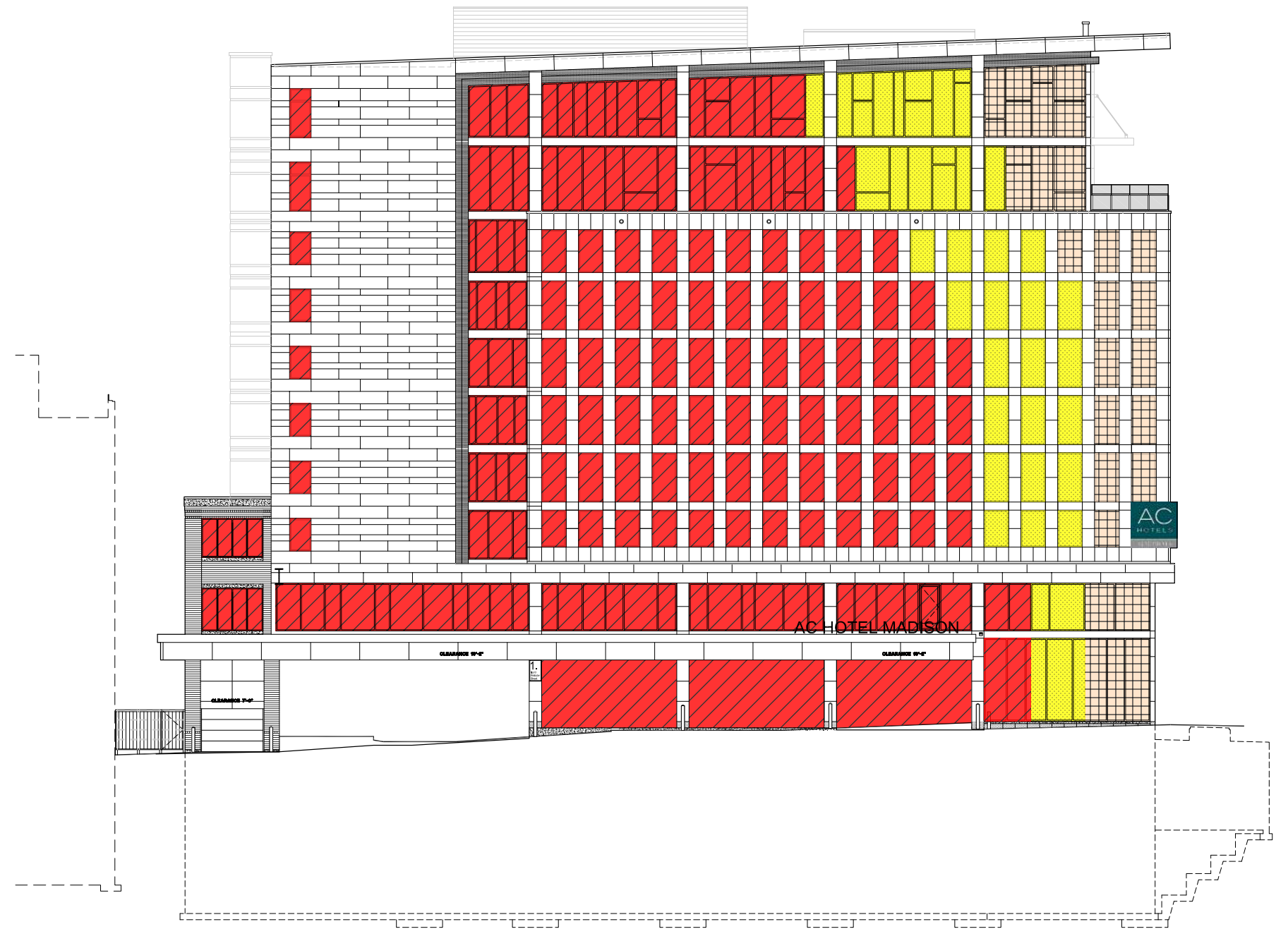


Image No. 11  
ULI Proposed



Image No. 11  
Modified Proposed




**Before & After**

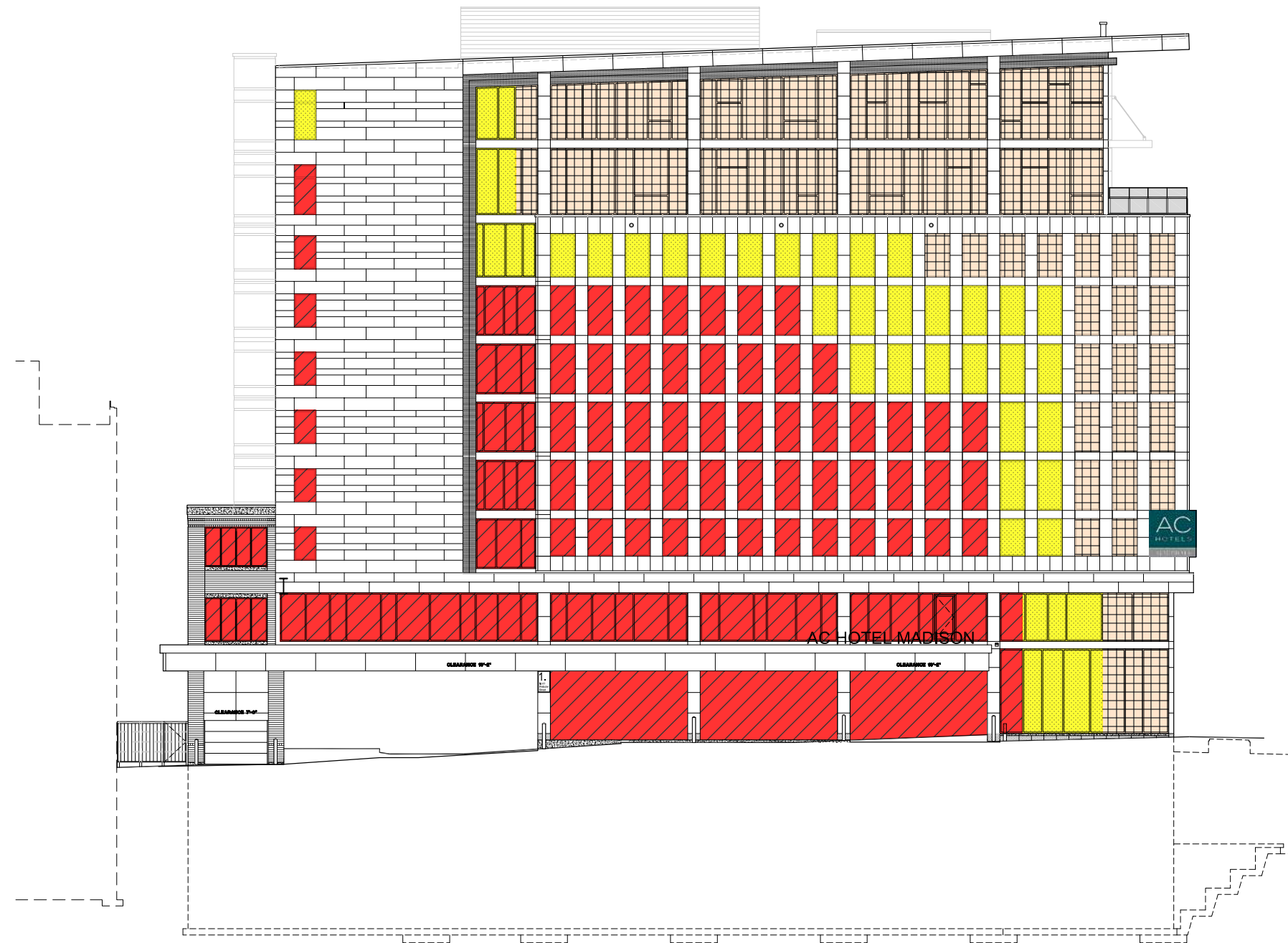


## ULI Proposed American Exchange Development

### View Summary

Under the proposed ULI Development, there will be a great impact to the Capitol view from the AC hotel. The ULI Development will block approximately 75% of the building from having any view of the Capitol dome. 15% of the building will suffer a partial blocked view of the dome, and 10% will have a partial blocked view of the Capitol overall.




ULI Proposed American Exchange Building		
View Type		View Percentage
Partial Impact to Capitol Building View		10%
Partial Impact to Capitol Dome View		15%
Full Impact to Capitol Dome View		75%



## Modified Proposed American Exchange Development

### View Summary

With the Proposed Modification to the ULI Development, the large impact to the Capitol view from the AC hotel will be reduced. The proposed modification will allow a majority of the 9th and 10th floors of the AC and Eno Vino to have full Capitol Dome views. The full impact to the Capitol Dome is reduced by approximately 24%, with a majority of this percentage shifting to allow for more full Capitol Dome views.

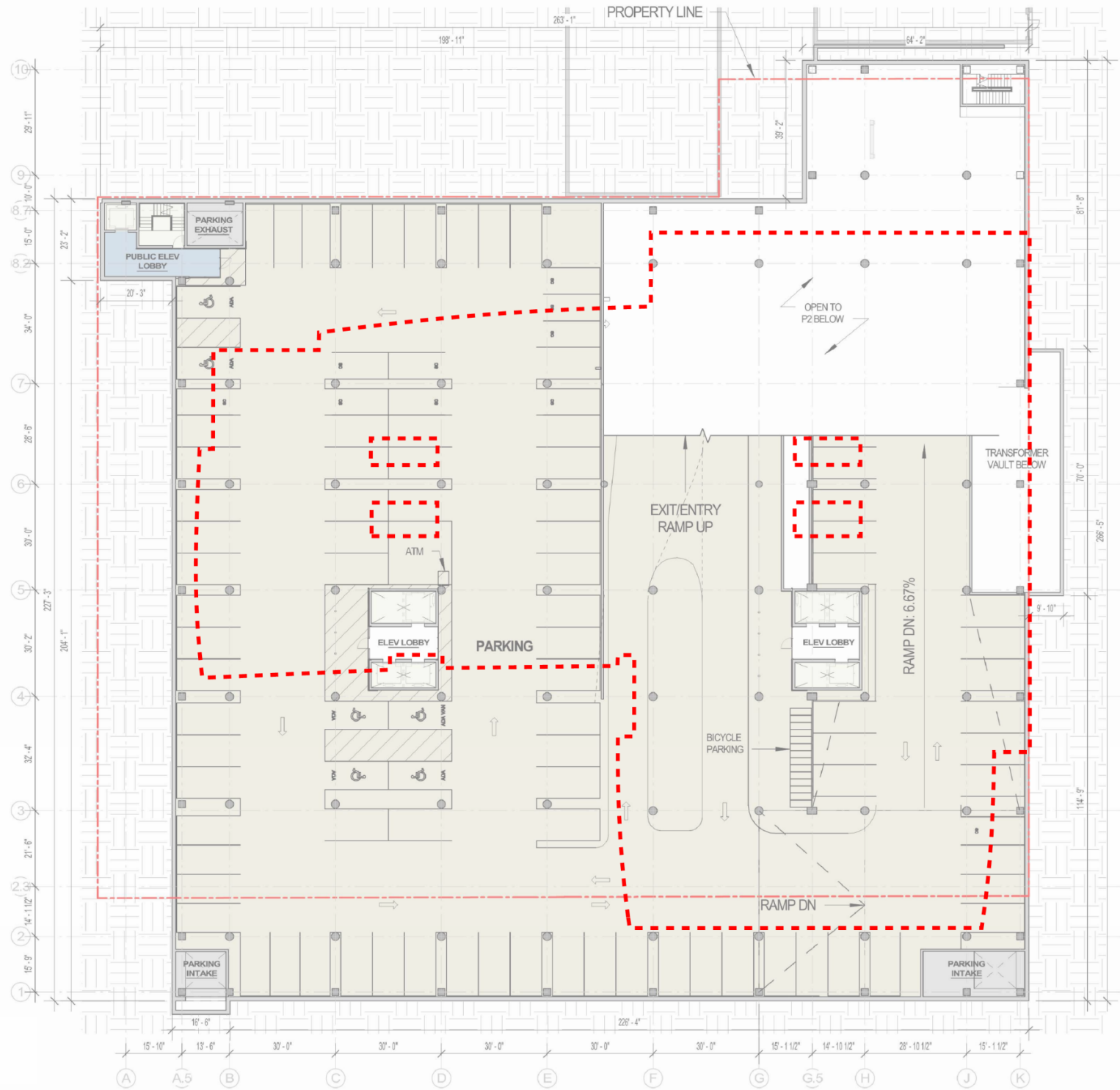
Modified Proposed American Exchange Building		
View Type		View Percentage
Partial Impact to Capitol Building View		31%
Partial Impact to Capitol Dome View		18%
Full Impact to Capitol Dome View		51%



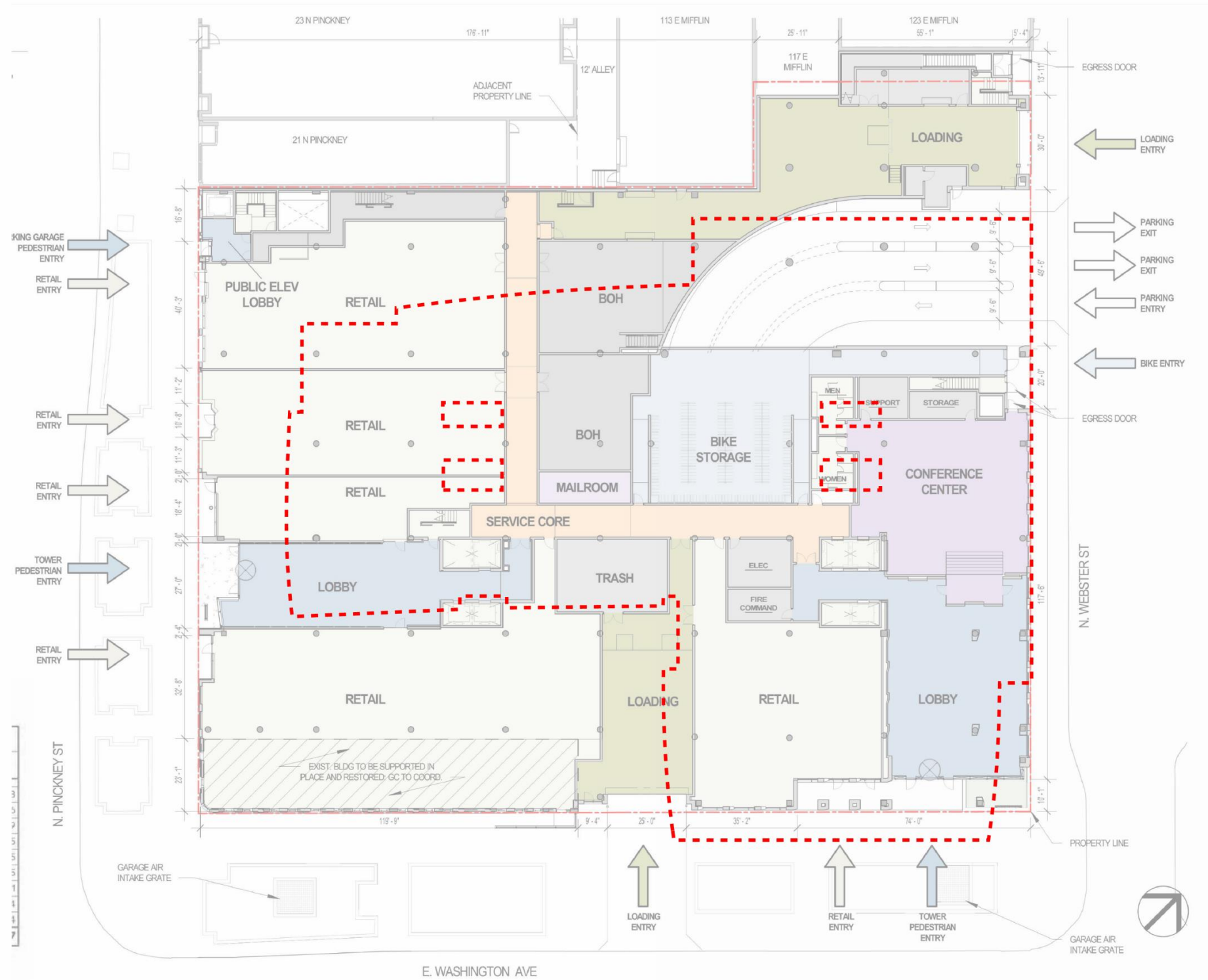


One N Webster St  
Madison, WI

# Feasibility Study



**Basement Floor Plan**



# First Floor Plan



**Second Floor Plan**



**Third Floor Plan**







**Sixth Floor Plan**





**Seventh Floor Plan**



**Eighth Floor Plan**



**Ninth Floor Plan**



