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MARCUS
HOTELS & RESORTS

Journeyman Group 

L | Z
VENTURES

Project Goals from RFP

Economic Development

- ✓ **Unlock the development potential** of two City-owned, tax-exempt parcels to significantly expand the City's tax base and employment **“through careful selection of mixed uses** that includes a hotel and provides **sufficient parking** to achieve the desired density.”
- ✓ **Grow business** of Monona Terrace Community and Convention Center and **increase related economic activity.**



Project Goals from RFP

Hotel

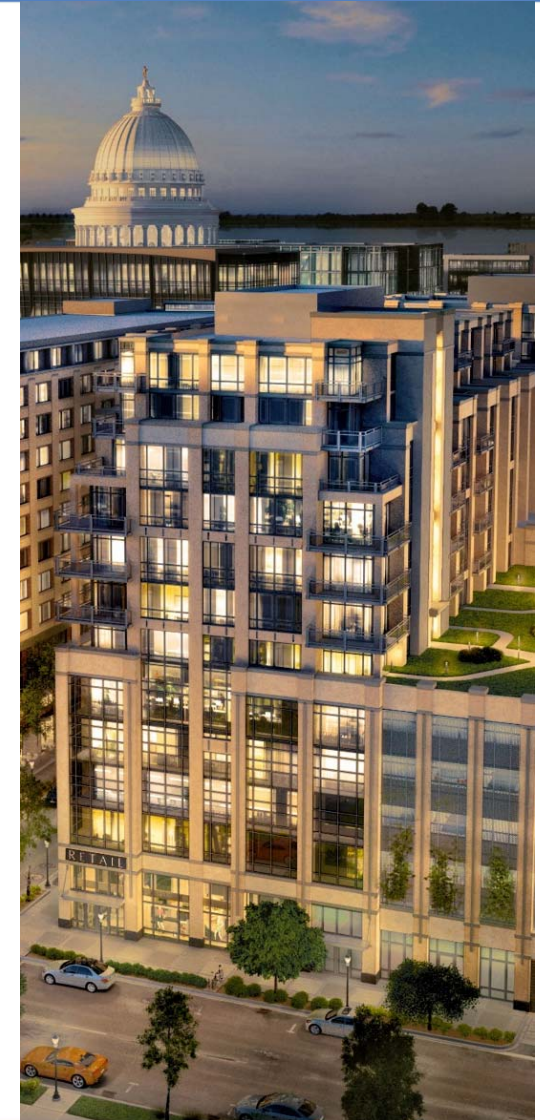
- ✓ Add **250 room block** for the Monona Terrace to grow its book of business
- ✓ Develop a **full service, first class, convention-oriented, upscale hotel** to “support and complement Monona Terrace.”
- ✓ Add hotel rooms within **walking distance** of Convention Center
- ✓ Address **unmet opportunities** for increasing group, commercial and leisure travel business



Project Goals from RFP

Residential

- ✓ **Attract additional residents** to central business district to **increase the vitality** of the area
- ✓ **Attract additional services** to support residents of the downtown



Project Goals from RFP

Office, Retail, Restaurant and Entertainment

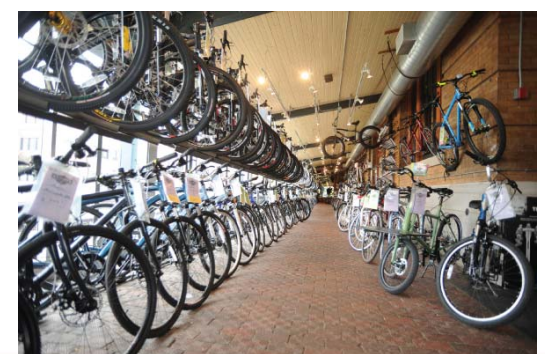
- ✓ **Stretch** the downtown retail/business district toward Monona Terrace and Wilson Street
- ✓ **Activate street level** for pedestrians and bicyclists on Doty, Wilson and Pinckney Streets
- ✓ Create a **lively, welcoming streetscape and urban environment** that **draws residents and visitors** to the southeast area of Capitol Square



Project Goals from RFP

Bicycles

- ✓ **Promote and enhance use of bicycles** as a viable mode of transportation through creation of **bicycle center**
- ✓ Enhance Pinckney Street as an important **connection for bicycles and pedestrians**



Project Goals from RFP

Design and Density

- ✓ Architecture that creates a **positive and lasting impression** on downtown Madison that supports its historic and interesting surroundings.
- ✓ Project has an **urban density compatible** with surrounding buildings
- ✓ **Transform Pinckney Street** as a link between Capitol Square and Monona Terrace into an **urban destination**



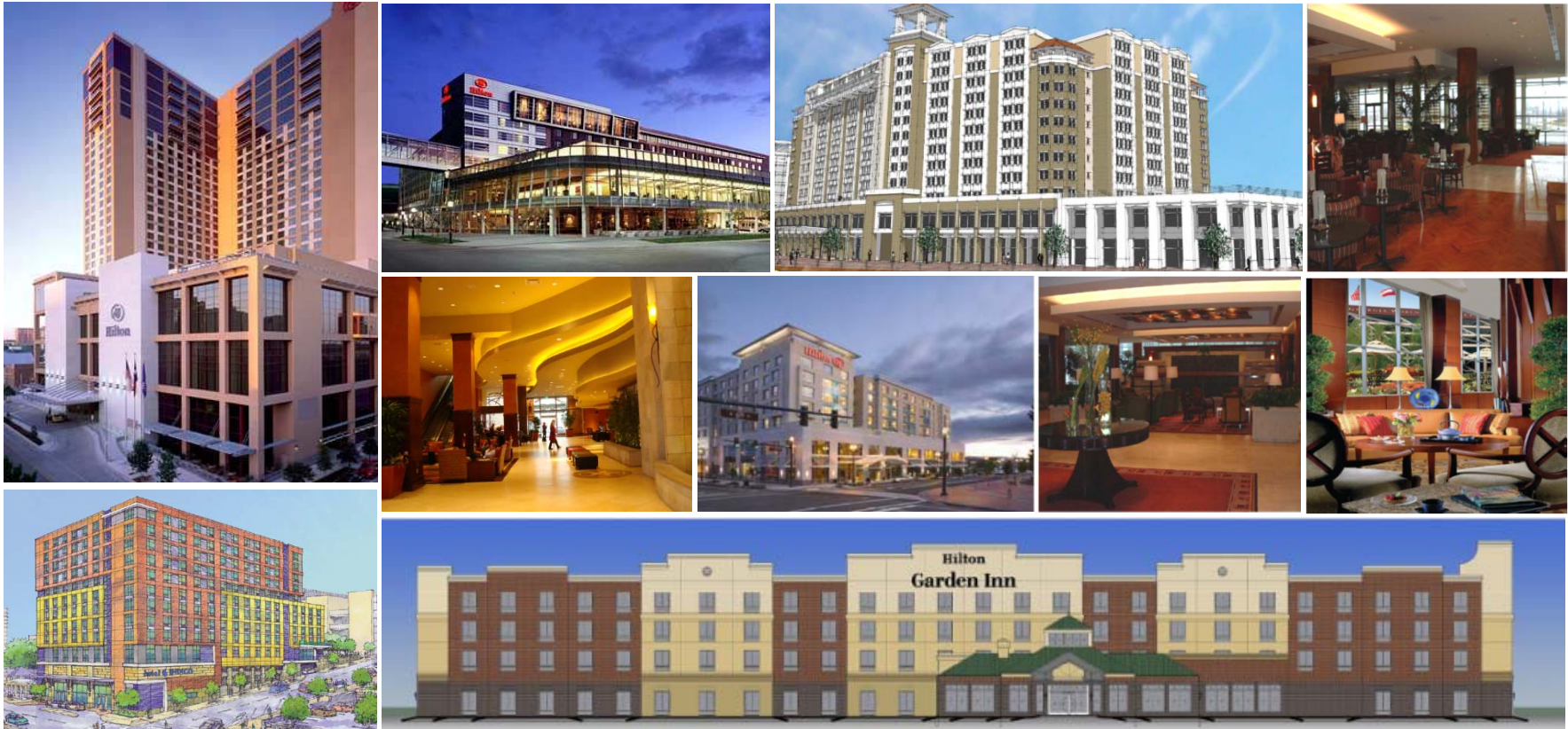
Project Goals from RFP

Intermodal Connectivity

- ✓ **Ensure high quality pedestrian and bicycle connectivity to Madison Metro, intercity bus and potential future passenger rail service.**



Journeyman Group





Madison Hilton Monona Terrace





Grand Central Apartments

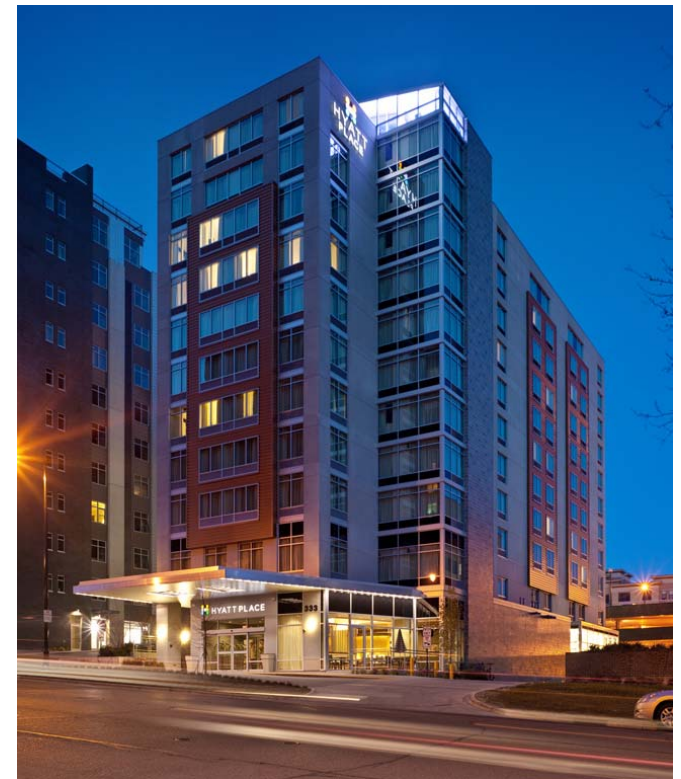


1001 University

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Monona Terrace



Hyatt Place

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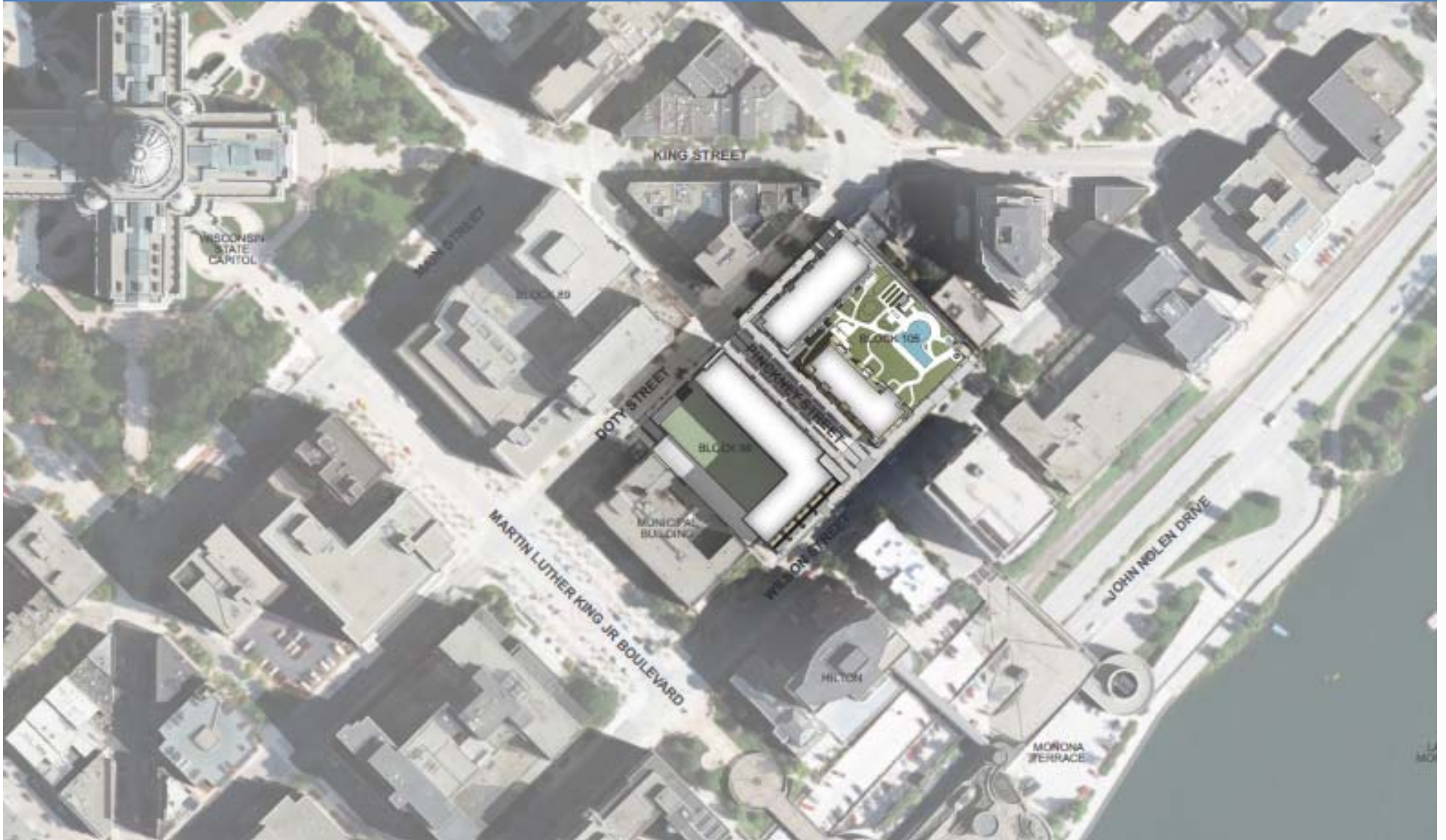


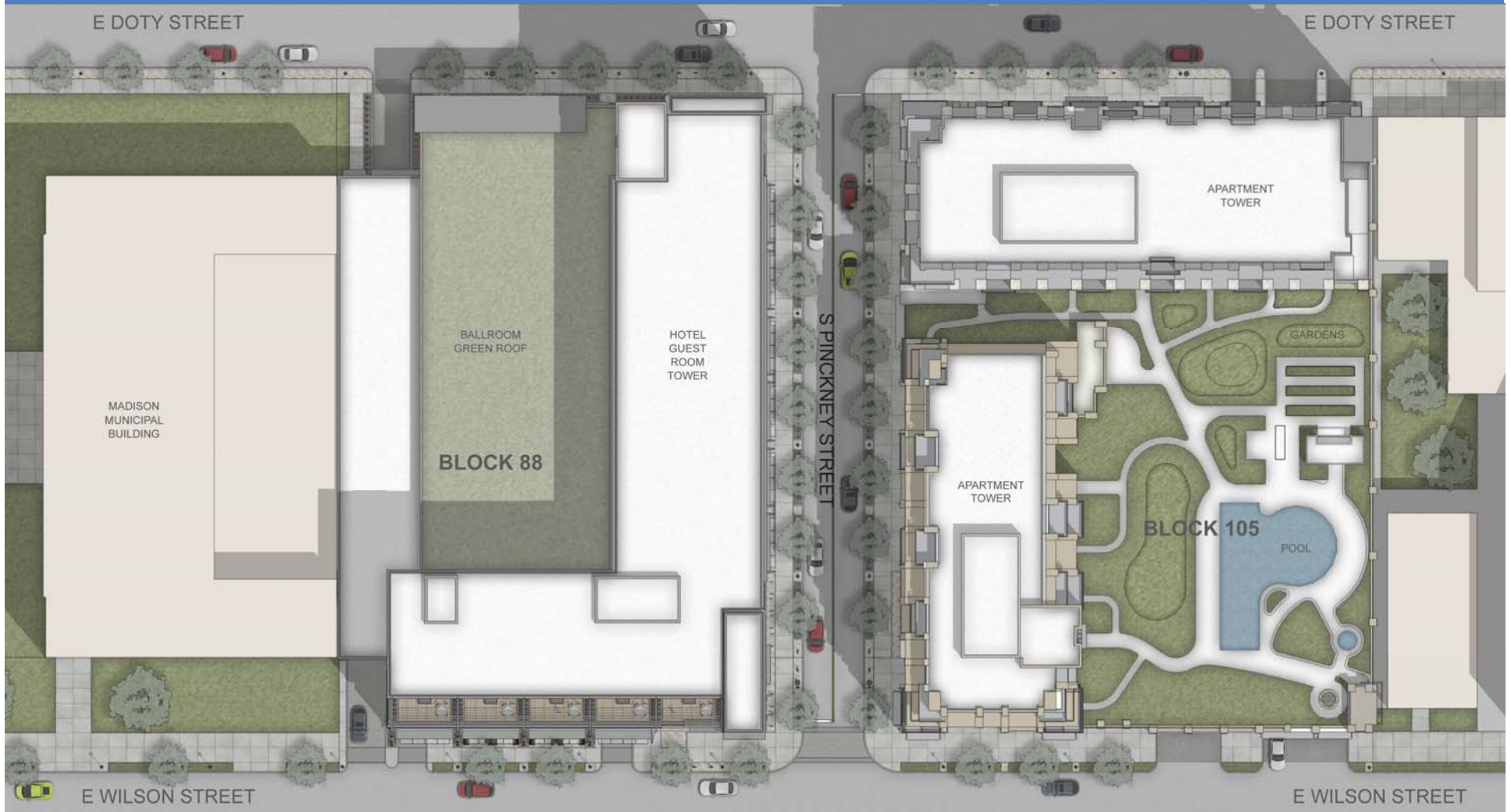
MARCUS
HOTELS & RESORTS

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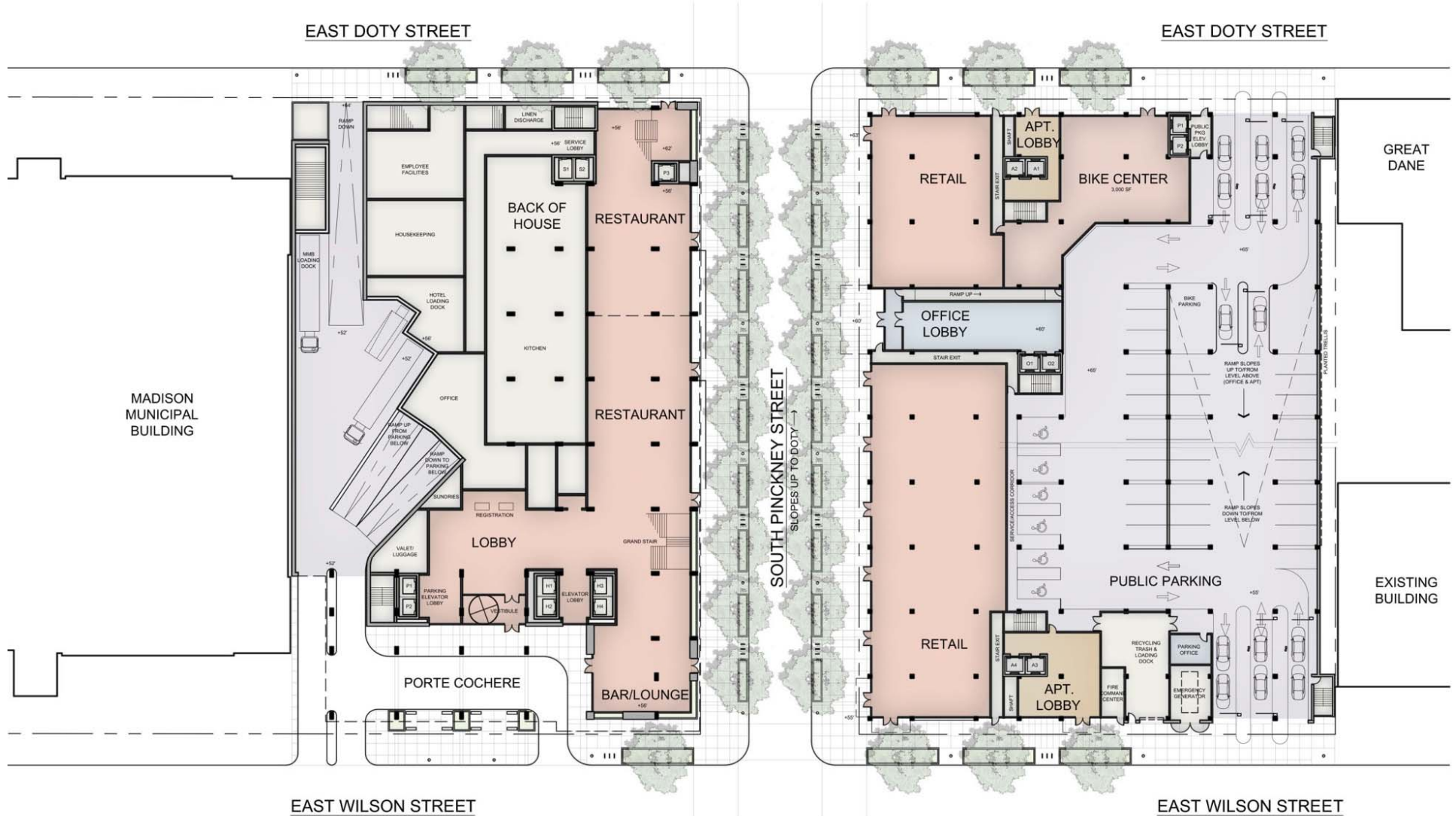
L | Z
VENTURES

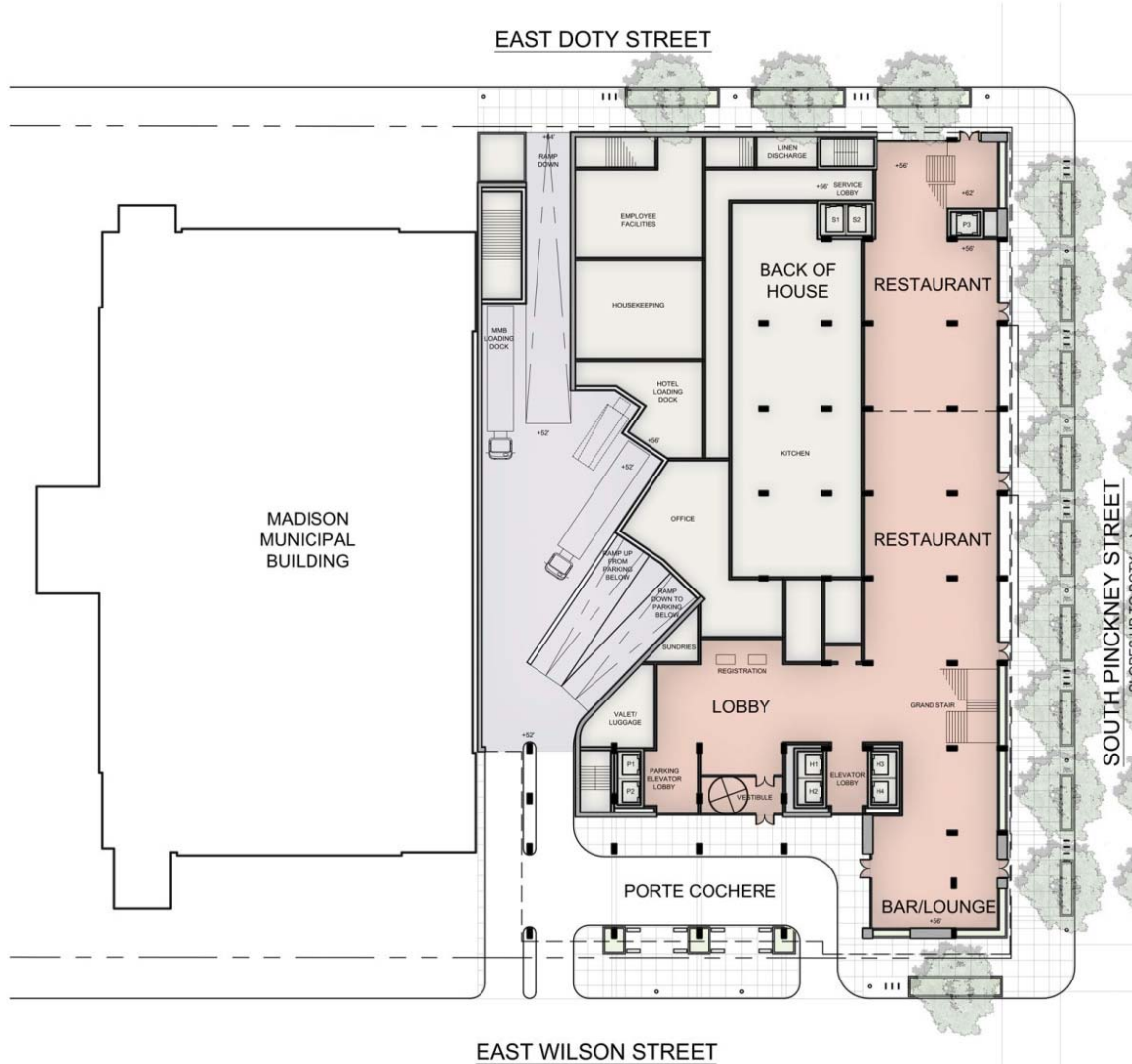




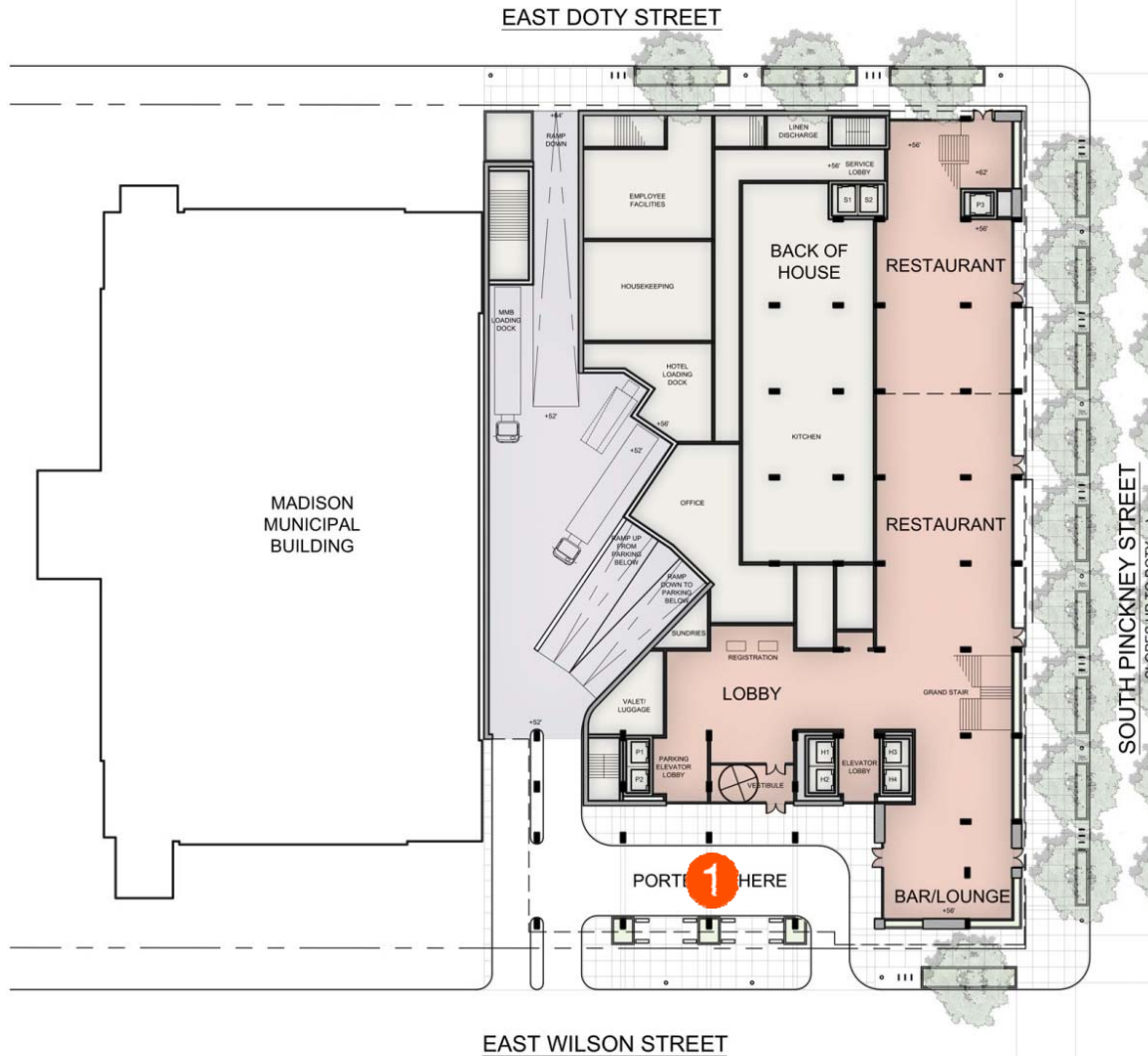


Site Plan

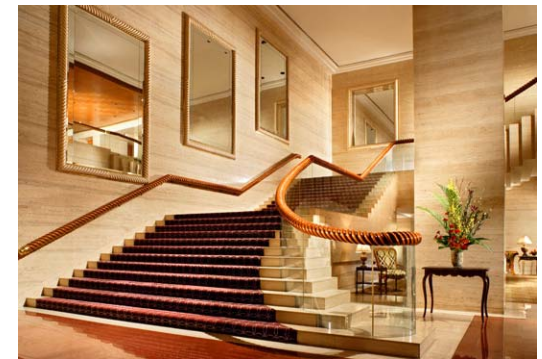
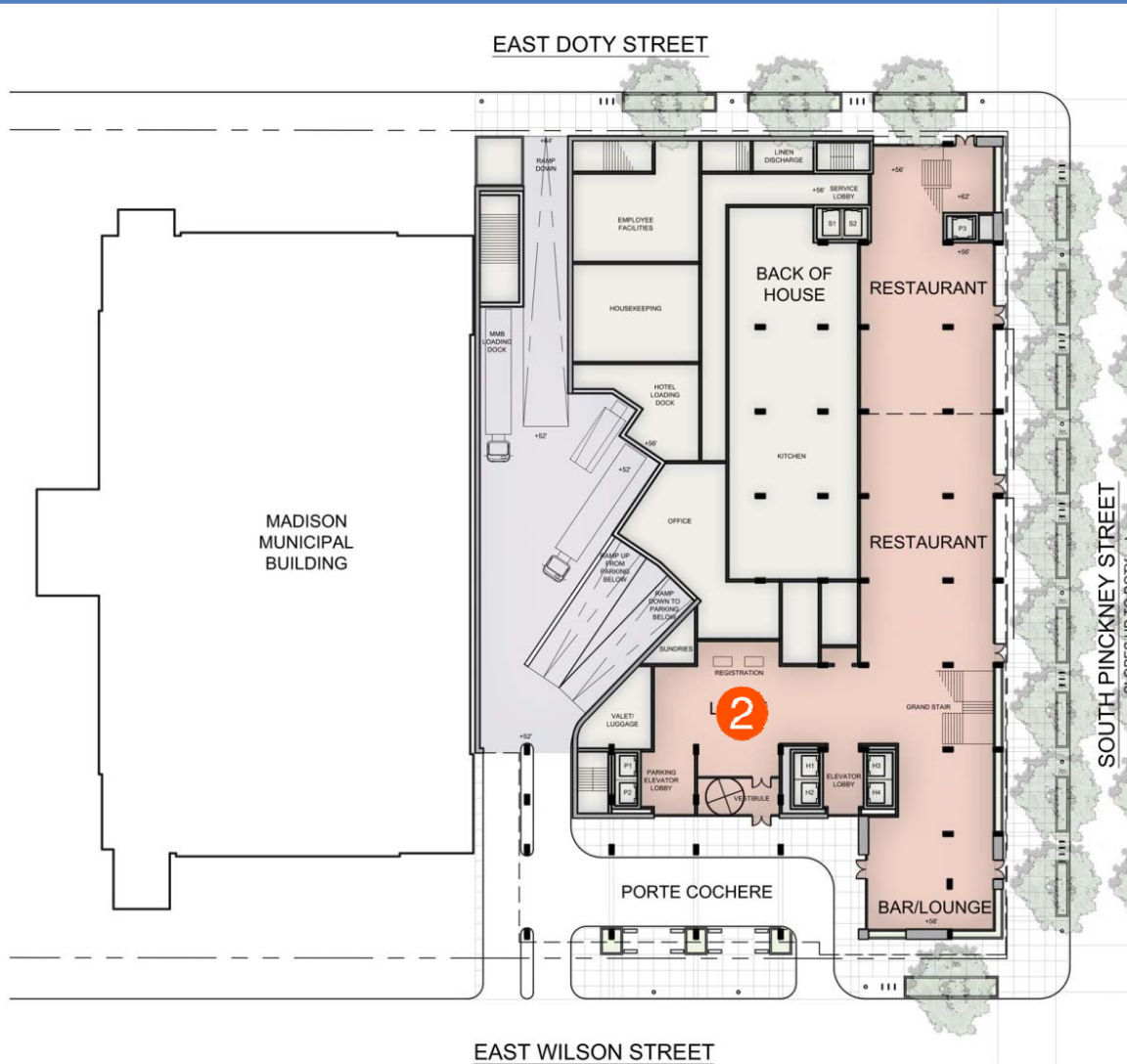




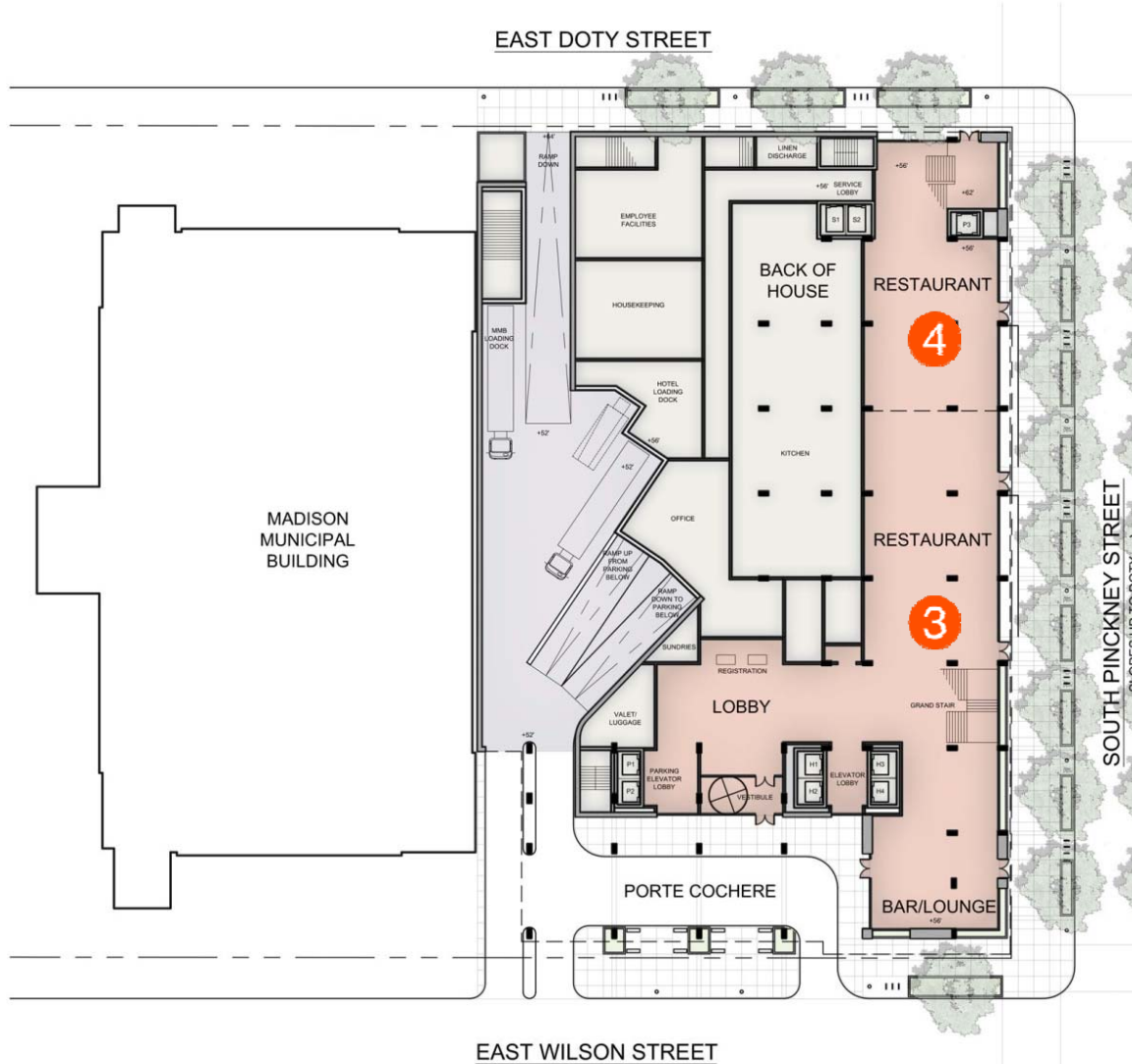
Block 88: 1st Floor Plan



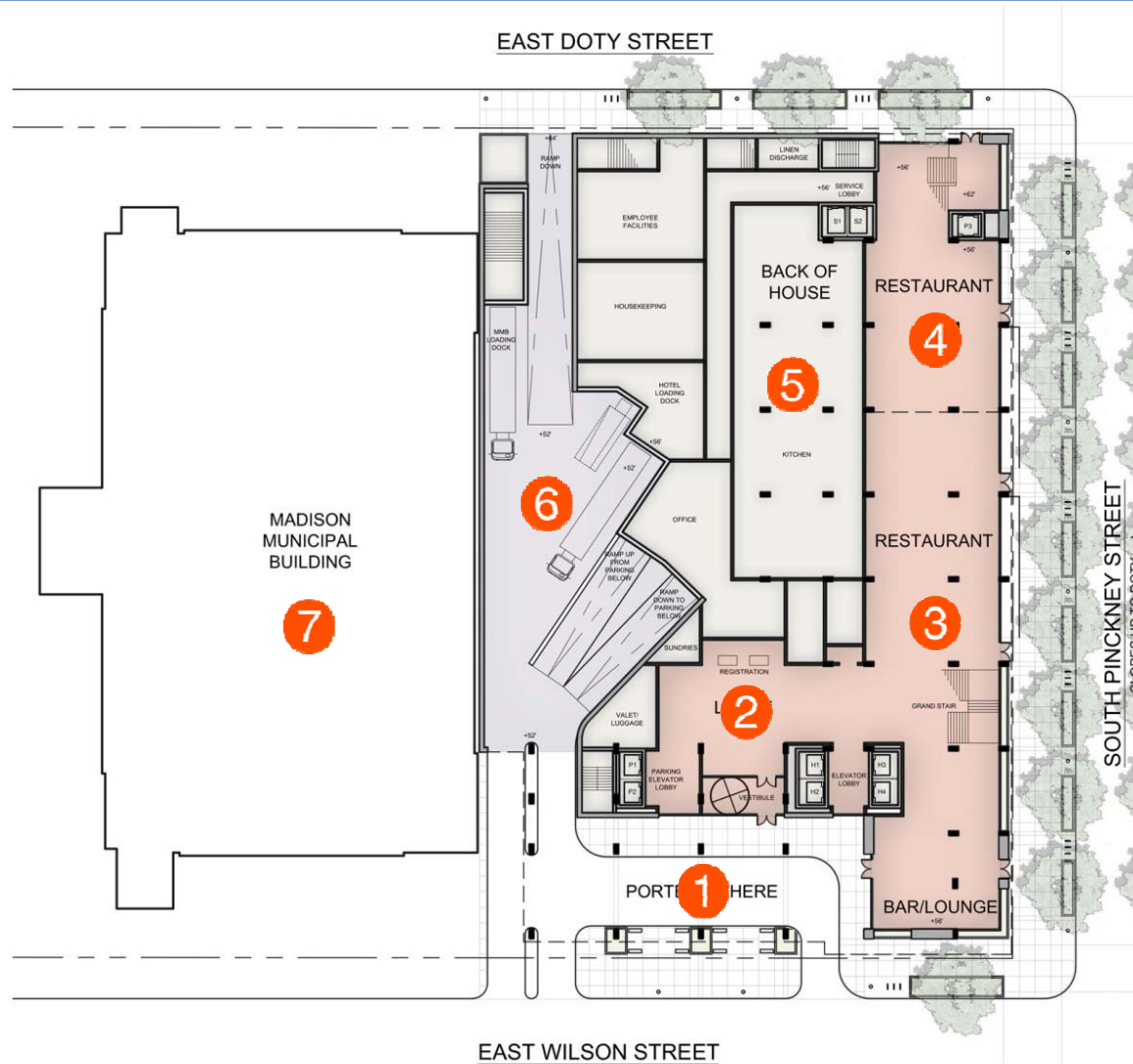
Block 88: 1st Floor Plan



Block 88: 1st Floor Plan

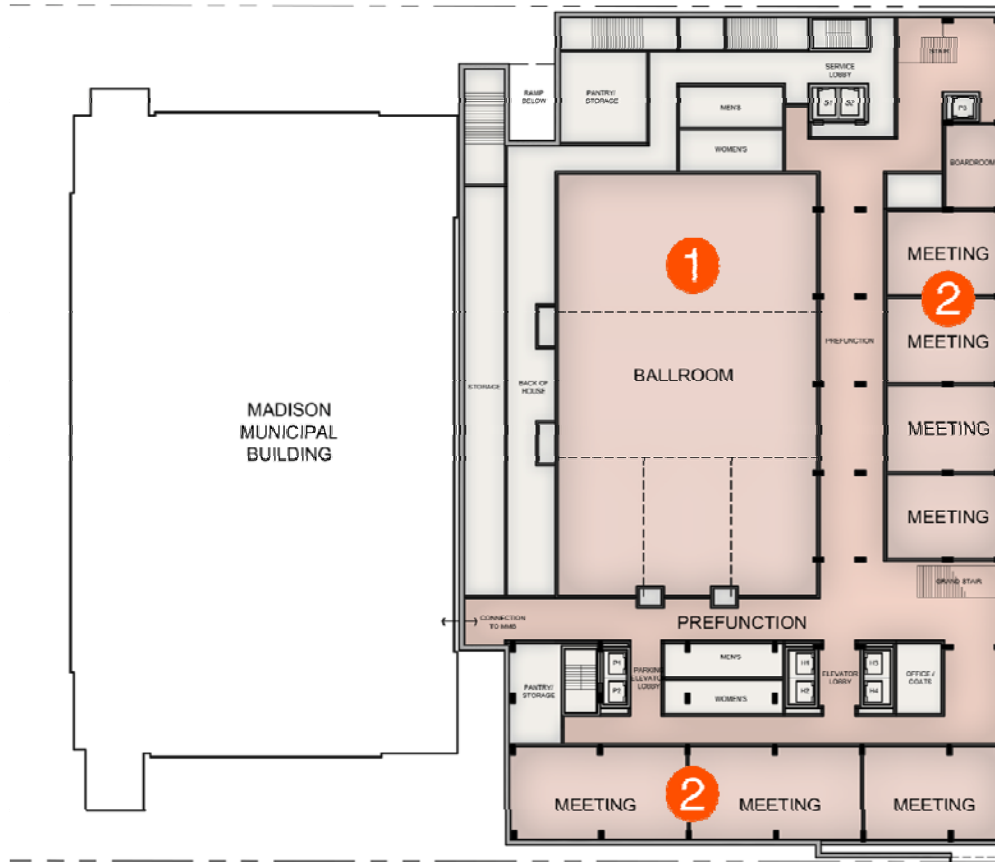


Block 88: 1st Floor Plan

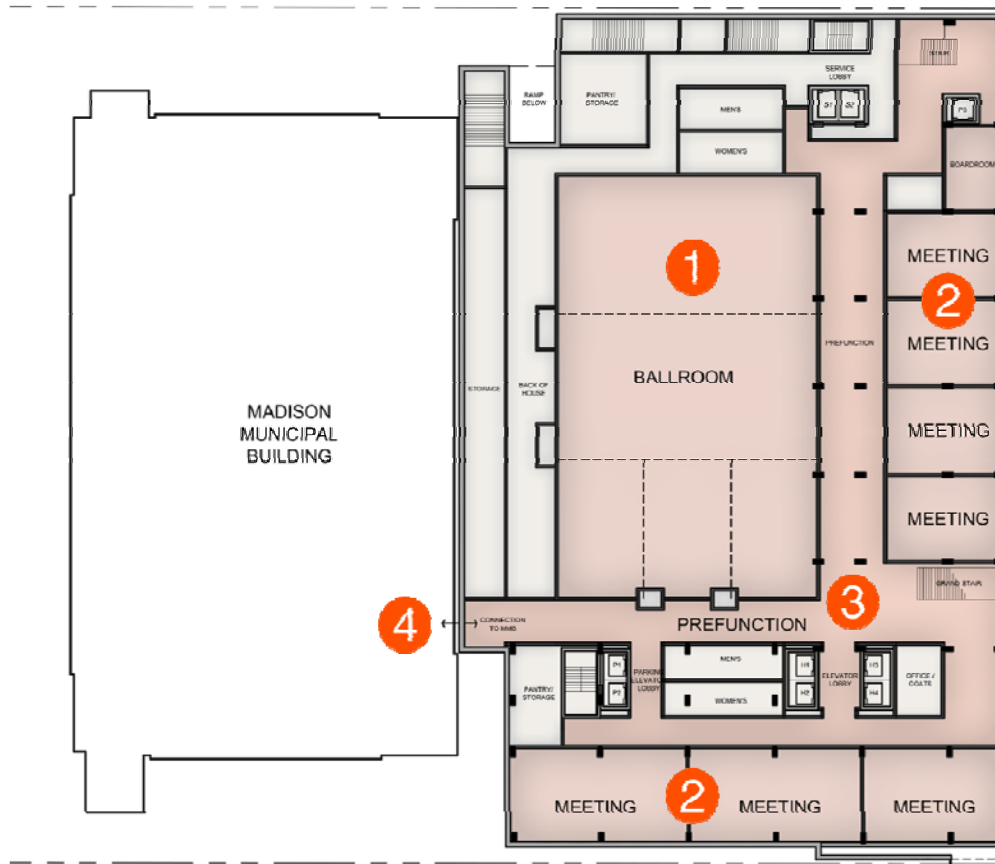


- ① PORTE-COCHERE
- ② LOBBY / FRONT DESK
- ③ BAR
- ④ RESTAURANT/S
- ⑤ BACK OF HOUSE
- ⑥ DRIVE-THROUGH LOADING
- ⑦ MADISON MUNICIPAL BUILDING (MMB)

Block 88: 1st Floor Plan

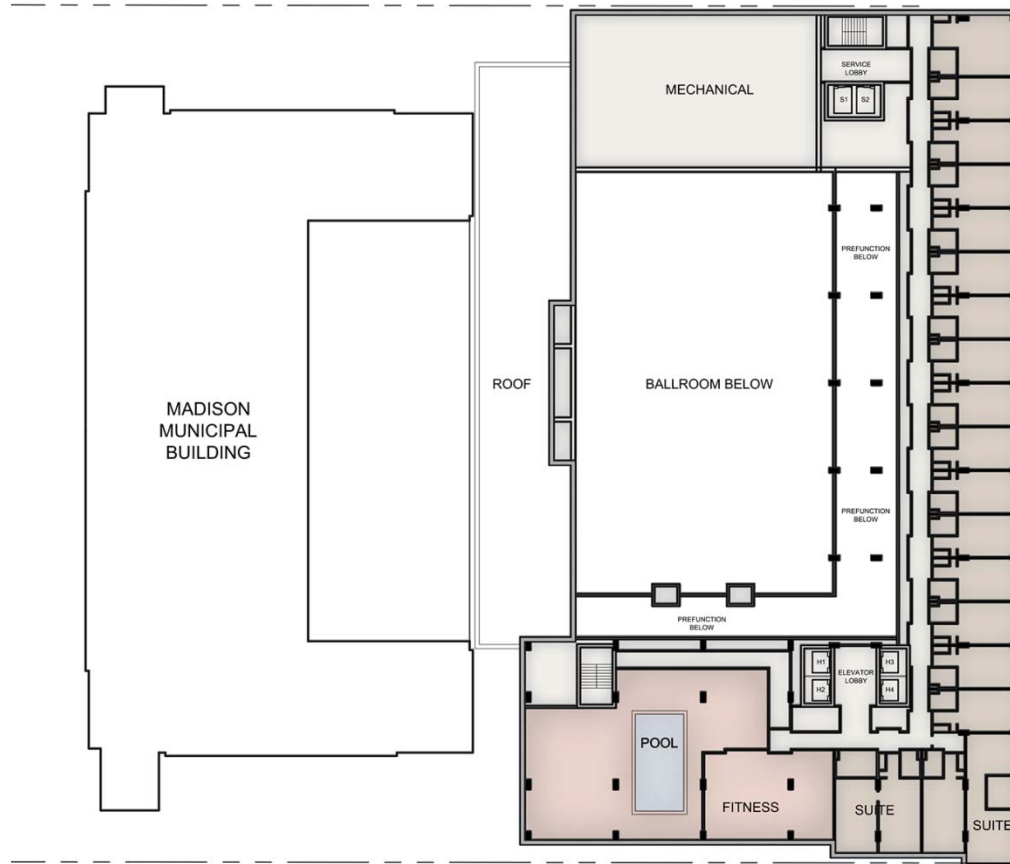


Block 88: 2nd Floor Plan

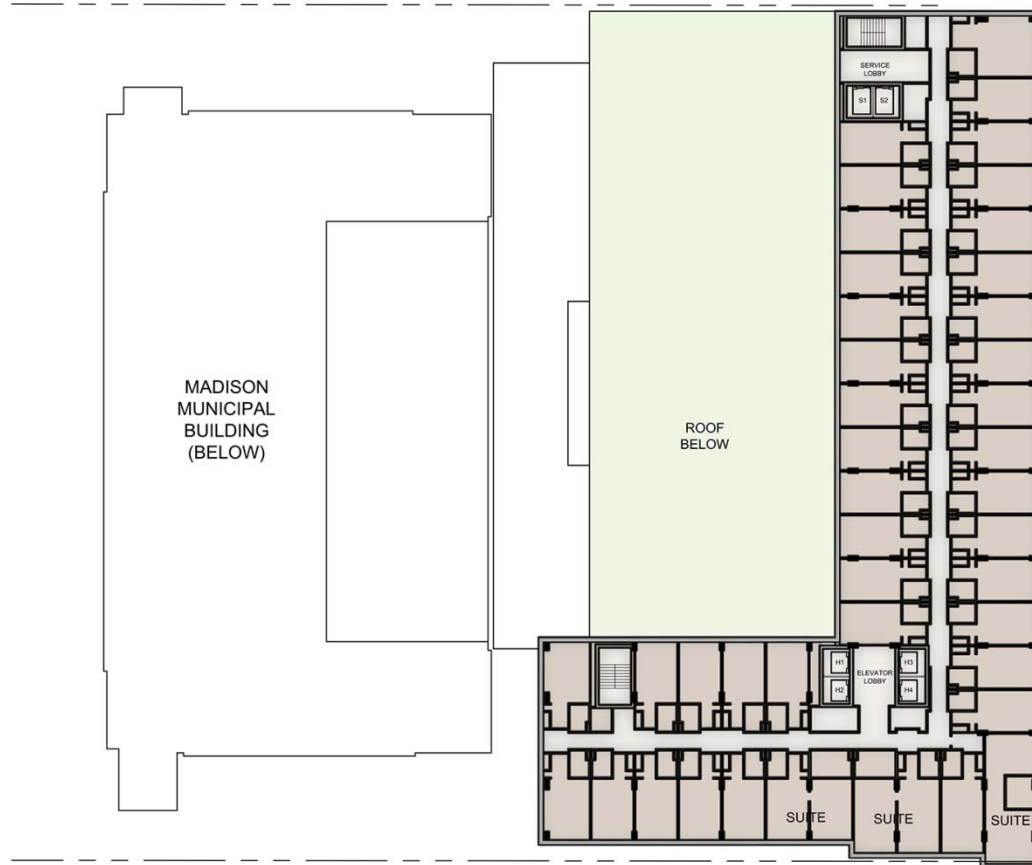


- 1** 10,400 SF BALLROOM
743 Banquet Seating
- 2** 8 MEETING ROOMS
2 @ 1,500 SF
1 @ 1,200 SF
4 @ 900 SF
1 @ 400 SF BOARDROOM
- 3** PREFUNCTION AREA
6,500 SF
- 4** MMB CONNECTION

Block 88: 2nd Floor Plan



Block 88: 3rd Floor Plan



Block 88: Typical Guestroom Floor Plan

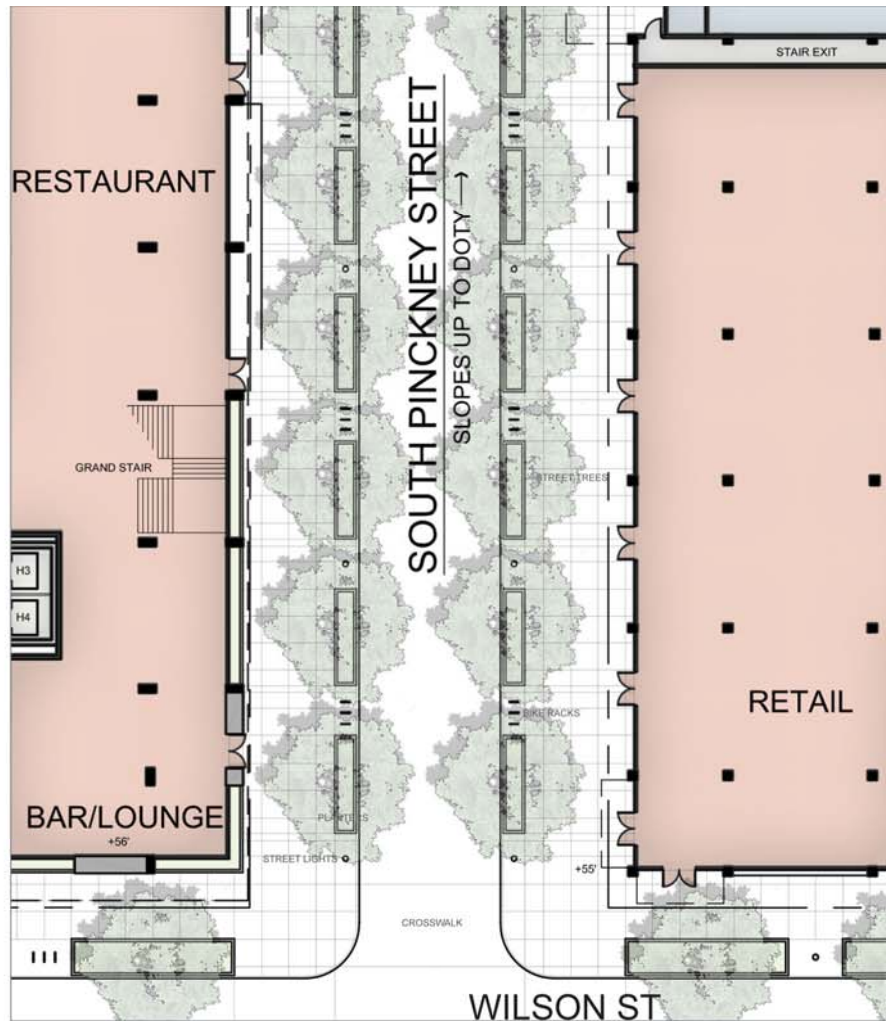




- 1 CONCIERGE LOUNGE
- 2 TERRACE UNITS
- 3 CORNER SUITES
- 4 HOTEL GUEST ROOMS
- 5 INDOOR POOL & FITNESS CENTER
- 6 2ND FLOOR MEETING ROOMS & BALLROOM
- 7 GROUND FLOOR RESTAURANT(S)
- 8 CORNER BAR/LOUNGE
- 9 MAIN HOTEL ENTRY & PORTE-COCHERE

Block 88 Design Features



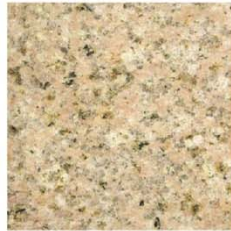


Streetscape Design





STONE 1



STONE 2



BRICK 1



BRICK 2



BRICK 3



METAL 1



GLASS 1
MATERIAL PALETTE



MADISON MUNICIPAL BUILDING

MAIN HOTEL ENTRY

BAR / LOUNGE

PINCKNEY

Wilson Street Elevation



WILSON ST

BAR / LOUNGE

RESTAURANT(S)

DOTY ST

Pinckney Street Elevation



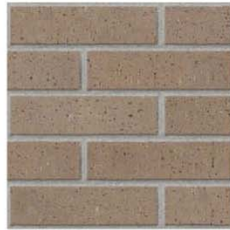
STONE 1



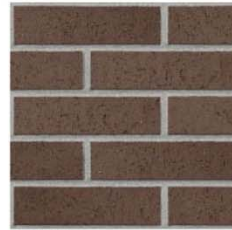
STONE 2



BRICK 1



BRICK 2



BRICK 3



METAL 1



GLASS 1







Marriott Hotel

- **World-class full service convention center hotel**
- 352 rooms – **250 room block**
- 25,100 SF meeting and reception space
- Miller Time Pub & Grill – street level restaurant and bar
- Below grade parking for 70% room count plus 40 City fleet spaces
- Concierge lounge, indoor pool, business center and all other services expected



Benefits of Marriott Affiliation

- Reservation contribution highest in the industry
- Largest staff of central sales and marketing people selling rooms
- Largest rewards membership in business
- Is affiliated with 71 convention centers with the second largest brand having only 40
- Easiest sell for Monona Terrace Convention Center with meeting planners



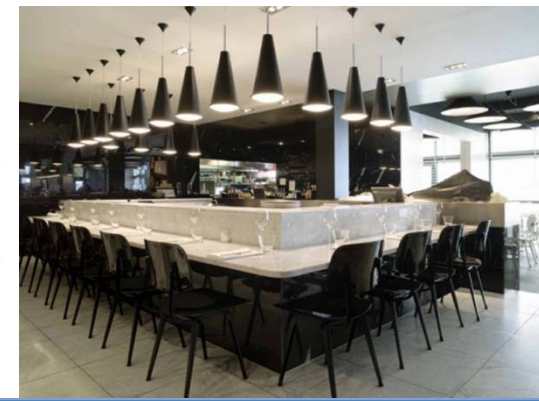
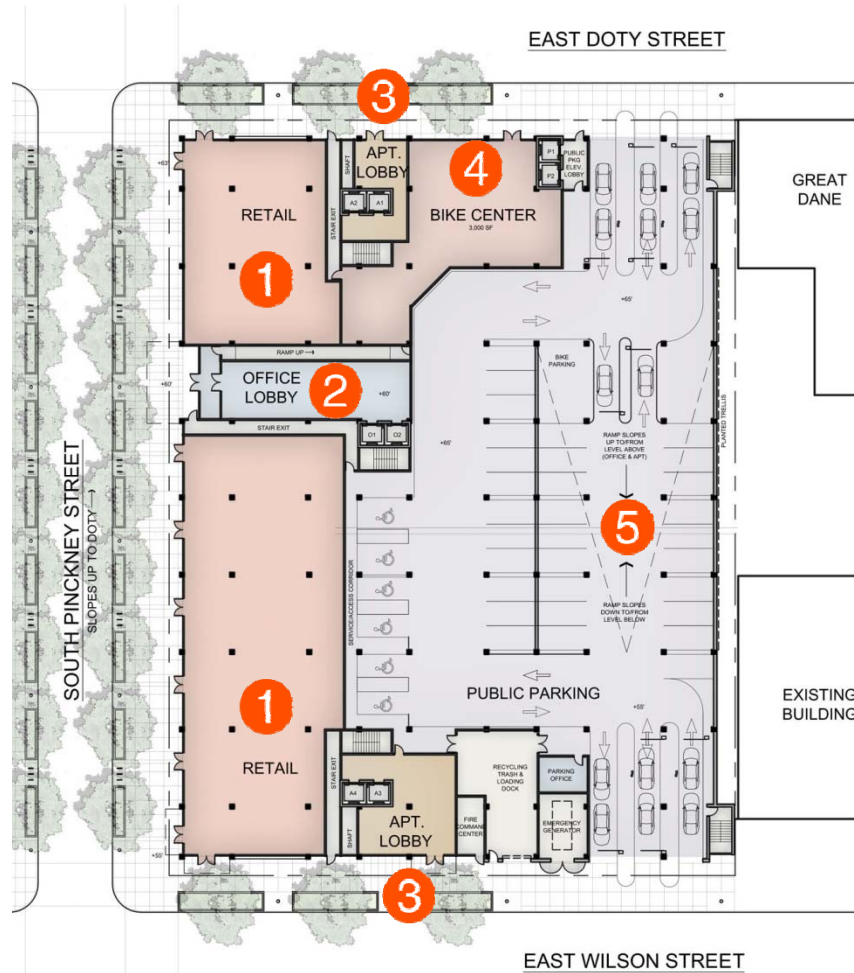
Synergies with Marcus Hotels & Resorts Management

- **Hilton's 150** room block and **Marriott's 250** room set aside result in very desirable and marketable **400 room block**
- One of largest owner and operator of full service hotels in Wisconsin and Midwest
- Long and successful history working with Monona Terrace Convention Center
- Corporate and group relationships
- Staffing economies of scale when combined with nearby Hilton



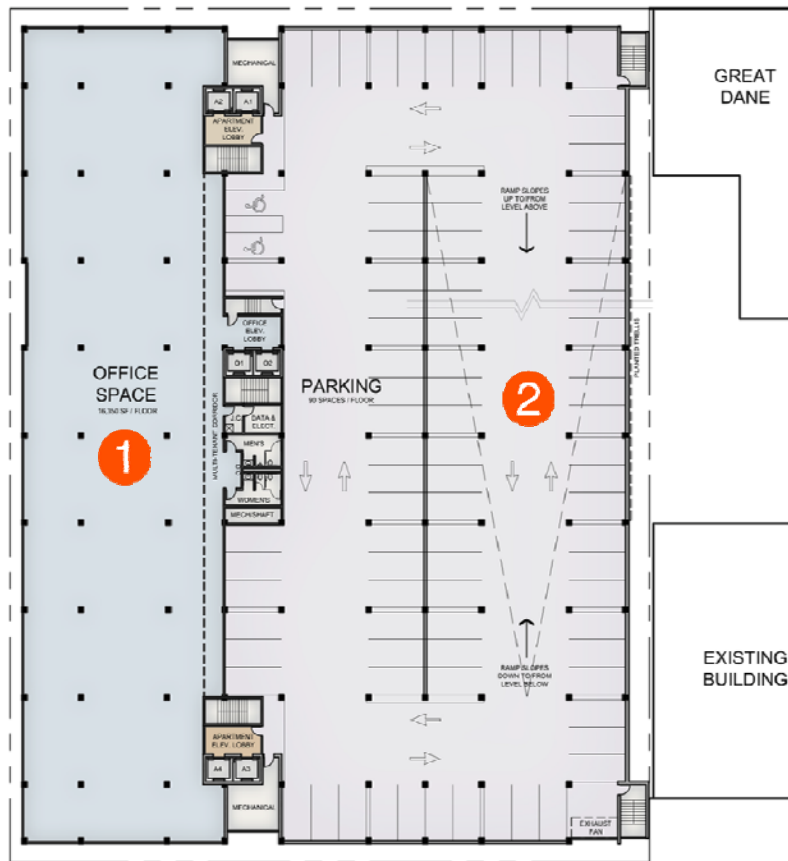
Block 105 Program

Use	Size	Location
Retail	12,000 SF	Street Level
Bicycle Center	3,000 SF	Street Level
Office Space – Class A	52,000 SF	Levels 2 - 4
Residential	162,000 SF	Levels 5 -11
Parking	350,000 SF	Above and Below Grade



- 1** RETAIL
- 2** OFFICE LOBBY
- 3** APARTMENT LOBBY
- 4** BIKE CENTER
- 5** PARKING

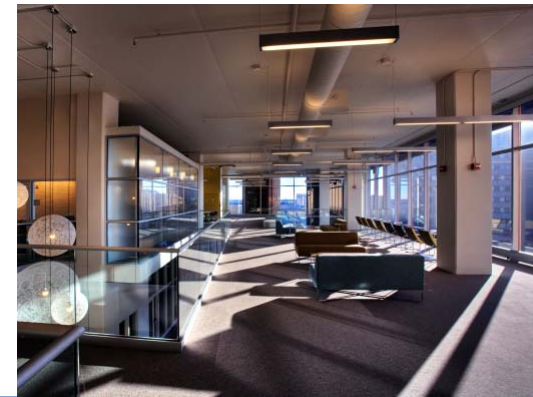
Block 105: 1st Floor Plan

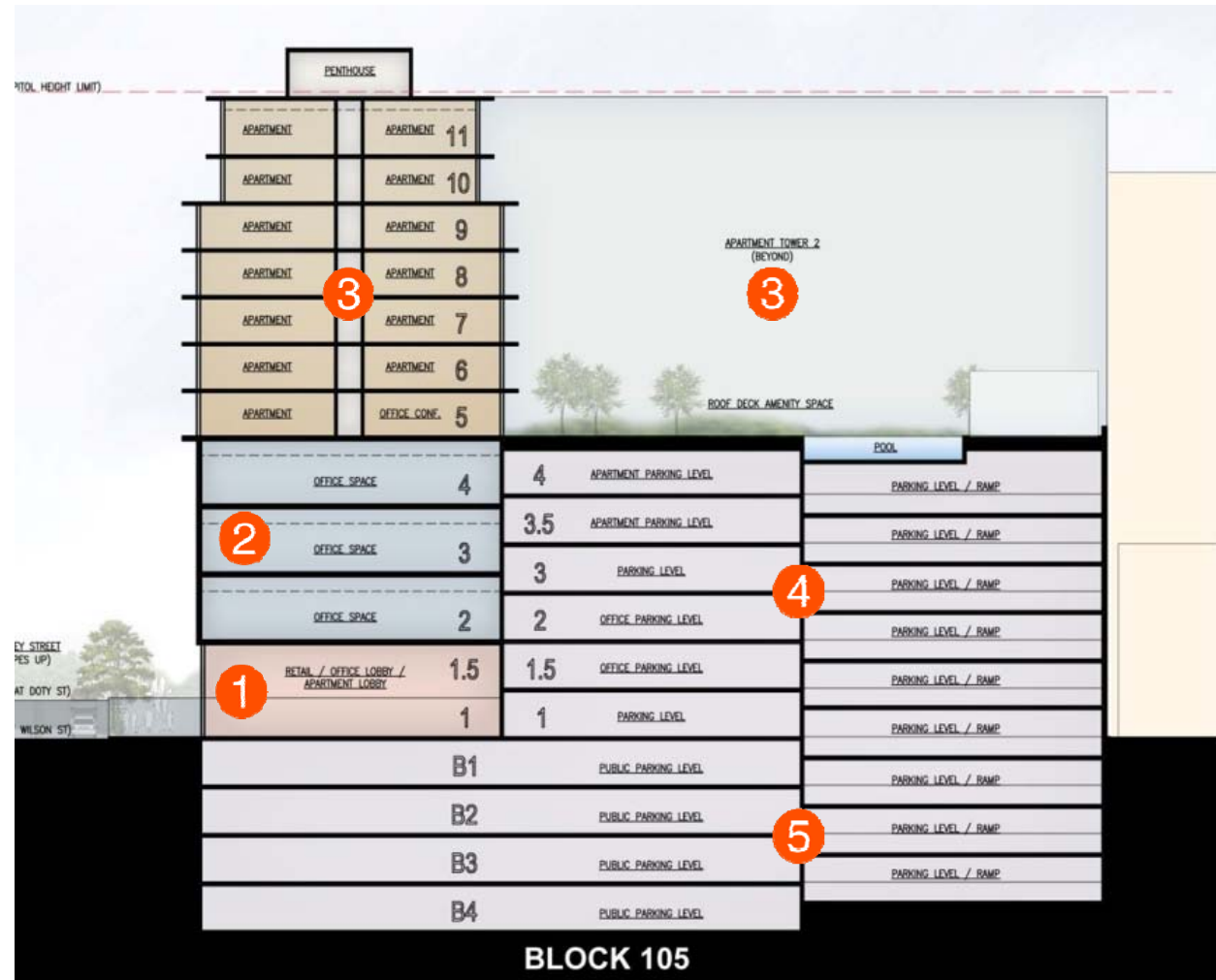


1 OFFICE

2 PARKING

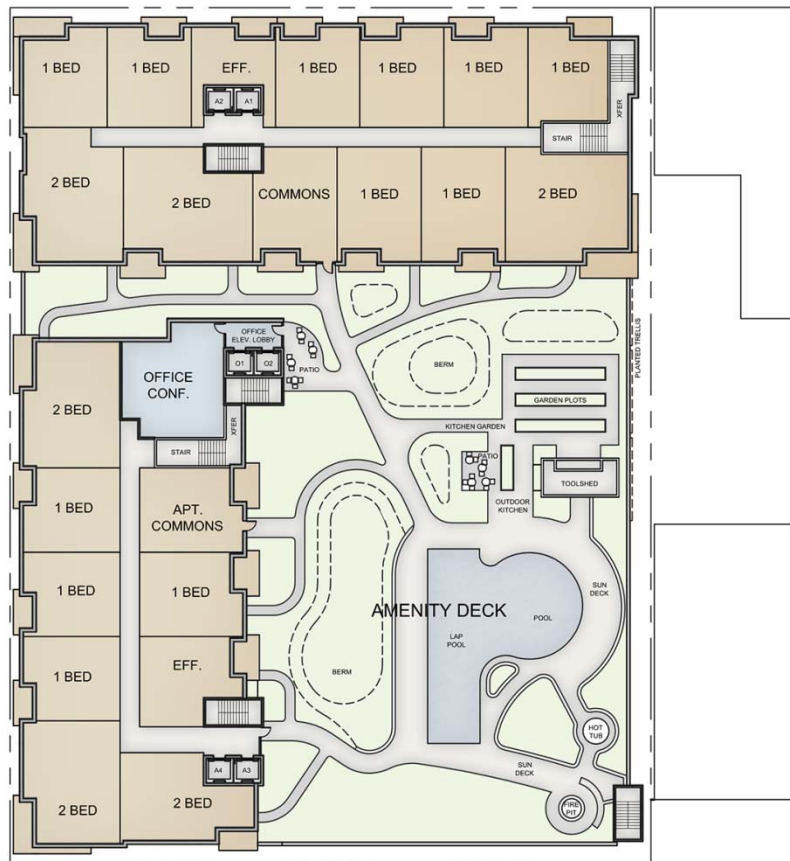
Block 105: 2nd - 4th Floor Plan





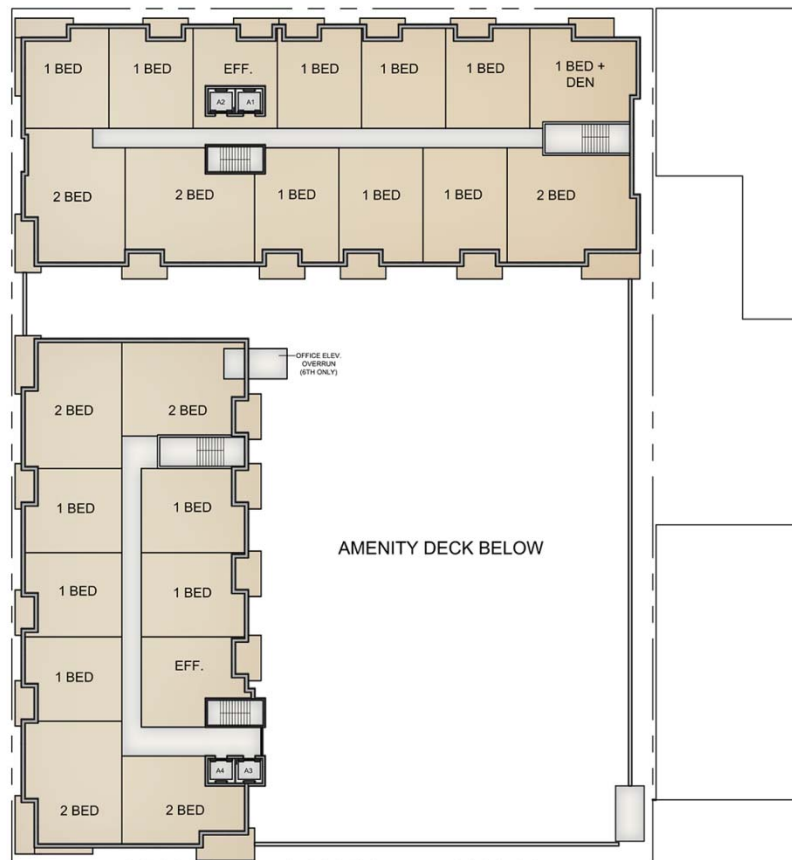
- 1 LOBBIES / RETAIL
- 2 OFFICE
- 3 APARTMENTS
- 4 PARKING (TENANT)
- 5 PARKING (PUBLIC)

Block 105 Section



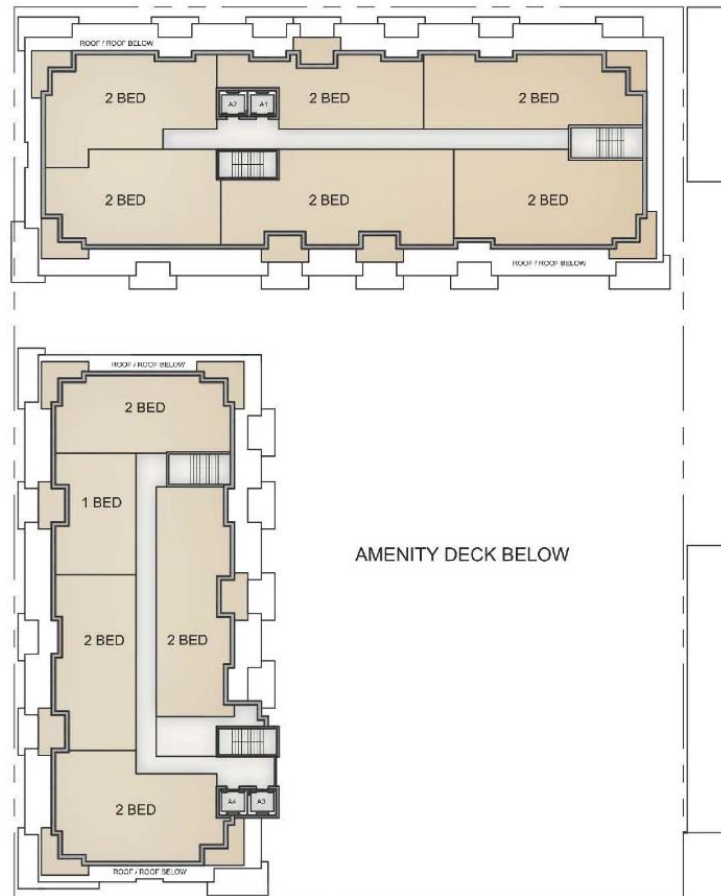
Block 105: 5th Floor Plan





Block 105: 6th – 9th Floor Plan





Block 105: 10th – 11th Floor Plan



TERRACE APARTMENTS 1

APARTMENTS WITH BALCONIES 2

AMENITY DECK WITH
GARDENS & POOL 3

OFFICE FLOORS 4

SCREENED PARKING GARAGE 5

FIRST FLOOR RETAIL 6

APARTMENT ENTRY 7

PUBLIC PARKING ENTRY 8

Block 105 Design Features



Bicycle Center Plan

- **3,000 SF** fronting Doty Street
- **Trek Bicycles** proposed operator
- Center features include:
 - Secure indoor bicycle parking for +/- 75 bikes
 - 24/7 automated member access
 - Private showers, restrooms, lockers
 - Public bicycle share station using Madison B-Cycle system
 - Bicycle retail sales
- City's involvement limited to **front-end capital cost**



Parking *“In addition to Government East Garage replacement must serve 513,546 GSF of new multi-use development”*

Block	Parking Allocation	Levels	Qty (Spaces)	Garage Area (sf)
Block 88	Hotel Parking	B1 to B4	235	92,547
	City Parking	B1	40	15,753
Block 88 Subtotal			275	108,300
Block 105	City Public Parking	1 & B1 to B4	598	209,668
	Retail Parking	1 & 1.5	56	19,600
	Office Parking	P1.5 to P4	145	50,750
	Residential Parking	P1.5 to P4	201	70,350
Block 105 Subtotal			1,000	350,368
Project Parking Totals			1,275	464,608

Concurrent vs Staggered Garage Construction

CONCURRENT CONSTRUCTION

12.5 MONTHS = 0 SPACES / 11.5 MONTHS = 875 SPACES

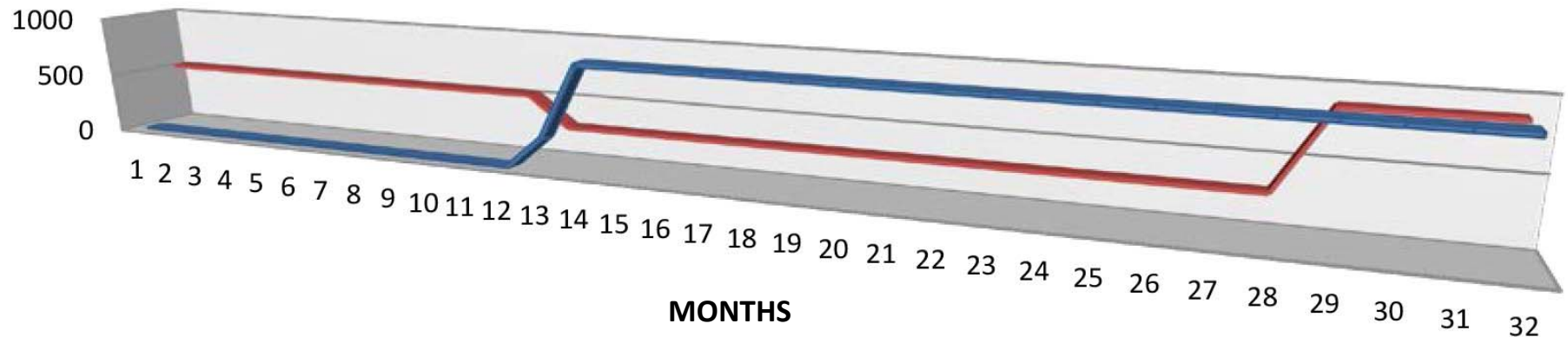
24 MONTHS

STAGGERED CONSTRUCTION

12.0 MONTHS = 517 SPACES / 12.5 MONTHS = 275 SPACES / 11.5 MONTHS = 875 SPACES

36 MONTHS

PARKING SPACES



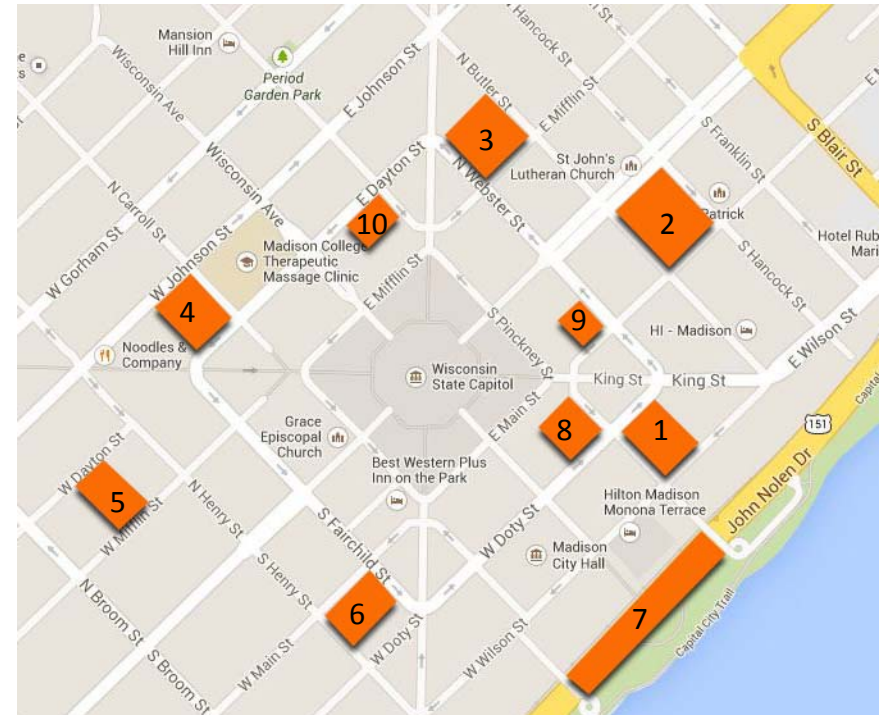
 Concurrent Construction

 Staggered Construction

Parking - Concurrent construction of Block 88/105 Garages

Q. Please elaborate on how you intend to work and assist the city in developing a plan to accommodate the needs for displaced parking for the proposed 12.5 month period.

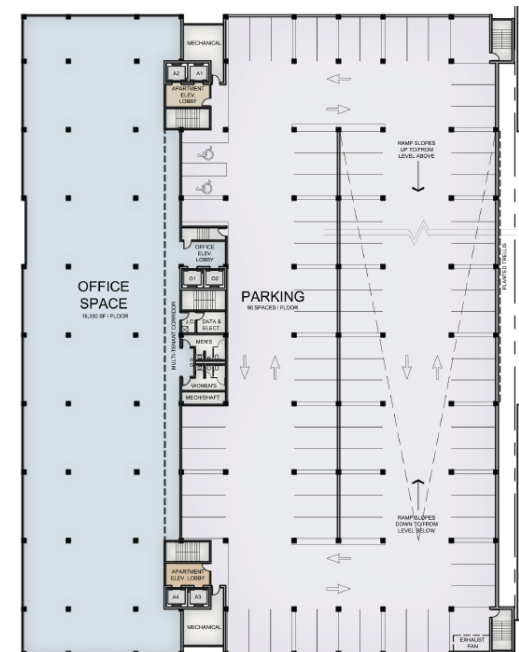
MADISON PARKING FACILITY ANALYSIS					
No	Garage	Spaces	Weekday Peak (%)	Weekday Peak Use	Surplus
1	Current Government East	517	84%	434	(517)
2	Brayton Lot	154	80%	123	31
3	Capitol Square North	606	78%	473	133
4	State Street Capitol	875	48%	420	455
5	Overture Center	611	80%	489	122
6	Capitol Square South	993	72%	715	278
7	Monona Terrace	396	51%	200	196
8	Block 89	743	100%	743	0
9	Tenney Plaza	140	100%	140	0
10	Dayton/Pinckney	471	100%	471	0
11	Alliant Energy Center				
Totals		4,989	84%	4,208	698



Parking

- Q.** Please elaborate on why you chose to separate uses as part of your parking management plan. Do you think the goal of meeting the demands of multiple users in this mixed-use development can be accomplished utilizing shared parking strategies?
- A.** We believe our parking approach for Judge Doyle Square achieves the goals and specific needs of Public and Private users. The Public and Private parking elements are separated for:
- Efficiency
 - Access to vertical transportation elements
 - Marketability

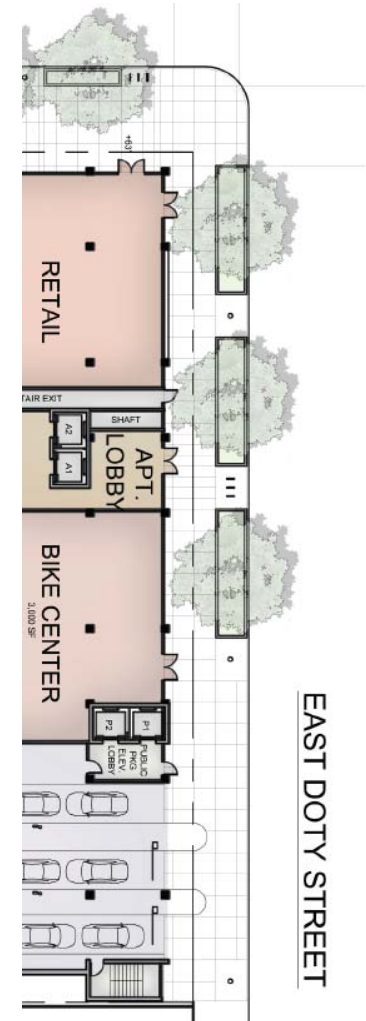
We do not believe the demands of multiple users in this mixed-use development can be best accomplished utilizing shared parking strategies.



Parking

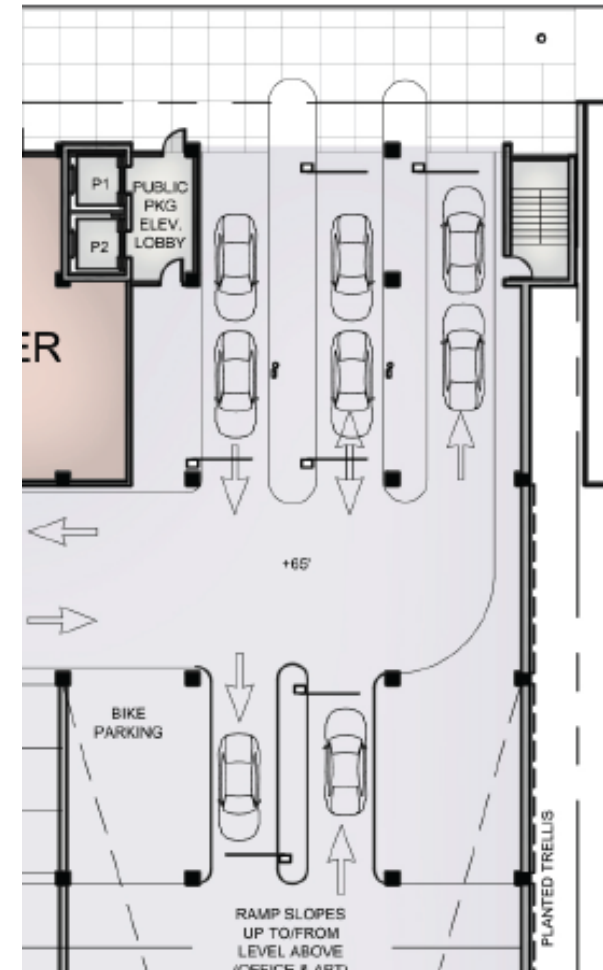
- Q.** Consider relocating the Doty Street entry/exit for Block 105 further to the west. Consider providing means to close this exit as needed and redirecting all exiting traffic including traffic from the residential and office parking floors to the Wilson Street exit.
- A.** Relocating the Doty Street entry/exit for block 105 further to the west is considered a valid suggestion and will likely be implemented.

The Block 105 garage will have the flexibility to close the Doty Street exit during peak periods if proven as warranted.

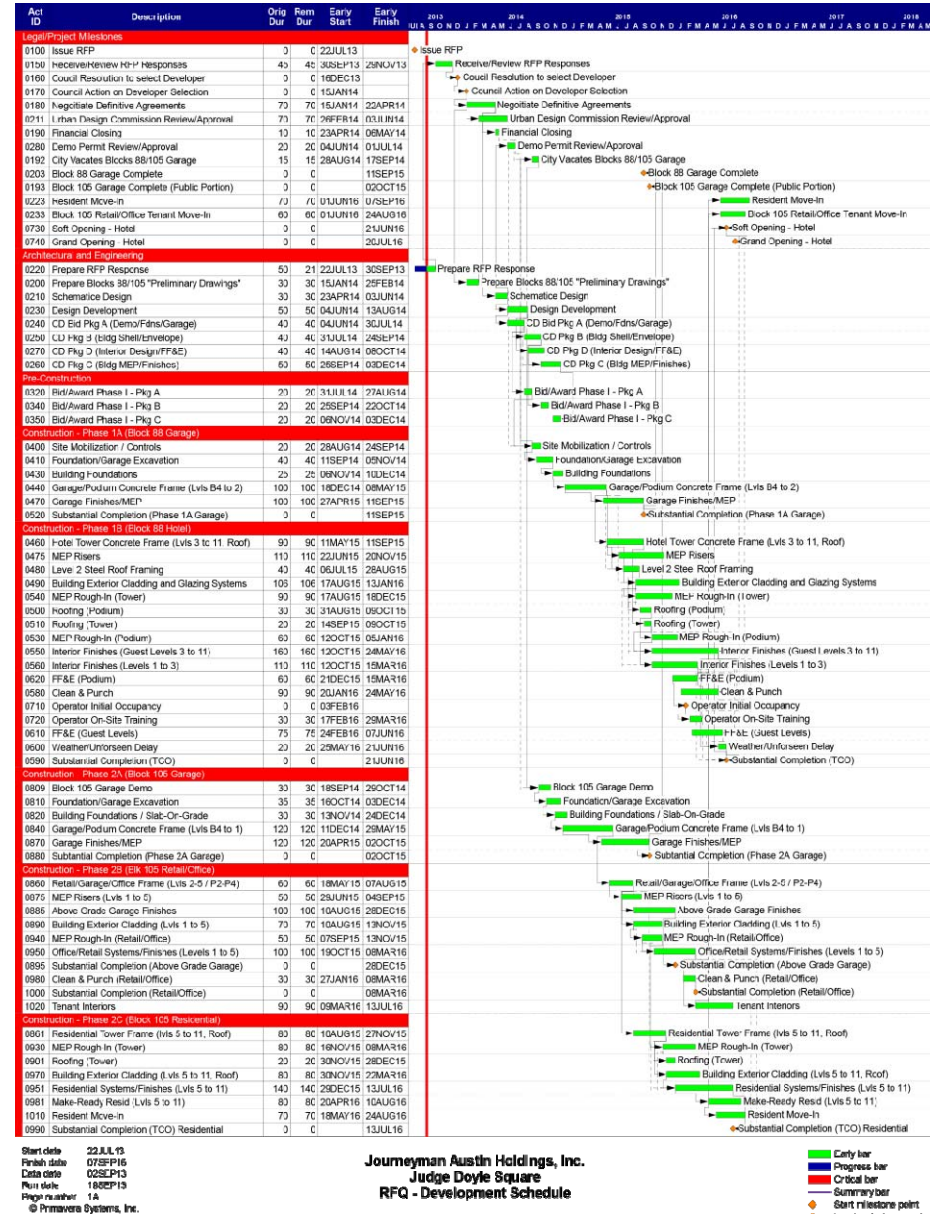


Parking

- Q.** Please explain how office and residential parkers could be prohibited from using the public parking spaces with this system.
- A.** A high tech key card management system will be utilized along with access control gates.



Project Schedule



Project Schedule

Phase	Description	Start	Complete
	Council Action on Developer		Jan 2014
	Phase 1A/1B/2A Financial Closing		May 2014
Phase 1A	Block 88 Parking	Sept 2014	Oct 2015
Phase 1B	Block 88 Hotel	May 2015	Jun 2016
Phase 2A	Block 105 Public Garage	Sept 2014	Oct 2015
Phase 2B	Retail/Office/Garage	May 2015	Jul 2016
Phase 2C	Residential	Aug 2015	Jul 2016



Marriott 5-Year Proforma

	Rooms Available	128,480	Rooms Available	128,480	Rooms Available	128,480	Rooms Available	128,480	Rooms Available	128,480
	Occupancy	63.00%	Occupancy	69.00%	Occupancy	74.00%	Occupancy	74.00%	Occupancy	74.00%
	ADR	\$162.00	ADR	\$166.66	ADR	\$161.26	ADR	\$166.09	ADR	\$171.08
	2017		2018		2019		2020		2021	
Total Revenues	\$18,737,000	\$146	\$21,029,000	\$164	\$23,137,000	\$180	\$22,210,000	\$173	\$22,835,000	\$178
Total Departmental Expenses	\$6,806,151	36.3%	\$7,396,708	35.2%	\$7,860,433	34.0%	\$8,954,817	31.3%	\$7,159,585	31.4%
Gross Profit	\$11,930,849	64%	\$13,632,292	65%	\$15,276,567	66%	\$15,255,183	69%	\$15,675,415	69%
Total Expenses	\$7,547,838	40%	\$8,282,626	39%	\$9,135,744	39%	\$8,843,658	40%	\$9,041,882	40%
Net Operating Income	\$4,383,011	23%	\$5,349,666	25%	\$6,140,822	27%	\$6,411,525	29%	\$6,633,533	29%
FF&E Reserve	\$187,000	1.00%	\$421,000	2.00%	\$694,000	3.0%	\$868,000	4.0%	\$913,000	4.0%
NOI After Reserves	\$4,196,000	22.39%	\$4,929,000	23%	\$5,447,000	24%	\$5,524,000	25%	\$5,721,000	25%
Senior Debt Service *		<u>DSC</u>		<u>DSC</u>		<u>DSC</u>		<u>DSC</u>		<u>DSC</u>
	(\$3,751,003)	1.12x	(\$3,751,003)	1.31x	(\$3,751,003)	1.45x	(\$3,751,003)	1.47x	(\$3,751,003)	1.53x

Project Source and Uses

	BLOCK 88			BLOCK 105				Project Totals	
	Marriott Hotel	City Fleet Parking	Block Totals	Retail/Office	Residential	Bicycle Center	City Garage		Block Totals
Sources									
First Mortgage	\$ 50,315,708	\$ -	\$ 50,315,708	\$ 14,309,939	\$ 24,479,992	\$ -	\$ -	\$ 38,789,931	\$ 89,105,639
Parking Utility Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000
City Bonds (Parking)	\$ -	\$ 2,005,158	\$ 2,005,158	\$ -	\$ -	\$ 951,300	\$ 18,878,909	\$ 19,830,209	\$ 21,835,367
TIF Loan	\$ 38,135,725	\$ -	\$ 38,135,725	\$ 3,229,759	\$ 5,371,415	\$ -	\$ -	\$ 8,601,174	\$ 46,736,899
Private Equity Sources	\$ 7,834,159	\$ -	\$ 7,834,159	\$ 1,540,221	\$ 2,788,582	\$ -	\$ -	\$ 4,328,803	\$ 12,162,962
Total Sources	\$ 96,285,592	\$ 2,005,158	\$ 98,290,751	\$ 19,079,919	\$ 32,639,989	\$ 951,300	\$ 27,878,909	\$ 80,550,117	\$ 178,840,868
Uses									
Land/Air-Rights Allocation	\$ 1	\$ -	\$ 1	\$ 1,179,447	\$ 2,114,006	\$ -	\$ -	\$ 3,293,454	\$ 3,293,455
Construction Costs	\$ 64,708,362	\$ 1,427,718	\$ 66,136,080	\$ 14,509,710	\$ 23,478,395	\$ 686,632	\$ 21,819,371	\$ 60,494,408	\$ 126,630,488
FF&E	\$ 8,229,767	\$ -	\$ 8,229,767	\$ -	\$ 325,000	\$ -	\$ -	\$ 325,000	\$ 8,554,767
Pre-Construction Cost	\$ 8,242,026	\$ 141,290	\$ 8,383,316	\$ 1,654,291	\$ 2,565,423	\$ 67,980	\$ 2,159,300	\$ 6,446,994	\$ 14,830,310
Soft Costs	\$ 12,301,001	\$ 377,747	\$ 12,678,748	\$ 1,180,745	\$ 2,062,165	\$ 168,660	\$ 3,068,231	\$ 6,499,821	\$ 19,178,569
CM/Development Fees	\$ 2,804,435	\$ 58,403	\$ 2,862,838	\$ 555,726	\$ 2,095,000	\$ 27,708	\$ 812,007	\$ 3,490,441	\$ 6,353,279
Total Uses	\$ 96,285,592	\$ 2,005,158	\$ 98,290,751	\$ 19,079,919	\$ 32,639,989	\$ 951,300	\$ 27,878,909	\$ 80,550,117	\$ 178,840,868

Sources Summary

\$178.8M Total Project

- **Private Debt & Equity (\$101.2M)**
- **TIF Loan (\$46.7M)**
- **City Owned/Financed Parking/Bicycle Center**
 - **\$3.3M Land Purchase paid to City at closing**
 - **\$9.0M Reserve**
 - **\$18.5M City Bonds**

MMB Renovation (Alternate)

- City to lease building to Journeyman Group for a period of 40 years for \$1 per year
- Journeyman to fund renovation
- City to vacate MMB and lease office space in Block 105 for 24 months until MMB renovation is completed
- City to relocate back to MMB
- City to pay rent of \$17.77 per sf plus NNN when Block 105 office space is ready for occupancy
- No property tax will be payable since the city is the end user



