

JOHNSON + BASSETT PROJECT PRESENTATION

CITY OF MADISON COMMON COUNCIL

TUESDAY, JULY 11th, 2023



DEVELOPER: **CORE**
SPACES

ARCHITECT: **Kahler Slater**

ZONING CONSULTANT:  **VANDEWALLE & ASSOCIATES INC.**
Madison . Milwaukee

PRESENTATION AGENDA

INTRODUCTION: Doug Tichenor (CORE Spaces)

PROPOSED PROJECT: Trina Sandschafer/Aaron Ebent (Kahler Slater)

LAND USE: Brian Munson (Vandewalle Associates)

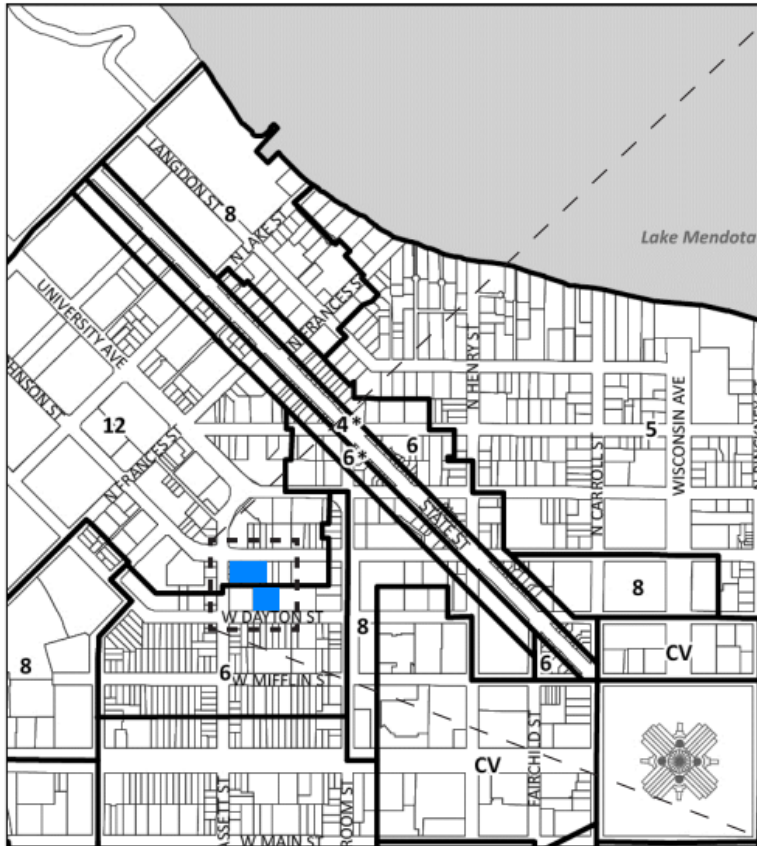
STUDENT PERSPECTIVE: Mike Maskalunas (CORE Spaces)

CONCLUSION: Austin Pagnotta (CORE Spaces)

INTRODUCTION



PROJECT BACKGROUND



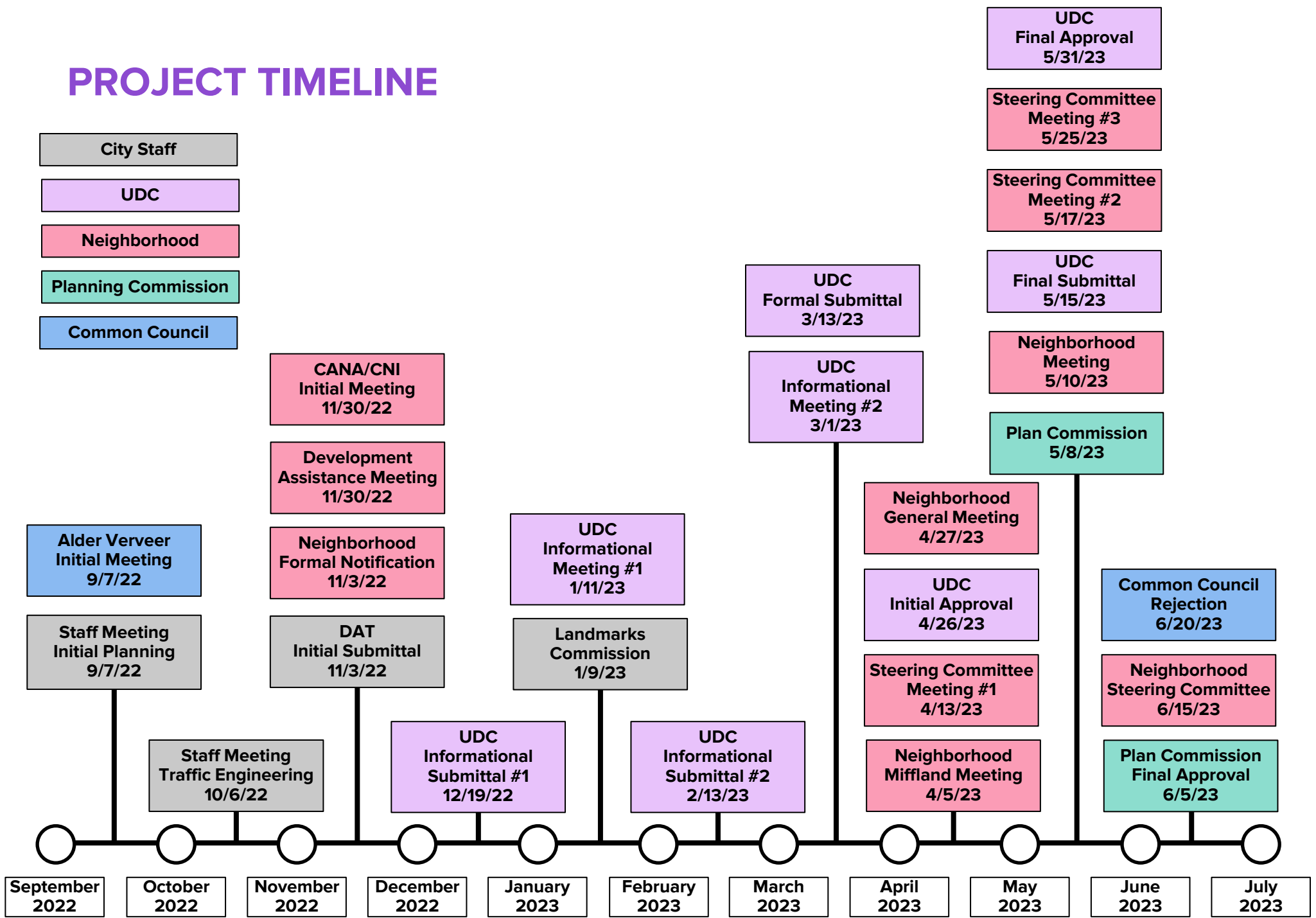
UMX ZONING

BUILDING HEIGHT LIMITS
12 STORIES ON JOHNSON
6 STORIES ON DAYTON

NO SETBACKS REQUIRED

NO STEPBACKS REQUIRED

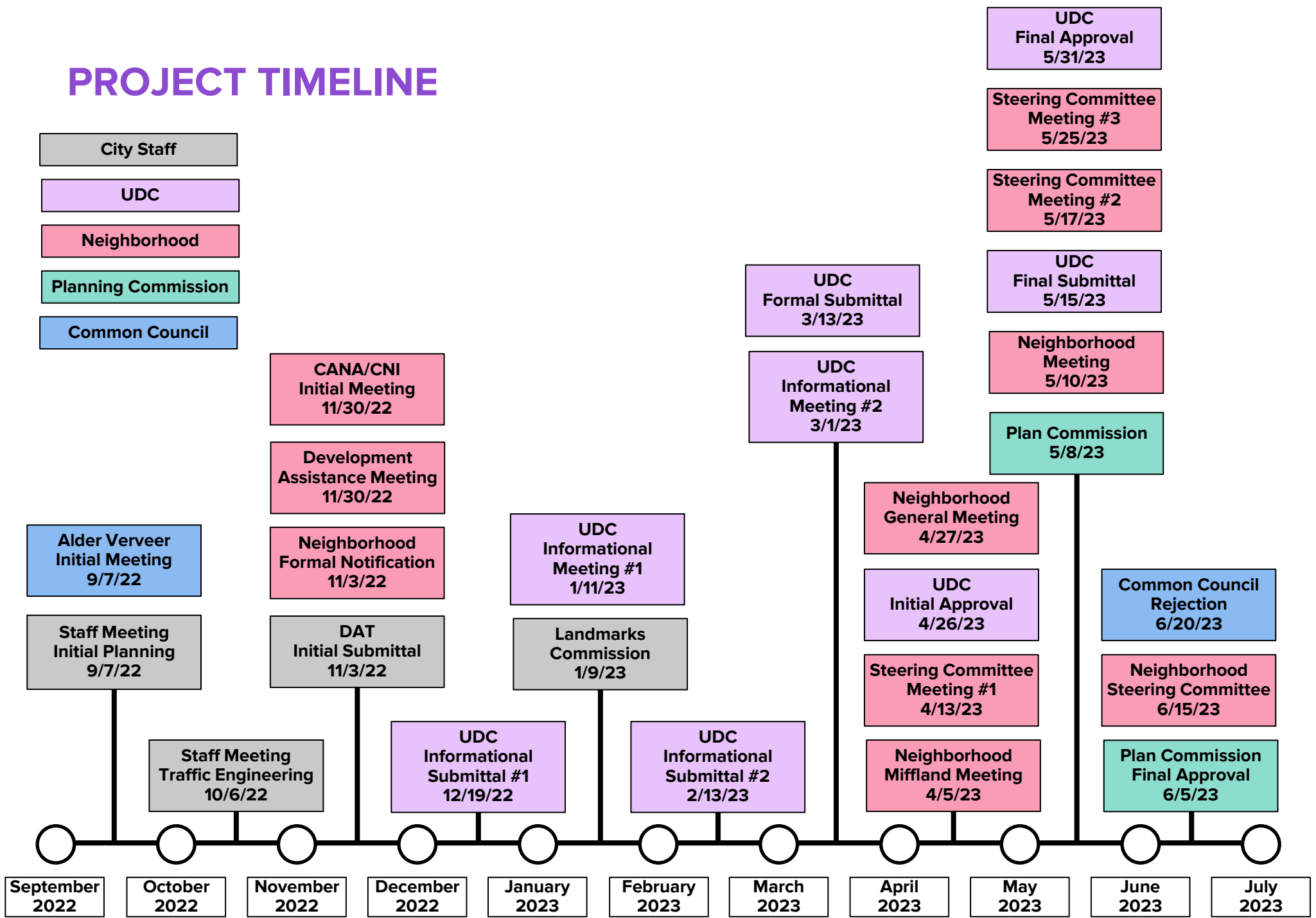
PROJECT TIMELINE



A modern lounge area featuring a large, vibrant living wall with various green and pink plants. The ceiling is decorated with wooden shelves, some of which hold hanging plants. In the foreground, a man and a woman are seated in light-colored armchairs, each working on a laptop. In the background, a group of four people are sitting on a green sofa, also working on laptops. The overall atmosphere is bright and professional.

PROPOSED PROJECT

PROJECT TIMELINE



JOHNSON & BASSETT VIEW



MAIN ENTRY ON JOHNSON STREET



BASSETT & DAYTON PERSPECTIVE



LAND USE



PLAN CONSISTENCY



UMX ZONING

BUILDING HEIGHT LIMITS
12 STORIES ON JOHNSON
6 STORIES ON DAYTON

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■ Johnson Street Bend

The Johnson Street Bend district is characterized by its preponderance of large-scale, high-density apartment buildings occupied almost exclusively by UW students. It contains a variety of building types, styles and character that do not relate well to one another. Its location near campus and State Street has led to the development of several student apartment towers in recent years, and several potential redevelopment sites remain. In the last fifteen years, nearly 1,100 new bedrooms have been created in this five-block area in buildings with little or no usable outdoor open space.

During this time, no additional park space has been created in the area either.

This area is an appropriate location for higher density student residential uses mixed with some commercial uses, including hotels and restaurants. It should continue to transition to more intense development of currently underutilized parcels, and plan recommendations focus on creating active and engaging street frontages and public and quasi-public areas. Linkages to adjacent districts should be enhanced so it becomes less isolated. As evidenced by the frequent use of privately-owned vacant lots as

de-facto park space, this area has a critical need for public open space just to meet the needs of its current residents. With the continued residential growth of this area as proposed in this plan, it is critical that a new park be established in the vicinity.

Johnson Street Bend Recommendations

Objective 4.6: The Johnson Street Bend district should continue as a primarily higher density student residential area mixed with some new neighborhood serving retail uses. Underutilized parcels should transition to more intense development with a particular emphasis on creating active and engaging street frontages and quasi-public areas. Linkages to adjacent areas, including parks and open spaces, should be enhanced.

Recommendation 89: Update the Downtown Design Zone standards for Johnson Street Bend area and incorporate them into the Zoning Ordinance.



Scenes from Johnson Street Bend

CONFORMANCE WITH ADOPTED PLANS

- **City Staff has confirmed the project meets the standards of approval from:**
 - Comprehensive Plan
 - Downtown Plan
 - Zoning Code UMX District
 - Downtown Height Map
- **Project supported by approvals from all subcommittees:**
 - City Staff
 - UDC Final Approval
 - Unanimous Plan Commission approval for demolition permit and conditional use⁽¹⁾
 - Unanimous recommendation for approval of the CSM and zoning request
- **Zoning change request:**
 - Zoning request covers the DR2/PD parcels on Dayton Street Only
 - All Johnson Street and Bassett Street properties are already zoned UMX

EXISTING vs. PROPOSED

EXISTING CONDITIONS		PROPOSED PROJECT	
Owner:	CORE Spaces	Owner:	CORE Spaces
Avg. Year Built:	1923	Projected Delivery:	2026
Buildings:	11	Buildings:	1
Units:	55	Units:	232
Beds:	146	Beds:	851
Sustainability:	Functionally Obsolete	Sustainability:	LEED Silver



CONDITIONS

Existing UMX Properties:



Proposed Rezoning:



AFFORDABLE MECHANISM

- **ōLiv Madison affordable agreement:**
 - CORE was the first student housing developer in the country to partner with the city/university and create an affordable ordinance focused on students
 - 10% of beds at a 40% discount to market rent (All 2+2/2 Suite+ units)
 - Achieved using a Planned Unit Development, bonus floors, and LURA/MOU
- **Johnson + Bassett:**
 - No mechanism for affordability exists today that can be applied to this project
 - New Downtown Height Ordinance adopted after the project was already in review with City Commissions
 - Ordinance focused on market rate housing (AMI), not student housing
 - City Staff confirmed that the City’s new ordinance that incentivizes affordable units in exchange for additional density **does not apply to this project**



A modern student lounge with a living wall and students working. The room features a large, vibrant living wall with various green and pink plants. Students are seated on a light green sofa and in beige armchairs, using laptops. The ceiling has a unique wooden slat design, and there are hanging plants. The overall atmosphere is bright and collaborative.

STUDENT PERSPECTIVE

THREE KEY BENEFITS FOR STUDENTS

1. Increased Density:

- This project will add 851 beds of purpose-built student housing, nearly 6x the current density
- Won't solve the massive housing crisis that Madison faces but will be a big step in the right direction

2. Enhanced College Experience:

- Project is thoughtfully designed to promote a vibrant and inclusive community with common spaces for socializing, studying, and collaborating
- Proximity to campus and in-building study areas will create an environment conducive to focused learning, enabling students to optimize their academic potential
- Encourage meaningful interactions among students by fostering a sense of belonging

3. Sustainable and Quality Housing:

- LEED Silver with energy-efficient systems to reduce ecological footprint
- Constructed with the long-run in mind (+100 years of useful life)



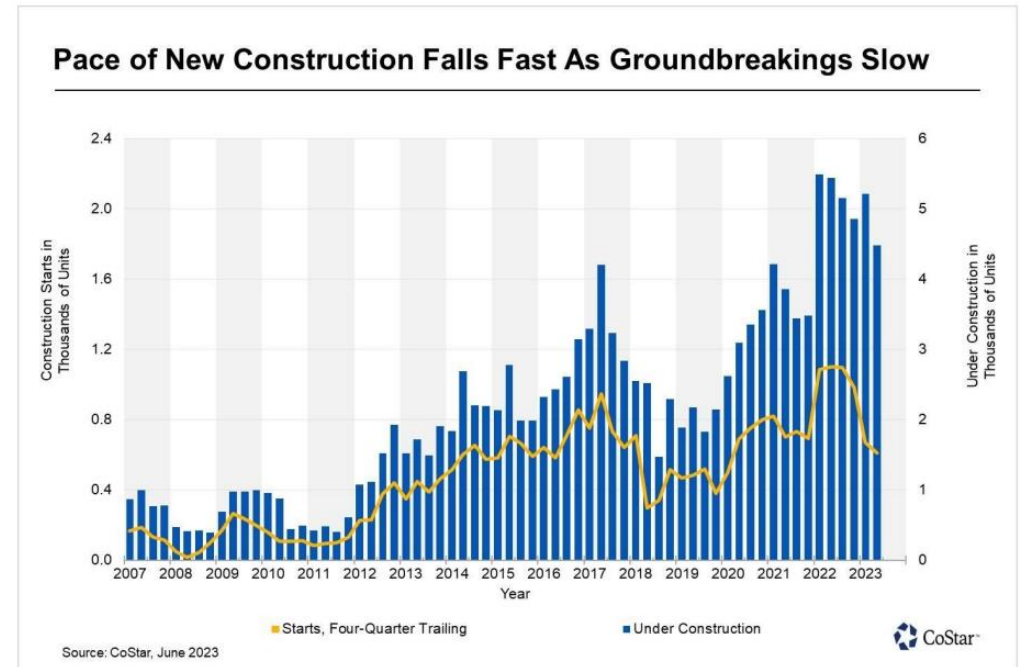
MADISON HOUSING CRISIS

- **Madison Student Housing Market:**
 - +18% rent growth
 - 98% occupancy rate
- **Stabilized Student Housing Market:**
 - +2% rent growth
 - 93% occupancy rate
- **CORE's Three New Developments:**
 - Will reduce housing shortage by 23% (3,650 beds in total)
- **CoStar Multifamily Report:**
 - Construction of new units continues to drop despite red-hot demand for housing
 - Surging rent growth figures are going to continue to create affordability issues

COSTAR INSIGHT

Madison Multifamily Construction Trends in Wrong Direction

Developers Struggle To Build Despite Low Vacancies, High Population Growth



“Madison is in a housing crisis... not building housing will only price people out. It is a cumulative deficit of around 16,000 units, roughly 1,000 units per year.”

- Kurt Paulsen, Professor of Urban Planning at UW-Madison (June 2023)

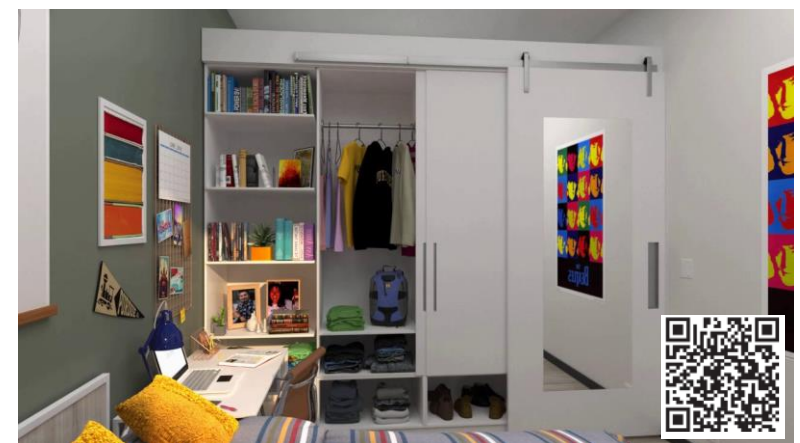
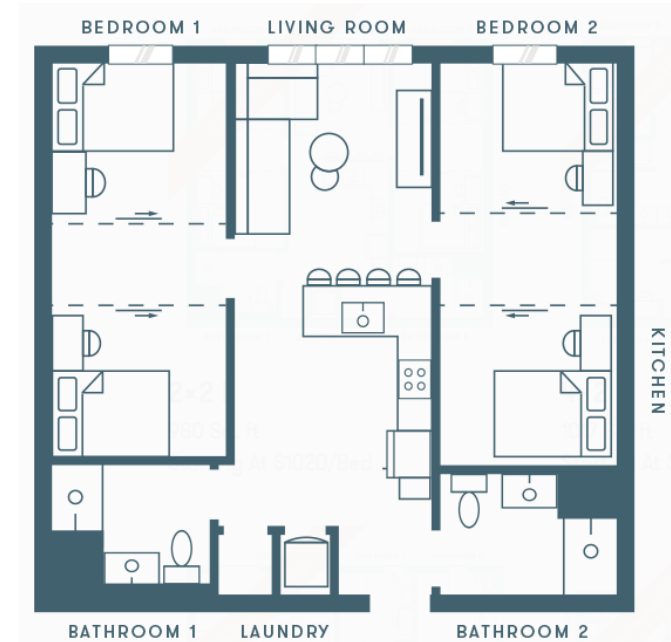
A modern lounge area with a living wall and people working. The room features a curved ceiling with wooden slats, a large living wall with various green plants and red flowers, and a green sofa with yellow and white cushions. Five people are seated on the sofa, some using laptops. In the foreground, two people are seated in beige armchairs, also using laptops. A white coffee table with a woven basket sits between the armchairs. The overall atmosphere is bright and contemporary.

CONCLUSION

THE FACTS

- **Our project offers a diverse unit mix:**
 - Increase supply (+700 net beds)
 - Studio-5BD and double-occupancy units
 - Achieve price-sensitivity through “Suite+” and higher bedroom units
- **Amenity cost does not impact rents:**
 - Main cost drivers are labor, materials, and design efficiencies
 - A pool/fitness center are insignificant relative to the overall deal costs
- **The “NOAH” misconception:**
 - The current 146 beds on-site are not naturally affordable, they are expensive, dilapidated housing providing substandard living conditions
 - The newer units on-site charge market rates (i.e. not affordable)
 - There is no income qualification for these units

SUITE+ UNIT FLOOR PLAN



CONCLUSION

- **Rejecting this project would only take away housing:**
 - As the owner of the properties, Core has a fiduciary responsibility to figure out a path forward for the development as-proposed
- **Johnson + Broom:**
 - We cannot proceed with Johnson + Broom until we resolve a path forward for this project
 - Johnson + Broom has the potential to deliver ~1,700 beds with 10% of beds having “oLiv” affordable
- **Call to Action**
 - We ask Common Council to approve the by-right development as proposed

Project Summary						
Project	Estimated Delivery	Units	Beds	Affordable	Affordable Mechanism Available to Developer	
oLiv	2024	376	1,099	10%	Yes	
Johnson + Bassett	2026	232	851	0%	No	
Johnson + Broom	2027	450*	1,700*	10%	Yes	
Total		1,058	3,650			

*Johnson + Broom unit/bed counts are high-level estimates and subject to change

A modern lounge area with a living wall and people working. The living wall is a vibrant display of various green and red plants. The ceiling features a series of wooden shelves. The floor is light-colored. The overall atmosphere is bright and contemporary.

THANK YOU