



Report to the Plan Commission

February 21, 2011

Legistar I.D. #21394
**2508-2544 University Avenue/
516-518 Highland Avenue**
PUD-SIP & Demolition Permit Alteration

Report Prepared By:
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Requested Action: Approval of a minor alteration to an approved Planned Unit Development–Specific Implementation Plan and demolition permit for 2508-2544 University Avenue/516-518 Highland Avenue to allow demolition of existing buildings and site improvements to proceed before all of the conditions of the approved PUD-SIP have been met. The early demolitions will facilitate implementation of a City of Madison area wide stormwater relief project proposed for the south side of Campus Drive adjacent to the northern edge of the PUD site.

Applicable Regulations & Standards: Section 28.07(6)(9)4.d. provides the Plan Commission with the authority to approve alterations to planned unit developments if the changes are compatible with the plans approved by the Common Council. Section 28.12(12) provides the guidelines and regulations for the approval of demolition permits.

Summary Recommendation: The Planning Division recommends that the Plan Commission **approve** a minor alteration to the approved PUD-SIP and demolition permit for 2508-2544 University Avenue/ 516-518 Highland Avenue to allow the demolition of the 6 existing buildings to commence prior to all of the conditions of approval of the proposed PUD being met, subject to input at the public hearing and the condition recommended on page 4 of this report.

Alteration Review

On January 4, 2011, the Common Council conditionally approved a request by the Mullins Group, LLC to rezone a four-parcel, 1.08-acre property it owns from C2 (General Commercial District) to PUD-GDP-SIP to allow Mullins to construct a mixed-use building containing 130 apartments and approximately 8,600 square feet of first floor retail space following the demolition of 6 existing residential and commercial buildings currently occupying the site. The PUD extends along the north side of University Avenue and the west side of Highland Avenue but does not include the 6,745 square-foot Lombardino's Restaurant parcel at 2500 University Avenue. The Plan Commission reviewed the proposed PUD and demolition permit on December 20, 2010 and recommended approval of the project with conditions.

As was noted in the December 20 staff report to the Plan Commission, the City Engineering Division has put forth a proposal to expedite the installation of a new stormwater box culvert along Campus Drive as part of a phased improvement project to alleviate flooding that frequently occurs in the area. City Engineering has been working for approximately the last decade to resolve ongoing flooding issues in the University Avenue corridor from N. Midvale Boulevard to Walnut Street. In this area, there are 5 University Avenue intersections that flood several feet deep during approximately a 2-year recurrence interval storm, including the intersections of Shorewood Boulevard, Farley Avenue, Highland Avenue, Chestnut Street and Walnut Street. These flooding problems have been in existence since the original box culvert to drain this area was installed in 1925. In the late 1990's, the City tried to coordinate construction of a new stormwater outlet to Lake Mendota with the Village of Shorewood Hills, which would have been tunneled in place from Midvale almost due north to the lake under the Blackhawk Golf Course. Shorewood Hills declined to provide for this route as part of the redevelopment of the area that includes the Copp's, Walgreens and Border's stores. As a result, City Engineering began exploring alternative solutions to address the area-wide flooding problems.

In 2004 in advance of the University of Wisconsin-Madison and Madison Gas & Electric COGEN plant project, City Engineering installed a relief box culvert from Willow Creek (where this watershed currently discharges) west along the south side of the rail corridor past the new COGEN facility, about half way to Walnut Street. In 2005, an extension of that relief storm sewer, a 96-inch pipe, was tunneled under Campus Drive and was connected back to the existing system and to the relief pipe installed behind the COGEN facility.

In 2010 as part of the University Avenue reconstruction project, a 12-foot by 5-foot relief sewer was installed from Midvale to Shorewood Boulevard. With the completion of this work, the remaining section of the storm sewer relief project to be completed extends from approximately the rear of the Octopus Car Wash at 2202 University Avenue west along the south side of Campus Drive to Shorewood Boulevard. The preferred corridor for the proposed 12-foot by 6-foot culvert is located along the southern edge of Campus Drive under the existing tree-covered embankment adjacent to the northern edge of the Mullins Group properties, which allows the City to avoid a substantially more challenging and expensive alternative alignment north of Campus Drive that would include work in the adjacent railroad right of way.

The Mullins Group redevelopment proposal provides City Engineering with the opportunity to take advantage of construction efficiencies afforded by the demolition of the existing buildings to install the section of the stormwater relief pipe from approximately Highland to Grand avenues along its preferred route on the south side of Campus Drive. Because the northern wall of the approved mixed-use building will be located approximately 1 foot off the northern property line adjacent to Campus Drive, City Engineering is pursuing construction of the pipe before work on the new mixed-use building proceeds. [Currently, the proposed 2012 budget provides funds for the construction of the remainder of the culvert east of Highland Avenue to the existing 96-inch stub at the rear of the Octopus Car Wash.]

To accommodate the Mullins project's construction schedule, the City's project is currently being bid, with the bids scheduled to be opened on February 25, 2011. The Mullins Group is required to execute a developer's agreement with the City and provide surety before the bid opening. The Common Council is scheduled to award the bid for the stormwater relief project at its March 15, 2011 meeting, and work on the City project would commence on or shortly after April 4, 2011. In order for the City's project to begin, all of the existing buildings would need to be demolished and all basements and foundations and most or all surface improvements such as parking lots would need to be removed so that the City's contractors could have free use of the site.

The culvert project will also cause the removal of the existing City retaining wall and most or all of the existing vegetation located between the top of the retaining wall and the southern edge of Campus Drive, which includes a variety of volunteer and specimen trees and underbrush. City Engineering indicates that the vegetative material removed for the culvert project would be replaced with new plantings based on a plan developed by Parks Division and City Forestry staff. Following completion of the City culvert project and the applicant's proposed development, the space between the back of curb along Campus Drive and the Mullins Group building will appear as a gently sloped landscaped terrace.

Construction of the Mullins Planned Unit Development is being put to bid in mid-March, with work to begin on the mixed-use building during the first 2 weeks of May at the same time the City's project is scheduled to be winding down. Mullins has indicated to staff that their project is on an extremely tight construction schedule to meet a summer 2012 completion and that a delay in the completion of the City project would cause the project to miss this construction season and therefore likely be delayed.

According to City Engineering and Mullins, in order for the City's project to begin as planned and to be completed in time to allow Mullins to begin substantial construction of its project as currently scheduled, demolition of the buildings and site improvements would need to commence on February 28 and no later than March 15. At the present time, the Mullins Group is still working through the conditions of approval contained in the attached January 6, 2011 letter. Those conditions would typically need to be satisfied prior to the recording of the planned unit development zoning and the issuance of permits for demolition and new construction. However, given the tight schedule for both projects and the timeline for bidding the Mullins project, it will not be possible for Mullins to satisfy all of the conditions of approval and record the PUD in time to allow the City project to proceed.

Analysis & Conclusion

The proposed minor alteration before the Plan Commission requests that the demolition of the 6 existing buildings and associated site improvements be permitted to occur before all of the conditions of the planned unit development zoning for the successor mixed-use building have been met. Given the location of the site and the nature of the request, Planning staff felt it would be appropriate to refer this request to the Plan Commission for consideration.

As noted above, the satisfaction of all of the conditions of a project approval would typically need to be met prior to the issuance of permits for any demolition or new construction. This long-established policy is intended to better ensure that the public's interest is protected by requiring that an applicant provide final plans demonstrating compliance with any revisions required through the approval process or by City ordinances, and by requiring that an applicant receive all necessary approvals and permits for public improvements, etc. prior to commencing implementation of their approved development. This process is also intended to reduce the risk that demolition occurs but the new replacement building(s) does not proceed.

However, there have been projects that have been allowed to proceed before all of their conditions of approval have been met, often in cases where the buildings to be demolished are of little value or significant construction efficiencies can be achieved. Planning staff believes that the latter scenario is most applicable in this case. By allowing the demolition of the 6 existing buildings to commence earlier than would otherwise be permitted, it will allow the City to implement a critical stormwater relief project in the most efficient means possible while allowing the development schedule for an approved redevelopment project to be maintained.

In the unlikely event that the Mullins Group mixed-use building does not proceed following the demolition of the existing buildings, staff recommends a condition of this approval that requires that the site be graded and seeded, all driveway openings be removed, and parking on the site be prohibited.

Planning Division Recommendation & Conditions of Approval

The Planning Division recommends that the Plan Commission **approve** a minor alteration to the approved PUD-SIP and demolition permit for 2508-2544 University Avenue/ 516-518 Highland Avenue to allow the demolition of the 6 existing buildings to commence prior to all of the conditions of approval of the proposed PUD being met subject to input at the public hearing, the following Planning Division conditions:

1. If construction of the approved planned unit development does not commence within 6 months following the issuance of demolition/ wrecking permits for the razing of the existing buildings, the entire subject site shall be graded and seeded with grass, all driveway openings shall be removed and the terraces restored, and no parking shall be permitted on the site at any time.