

Mr. Brad Murphy  
Planning Unit Director  
Department of Planning and Development  
PO Box 2985  
Madison, WI 53701-2985

Dear Brad,

The purpose of this letter is to request a modification to the Inclusionary Dwelling Unit Plan that has been approved as part of the SIP approved and recorded Sequoya Commons project located at 555 N. Midvale Blvd., Madison, WI...

This request is based on a need to mitigate the extraordinary gap between comparable size market rate unit values and IZ designated maximum sale prices. I initially designated units relying on my experience on a prior project, Kennedy Point, which was approved 18 months ago.

In the case of Kennedy Point, maximum sale prices for a one-bedroom 700 square foot unit was set at \$140,600 and a 925 square foot two-bedroom was set at \$164,000. The maximum sale prices set for Sequoya Commons are \$107,000 for a 700 square foot one bedroom unit and \$127,000 for a 1092 square foot two-bedroom unit. The rationale for the lower maximum sale prices is a higher interest rate that lessens the affordability of the units for IZ buyers. This is spite of almost a two year period of price hikes in construction cost and higher interest rates on a construction loan.

In an attempt to lessen the financial gap between market rate value and IZ maximum prices, I have redesigned floor plans to accommodate two and three bedroom units in similar square footage to the initially approved one and two bedroom IZ designated units. This approach allows an increase in maximum sale prices of approximately \$20,000 per unit while maintaining similar cost for the unit. Despite this increase in sale price, the gap between IZ pricing and market value is still in excess of \$50,000 per unit.

Attached are floor plans indicating the dispersion of unit types in the project. The two bedroom units are proposed for an improved location by utilizing a corner condition which provides more window opportunities for placement of bedrooms, yet is in the general location of the previously approved one-bedroom units. The approved two-bedroom units have been redesigned into three-bedroom units and their location remains the same as initially approved. I have also attached actual unit plans of both the two and three bedroom layouts which demonstrate the efficiency and livability of the proposed floor plans

I request that the Plan Commission review and approve my request to modify the approved IDUP and LURA for the Sequoya Commons Condominium project. I believe this request supports stated IZ goals of providing more family appropriate housing options.

We are looking forward to a early March ground breaking for the new Sequoya Branch Library which is the anchor tenant for this exciting mixed-use project. I hope that you will be able to schedule this request for the scheduled February 19<sup>th</sup> Plan Commission meeting. I appreciate your assistance in facilitating this request.

Sincerely,

Joseph D. Krupp

**Roberts, Bill**

**From:** Murphy, Brad  
**Sent:** Wednesday, February 07, 2007 5:34 PM  
**To:** Roberts, Bill  
**Subject:** FW: Sequoya Commons IZ amendment

Bill, please put this with the other Krupp materials. Thanks.

Brad Murphy  
Planning Unit Director  
Department of Planning and Development  
PO Box 2985  
Madison WI 53701-2985  
608 266 4635  
608 267 8739 FAX

**From:** Gruber, Timothy  
**Sent:** Wednesday, February 07, 2007 5:31 PM  
**To:** 'Joe Krupp'  
**Cc:** Murphy, Brad; Hurie, Hickory; Constans, Barb  
**Subject:** RE: Sequoya Commons IZ amendment

Joe:  
Sorry about the delay in reply.

The financial gap that you are describing is one of the things that I hope we fixed in the changes we made in the IZ Ordinance last summer. This may be the first test of the new ordinance. I hope the ordinance works for you.

I will sign off on the application for the alteration. Brad Murphy can sign it for me, with this email being my electronic signature.

Let me know how it goes.

Tim

Tim Gruber, District 11 Alder  
[district11@cityofmadison.com](mailto:district11@cityofmadison.com)  
608-663-5264  
[www.cityofmadison.com/council/district11](http://www.cityofmadison.com/council/district11)

**From:** Joe Krupp [mailto:JKrupp@kruppconstruction.com]  
**Sent:** Monday, February 05, 2007 5:27 PM  
**To:** Gruber, Timothy  
**Cc:** Murphy, Brad; Hurie, Hickory; Constans, Barb  
**Subject:** Sequoya Commons IZ amendment

Tim,

I've run into a problem with the Sequoya Commons project regarding the IZ requirement that was totally

2/8/2007

unexpected. I contacted CDBG to obtain the maximum sale price for IZ units based on 80 %CMI. I was shocked to discover that the maximum sale price was \$40,000 less than the maximum price set on the Kennedy Point project two years ago. The justification is that interest rates have risen, therefore the affordability has lessened. The old ordinance, which this project is governed by, has no provision for neutralizing the additional gap between the maximum IZ price and the market rate value. I was told that the maximum price for a one bedroom would be \$107,000 and \$127,000 for a two bedroom, both of which are at least \$80,000 below comparable market rate units. As you recall, I received no density bonus or offsetting benefits in my rezoning of Midvale Plaza. I was expecting the new maximum sale prices to be higher than they were two years ago, considering increased building cost and increased construction interest rates for me as well as potential buyers. Wouldn't that be the logical assumption in "real world" environment?

I met with Hickory Hurie and Barb Constans to come up with a plan to lessen the impact of these unrealistic maximum sale prices. The previously designated one and two bedroom IZ units were 705 and 1091 square feet in size. I have proposed to redesign and re-designate four units that are approximately 770 square as two bedroom units to replace the previously approved one bedroom units. Furthermore, I have redesigned the initial two bedroom units into three bedroom units. In both instances, the proposed two and three bedroom units exceed the minimum size requirements set in the ordinance for the corresponding unit type. As for dispersion in the project, the two bedroom units are in the same area of the building, however in an improved corner location, which provides additional windows. The revised three bedroom units are in the identical location previously approved. Both Hickory and Barb concurred that dispersion wasn't an issue based on the initial approved locations. I believe both also feel that this request is reasonable in that it provides more family orientated units with two and three bedroom configurations. The net result for the project is that by increasing unit sizes from one and two bedroom to two and three bedroom units, the maximum sale price can be increased approximately \$20,000 per unit; which is still \$50,000 to \$60,000 less than comparable market rate units.

Hickory has spoken with Brad Murphy and a couple of plan commission members and they suggested that this request be reviewed by the plan commission on 2/19 and that I submit an Alteration to an Approved & Recorded SIP. This requires your signature as the alderperson from the district. I will fax you the form and ask that you sign it and return it to Brad Murphy as soon as possible. Pending receipt, Brad will schedule for the 2/19 plan commission meeting. I'd appreciate your support on this request and also an appearance or contact with plan commission members indicating your support. I will need your fax number so that I can fax you the completed application for your signature. Thanks in advance for your cooperation on this request.

Regards,

Joe

*Joseph Krupp*  
*Chairman*

**Krupp General Contractors**  
608-249-2020  
JKrupp@kruppconstruction.com

2/8/2007

# KRUPP

## GENERAL CONTRACTORS, LLC

2020 EASTWOOD DRIVE, MADISON WI 53704 608.249.2020 FAX 608.249.2053

### LETTER OF TRANSMITTAL

City of Madison Planning & Development  
215 Martin Luther King Jr. Blvd.

DATE: February 8, 2007

RE: Sequoia Commons

Madison WI

ATTENTION: Bradley Murphy

#### WE TRANSMIT:

- As Requested
- Attached Herewith
- Under Separate Cover
- Via Mail
- Via Courier
- Via Overnight Delivery
- Via Hand Delivery
- Via Pick-Up

#### THE FOLLOWING:

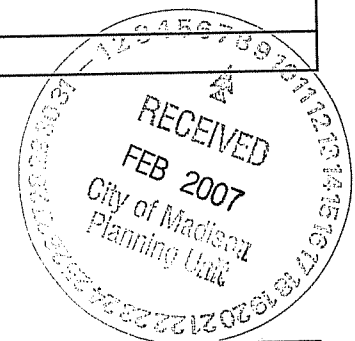
- Drawings
- Plans/Specifications
- Correspondence
- Shop Drawings
- Samples/Product Data
- Promotional Material
- Proposal/Contract/CO
- Submittal

#### FOR:

- Your Review/Comment
- Your Approval
- Your File/Use
- Your Information
- Your Signature
- Revision/Resubmission
- Distribution
- Payment

COPIES	DATE	DESCRIPTION
1		IZ Amendment for Sequoia Commons

COMMENTS:



SENT BY: Joseph Krupp

CC:

Document Number	Document Title
<b>ALTERATION TO AN APPROVED &amp; RECORDED SPECIFIC IMPLEMENTATION PLAN</b> City of Madison Date:	
Project Name:	
1. Legal Description of Property:	
See Attached Legal	
2. Property Address:	
555 North Midvale Blvd., Madison WI	

Recording Area Name and Return Address:
Parcel Identification Number (PIN)

3. The SIP for the above-described property is hereby amended by (description of change):  
Modifying the IDUP to provide four(4) two-bedroom and three (3) three-bedroom IZ units in lieu of four(4) one-bedroom & three(3) two-bedroom units.  
 and shown on the: attached Level 2 & 3 Floor Plans

4. This proposed amendment is authorized according to the SIP text recorded as: Document No 4263297, in the Dane County Register of Deeds Office.

The proposed alteration, as outlined above, is considered a minor alteration and is hereby approved by the Director of the Planning Unit of the Department of Planning and Development.

**No BLUE ink or FAXED copies please!**

\_\_\_\_\_  
 Alderperson Date  
*Joseph D. Krupp* 2-8-07  
 Owner's Signature Date

Bradley J. Murphy, Director Date  
 Planning Unit, Dept. of Planning & Development

State of Wisconsin  
 County of Dane

Personally came before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, the above-named Bradley J. Murphy, Director, Planning Unit of the Department of Planning and Development, and acting in said capacity and known by me to be the person who executed the foregoing instrument.

\_\_\_\_\_  
 Notary Public, Dane County, Wisconsin (Signature)

Notary Public (print name)  
 My commission expires: \_\_\_\_\_

This instrument was drafted by:

This document and any attachments shall be recorded in the Dane County Register of Deeds Office.

## EXHIBIT A

### Legal Description of Property

Part of the SW ¼ of the NE ¼ of Section 29, T07N, R09E, City of Madison, Dane County Wisconsin, more fully described as follows:

Commencing at the East ¼ corner of said Section 29; thence North 89 degrees 12 minutes 42 seconds West along the south line of the said NE ¼, 1657.22 feet to the southerly extension of the westerly right-of-way line of Caromar Drive; thence North 00 degrees 05 minutes 01 second East, 39.60 feet to the intersection of the northerly right-of-way line of Tokay Boulevard as monumented and the said westerly right-of-way line of Caromar Drive; thence North 89 degrees 10 minutes 25 seconds West along the said northerly right-of-way line of Tokay Boulevard, 263.87 feet to its intersection with the easterly right-of-way line of Midvale Boulevard; thence North 00 degrees 01 minute 02 seconds West along the said easterly right-of-way line of Midvale Boulevard, 592.96 feet; thence South 89 degrees 53 minutes 19 seconds East, 264.89 feet to the aforementioned westerly right-of-way line of Caromar Drive; thence South 00 degrees 05 minutes 01 second West along the said westerly right-of-way line of Caromar Drive, 596.25 feet to the point of beginning.

This description contains 157,193 square feet or approximately 3.61 acres.

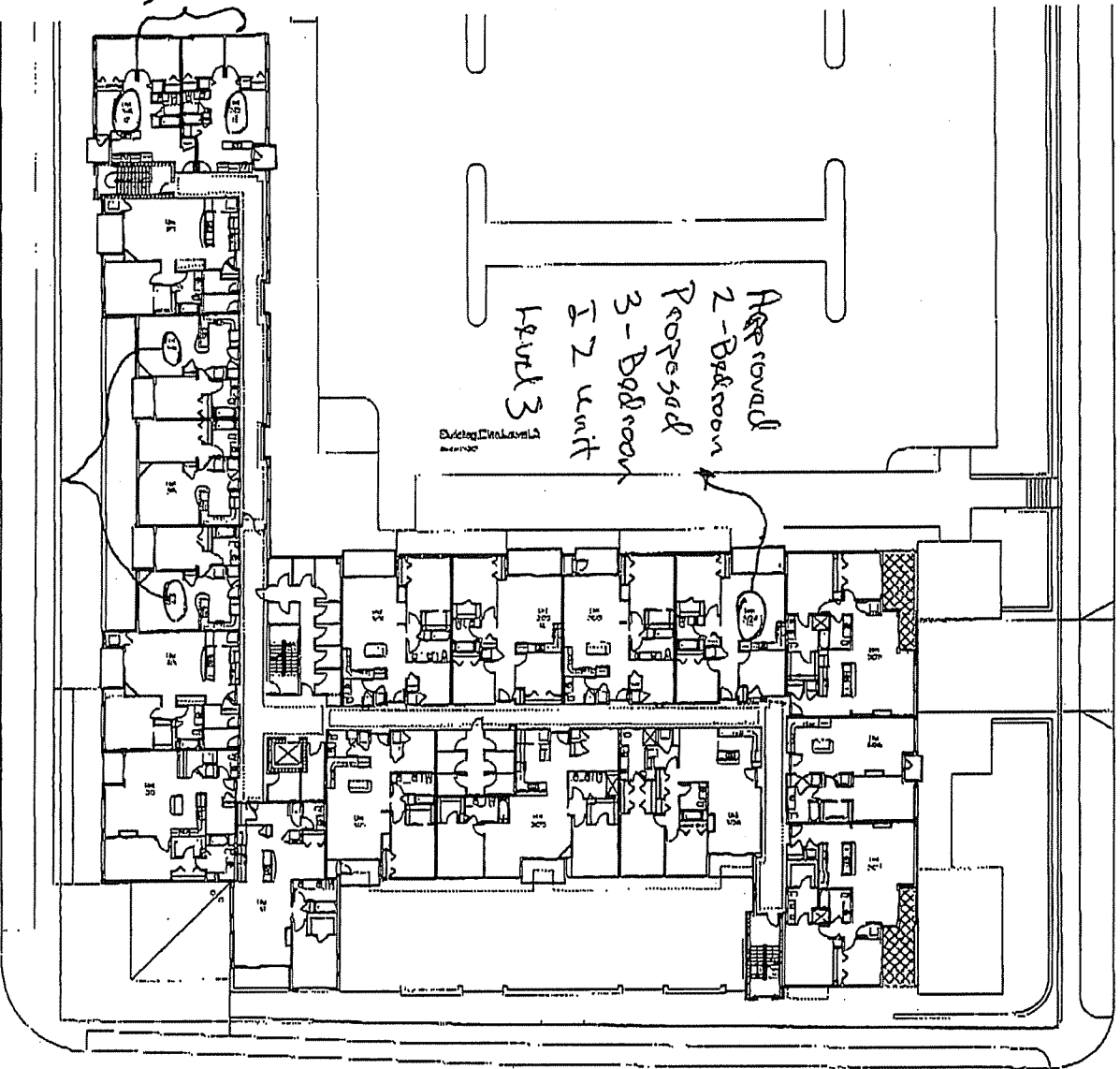
Bearing basis is Dane County Coordinate System, with a bearing of North 89 degrees 12 minutes 42 seconds West for the south line of the NE ¼ of Section 29, T07N, R09E.

Description prepared by:  
Burse Surveying and Engineering, Inc.  
April 21, 2006

Proposed  
Two - bedroom  
I 2 units  
Level 3

Approved  
2 - Bedroom  
Proposed  
3 - Bedroom  
I 2 unit  
Level 3

Approved one - bedroom  
I 2 units - Level 3

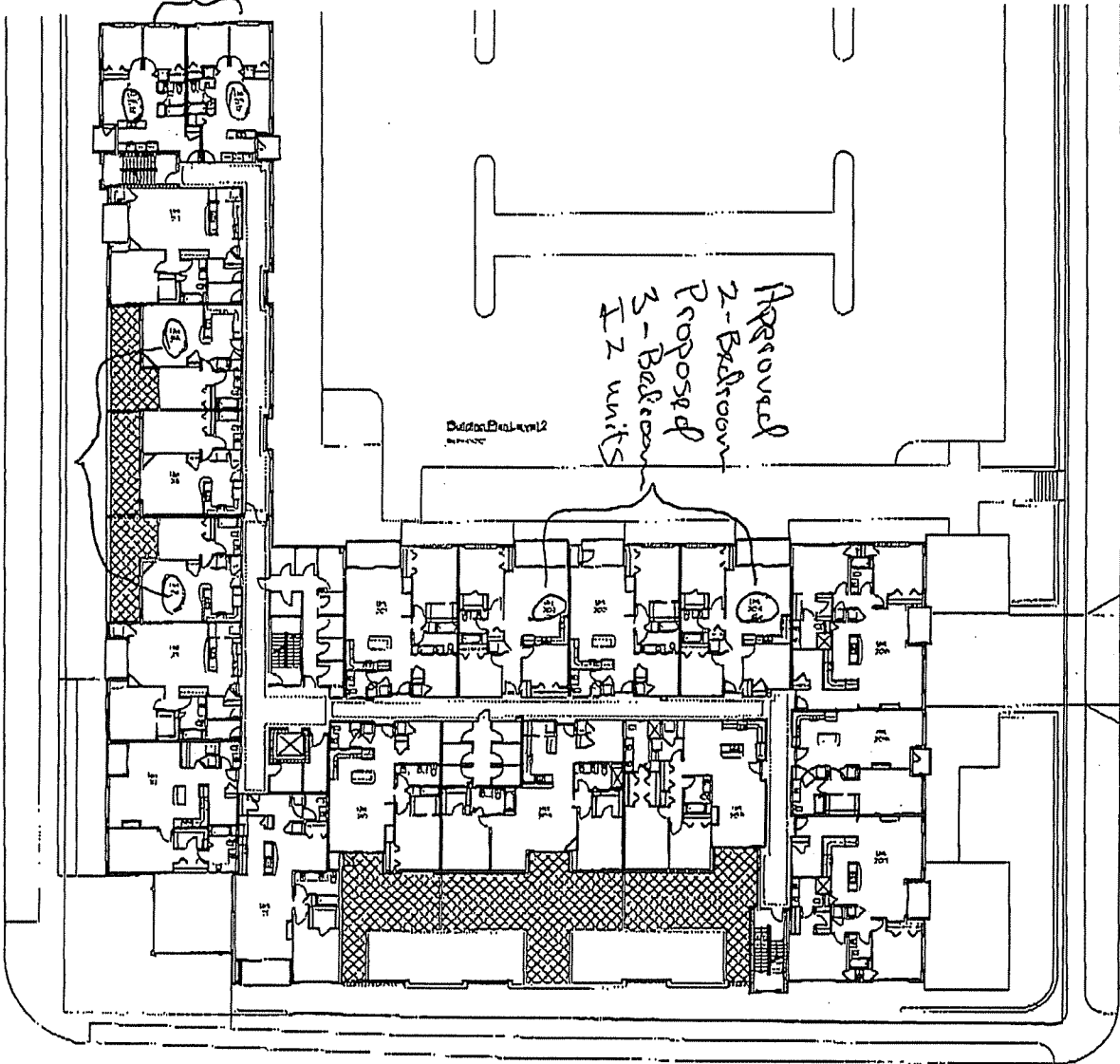


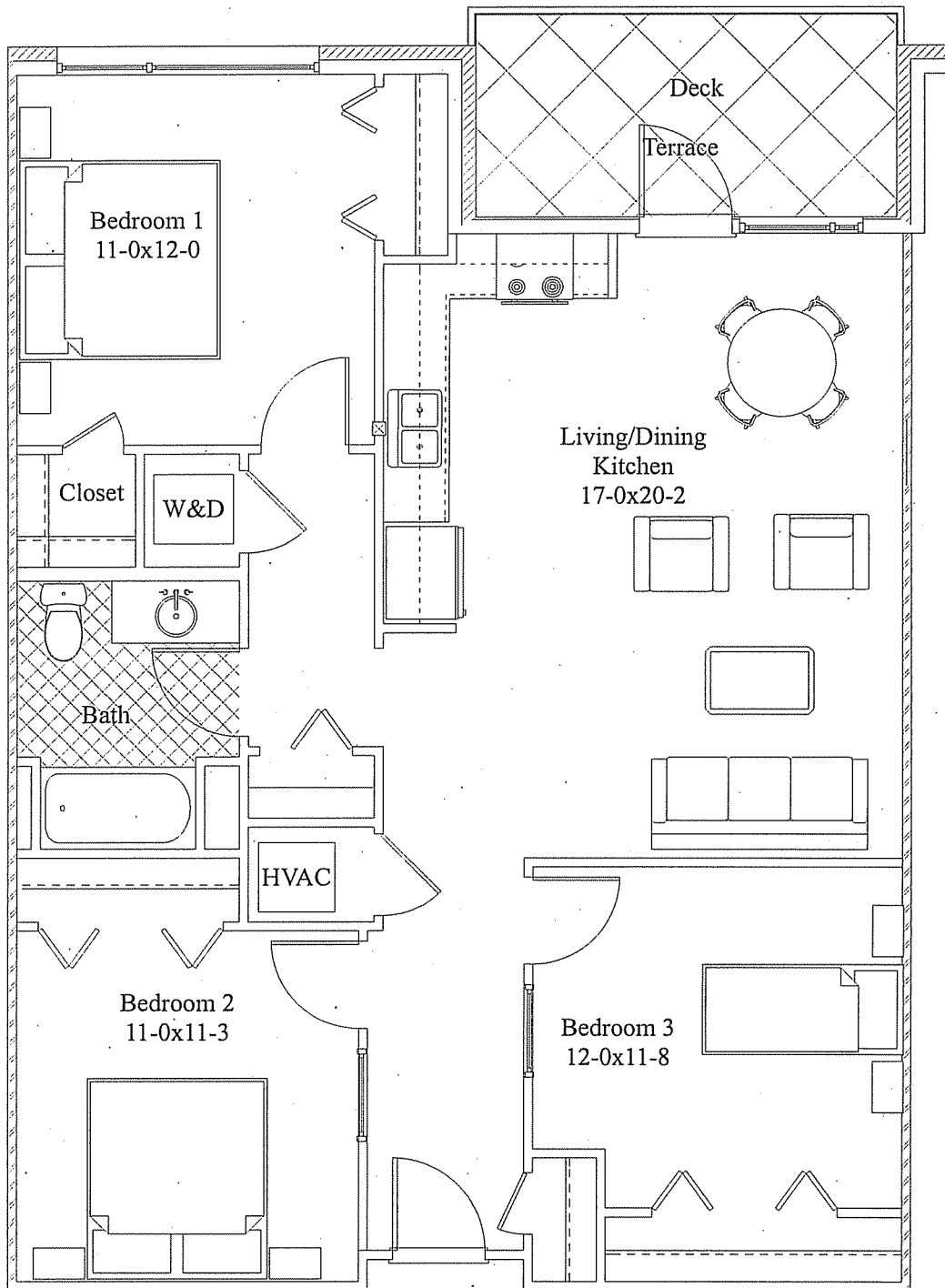


Proposed  
Two-Bedroom  
I 2 - units  
Level 2

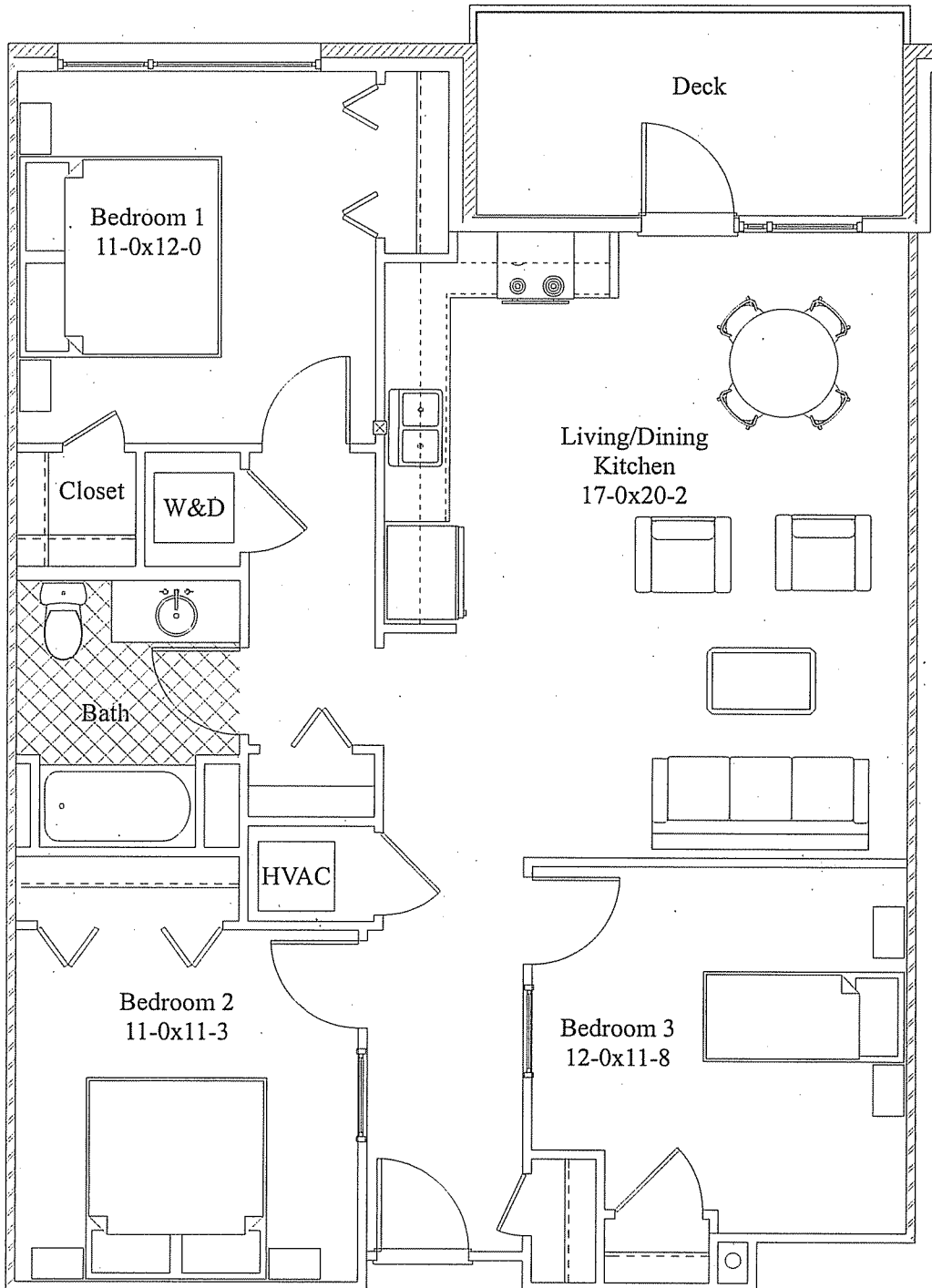
Approved  
2-Bedroom  
Proposed  
3-Bedroom  
I 2 units

Approved One-Bedroom  
I 2 units - Level 2

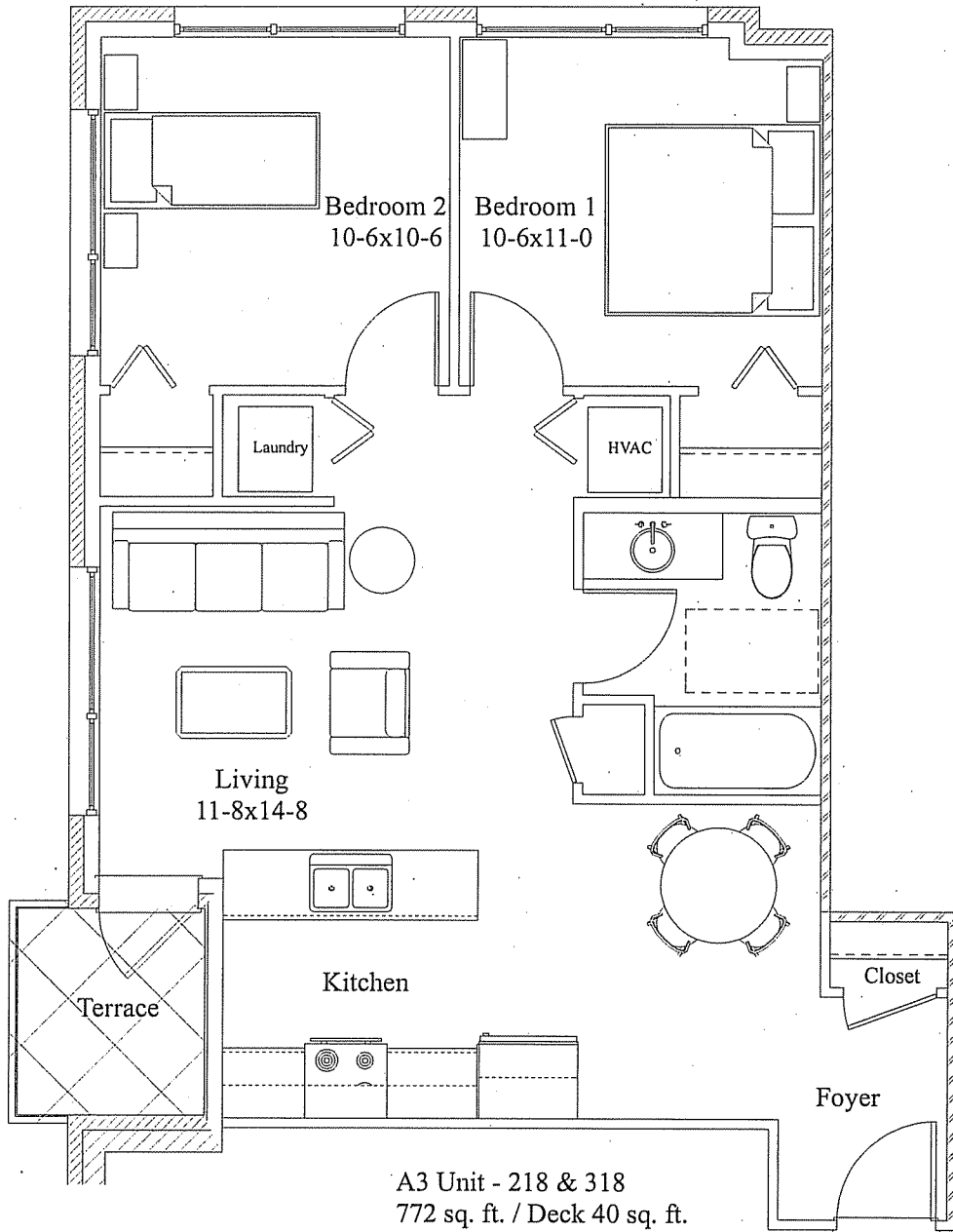


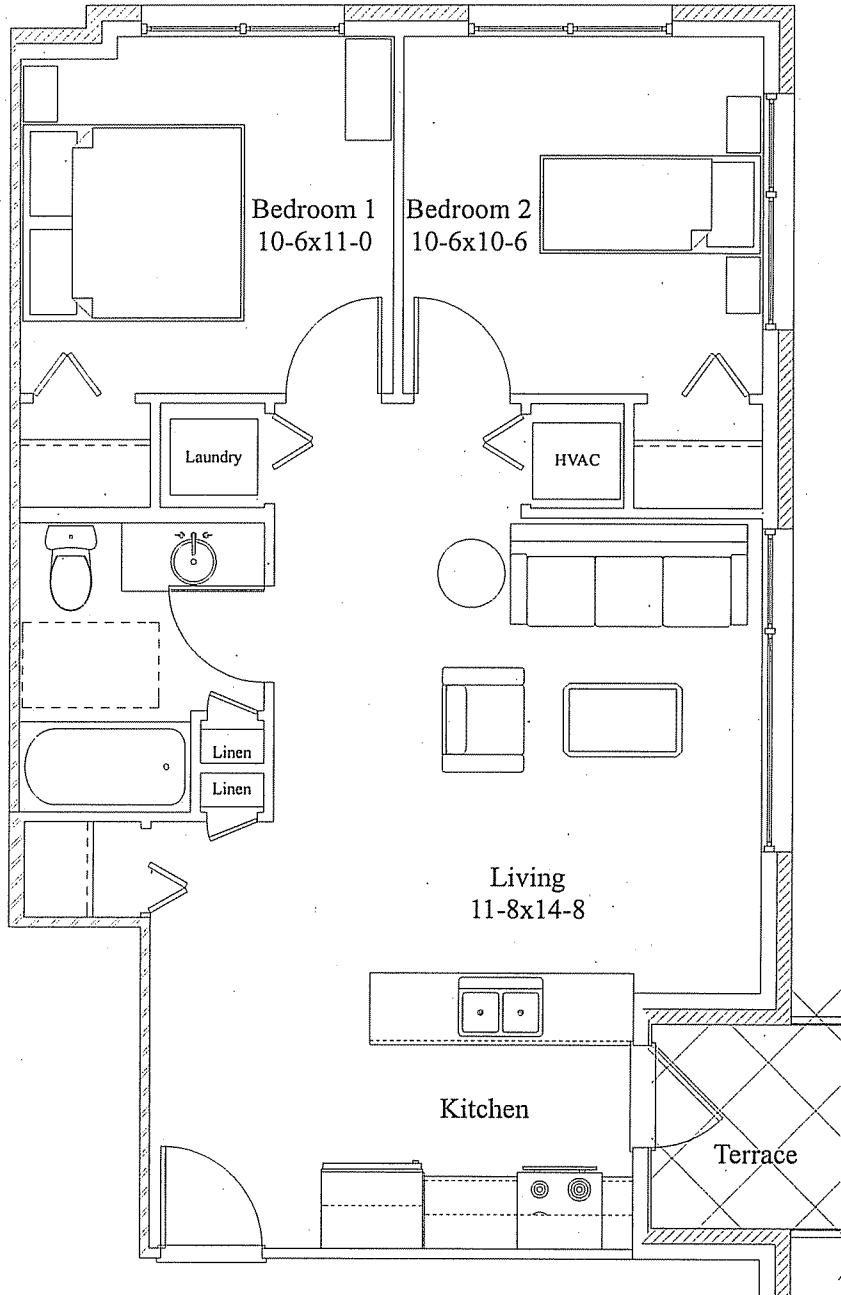


A2 Unit - 201 & 301  
 1,091 sq. ft. / Deck 70 sq. ft.



A2a Unit - 204 & 304  
1,085 sq. ft. / Deck 70 sq. ft.





A3a Unit - 219 & 319