

June 13, 2012

To: City of Madison Board of Public Works

From: Christopher J. Schramm
Urban Land Interests

Re: 701/737 Lorillard Court & 159-171 Proudfit Street
Madison, Wisconsin

Urban Land Interests (ULI) received conditional Common Council approval on May 16, 2012 for the development of a 116 unit apartment building on a primarily vacant 1.7 acre site south of the existing Tobacco Lofts apartments in the Bassett Neighborhood.

The site for the proposed development consists of Lots 2 and 3 of Certified Survey Map 11210 (701 and 737 Lorillard Court), along with the platted lots identified as 159, 163, 167 and 171 Proudfit Street.

These parcels are currently subject to a number of special assessments for water, sewer and street improvements that were completed by the City to serve the anticipated development of this property as well as the adjacent Tobacco Lofts apartments at 701 and 737 Lorillard Court. The largest portion of these assessments is related to the construction of a break in the Proudfit median to serve the site, along with a series of other traffic calming and pedestrian improvements along Proudfit Street. These street improvements were completed by the City in 2009.

The current outstanding special assessment balances for the properties within the 116-apartment development site are summarized below:

Parcel Address	Tax Parcel No.	Outstanding Special Assessment
159 Proudfit Street	251-0709-234-0706-3	\$11,607.78
163 Proudfit Street	251-0709-234-0707-1	\$6,857.87
167 Proudfit Street	251-0709-234-0708-9	\$6,857.87
171 Proudfit Street	251-0709-234-0709-7	\$6,857.87
701 Lorillard Court	251-0709-234-1015-7	\$9,736.37
737 Lorillard Court	251-0709-234-1016-5	\$9,848.11
TOTAL		\$51,765.96

As part of the development approvals for the new apartments, the City has requested that we create a new Certified Survey Map which will combine the six existing parcels into a single lot. The new CSM has been conditionally approved by the City. The new development will consist of a single building with a requested new address of 727 Lorillard Court.

One of the conditions of the final approval of the CSM is the payment in full of all outstanding special assessments in accordance with Madison General Ordinances. It is our understanding that the Board of Public Works has the ability to override this requirement.

The improvements that have been specially assessed were designed to serve both the Tobacco Lofts apartments and the new apartments at 727 Lorillard Court. The new CSM is purely a housekeeping matter requested by the City to simplify the legal description and tax parcels for the new apartment building site.

ULI will be making a very significant up-front investment in this development, but it will not begin generating any income until the new apartments are completed 12 months from now. Upon completion, the project will dramatically increase the tax revenue to the City generated by these parcels. To require the premature repayment of the special assessments at this time would add a funding burden which would make it more difficult to undertake the project.

Due to the large outstanding balance of the assessments and the recent nature of a large portion of the improvements, we ask that the Board of Public Works waive the requirement that the special assessments be paid off before the new CSM is recorded and that the assessments continue to be paid off according to the existing payment schedule and terms. ULI will pay all outstanding real estate taxes on the parcels prior to recording of the new CSM.