## City of Madison

Location

115 South Hamilton Street & 25 West Main Street

Applicant Brad Binkowski – Urban Land Interests

From: DC To: PD

10.

Existing Use Office building and parking garage

Proposed Use Construct addition to existing office building at 25 W. Main Street, demolish parking ramp at 115 S. Carroll Street to construct mixed-use building with 7,500 square feet of commercial space, 96 apartments and 550 underground parking stalls

Public Hearing Date Plan Commission 22 September 2014

Common Council

07 October 2014

**Proposed Demolition & Rezoning** 



For Questions Contact: Heather Stouder at: 266-5974 or hstouder@cityofmadison.com or City Planning at 266-4635



City of Madison, Planning Division : RPJ : Date : 15 September 2014 10-17

### City of Madison

115 South Hamilton Street & 25 West Main Street



Date of Aerial Photography : Spring 2013 ノ つ ー( え

### REVISED LETTER OF INTENT ANCHOR PROPERTIES REDEVELOPMENT MADISON, WISCONSIN

August 4, 2014

This Letter of Intent addresses the redevelopment of the Anchor Bank building and the surface parking lot behind the building at the corner of Carroll and Main Streets, as well as the site of Anchor's existing above grade parking ramp located across Carroll Street.

The Anchor Properties Redevelopment calls for the renovation and expansion of the Anchor Bank office building, the demolition of the existing above grade parking structure that is at the end of its useful life, the construction of a five level underground parking structure beneath Carroll Street containing 548 parking stalls, and the construction of a new mixed use building containing retail/restaurant space at the sidewalk level and 96 rental apartments. The renovation and expansion of the Anchor Bank office building has already been approved by the City of Madison. In order to meet the zoning requirements presented by the various elements of this development, the City's Planning and Zoning staff recommended that a Planned Development (PD) was the preferred option. A Planned Development District provides flexibility in site design while supporting innovative land use given the project's economic factors. The zoning text reads that the PD option should be reserved for "projects that create exceptional employment or economic development opportunities, or that include a variety of residential, commercial, and employment uses in a functionally integrated mixed use setting", conditions that the proposed Anchor Properties Redevelopment embodies and is designed to achieve.

All three parcels of the site are currently zoned Downtown Core (DC), the purpose of which is to recognize the area surrounding the Capitol Square as the center of both commerce and recreation in Madison. Under current zoning, the project would be limited to a maximum height of 88 feet above the high elevation of the property. In order to create a project that is feasible, the site of the new apartment building needs to be developed with enough density to make sense financially. With two historic buildings adjacent to the new building, the new building needed to be designed to reinforce and compliment, and not overwhelm, the scale of the historic structures. We believe, and the owners of the adjacent buildings agree, that the proposed new building, which contains one floor of retail space and eight floors of apartments, is an appropriate and desirable scale.

Upon review of current plans for this development, Urban Land Interests and members of the city's Planning and Zoning divisions agreed that, at this time, ULI is seeking PD – SIP approval for the reconstruction of the Anchor Bank building, the demolition of the existing above grade ramp and construction of the new underground parking ramp. This will allow for construction of these two elements to begin as soon as possible. As currently designed, the majority of the Anchor Bank office building has already been approved as a minor alteration to conditional use on March 5, 2014, with only minor changes occurring at the sidewalk level space behind Anchor Bank and below the first floor landscaped roof terrace to create added retail life and activity. Furthermore, Urban Land is seeking PD - GDP approval for the proposed mixed use building, with a full SIP application to be submitted once the design is finalized, allowing for construction of the entire project to proceed sequentially. Unless construction of the new underground parking is approved, the proposed mixed use building cannot proceed. To accommodate this structure, the current plan set illustrates how the site of the apartment project (which also serves as the entrance to the parking garage) will be capped with a floor slab at grade, with temporary barricades constructed around the site. As a result of these various requirements, the Planned Development structure is necessary in order for ULI to move ahead with their plans to purchase the building.

After reviewing this revised plan set with Matthew Tucker and Heather Stouder on August 1<sup>st</sup>, it is Urban Land's understanding that the current submittal meets all of the city's expectations, and will be processed accordingly.



#### THE ANCHOR PROPERTIES

Anchor Bank is an existing office building located on a prime corner of Madison's Capitol Square. The existing building is actually two separate structures. Anchor Bank built the original building in 1963, and in 1975 the Bank constructed an addition to the east of the original structure. The matching façade of both buildings consists of precast concrete columns and beams that are failing and at risk of falling, thus needing to be replaced. The building contains 105,000 square feet of rentable area.

The back of the Anchor Bank site currently consists of street level parking, with approximately 36 stalls reserved for Anchor Bank's exclusive use. Across Carroll Street sits the deteriorating above grade parking structure, which is past its useful life and dominates the triangular block containing two historic buildings, the Jackman Building and the Baskerville Condominiums. The combined land area owned by Anchor Bank contains a total of 49,112 square feet, which is the largest parcel of underutilized land available on the Capitol Square. The combination of at and above grade parking on either side of Carroll Street, combined with the presence of the City County Building, the Courthouse and the Public Safety Building, virtually eliminates the potential to generate life and vitality in the entire southwestern quadrant of the Square. In stark contrast to the activity that has been created in other areas of the Capitol Square, Hamilton and Carroll Street sidewalks are virtually dead.

### REDEVELOPMENT OF THE ANCHOR BANK BUILDING HAS BEEN APPROVED BY THE CITY OF MADISON AS A CONDITIONAL USE

Planning for redevelopment of the Anchor Bank building began over two years ago, and has continuously evolved. In its initial discussions with Urban Land Interests, the Bank preferred to structure a joint venture for the renovation of the building. Plans were developed to expand the floor plate and reclad the building with a stunning new glass exterior façade. The approved plans called for construction of a small, 5 level underground parking ramp behind the existing office that contained a total of 181 parking stalls. The Anchor Bank building's parking needs would have been met by the new ramp plus the existing 261 stall above grade parking ramp located across Carroll Street. Under the original parking hypothesis, the total parking supply for tenants and their clients would have been 442 stalls. This project was delayed due to Anchor Bank's poor financial condition.

After the Bank was successful in raising new capital and emerged from its financial problems, Anchor Bank made the decision to sell the building to Urban Land Interests. The bank also decided to reduce the amount of space it leased in the building to 30,000 square feet. The Purchase Contract was signed on February 6, 2014. Anchor's decision to reduce its leased premises in the building made it critical to create a floor plate that could attract new tenants. Therefore, plans for the new addition were expanded by one structural bay to the south in order to provide a more functional footprint that contained approximately 19,000 rentable square feet per floor. These revised building plans were submitted for a Modification of the original Conditional Use, which was granted by the City of Madison on March 5, 2014.

#### THE IMPACT OF PARKING ON THE DEVELOPMENT

When original discussions with Anchor Bank were focused on a joint venture, a total of \$500,000 was budgeted for repairs to the existing parking ramp based upon the bank's representation of the ramp condition. The existing parking ramp is 49 years old and has clear signs of deterioration. Immediately after signing the Purchase Contract to buy the property, ULI hired Gunnar Malm & Associates (GMA), a highly qualified structural engineer, to assess the ramp's condition. After a very detailed inspection, GMA estimated that the ramp would require at least \$3,000,000 in repairs and was well beyond the end of its useful life. Based on this assessment, ULI has concluded that the existing ramp needs to be demolished.



After carefully evaluating all alternatives, ULI believes that demolishing the existing ramp and building a large underground parking structure is the only viable solution. By combining the existing vacant lot behind the Anchor building and the site of the current above grade parking ramp together with subterranean space owned by the City of Madison available below Carroll Street, it is possible to create a site that contains 41,678 square feet of land area. Using this area, it is possible to design and construct a new underground ramp that provides 548 parking stalls.

The design of the ramp will create a long enough footprint to provide wide drive lanes and long site lines, both of which help to create a ramp that people feel safe using. Vehicles will enter/exit the ramp off of Doty Street, which provides great accessibility for visitors looking for parking in downtown Madison. The pedestrian entrance/exit from the parking ramp will be centrally located along Carroll Street, right in the middle of the new restaurant/retail space that will be created. The ramp will have a separate elevator core for the office building and another for the apartments. In order to continue to promote the use of bikes as a viable method of transportation in Madison, the parking ramp will include an indoor area that can accommodate more than 50 bikes in a configuration that is similar to the bike parking in Block 89.

The benefits of putting parking underground to create life and vitality at the sidewalk level and to maximize the usable space that can be created above the parking are obvious. The underground parking ramp will be designed to support a new eight or nine story building in the triangular block bordered by Carroll, Doty and Hamilton Streets. The new building that can be built above the ramp, coupled with the new addition behind Anchor, will provide almost 32,000 rentable square feet of new restaurant/retail space at the sidewalk level, which represents the largest addition of new retail/restaurant space on the Capitol Square since the 1950's. Providing parking that will be available for use in the evenings and weekends for anyone coming to downtown Madison, combined with new sidewalk retail/restaurant spaces on both sides of Carroll Street, will dramatically enhance the life and vitality in the entire southwest quadrant of the Capitol Square.

While the benefits of putting parking underground are obvious, the associated costs are daunting. The Parking Utility Financial Sustainability Report prepared by Walker Parking Consultants that was commissioned by the City of Madison Parking Utility simply concludes, "Replacement using below-grade parking is not feasible...." However, ULI has demonstrated it is possible to develop parking underground in the Block 89 development using an innovative and effective financial partnership with the City of Madison and the Community Development Authority. The 743 stall Block 89 parking facility is the only large parking ramp that has been created in the vicinity of the Capitol Square since 1970. ULI is proposing to use a similar financing and ownership structure to assist in the development of the Anchor Bank Properties parking ramp. Without financial assistance from the City to reduce the parking deficits to acceptable levels, it will be impossible to create the parking necessary to support the redevelopment of the failing Anchor Bank building, and/or to realize the benefits of replacing the deteriorating above grade parking ramp with a new building that will contribute life and vitality to downtown Madison.

#### DEVELOPMENT TEAM

Developer:

Architect:

General Contractor:

Urban Land Interests, LLC | Madison (608) 251 – 0706

Valerio Dewalt Train Associates | Chicago (312) 260 – 7300

J.H. Findorff & Sons | Madison (608) 257 - 5321



| Structural Engineer: | Robert Darvas Associates   Ann Arbor<br>(734) 761 – 8713 |
|----------------------|--|
| Surveyor:            | Vierbicher Associates   Madison<br>(608) 826 – 0532      |
| Landscape Architect: | Ken Saiki Design   Madison<br>(608) 251 – 3600           |

### THE LARGEST ADDITION OF NEW RETAIL/RESTAURANT SPACE EVER TO BE CREATED ON THE CAPITOL SQUARE CAN BE DEVELOPED

An important element of the renovation of the Anchor Building is the creation of a large, landscaped roof terrace that will be located to the rear of the office building. The terrace will feature outdoor seating for restaurant/bar use at Main Street, and will be an attractive amenity to both tenants of the building and visitors alike. Putting the parking ramp underground beneath Carroll Street allows a new 12,000 square foot retail/restaurant space to be created below the landscaped roof terrace, which will bring true life and activity to the sidewalks at the intersection of Doty and Carroll Streets.

The ground floors of the Anchor Bank building and the proposed apartment building across the street collectively contain nearly 32,000 square feet of usable restaurant/retail area, which can be broken up into 4 or more unique spaces. The design of the buildings will allow for the retail space to be located at street level, with entrances on Main Street, Carroll Street (both sides), and Hamilton Street. This design will increase the activity surrounding the development, providing benefits that extend beyond just the Anchor Bank building.

The approved plans for the Anchor building include the aforementioned roof terrace that will accommodate tables for outdoor dining, and both buildings will provide a loading dock and interior common trash room that will make the restaurant spaces easy to service. The combination of a location on or adjacent to Madison's Capitol Square, onsite parking, and singular amenities has already attracted substantial interest from prospective restaurant tenants.

#### NEW RENTAL APARTMENTS CAN BE DEVELOPED WHERE THE EXISTING PARKING RAMP IS DEMOLISHED

Demolition of the existing above grade ramp and construction of the new underground ramp will permit the construction of a new, 9 story mixed use building. Initial plans call for approximately 12 units per floor, which would allow a total of 96 rental units to be constructed. The total square footage of the apartment building is projected to be roughly 94,500 square feet. With an initial projection of 96 apartments, nearly 77,500 square feet of livable space will be created. Additionally, the apartment building will contain roughly 7,500 rentable square feet of retail space on the ground floor. At this point in time, we foresee a unit mix of 6 percent studios, 62 percent 1 bedrooms, and 32 percent 2 bedrooms.

The design of the building is intended to minimize the impact of the new structure on the block, allowing the two historic buildings to remain as anchors in the triangular block. Along Hamilton Street, a contemporary three story façade clad in granite and copper will unify the two historic properties, and will step back from the property line in deference to the historic buildings that book end the block. Behind the copper façade, an attractive landscaped roof terrace will provide usable outdoor space for apartment tenants. The upper floors of the apartment floor plates are arranged in an L shaped configuration enclosing the courtyard and terminating against the back sides of the historic Jackman and Baskerville buildings.



#### CONSTRUCTION SCHEDULE

The expected construction schedule is as follows:

- Construction Start (demolition of existing ramp): Fall 2014
- Start Date for Anchor Bank Renovations / Expansion: Fall 2014
- Start Date for New Apartment Building: Summer 2015
- Completion of Anchor Bank Building: Spring 2016
- Completion of New Apartments: Spring 2016
- Initial Occupancy: Summer 2016

#### **PROJECT ECONOMICS**

At a ratio of one employee per 250 to 300 square feet, the completed building, which contains roughly 175,000 square feet of office space, would accommodate approximately 600 - 700 employees. With the additional 30,000 square feet of retail space and an average ratio of one employee per 300 to 450 square feet, another 75 - 100 employees would be generated.

The value of the land is estimated at \$3,800,000, based on comparable valuations in Urban Land's portfolio. Initial cost estimates project that the renovation and expansion of the Anchor Bank building will cost approximately \$24,500,000, with an additional \$6,250,000 budgeted for tenant improvement costs. J.H. Findorff & Son's preliminary cost estimate for construction of the underground parking ramp is \$21,900,000. In total, construction of this development (not including the apartment building) is budgeted at approximately \$76,500,000. At this time, Urban Land is actively engaged with contractors in the process of value engineering in an effort to explore any areas for potential cost savings.

Urban Land Interest's plans to purchase and transform the Anchor Bank building into a Class A office facility are contingent upon creating parking that can support the needs of tenants and visitors.

To reduce the parking deficit to an affordable level, we are requesting that the City of Madison provide the same financial support that was used successfully to develop parking for Block 89. Urban Land interests would design and construct the parking so that it is delivered to the city in turnkey condition for a fixed price. The Community Development Authority would purchase and finance the parking ramp using taxable lease revenue bonds, and would lease the parking to the City of Madison, which would in turn lease it to the building owners. The lease would make the parking entity responsible for all operations and maintenance of the parking ramp, including paying operating deficits. We have proposed that 60 percent of the actual TIF revenue generated by the completed buildings be applied as a credit against rent paid to the CDA for the ramp. This would be structured on a pay-as-you-go basis with Urban Land Interests assuming the risk of the amount of actual increment generated. Discussions continue and the City of Madison TIF team is currently preparing a financial assistance proposal for the development of Anchor Properties.



### PROPOSED ZONING TEXT ANCHOR PROPERTIES REDEVELOPMENT MADISON, WISCONSIN

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August 4, 2014

| Legal Description                         | The lands subject to this planned development shall include those described in Exhibit A, attached hereto.   |  |
|---|--|--|
| Statement of Purpose                      | This Planned Development is established to facilitate the renovation and<br>addition of the existing Anchor Bank office building into a Class A office building<br>containing approximately 207,000 square feet of commercial space; demolition<br>of an existing above grade parking ramp at the end of its useful life; construction<br>of a new five level 548 car underground parking ramp that extends underneath<br>Carroll Street; and, construction of a new mixed use building that contains 7,000<br>square feet of retail/restaurant space at the sidewalk level plus eight residential<br>floors that contain a total of 96 rental apartments. |  |
| Permitted Uses                            | <ol> <li>Those that are stated as permitted uses in the Downtown Core zoning<br/>district.</li> <li>Uses accessory to permitted uses as listed above.         <ul> <li>Outdoor seating associated with commercial space</li> </ul> </li> </ol>   |  |
| Lot Area                                  | 49,112 square feet or 1.13 acres (not including subterranean rights to be leased from the City underneath Carroll Street)  |  |
| Floor Area Ratio                          | Floor area ratios as shown on approved plans.<br>Maximum building height as shown on approved plans.   |  |
| Yard Area<br>Requirements                 | Not Required. Landscaped roof terraces will be provided as shown on approved plans.  |  |
| Landscaping                               | Site landscaping will be provided as shown on approved plans.  |  |
| Accessory Off-Street<br>Parking / Loading | Accessory off-street parking and loading will be provided as shown on approved<br>plans.<br>Two (2) separate loading docks will be provided off of Doty Street as shown on<br>approved plans.<br>The 548 car underground parking ramp will optimally accommodate the needs<br>of tenants and their visitors. The Anchor office building and the new mixed use<br>building will each have elevator cores directly accessing the parking.  |  |
| Lighting                                  | Site lighting is provided as shown on approved plans.  |  |
| Signage                                   | Signage will be provided as approved on the recorded plans.  |  |
| Family Definition                         | A family shall be defined as a household not to exceed three persons.  |  |
| Alterations and<br>Revisions              | No alteration or revision of this planned unit development shall be permitted<br>unless approved by the City Plan Commission, however, the Zoning<br>Administrator may issue permits for minor alterations or additions which are<br>approved by the Director of Planning and Development and the alderperson of<br>the district and are compatible with the concept approved by the City Plan<br>Commission.  |  |



#### Exhibit "A"

#### Parcel A:

Part of Lots 2 and 3, Block 72, Original Plat of Madison, in the City of Madison, Wisconsin, described as follows: Beginning at the Easterly corner of said Lot 3; thence Northwest along the Southwest line of South Carroll Street 132 feet; thence Southwest parallel to the Northwest line of West Doty Street 66 feet to the Southwest line of said Lot 3; thence Southeast on said Southwest line 5 feet, to a point 127 feet Northwest of the Southerly corner of said Lot 3; thence West to the East line of South Hamilton Street, on a line at right angles with said street; thence South on said East line to a point that is 4 feet from and measured at right angles to the Southwest line of said Lot 2; thence Southeast parallel to said Southwest line to point of beginning, together with rights of way as set forth in Vol. 142 of Deeds, page 174, Document No. 183458, and in Vol. 195 of Deeds, page 256, Document No. 268878.

#### AND

Part of Lot Two (2), Block Seventy-Two (72), Original Plat of Madison, City of Madison, according to the original plat thereof, in the City of Madison, Dane County, Wisconsin, being further described as follows: Commencing at the Easterly corner of Lot 3, said Block 72; thence North 44°21'15" West, 131.81 feet along the Southwest line of South Carroll Street; thence South 45°30'21" West, 66.00 feet to the Northeast line of said Lot 2, said 66.00 foot line being parallel with and 5.00 feet Southeast from the Southeast face of the "Jackman Building" to the point of beginning; thence continue South 45°30'21" West, 5.02 feet along the extension of said parallel line; thence South 89°31'29" East, 7.07 feet to the Northeast line of said Lot 2; thence North 44°21'15" West, 5.00 feet along the Northeast line of said Lot 2; to the point of beginning.

#### AND

Parts of Lots 2 and 3, Block 72 of the Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin, being further described as follows:

Beginning at the Easterly corner of said Lot 3; thence N44°21'15" W along the southwest line of South Carroll Street, 131.81 feet to a point that is 5.00 feet southeast of the southeast building face of the "Jackman Building"; thence S45°30'21" W 86.24 feet to the east line of South Hamilton Street, said 86.24 foot line being parallel with an 5.00 feet southeast of the southeast face of said "Jackman Building"; thence South an 5.00 feet southeast of the southeast face of said "Jackman Building"; thence South on said east line of South Hamilton Street to a point which is 4 feet from and measured at right angles to the southwest line of said Lot 2; thence Southeast parallel to and Southwest line to the northwest line of West Doty Street; thence Northeast along said northwest line of West Doty Street to the Easterly corner of said Lot 3, also being the point of beginning.

EXCEPTING those parts contained in Warranty Deed, recorded September 23, 2010 as Document No. 4694517 and in Warranty Deed recorded September 23, 2010 as Document No. 4694518.

Parcel B:

The Southwest Twenty-six (26) Feet of Lot One (1), Block Eighty-four (84) in the City of Madison, Dane County, Wisconsin.

#### AND

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Part of Lots 1 and 2, Block 84 Madison, Beginning at a point on Northwesterly end of Lot 1, Block 84 on Main Street 26 feet Northeasterly from West corner of said lot and running thence Northeasterly along Main street 41.6 feet more or less to premises conveyed to The Kirch Land Co. by deed recorded Vol. 220 page 121; thence Southeasterly at right angles to Main Street 132 ft. to Southeast line of Lot 2 in said block; thence Southwesterly or parallel to Main St. 41.6 feet; thence Northwesterly parallel to Carroll Street 132 feet to place of beginning, together with and subject to party wall as described in agreement in Vol. 25 of Misc. page 482, and subject to rights of way as to alley over the Southeast end of said premises and rights of way over an alley 10 feet wide by 26 feet long from Carroll Street, as provided in deed to Peter and Michael Young recorded in Vol. 62 page 114, all situated in the City of Madison, Dane County, Wisconsin.

#### AND

Beginning on the NWly line of Lot 2, Block 84, in the City of Madison, 67.6 feet NE of the W-corner of Lot 1, said Block 84 and extending thence in a NEly direction on the NWly line of said Lot 2, 42.6 feet or to a point at the dividing line between two business blocks now known as the Kirch Block and the Fox Block; thence in a SEly direction on a line parallel with the SWly line of said Lot to the SEly line of said Lot 2, Block 84, a distance of 132 feet more or less; extending thence in a SWly direction on the SEly line of said Lot 2, 42.6 feet to a point 67.6 feet from the S corner of said Lot 1, said Block 84; thence in a NWly direction in a straight line to the point of beginning, including 1/2 of the party wall now between the Kirch Block and the Young Block and together with an alleyway in the rear of SEly side of said property.

#### AND

The southwest fifteen (15) feet of the northeast twenty-two (22) feet of Lot 2, Block 84, City of Madison, Dane County, Wisconsin.

#### Parcel C:

Lots 9 and 10, Block 84, in the City of Madison, Dane County, Wisconsin, except the Southwest 88 feet of the Northwest 26 feet and the Northeast 44.15 feet of the Northwest 29.12 feet of combined Lots 9 and 10.

#### AND

The Southwest 88 feet of the Northwest 26 feet and the Northeast 44.15 feet of the Northwest 29.12 feet of combined Lots 9 and 10, Block 84, in the City of Madison, except the Northeast 7 feet thereof. Also described as follows:

Part of Lots 9 and 10, Block 84, in the City of Madison, Dane County, Wisconsin, described as follows: Beginning at the North corner of Lot 9, thence Southeast 29.12 feet, thence Southwest 44.15 feet, thence Northwest 3.12 feet, thence Southwest 88 feet, thence Northwest 26 feet, thence Northeast 132 feet to the point of beginning, except the Northeast 7 feet thereof.









## EXISTING VIEWS LOOKING UP HAMILTON TOWARDS THE SQUARE

ANCHOR BANK - PROPERTY DEVELOPMENT



Urban Land Interests









# PROPOSED VIEWS LOOKING UP HAMILTON TOWARDS THE SQUARE

ANCHOR BANK - PROPERTY DEVELOPMENT



Urban Land Interests







EXISTING VIEW LOOKING FROM SQUARE SOUTHWEST DOWN HAMILTON



Urban Land Interests







PROPOSED VIEW LOOKING FROM SQUARE SOUTHWEST DOWN HAMILTON



Urban Land Interests





EXISTING VIEW LOOKING FROM SQUARE DOWN CARROLL



Urban Land Interests







PROPOSED VIEW LOOKING FROM SQUARE DOWN CARROLL



Urban Land Interests





**SEPTEMBER 11, 2014** 

# **CARROLL STREET ELEVATION**

**ANCHOR BANK - PROPERTY DEVELOPMENT** 





**Urban Land Interests** 



- 65