

BEITLER

May 18, 2015

George E. Austin
Project Director
City of Madison Department of Planning & Community & Economic Development
Room LL100, Madison Municipal Building
215 Martin Luther King Jr. Blvd.
Madison, WI 53703-3346

Re: Judge Doyle Square – Letter to Collaborate

Dear Mr. Austin:

We are in receipt of your report from the Judge Doyle Square Negotiating Team to the Board of Estimates dated May 8, 2015. While the prospect of relocating Exact Sciences to Block 88 may be an extraordinary opportunity, the overall proposal from JDS also requires \$55-\$65 million of City funds.

Our proposal for a 300 room hotel and a 200 unit apartment building positioned on Block 105 requires no City funding and instead pays the City \$750,000 per year in ground lease payments for 99 years. The land and the annual ground lease payments would be retained 100% by the City and could be leveraged or otherwise sold for additional future income to the City.

On May 9, 2015, the Mayor said that the City could “still split the project among the development teams, with JDS doing Exact Sciences and another team doing the hotel or some other elements”.

In light of the above, we believe that the best overall solution may be one that combines elements from the JDS proposal for Block 88 (Exact Sciences) and elements outlined by Beitler on Block 105 (hotel, apartments, ground lease and overall design) that, when combined, could potentially reduce the amount of City funds required to develop the Exact Sciences portion of the project while providing the additional funds necessary to repay any City funding.

Please accept this letter as our interest and willingness to collaborate with the City and JDS to combine our two concepts in order to accomplish the best possible outcome for the City.

Best regards,

BEITLER REAL ESTATE SERVICES LLC



J. Paul Beitler
President