

HUSCH BLACKWELL

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June 20, 2018

Natalie Erdman, Director
Department of Planning, Community & Economic Development
126 South Hamilton Street
Madison, WI 53701

Re: Request for Zoning Map and Height Map Amendment – 118-126 State Street

Ms. Erdman:

On behalf of 122 State Street Group LLC, we are requesting an amendment to the Downtown Height Map as part of a Planned Development District to allow 19 feet of additional height at 118-126 State Street. The Height Map currently allows a maximum building height of 88 feet on the project site, with a 30-foot setback on State Street. The requested amendment seeks to construct to a maximum height of 107 feet on West Dayton Street and North Carroll Street, with a maximum height of 95 feet at the top of the parapet (see diagram below).

The proposed project includes the construction of a new building with approximately 130 hotel guest rooms. The proposal would replace the existing non-conforming 6-story building at 122 State Street and bring the project site into compliance with the State Street viewshed setback by reducing the height of the building on State Street to 4 stories.

As discussed further below, the proposal is consistent with the Downtown Plan, which provides “a flexible framework for building scale that encourages innovation and growth” and provides that “maximum building heights may be exceeded through the planned development process.”

1. The Proposed Amendment Meets the Standards for Additional Height.

The Zoning Code allows the Plan Commission to grant approval of the proposed amendment pursuant to MGO 28.098(2)(h) based on the following standards:

A. The additional height is compatible with the existing and planned character of the surrounding area.

- The proposed project will maintain and restore the historic façades and portions of 118 and 126 State Street, thereby maintaining and enhancing the historic character of State Street, and will bring the project site into compliance with the State Street

frontage setback requirements by reducing the existing 6-story front face of the building to 4 stories.

- The Dayton and Carroll portions of the building, with a maximum height of 107 feet, will provide a gradual transition to higher-density blocks adjacent to the project site, including the Concourse Hotel (167 feet), 30 On The Square (128 feet) and the proposed Drury Hotel (107 feet).
- This is the only block on State Street that backs into buildings with this type of additional mass and height, creating a unique context for this hotel proposal.

B. The additional height allows for a demonstrated higher quality building.

- The additional height allows the utilization of higher quality building materials, cladding components, glazing assemblies and crafted design components.
- The construction economics of hotels constrain projects into utilizing building materials that are often less permanent in nature and prone to premature failure or high long-term maintenance costs. Standard assemblies such as metal panels, applied plaster or EIFS systems, pre-painted fiber cement panels or other hardboard products are not designed to age. The project will utilize lifetime finishes such as stone and masonry afforded in a higher service, specialty independent hotel that could not be sustained with a lower height and density.
- The additional height allows the project to meet the requirements for a high-quality hotel operator with a sufficient number of rooms to support first-class food and beverage service and other hotel services.
- The additional height allows for rooftop views providing downtown residents and visitors with views of Lake Mendota, thereby furthering one goal of the Downtown Plan to increase access to the lakes.

C. The scale, massing and design of the new building complement and positively contribute to the setting of the adjacent landmark building.

- The proposed building complements the adjacent landmark building at 114 State Street by maintaining and restoring the historic façade at 118 State Street and by restoring the historic rhythm and relationship of the street-level façades between 114 and 126 State Street.
- The project maintains a similar three-story façade with bay windows at 126 State Street, providing a complementary bookend to the landmark at 114 State Street.
- On the Carroll Street frontage, the proposed building replaces the existing non-compatible 1970s façade with materials and architectural rhythm to better align with the historic materials and building form of 114 State Street.
- The 4-story datum on the building creates a more harmonious interaction with the adjacent landmark building and the 4-story building at 100 State Street.

D. There are no negative impacts on viewsheds and other views and vistas identified on the Downtown Plan.

- The proposed building protects and enhances the State Street viewshed corridor by removing the existing non-conforming 6-story building at 122 State Street that

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does not comply with the State Street stepback requirement. The proposal would remove the building mass on the fifth and sixth floors of the existing building facing State Street.

- Additionally, the project would remove the existing elevated pedestrian walkway crossing Dayton Street, thereby creating a new viewshed of the Overture Center from Dayton Street that has never existed before and providing a unique and historic vantage point on the outer loop of the Capitol Square.
- The project team obtained a viewshed study which demonstrated no negative impacts on the viewsheds on State Street, Carroll Street or Dayton Street.

BUILDING HEIGHT DIAGRAM



METROSTUDIO
NEW ORLEANS
architecture planning interiors



The Dayton & Carroll Hotel Project
6.20.18

2. The Proposed Project and Amendment are Consistent with Adopted Plans.

The proposed project and the requested Height Map amendment are consistent with the Comprehensive Plan and the Downtown Plan as follows:

A. *The project supports the revitalization of this property as a mixed-use commercial site consistent with the Comprehensive Plan.*

- The project fits within the recommended land uses of the State Street Downtown Mixed-Use Sub-District. The project is mixed-use commercial hospitality space with dining and entertainment amenities, and contains usable open space through two outdoor terraces.

- The project reduces the height of the existing building on State Street to four stories to create a more pedestrian friendly scale along the street and to enhance the State Street viewshed corridor.
- The project will bring in thousands of new visitors annually encouraging additional commercial activity in the district including retail, service, restaurant and entertainment uses—a new vitality now lacking in the 100 block at the top of State Street and connecting Carroll Street with the Capitol Square.
- The project will improve the pedestrian experience on State Street by creating more pedestrian-friendly storefronts and will encourage retail demand through increased visitor traffic on State Street.

B. The project supports several goals of the Downtown Plan such as improving the State Street commercial district, expanding usable open space and improving views of the Capitol, University and Lake Mendota.

- The project will create a “vibrant, engaging downtown environment” on the 100 block by attracting new visitors interested in more experiential hospitality, which will support retail, service, entertainment and other businesses (Key 2).
- The project will “ensure a quality urban environment” by replacing an outdated, non-conforming building with a high-quality, pedestrian-friendly building that positively relates to the surrounding urban context (Key 3).
- The project will “maintain strong neighborhoods and districts” by revitalizing this block of State Street and creating more activity at the top of State Street to support other existing and future businesses (Key 4).
- The project is consistent with the policy goals of the downtown height limits, which “are not intended to promote the status quo, or unreasonably restrict redevelopment potential” (Recommendation 49) and “provide a flexible framework for building scale that encourages innovation and growth while reflecting the existing or planned character of the area” (Objective 3.3).
- The project would replace an existing out-of-context building to enhance the area with a building of higher-quality design (Recommendation 21).

3. The Unique Conditions of this Site Support a Planned Development District.

This site has a number of unique conditions that support additional height on this specific site:

- 122 State Street is one of only a few through-lot buildings on State Street that has multiple frontages on three major streets. While there are other through-lot buildings on State Street, the unique three-frontage condition distinguishes this site from other sites.
- 122 State Street is one of only a few buildings on State Street which currently violates the 4-story height and stepback requirements, and the only building on the first four blocks of State Street which currently violates those requirements. The project can offer something that nearly no other property on State Street can—the elimination of this non-conforming condition that intrudes into the State

Street view corridor. This project will bring the site into conformity with the 4-story height limitation on State Street, a significant and truly unique opportunity to improve the State Street view corridor.

- The irregular shape of the parcel creates unique challenges with designing efficient floor plates, requiring more mass and height to support the required minimum program.
- The project is also distinguishable because it removes the existing skywalk across Dayton Street, which interferes with the view approaching the Overture Center.

4. The Proposed Project Meets the Planned Development Standards.

The project satisfies the standards for approval of a zoning map amendment for a Planned Development District under MGO 28.098(2) as follows:

- A. *No other base zoning district can be used to achieve a substantially similar pattern of development.*** The existing Downtown Core district does not allow adequate height to support the redevelopment of this infill site that includes the enhancement of the pedestrian experience on State Street, Dayton Street and Carroll Street, the preservation of portions of 118 and 126 State Street, the creation of two terrace areas with usable open space, and the facilitation of a high-quality development consistent with the Downtown Plan.
- B. *The PD District plan facilitates the redevelopment goals of the Comprehensive Plan and the Downtown Plan.*** [See comments above.]
- C. *The PD District plan does not adversely affect the economic health of the City or the area of the City where the development is proposed.*** The redevelopment will be served by existing City utilities and will substantially improve the economic contribution of this site to the City by bringing hotel and restaurant guests to the downtown area. This project, with 130 rooms, can be financially sustainable with high quality construction materials and without use of TIF support. The project will generate additional property taxes and new room taxes that are not generated by the current buildings.
- D. *The PD District plan does not create traffic or parking demands disproportionate to the facilities and improvements designed to meet those demands.*** The proposed hotel would have a lower parking demand than the existing office use for the site. Off-site vehicle valet parking will be provided for hotel guests at existing downtown parking facilities with excess capacity. Arrival and departures can be accommodated without using travel lanes on either Carroll St. or Dayton St. The project team has prepared a detailed traffic study which concluded there are minimal impacts on the surrounding streets based on the proposed use.
- E. *The PD District plan coordinates architectural styles and building forms to achieve greater compatibility with surrounding land uses and create an environment of sustained aesthetic desirability compatible with the existing or intended character of the area and the statement of purpose of the PD District.*** The building architecture is compatible with the historic, pedestrian-scale nature of State Street and the taller scale of adjacent buildings on Dayton Street and Carroll Street. The

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building contributes to all three facades of this unique site through the use of differing heights, setbacks and building materials. The proposal will replace the existing non-conforming building with a structure that is more compatible with surrounding uses including materials, window openings, rhythm, height, depth and architecture.

- F. *The PD District plan includes open space suitable to the type and character of development proposed.*** As an urban, lifestyle hotel, the project includes two outdoor terrace areas that provide additional open space amenities to guests and visitors while maximizing the pedestrian experience at the street level.
- G. *The PD District includes suitable assurances that each phase could be completed in a manner that would not result in an adverse effect upon the community as a result of termination at that point.*** The project will be built in a single phase.

We look forward to working with you throughout the development process. Please contact us with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey L. Vercauteren', with a stylized, cursive script.

Jeffrey L. Vercauteren



June 20, 2018

Plan Commission
Urban Design Commission
City of Madison
126 South Hamilton Street
Madison, WI 53703

Re: Proposed Hotel Development – 118-126 State Street

Dear Commission Members:

On behalf of 122 State Street Group LLC, I am pleased to submit the enclosed application for a proposed building consisting of approximately 130 hotel guest rooms at 118-126 State Street. The proposal includes a request to redevelop the existing buildings at 122 and 124 State Street, to redevelop a portion of the buildings at 118 and 126 State Street, and for a zoning map amendment to rezone the properties from the Downtown Core (DC) District to the Planned Development (PD) District. The Urban Design Commission previously reviewed a prior version of this proposal on March 22, 2017, November 8, 2017, and May 23, 2018.

Project Updates

Since our previous submission we have updated the building design to address Commission comments on the prior proposal:

- The State Street façade has been revised to reduce the amount of volumetric variation. The building now reads as a consistent, singular four-story limestone façade between 118 and 126 State Street.
- The proposed building mass above the retained historic buildings at 118 and 126 State Street has been stepped back an additional 15 feet to allow each building to stand with autonomy. This also provides a more sensitive relationship with the adjacent landmark building at 114 State Street.
- On the Dayton and Carroll Street sides, the material selection above the four-story limestone base has been changed to a lighter, glass form. This provides a meaningful contrast of materials and improves what was a more heavy, monolithic limestone scheme on the prior design iteration.

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- Transoms above the storefronts have been re-inserted into the design to better integrate with the prevailing conditions nearby.
- The building height on the Dayton and Carroll Street sides has been further reduced. The elevation of the 8th floor cornice, at 95 feet, sits just 7 feet above the 88 feet of height allowable under existing zoning. The top of the 9th floor rooftop lounge, which is stepped back from the edge of the building, is at a height of 107 feet.

Project Summary

The proposal would redevelop the existing buildings at 122 and 124 State Street and portions of the existing buildings at 118 and 126 State Street. The new building would incorporate the façades and portions of the existing structures at 118 and 126 State Street and would include four stories facing State Street with a rooftop terrace above the fourth floor, and eight stories facing West Dayton Street and North Carroll Street with a stepped back ninth story rooftop terrace area. The primary hotel entrance would be located on North Carroll Street, with passenger and delivery loading areas on North Carroll Street, and the primary restaurant entrance would be on State Street. The hotel, restaurant and bar would be permitted uses in the proposed Planned Development zoning district.

Project Objectives and Benefits

The Project will benefit the City of Madison in the following ways:

- Improve the quality of architecture, site design and urban design on State Street, West Dayton Street and North Carroll Street by replacing deteriorating commercial buildings with a high-quality, durable and attractive building that activates the pedestrian experience on all three street frontages.
- Restore the State Street viewshed corridor by replacing the existing 6-story building that does not comply with the 30-foot setback requirement with a building that complies with the setback requirement with a 4-story façade on State Street.
- Retain the historic façades and portions of 118 and 126 State Street to keep the scale of the block intact and to anchor the new building in a way that is sensitive to the adjacent landmark at 114 State Street.
- Activate the 100 Block of North Carroll Street and the top of State Street by increasing pedestrian activity and providing a primary entrance on North Carroll Street, including a pick-up and drop-off area staffed by hotel employees throughout the day and night.
- Remove the existing skywalk to improve visibility of the Overture Center and to enhance the Dayton Street pedestrian experience.

- Increase commercial activity on the 100 Block of State Street by attracting hotel and restaurant guests to the downtown area, directly benefitting State Street retailers through consumer spending from hotel guests.

Existing Site Conditions

The existing site is located at 118 State Street (PIN 0709-1442-6064), 122 State Street (PIN 0709-1442-6056), and 124-126 State Street (PIN 0709-144-2610-5) constituting 0.30 acres (12,929 sq. ft.) fronting on State Street, West Dayton Street and North Carroll Street. 122 State Street Group LLC owns the property located at 122 State Street and has an option to purchase the property located at 118 State Street, which is currently owned by 118 LLC. An affiliated entity, AH 126 State LLC, owns 124-126 State Street.

The site is bounded by a commercial building containing Michelangelo's Coffee House to the east, State Street to the south, a commercial building containing Capitol Corn Popper to the west, and West Dayton Street and North Carroll Street to the north. The site is part of the Downtown Core (DC) District. The site currently contains four commercial buildings.

Access to the site is provided directly from the City right-of-way on State Street, West Dayton Street and North Carroll Street. A Madison Metro bus stop for lines 2, 3, 4, 6, 7, 8, 11, 12, 14, 15, 29, 37, 47, 56, 57, 58, 70, 71 and 72 is located within walking distance of the property on State Street. Two Madison BCycle stations are located within walking distance of the property on North Carroll Street and West Mifflin Street.

Compliance with Downtown Design Guidelines

The Project complies with the Downtown Design Guidelines as follows:

- **Building Orientation:** The building addresses the scale of the street and the design integrates all entrances and services to support the surrounding context. The street level fenestration promotes interaction between pedestrians and occupants and allows for additional site furniture, outdoor dining and landscaping. Entrances on Carroll and Dayton create a strong corner presence at the intersection.
- **Access and Site Circulation:** Traffic patterns and existing parallel parking have been maintained on West Dayton Street. The proposed drop off/entry point is located on North Carroll Street, which is not a through street. The hotel will be served by valet parking at existing off-site parking structures. The hotel will also be served by on-site valet bike parking.
- **Traffic Study:** A traffic study for the project modeled existing and projected site conditions, trip generation, travel and parking demand, valet service, public transit options, motor vehicle traffic volumes, and pedestrian and bicycle access. Simulating the anticipated demands for the proposed project, the report indicated "negligible impacts on the existing intersection and manageable vehicle storage needs for the valet service."

Furthermore, the traffic study indicates that the proposed project will reduce vehicle parking demand at the site compared to the current condition.

- **Landscaping:** The project will preserve existing mature canopy trees on State Street and will include new plantings and landscaping on North Carroll Street. The project will include landscaped roof terraces on the fifth and ninth floors.
- **Massing:** The building does not obstruct any views of the Capitol or the lakes in any of the designated view corridors. The building uses stepbacks on State Street to create a sense of scale consistent with the context of the block and minimize shadow effects. The façade of the building is composed of materials that represent a human scale consistent with the pedestrian friendly neighborhood. The existing building on State Street has 6 stories of frontage while the proposed building reduces the State Street exposure to only 4 stories in accordance with the current Downtown Plan. The proposed building also respects the adjacent landmark at 114 State Street by changing material to a glass façade above the four-story limestone base on Carroll Street.
- **Building Components:** In addition to creating usable outdoor space, the rooftop area screens the mechanical equipment from nearby buildings and integrates the elevator penthouses in a complimentary manner. The base of the building introduces a new restaurant space which will connect to State Street with operable glass doors and windows. The scale of the materials and openings at the street elevations is intended to match the scale of the adjacent buildings so that the rhythm of the street is preserved.
- **Building Materials:** The architectural design of the building emphasizes the use of limestone masonry at the four-story base and distinctive glass façade above.. The richness of these natural elements creates a palette that will be of consistent quality with the historic buildings in the area. The palette of materials has been distilled down to consistent selections which are used on all sides of the building.
- **Visual Interest/Door and Window Openings:** The building is designed with a 4-story limestone base and a contrasting glass façade above, which breaks down the massing. The design reads as an 8-story building with a cornice at the top. The stepped-back 9th floor is not part of the traditional building form, and is instead a different material palette of zinc paneling and glass. The cadence of the windows and framing on State Street reflect similar proportions to the existing fabric of the street. Guestroom windows are contained within the perimeter of the building creating relief from the façade and punctuation vertically on the building.
- **Awnings, Canopies and Signage:** All projections from the building have been designed to be compatible with the building architecture and prioritize their form and function equally. Proposed projections are integrated into the exterior design and do not obstruct any architectural details.

Project Data

<u>Location:</u>	118-126 State Street
<u>Start Construction:</u>	Approximately first quarter 2019
<u>Complete Construction:</u>	Approximately third quarter 2020
<u>Type of Building:</u>	Commercial
<u>Land Area:</u>	0.30 acres (12,929 sq. ft.)
<u>Site Access:</u>	State Street, West Dayton Street, North Carroll Street

Project Financial Information

Value of Land: The land at 118 State Street is currently assessed at \$182,000 and improvements at \$989,000 for a total assessed value of \$1,171,000. The land at 122 State Street is currently assessed at \$339,000 and improvements at \$1,959,000 for a total assessed value of \$2,298,000. The land at 124-126 State Street is currently assessed at \$136,000 and improvements at \$904,000 for a total assessed value of \$1,040,000. The total combined assessed value for the properties is \$5,055,000.

Estimated Project Cost: \$40,000,000

Number of Jobs: 95 construction jobs and 70 full-time equivalent jobs.

Public Subsidy Requested: None.

Project Team

Owner:
122 State Street Group LLC
2001 W. Beltline Hwy., Suite 200
Madison, WI 53713
Contact: Eric Nordeen and Matt Prescott

Architects:
MetroStudio/KKAD
6501 Spanish Fort Blvd.
New Orleans, LA 70124
Contact: Ken Gowland

52 Main Street, Suite 3
Chester, NJ 07930
Contact: Kraig Kalashian

We look forward to presenting these materials to you for your review of this proposal to revitalize and enhance this site.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Nordeen", with a long horizontal flourish extending to the right.

Eric Nordeen
122 State Street Group LLC