

**PLANNING DIVISION REPORT
DEPARTMENT OF PLANNING AND COMMUNITY
AND ECONOMIC DEVELOPMENT
Of December 13, 2007**

RE: ID # 08434, Demolition Permit – 1501 Monroe Street

1. Requested Actions: Approval of a demolition permit to allow demolition of two commercial buildings and the construction of a five-story, 48-room hotel.
2. Applicable Regulations: Section 28.04 (22) provides the guidelines and regulations for the approval of demolition permits.
3. Report Prepared By: Timothy M. Parks, Planner.

GENERAL INFORMATION

1. Applicants & Property owners: Robert & Debi Sieger, Wisconsin Avenue Associates/Sieger, LLC; 1501 Monroe Street; Madison.

[Note: The development plans also list Professional Hospitality, 2814 Crossroads Drive, Madison, as an interested party with this request.]

2. Development Schedule: The applicant wishes to commence construction as soon as all regulatory approvals have been granted, with completion scheduled for fall 2008.
3. Location: Approximately 0.44 acres generally located at southeast corner of Monroe and Regent streets, Aldermanic District 13; Madison Metropolitan School District.
4. Existing Conditions: The existing building consists of a split-level building housing a bar, the applicant's architecture firm, a former pizzeria, and sportswear store at the grade of Monroe Street. A coffeehouse is located in a lower level space at the elevation where Regent Street meets the alley that runs along the backside of the building. A mezzanine level is located above the sportswear store a half-story above Monroe Street. The site is zoned C2 (General Commercial District) and C3 (Highway Commercial District).
5. Proposed Land Use: A five-story, 48-room hotel.
6. Surrounding Land Use and Zoning:
North: University of Wisconsin Fieldhouse, Camp Randall Stadium, Fire Station #4;
South: Madison Chinese Christian Church, one and two-family residences, zoned R4A (Limited General Residence District);
West: New Orleans Takeout, Stadium Barbers, Mickie's Dairy Bar, Gulliver's Travels, zoned C2 (General Commercial District);

East: The Regent apartment tower, zoned R6 (General Residence District) and M1 (Limited Manufacturing District), various commercial business along Regent Street in C2 zoning.

7. **Adopted Land Use Plan:** The Comprehensive Plan identifies the south side of Monroe Street from Regent to Van Buren streets, including the subject site, for neighborhood mixed-use redevelopment. The site is also included in Area #3 of the Monroe Street Commercial District Plan, which recommends mixed-use redevelopment of the Monroe Street block face bounded by Oakland Avenue on the west and Regent Street on the east with two to four-story buildings. The plan includes the opportunity for a projecting or tower-type element at the Regent Street intersection.
8. **Environmental Corridor Status:** The property is not located within a mapped environmental corridor.
9. **Public Utilities & Services:** The property is served by a full range of urban services.

STANDARDS FOR REVIEW

This application is subject to the demolition standards of Section 28.04 (22).

PREVIOUS REQUESTS

On January 8, 2007, the Plan Commission referred an earlier request by the applicant to rezone the subject site from C2 and C3 to PUD-GDP to allow construction of a ~~five~~-story mixed-use building containing 13,500 square feet of retail space, 10,025 square feet of office Space and 39 residential condominium units. The Planning Division expressed concerns that the scale and mass of the earlier request was not contextually appropriate for this location and that it failed to represent the vision for the area espoused in the then-draft Monroe Street Commercial District Plan, which at the time only recommended 2-3 story buildings on this block.

On July 9, 2007, the Plan Commission referred a revised request to rezoned the site from C2 and C3 to PUD-GDP to allow construction of a ~~four~~-story mixed-use building containing 11,285 square feet of retail space, 12,160 square feet of office space and 24 residential units. The matter was referred to allow the developer to further work with the neighborhood to address concerns raised about the four-story iteration of the project.

The applicants have indicated that they are abandoning the mixed-use development proposals for this site in favor of the hotel project reviewed below. The ordinances pertaining to the two prior projects will be placed on an upcoming Plan Commission agenda for disposal.

DEMOLITION PERMIT REVIEW

The applicants are now requesting approval of a demolition permit to allow the two existing commercial buildings located on their property at the southeastern corner of Monroe and Regent streets to be razed to accommodate construction of a five-story, 48-room hotel under the existing C2 (General Commercial District) and C3 (Highway Commercial District) zoning. Hotels up to 40,000 square feet in gross floor area are permitted uses in the C2 and C3 commercial districts. No rezoning is required to accommodate the proposed hotel.

The western of the two buildings to be demolished is a one-story structure housing “The Grid” sports bar, while the eastern building is a split-level structure that contains a handful of retail/office spaces including the applicant’s architecture firm. Some of these spaces are currently vacant. An additional commercial space is located in a lower level space at the elevation where Regent Street meets the alley that runs along the backside of the building mid-block between Monroe and Madison streets. The building also includes a mezzanine level located above the sportswear store and bar a half-story above Monroe Street. The boundary between the C2 and C3 zoning districts straddles the former common wall of the two component structures, with the C3 zoning of the eastern portion representative of the former use of that building as an automobile dealership (a use not permitted in C2 zoning).

Background

Although situated in the Vilas neighborhood, the subject site is located along the easterly outer reaches of the steeply rolling area that forms the University Heights neighborhood located generally to the northwest of the site west of Camp Randall Stadium. The resulting grades form a steep incline along Regent Street from east to west beginning at Madison Street up to Monroe, while Monroe Street descends more gradually from Grant Street and Oakland Avenue into the Regent intersection. The grades at the intersection are also the result of a railroad line that used to cross at that intersection, which is now occupied by the Southwest Bike Path. A City project to reconstruct the Monroe-Regent intersection, which will result in the lowering of the intersection, is tentatively scheduled for the 2009 construction year.

The area surrounding the subject site consists of a wide range of land uses, including a mix of low-rise, mostly one and two-family residences in the Vilas neighborhood to the south and southeast of the site and an assortment of primarily one- and two-story commercial businesses extending along both Monroe and Regent streets. The University Fieldhouse and Camp Randall Stadium form the dominant land uses north of the site across Regent Street, with the eight-story Regent Apartments located further to the east of the site at the corner of Randall and Regent. The site is also located across Monroe Street from a small plaza greenspace bounded by Breese Terrace and Monroe and Regent streets.

The Comprehensive Plan identifies the south side of Monroe Street from Regent to Van Buren

streets, including the subject site, for neighborhood mixed-use redevelopment. In general, neighborhood mixed-use (NMU) areas are intended to include commercial spaces primarily geared towards serving the surrounding neighborhoods, with any residential uses in NMU areas generally not to exceed 40 dwelling units per acre. The scale of buildings in neighborhood mixed-use areas should generally be between two and four stories in height, though building heights, as well as intensity of use and residential densities can vary as established in an adopted neighborhood or special area plan.

The Monroe Street Commercial District Plan, which was adopted on March 27, 2007, is intended to serve as a guide for development activities along Monroe Street from Glenway Street to Regent Street, including the subject site. The subject site is included in Area #3 of the plan, which identifies the Monroe Street blockface bounded by Oakland Avenue on the west and Regent Street on the east as a “redevelopment opportunity, short term.” Specifically, the plan was adopted with a provision that allows redevelopment along the corridor with two to four-story buildings. The plan also encourages the buildings to step down in height along the rear alley in order to provide a “comfortable transition to the residential neighborhood behind.” The plan includes an opportunity for a projecting bay or tower-type element at the Regent Street intersection and also encourages rear building parking, service and loading from the mid-block alley, and pedestrian-oriented storefronts along both Monroe and Regent for this block.

The subject site is also located within the Regent Street/ South Campus Neighborhood Planning Area, which will guide redevelopment activities along Regent Street from Breese Terrace to Murray Street. The draft plan, which was approved by the Regent Street/ South Campus Neighborhood Plan Steering Committee on November 28, 2007, incorporates the recommendations contained in the Comprehensive Plan for land use and those contained in the Monroe Street Commercial District Plan for building height for the subject site. Staff anticipates the Regent Street/ South Campus Neighborhood Plan will go through the City adoption process in the first part of 2008.

Project Description

Plans for the proposed hotel call for access to the site to be provided from the mid-block alley that forms the easterly boundary of the site, which will be partially widened onto the subject site to accommodate the hotel traffic. Vehicles entering the site will have the option of parking in 39 alley-level stalls located below the building or in 27 parking stalls located on a level below the alley parking. Some of the 27 stalls on the lower level will be stacked spaces for use by a hotel valet. The alley-level parking area will be separated from the alley by a hip wall, resulting in the under-building area being partially exposed to the southeast. A loading zone will be located along the alley outside the hip wall. A trash enclosure for the hotel will also have access from the alley. The parking valet office and a secondary entrance with access to the main hotel lobby on the level above will be located at the alley level. The 66 parking spaces proposed to serve the

hotel will exceed the 48 spaces required by the Zoning Ordinance, which requires one stall per lodging room.

The first floor of the hotel will be located at the grade of Monroe Street and will include the registration desk, hotel offices, a conference room and a "hotel services" area. Details of the hotel services area are not included in the application, though the applicants have verbally indicated to staff that this area will be available to hotel guests for the service of beverages and light meals. They indicate that it is generally not intended for use by the general public, though the Plan Commission may ask for additional information on this area to be included with the final development plans for the project should it be approved.

The mass of the proposed hotel will generally be situated near the center of the 0.44-acre site, with the nearest portion of the structure 17.5 feet from the Monroe Street property line. The first floor lobby area will largely be recessed under the upper four floors of the hotel. The area between this recessed façade is shown on the development plans as a pedestrian plaza, which will feature a total of ten doors opening onto the plaza from the first floor hotel lobby. The plaza will be slightly elevated above the public sidewalk along Monroe Street and will be planted primarily with four ornamental trees.

The 48 guest rooms proposed will be located above the first floor, with three suites and nine guest rooms located on floors 2-5. All three suites and the six guest rooms located along the Monroe Street façade on each room floor will feature spacious individual decks. The remaining three guest rooms on each floor will be located along the alley elevation. No decks are proposed for these 12 rooms.

The plans submitted for the hotel also include a rooftop deck area. The deck area will be located at the northerly end of the building closest to Regent Street and will be occupy a total of 1,506 square feet including both the elevator lobby and outdoor deck area. The rest of the rooftop is shown as mechanical roof area and is noted as not being usable. With the 1,506 square-foot area on the roof, the building contains 39,928 square feet of floor area and six stories above the grade of Monroe Street as determined by the Zoning Ordinance. This includes the laundry room located at the sub-alley parking level, the alley-level valet office and lobby, the rooftop deck and the five floors of the hotel but does not include the area devoted to parking, which is exempted by code from the calculation of floor area. The building is also well under the maximum 3.0 floor area ratio permitted in the C2 zoning district, which would permit an approximately 58,000 square-foot building to be constructed on the 0.44-acre site.

The proposed hotel will be a modern, angular building featuring an exterior consisting of brick veneer, precast concrete panels and prominent aluminum-framed windows and window walls. The exterior of the northwesterly facing decks on floors 2-5 will include glass hip walls in metal frames. The building will stand approximately 54 feet in height as measured from the mean elevation of Monroe Street, with an additional 11 feet of height along Regent Street and the alley

as a result of the change in grade present across the site. The elevator lobby for the rooftop terrace adds another 8 feet, 8 inches to the height of the building at Regent Street.

ANALYSIS

Unlike the previous redevelopment projects presented for the subject site, which called for the rezoning of the property to the Planned Unit Development zoning district, the proposal before the Plan Commission at this time is solely a demolition permit in the existing C2 and C3 commercial districts. The plans presented for the five-story 48-room hotel propose a building that is less than 40,000 square feet of floor area, which is the threshold that would require review of the hotel as a conditional use. As such, the Plan Commission shall only review the current proposal using the standards for demolitions contained in Section 28.04 (22) of the Zoning Ordinance. A detailed report from the Zoning Administrator examining the specific usage of the project floor area is attached to this report as part of the general review of the project's compliance with the Zoning Ordinance.

The statement of purpose for the demolitions note that "the good maintenance and rehabilitation of existing buildings..." and "...the careful consideration and planning of changes in the urban landscape are a public necessity and are required in the interest of the health, prosperity, safety, and welfare of the people." In considering any request to demolish a principal building, the Plan Commission is asked to consider the structural soundness of a building, its economic productivity and its suitability for rehabilitation and repair or relocation. The Commission is also asked to evaluate the proposed alternative uses of a property before the existing buildings are razed or moved. When reviewing both the demolition of the existing building and proposed use of the site following the demolition, the Commission is asked to consider the effects the proposal would have on "the normal and orderly development and improvement of surrounding properties...after giving due consideration to the adopted master plan." Commission members are encouraged to consult the list of standards provided at their places.

Condition of the Existing Building

The applicant submitted detailed floorplans that note the building materials present in the bi-level building of the existing building and 15 photos of the exterior of the building on November 14 with their initial. On December 12, the applicant provided additional photos of the interior of the building and a preliminary structural assessment of the building prepared by a structural engineer. The report indicates that a variety of structural deficiencies are present in the two-building complex, including settling of the foundation, damage to floor and roof joists and distress to some of the exterior brick. The report includes short-term solutions for maintaining the buildings but notes that more extensive repairs would be required if the complex was to be preserved. The report also suggests that the cost of any permanent repairs to the existing building may exceed their value, though an estimate of those potential costs is not included.

Staff has conducted informal visits to the building within the last few years and found its interior spaces to appear to be in an average state of repair commensurate with the age of the building. A more formal inspection of the building has not been conducted to determine its structural soundness. It is not considered to be of a historical character, in part due to the alterations to the structure, which were formerly two separate buildings joined through a common mezzanine added during contemporary renovations. Staff believes, however, given the generally average condition and age of the building, that the proposed hotel will be more economically productive in the future than the existing commercial complex.

Conformance with City Plans/ Impacts on Neighborhood Development

As noted earlier in this report, the Comprehensive Plan recommends the south side of Monroe Street from Regent to Van Buren streets, including the subject site, for neighborhood mixed-use development. The plan notes that “neighborhood-serving commercial buildings and uses” within neighborhood mixed-use areas are “primarily intended to serve the adjacent neighborhoods.” However, “neighborhood mixed-use districts may also include specialty businesses serving wider markets, provided the size of establishment and scale of building is consistent with the character of the district and the surrounding neighborhood.” While the Comprehensive Plan does not define what a “specialty business” is, staff believes that it may be construed to include hotels, which are permitted uses in the existing C2 and C3 commercial zoning present on the site and to the east along Regent Street. However, the scale of the proposed five-story hotel (six stories when the rooftop deck is included) will require specific consideration given the character of the surrounding neighborhood, which largely features one- and two-story residential buildings to the south and primarily one- and two-story commercial buildings along this portion of Monroe Street. The Comprehensive Plan also generally encourages the development of two- to four-story buildings in neighborhood mixed-use area unless otherwise specified by a more detailed adopted special area or neighborhood plan.

In this case, the applicable adopted special area or neighborhood plan is the Monroe Street Commercial District Plan, which includes detailed development recommendations for each blockface along Monroe Street from Regent Street to Glenway Street, including urban design recommendations for building placement, height and articulation. The Common Council adopted the plan in March 2007 with a provision that redevelopment projects along most of the corridor could be developed with two- to four-story buildings with the understanding that lot size, proximity to other building forms, setbacks, step-backs, and floor-to-floor height shall all be considered when reviewing the redevelopment of properties on Monroe Street. The plan generally discourages buildings taller than four stories along Monroe Street and recommends that buildings be compatible with the buildings near them along Monroe and streets behind. The plan suggests that stepbacks, fenestration and “other similar significant features” can mitigate height and notes that height should be measured both in terms of number of stories and overall height. For buildings taller than four stories, the plan encourages creative design, consideration of contextual impact and the inclusion of “value-added features” to mitigate the taller building

height. The plan also notes that “there are no absolutes” and that each project should be considered on a case-by-case basis with an emphasis on a project’s compatibility with its surroundings.

The plan encourages buildings along Monroe Street in the block between Regent Street and Oakland Avenue to step down in height along the rear alley in order to provide a “comfortable transition...to the residential neighborhood behind” and includes an opportunity for a projecting bay or tower-type element at the Regent Street intersection. The plan also encourages rear building parking, service and loading from the mid-block alley, and pedestrian-oriented storefronts along both Monroe and Regent for this block.

The design for the proposed hotel abides by some of the general recommendations of the Monroe Street Commercial District Plan as it relates to the use of the mid-block alley for development access and service. The development plan also attempts to provide a strong orientation to Monroe Street through the inclusion of a large plaza off the hotel lobby, which despite the slight elevation of the plaza above the sidewalk, appears intended to open the project towards the commercial corridor. The project has also been designed with the building’s mass centered on the site, which somewhat reduces the mass of the building along the alley and adjacent to the low-rise residential uses located southeast of the alley in the Vilas neighborhood, as well as along the Monroe Street sidewalk.

However, the height of the proposed five-story hotel deviates substantially from the urban design recommendations contained in the Monroe Street Commercial District Plan by at least one full story over the maximum number of stories called for in the plan. [From a zoning standpoint, the building will technically be six stories in use due to the rooftop deck, though Planning Division staff generally considers the building to principally be a five-story mass for the purposes of reviewing the building against the applicable plan recommendations.] In general, the Monroe Street Commercial District Plan calls for 2-4 story buildings throughout most of the corridor with the aforementioned provisions to allow up to four-story buildings, which were added at the Plan Commission. The building massing recommendations in the plan are intended to mirror the predominant commercial development pattern present along Monroe Street, which overall has relatively few four-story commercial buildings and only one building greater than four stories along its length. The five-story building, the Monroe Commons retail-residential project located two blocks southwest of the site at Monroe and Spooner streets, predates the adoption of the Monroe Street Commercial District Plan and should be viewed as a compromise development for that site that is not indicative of any future development pattern or precedent for future development for Monroe Street.

The Plan Commission is asked to consider the height of the building and give consideration to both the use, scale and intensity of this project and surrounding land uses and the evolving context along Monroe Street when determining if this proposal comports to the design guidelines

in the Monroe Street Commercial District Plan and the normal and orderly physical development of the surrounding area as required in the demolition standards.

The Commission should also consider the effects on the normal and orderly development of the surrounding area caused by the establishment of the hotel at the scale being proposed. The establishment of a hotel at the corner of Monroe and Regent streets could add to the vitality of the surrounding commercial area while capitalizing on its relative location near the University of Wisconsin and Edgewood College campuses and Meriter Hospital. However, the Plan Commission should also consider the appropriateness of a transitional lodging use at this location on the edge of two low-density residential neighborhoods. Traditionally, hotels and other transitional lodgings have been located either in the downtown core, along major regional transportation corridors like the Beltline or E. Washington Avenue or on the edges of the City. However, the scale of these traditional hotels has generally been greater, with either larger building masses in the City's core or larger footprints when located away from the core.

The Commission should also be prepared to address concerns raised during the public hearing about the operation of the proposed hotel, including the management of patron usage of the 36 room decks overlooking Monroe Street, the pedestrian plaza area and the rooftop deck, in conjunction with events at the UW Fieldhouse and Camp Randall Stadium. Staff notes that a separate conditional use approval would be required in order for the hotel to establish an accessory outdoor use such as a beer garden or outdoor eating area in conjunction with stadium/fieldhouse events.

Finally, the Planning Division recommends that the Plan Commission consider requiring the developer to provide proof of financing and other mechanisms to ensure that the hotel is built as proposed if approved. While it is uncommon for the City to require proof of financing as part of a demolition permit, staff feels that it is important in the case of this project to ensure that the hotel will be built if approved so as to avoid the possible creation of a vacant site at what is a very important intersection in the City.

CONCLUSION

The Plan Commission is being asked to consider approval of a demolition permit to allow a two-building commercial complex located at the southeasterly corner of Monroe and Regent streets to be demolished so that a five-story, 48-room hotel (with rooftop deck area) can be constructed in the existing C2 and C3 commercial zoning of the site. As presented, the proposed hotel development is a permitted use subject to only to the demolition standards.

The hotel project proposes a unique land use and distinctive structure for its surroundings in an established mixed-use area characterized by low-density residential generally to the west, east and south of the site, the intersection of two neighborhood commercial corridors and the southern edge of the University of Wisconsin campus. As proposed, the structure is at least one

story taller than what has been recommended for the site in the adopted Monroe Street Commercial District Plan and the draft Regent Street/ South Campus Neighborhood Plan, both of which call for redevelopment of the site with a maximum of a four-story building. The mass of the proposed structure is five stories tall and includes an additional technical sixth story due to the rooftop deck proposed. The building also stands taller along the alley and at Regent Street than the front elevation due to the grades present across the site.

The Monroe Street Commercial District Plan was adopted with language that the approval of new buildings in the corridor should be considered in relation to lot size, proximity to other building forms, setbacks, step-backs, and floor-to-floor heights in the development project. The plan was also adopted with the requirement that the plan be clarified to note that the recommended standards, particularly related to height, express the neighborhood's expectations, but they are not considered absolutes in all cases. While the total number of floors in the building exceeds the plan recommendations, the height of the proposed hotel will be less than the mixed commercial-residential project that was reviewed by the Plan Commission in July, which was a four-story building with loft spaces, which created high floor-to-ceiling heights. The developer proposes to center most of the mass of the proposed hotel on the site in an effort to soften the scale and mass of the building on both facades. The floor area ratio of the proposed hotel is also less than the two mixed-use developments previously proposed for this site, as well as the five-story Monroe Commons development located two blocks to the west, which stands as the only building of a similar scale along the Monroe Street corridor south of Regent Street.

The standards for approval of demolition permits require the Plan Commission to make a finding that both the requested demolition and the proposed use are compatible with the purpose of the demolition section and the intent and purpose expressed in the Zoning Code for the zoning district in which the property is located. When making this finding, the Plan Commission shall consider and may give decisive weight to any relevant facts including, but not limited to the effects the proposed demolition and proposed use of the subject property would have on the normal and orderly development and improvement of surrounding properties, the reasonableness of efforts to relocate the building, including, but not limited to the costs of relocation, the structural soundness of the building, and limits that the location of the building would place on efforts to relocate it, and the availability of affordable housing after giving due consideration to the adopted master plan. The purpose section of the demolition standards indicates, in part, that the purpose of the section is to foster and encourage the preservation of buildings which are structurally sound, economically productive, and suitable for rehabilitation and repair. The purpose section also requires the Plan Commission to evaluate the proposed alternative uses of the property before existing buildings are destroyed or moved.

The applicant has provided a report that identifies structural deficiencies with the existing building and includes short-term solutions for maintaining the buildings but notes that more extensive repairs would be required if the complex was to be preserved. The report also suggests

that the cost of any permanent repairs to the existing building may exceed their value, though an estimate of those potential costs is not included. The Plan Commission may wish to have additional information submitted regarding the costs to repair the existing buildings before making its decision on whether to permit their demolition. Whether the buildings can be economically productive is a judgment call that should be informed by information provided by the applicant. However, it could be argued that the proposed hotel is being proposed because it is a more economically productive solution for the property than maintaining the existing buildings.

Planning staff has also considered the proposed alternative use of the property and its effects on the normal and orderly development of other properties in the surrounding area. While, on one hand, the addition of a hotel may add to the vitality of the commercial corridor, the hotel is proposed at a height taller than that recommended in the City's adopted plans for this area. The approval of a project with heights greater than those recommended in the plan needs to be considered very carefully since the approval of this project at heights greater than those recommended in the plans could arguably set a precedent for the development of other properties in the corridor.

RECOMMENDATION

If the Plan Commission can find the proposed project is in conformance with the standards for approval for demolition permits, including the impacts the project will have on the normal and orderly development of surrounding properties given due consideration of the recommendations in the Comprehensive Plan and Monroe Street Commercial District Plan, the Commission should approve the demolition permit for 1501 Monroe Street subject to input at the public hearing and the conditions listed below.

If the Plan Commission finds that the demolition standards cannot be met with this request, the Commission should place this application on file and should indicate the factors that it has considered and its findings in reaching this conclusion.

1. Comments from reviewing agencies.
2. That a note be placed on the final development plans noting that there shall be no access to the roof for hotel guests outside of the combined 1,506 square-foot rooftop deck area and elevator lobby depicted on the October 14, 2007 plans.
3. That the developer receive all necessary approvals from the City of Madison of any building encroachments (vaults, overhangs or projections) into the Monroe Street and Regent Street rights of way.

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4. That the developer submit proof of financing and an executed contract with a construction firm, which provides assurances that the project will be completed once started, in a form acceptable to the Director of the Department of Planning and Community & Economic Development prior to any permits being issued.