

SUBDIVISION APPLICATION - LETTER OF INTENT
SUBMITTED – AUGUST 19, 2015



Paragon Place at Bear Claw Way
9603 Paragon Street
Madison, Wisconsin

Tax Parcel Number: 070821306010



Applicant: United Financial Group, Inc.
Contact: Ryan McMurtrie
Address: 660 W. Ridgeview Drive
Appleton, WI 54911
Phone: (920)968-8137



PARAGON PLACE

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Conditional Use Approval Letter dated June 11, 2015 & revised June 15, 2015 (6 pages)
Site Plan Exhibit
Certified Survey Map

August 19th, 2015

Ms. Natalie Erdman
Director
Department of Planning & Community & Economic Development
City of Madison
215 Martin Luther King Jr. Blvd., Room LL 100
Madison, WI 53701

RE: **Paragon Place at Bear Claw Way – Letter of Intent
Certified Survey Map to provide for Phased Construction**

Dear Ms. Erdman:

This Letter of Intent describes the Paragon Place at Bear Claw Way development plan, and is submitted together with the Subdivision Application, filing fee, and required submittal items for Staff and Plan Commission consideration for approval of a Certified Survey Map that would divide lot 1 of the Paragon Place Plat into two lots. Lot 1 is being divided to comply with condition #5 from the Conditional Use approval letter dated June 11, 2015 (revised June 15, 2015), which has been included with this letter of intent.

The proposed development will include 145 units of high-end rental housing with upscale finishes and amenities which have been designed to provide for walkability and continuity with the Elderberry neighborhood. The intent is to begin constructing the 39-unit building in the southeast portion of the site and the centrally located Amenity Building in the spring of 2016. Construction of the northeast 35-unit building is planned to start in the spring of 2017, with the northwest and southwest buildings to follow at a later date.

United Financial Group, Inc. (“UFG”) is a Wisconsin business founded in 1978, and its expertise is in the design, construction, ownership and operation of residential housing communities with a focus on the 55+ apartment market under the name Highlands Communities (HighlandsCommunities.com). Today, UFG operates a portfolio of over 3,400 living units in 16 locations throughout the Milwaukee metro market, Wisconsin Fox River Valley, North central Wisconsin, and recently opened the second building of a new market rate property at the Community of Bishops Bay in Middleton. UFG provides the following services exclusively to its affiliates: professional property management, financial planning, construction management and mortgage administration. UFG strives to provide residents with an exceptional value and a living experience that exceeds expectations. UFG has been in communications with city planning staff regarding the approximately 40 acres of land located at 9601 Elderberry Road since August of 2012, and closed the purchase of the land from the Ziegler family as Sellers on November 25, 2013. UFG has spent that time working to improve the site and building designs in response to staff’s feedback. References and additional development experience are included in the submittal. UFG has a solid reputation as prompt payers with construction subcontractors and vendors and has never missed a single payment or defaulted on any loan throughout its history. Please feel free to contact any of the banking and municipal contacts for references.

Project Team

Applicant

United Financial Group, Inc.
660 W. Ridgeview Drive
Appleton, WI 54911

Property Owner

Ziegler at Elderberry LLC
660 W. Ridgeview Drive
Appleton, WI. 54911

Agent: Ryan McMurtrie, Vice President-Development
United Financial Group, Inc., Construction Manager

Design Team

Architect:

AG Architecture
1414 Underwood Ave
Wauwatosa, WI 53213
Phone: (414)431-3131
John Cronin, AIA
Jicron@Agarch.com

Site Engineer:

Trio Engineering
1700 W. Capitol Drive
Brookfield, WI 53045
Phone: (262)790-1480
Mobile Phone: (414)801-2122
Facsimile: (262)790-1481
Josh Pudelko, M.S., P.E.
JPudelko@Trioeng.com

Building Engineer:

Schuler & Associates, Inc.
2711 N. Mason Street, Suite F
Appleton, WI 54914
Phone: (920)734-9107
Facsimile: (920)734-4610
Jeffrey T. Rustick, P.E.
JTR@Schulerassociates.net

General Contractor/Construction Manager:

United Construction & Development division
United Financial Group, Inc.
660 W. Ridgeview Drive
Appleton, WI 54911
Phone: Toll-free 1-(877)968-8100
Facsimile: (920)731-1696
Bob Zoelle, Vice President-Construction
Direct Dial: (920)968-8104

Landscape Architect:

Garland Alliance, Inc.
P. O. Box 11913
Shorewood, WI 53211
Phone: (877)672-8687
Tim Garland, RLA
tim@gardensbygarland.com

BZoelle@UFGGroup.net

Judy Husar, Vice President-Financial Operations
Direct Dial: (920)968-8105
JHusar@UFGGroup.net
Ryan McMurtrie, Vice President-Development
Direct Dial: (920)968-8137
RMcmurtrie@UFGGroup.net
Jon D. McMurtrie, Chairman
Direct Dial: (920)968-8101
JMcMurtrie@UFGGroup.net

EXISTING CONDITIONS

Aldermanic District: District 9; Alder Paul Skidmore

Notifications/Meetings

August 8, 2012	Pre-application discussion with Planning and Engineering Departments
Sep. 18/Oct. 4, 2012	Pre-application discussion with Planning Department
January 11, 2013	Notice to Alder Skidmore
January 29, 2013	Pre-application discussion with Planning and Zoning Departments
February 6, 2013	Urban Design Commission Informational Presentation
March 4/7, 2013	Neighborhood Informational Open House Meetings
May 6, 2013	Plan Commission approval of requested rezoning
May 21, 2013	Common Council approval of requested rezoning
Dec. 2013 – Jan. 2014	Pre-application discussions with Planning and Engineering Departments
January 16, 2014	Notice to Alder Skidmore
January 22, 2014	Subdivision Application for Final Plat approval submitted
January 22, 2013	Urban Design Commission Informational Presentation
March 7, 2014	Conditional Use Permit Application submitted
May 1, 2014	Neighborhood Informational Open House Meeting
May 7, 2014	Urban Design Commission Formal Presentation
December 17, 2014	Urban Design Commission Informational Presentation
March 9, 2015	Notice to Alder Skidmore
March 31, 2015	Neighborhood Informational Open House Meeting
May 20, 2015	Urban Design Commission Formal Presentation
June 8, 2015	Plan Commission approval of Conditional Use request

Legal Description: Included with Certified Survey Map

Square Footage (Acreage) of Site per Final Plat: 8.8 Acres (386,616 sf)

Existing land use: Farm land, No Structures

Existing Zoning: SR-V2

School District: Middleton-Cross Plains

Adopted Neighborhood Plan: Elderberry Neighborhood Development Plan

Development Schedule: 2016 Construction Start-Phase 1

PROJECT DESCRIPTION

Existing Site: The Elderberry Neighborhood Development Plan, adopted in 2002, is bounded by Pioneer Road on the west, Mineral Point on the south, Pleasant View Road on the east, and Old Sauk Road on the north. UFG obtained approvals in May of 2013 for a preliminary plat and rezoning request for the

land located at 9601 Elderberry Road, which is south of Elderberry Road within Phase II of the neighborhood plan. The preliminary plat divided the parcel into 7 lots. Lots 1, 3, 4 and 6 were rezoned to SR-V2, lot 2 was rezoned to TR-U1, and lots 5 and 7 were rezoned to TR-V2. The Paragon Place at Bear Claw Way development plan is only applicable to Lot 6 (lot 1 of the Final Plat), which has 9603 Paragon Street as its address. 9603 Paragon Street neighbors the Woodstone Subdivision to the east, is bordered on the south by the Blackhawk Church Town Center Plat, and is southwest of the nearby Sauk Heights development. Lot 6 (lot 1) encompasses a total area of approximately 8.8 acres (386,616 sf) and is enclosed by Bear Claw Way to the east, Wilrich Street to the south, Chaska Drive to the west, and Paragon Street to the north. Access to lot 6 (lot 1) would be via Wilrich Street or Paragon Street, which both extend to the west off of Bear Claw Way. The portion of Bear Claw Way between Mineral Point Rd. and Elderberry Rd. will be constructed in the summer of 2015.

General Project Description: Guided by the goals and objectives of the Elderberry Neighborhood Development Plan, UFG's development team set out to create a cohesive residential site design. UFG has been in communication with City Planning staff and the Urban Design Commission since August of 2012, and has refined the Paragon Place at Bear Claw Way design in response to the feedback received. The Paragon Place concept plan for lot 6 consists of a total of 145 units contained within two 39-unit buildings, one 35-unit building, one 32-unit building, and a freestanding amenity building. The lot coverage percentage is 43.8%, which compares to the maximum lot coverage of 60%. There are 882 sq. ft. of usable open space per unit, which compares to the minimum requirement of 500 sq. ft. per unit. The buildings have been designed and oriented to create active street fronts which relate to the public sidewalks, enabling residents to easily walk throughout the community. The building locations were carefully planned to ensure most of the existing trees in the southwest portion of the site could be preserved, and to mitigate the appearance of the surface parking from the surrounding streets. The freestanding amenity building has been positioned to provide users with terminal views of green space and the water feature, while being centrally located to ensure easy access to all residents. The amenity building would contain two Fitness areas, Sitting/Billiards room, Internet Cafe, Kitchen/Dining room, Game room, restrooms, and two management offices. The attached patio would have a pool, gas fire pit, and an area for grilling. All buildings contain an elevator, heated underground parking for cars and bikes, bike repair areas, dog washes, storage units, and internal refuse/recycling containers. Approximately 82% of the bike parking would be located in the underground parking within a secured area, while the remaining would be located on the surface in close proximity to both entrances of the rental residences and amenity building. Seven of the guest bicycle parking areas are located within 100' of each building's entrance to comply with the zoning code.

Although each building has its own identity, all 5 buildings relate to each other through time-enduring architecture and quality building materials. The exteriors would consist primarily of brick, full bed depth stone, Edwards cast stone, and Longboard aluminum siding. The size and types of windows used were consciously chosen to maximize natural light in the gathering areas and enhance the facades. Three of the buildings have "L-shaped" footprints, which allowed the lengths of the facades to be reduced considerably, and provided for the creation of strong corner elements which frame the site and serve as focal points for the street intersections to the northwest, northeast, and southeast of the site. The street-side principal entrances have been intentionally aligned with the courtyard entrances in buildings #1, #2, and #3 to allow connectivity between the courtyards and the surrounding neighborhood. Finally, the buildings have been designed to use building materials and architectural elements in a way to create the impression that each building consists of a series of smaller buildings being placed next to one another.

	Building										
	#1		#2		#3		#4				
Unit Type	# of Units	# of BR's	# of Units	# of BR's	# of Units	# of BR's	# of Units	# of BR's	Total Units	% Mix	Total # of BR's
1/1	16	16	12	12	12	12	18	18	58	40%	58
2/2	6	12	12	24	12	24	6	12	36	25%	72
2/2 corner	13	26	15	30	15	30	8	16	51	35%	102
Total Units:	<u>35</u>	<u>54</u>	<u>39</u>	<u>66</u>	<u>39</u>	<u>66</u>	<u>32</u>	<u>46</u>	<u>145</u>	<u>100%</u>	<u>232</u>

Capacity For Places of Assembly (Amenity Building)		
Room	Square Footage	Capacity
Fitness Rooms:	1,009	20
Other Common Areas:	2,724	112
Total:	<u>3,733</u>	<u>132</u>

Building Square Footages						
	Basement	1st Floor	2nd Floor	3rd Floor	Total of 1st, 2nd, & 3rd Floor	Total
Northeast Building:	18,454	18,454	18,454	13,474	50,382	68,836
Southeast Building:	19,046	19,046	19,046	19,046	57,138	76,184
Northwest Building:	18,939	18,939	18,939	18,939	56,817	75,756
Southwest Building:	15,452	15,452	15,452	9,402	40,306	55,758
Amenity Building:	N/A	3,932	N/A	N/A	3,932	3,932
Total:	<u>71,891</u>	<u>75,823</u>	<u>71,891</u>	<u>60,861</u>	<u>208,575</u>	<u>280,466</u>

Parking Summary (Cars)						
Code Requirement: Minimum = 1 Per Dwelling Unit; Maximum = 2.5 Per Dwelling Unit						
Rental Residences:	Number of Residences	Underground	Surface	Total	Total Per Dwelling Unit	Surface Handicapped Parking
	145	155	123	278	1.92	10

Parking Summary (Bikes)						
Code Requirement: 1 Per Dwelling Unit up to 2 Bedrooms; 1/2 space per Additional Bedroom; 1 Guest Space Per 10 Dwelling Units						
Rental Residences:	Number of Residences	Underground	Surface (guest parking)	Total	Total Underground Per Dwelling Unit	Total Guest Parking Per Dwelling Unit
	145	157	36	193	1.08	0.25

	Paragon Place - 145 Units
Hours of Operation:	Monday - Friday: 9am - 5pm Saturday: By Appointment
Job Creation/Staffing:	1 Property Manager 1 Leasing Agent 1 Maintenance Person 1 Cleaner

Maintenance Equipment Storage and Snow Removal: Designated maintenance equipment storage areas would be located within the underground parking garages of the Rental Residence Buildings. Snow storage areas are available throughout the site. The southwest corner of the site would be available for excess snow storage.

Utilities:

Sanitary Sewer:

The proposed Paragon Place at Bear Claw Way is situated in the Elderberry Neighborhood Sewer Area and receives sanitary sewer service from the Woodstone Subdivision located immediately east of the site. The development will connect to the proposed 10" diameter sanitary sewer that will be installed in Bear Claw Way, which connects to the existing 10" diameter sanitary sewer at the intersection of Bear Claw Way and Cobalt Street in the southeast corner of the development. The sanitary sewer system serving this development has adequate capacity to accommodate the peak sewer flows from the proposed development.

Watermain:

The proposed development includes a network of looped 8" diameter public watermain located in the public streets, connecting to the existing 8" diameter watermain stubs terminating along the west perimeter of the Woodstone Subdivision at Elderberry Road and Spirit Street. The proposed watermain is also planned to connect to the watermain that was extended to the southeast corner of the development by the Woodstone Subdivision. Fire hydrants are located at all street intersections, incrementally along larger blocks, and near main entrances to the residential rental residence buildings.

Storm Sewer:

The proposed development will install public storm sewer in the public streets to convey stormwater runoff to the wet detention pond located within a Public Stormwater Drainage Easement on the subject site (Lot 1 of the Paragon Place final plat). This wet detention pond will discharge via an outlet structure and storm sewer pipe to the infiltration basin proposed on the east side of Bear Claw Way. The outlet structure for the infiltration basin ultimately discharges to the stormwater drainage outlot in the southwest corner of the Woodstone Subdivision. Private storm sewer inlets will connect runoff from the various blocks within the development and will provide overflow runoff relief from any rain gardens and biofilters planned within the development.

Gas/Electric/Telephone Service:

Paragon Place at Bear Claw Way will connect to the gas that was extended to the eastern perimeter of the development by the Woodstone Subdivision. Electric, phone, and cable utilities will be brought to the development from the south.

Stormwater Management: The existing site is relatively level with a discernable slope towards the southeast corner of the property, ultimately discharging to a drainage Outlot in the adjacent Woodstone subdivision. The proposed stormwater management plan will maintain the current site drainage patterns and will utilize a variety of stormwater management practices to achieve the desired goals. A wet detention pond and large infiltration basin will be located on opposing sides of Bear Claw Way; these practices will provide a majority of the sediment control, oil and grease control, peak runoff rate control, and infiltration/groundwater recharge for the development. The stormwater management plan also proposes the use of rain gardens near select buildings across the site to promote localized infiltration and groundwater recharge and the use of catch basin inserts in parking lot areas for oil and grease control.

Landscape: The landscaping plan creates a sense of community for its residents. Layered plantings scaled to the particular building type allow the buildings to become part of the garden. Plants have been selected to create a cohesive assortment of natives accented with premier garden type plants. Standard “commercial” type plants were avoided. Ornamental grasses dominate the gardens, blurring the distinction between a manicured commercial look and a natural area. Rare and unique trees are planned for the street tree plantings. The result is a residential community that has an Arboretum type setting. Additional design features include bike racks, rain gardens, community raised garden beds, outdoor play areas, walking paths, benches, exercise areas and bird house/feeders.

Signage: A full masonry project identification sign is planned for the southeast portion of the site, northwest of the intersection of Bear Claw Way and Wilrich Street. Landscaping enhancements will complete the entrance presentation of the signage.

Construction Management and Operating Plan: The Paragon Place operating concept, marketing plan, and management plan, as well as the proposed phased construction of buildings are modeled after UFG's 11 other successful Highlands Communities. Construction will be done by UFG's construction division as it has been for over 30 years. The construction management team will include an on-site, full-time superintendent employee of UFG to effectively manage day-to-day activities of subcontractors and to work with UFG's property management team on transition of the completed project over the course of phased construction. An estimate of 30-40 construction jobs would be created. Construction would be staged in building phases over time, and the development is planned to be conventionally financed. Equity in the project is secured and would be provided by UFG principals, and construction financing is available under existing revolving loan agreements with US Bank, Bank First National and Associated Bank. UFG is experienced with its costs, methods of construction and market demand for their building product. The buildings will be professionally managed by UFG's management team that uses a well-developed and proven marketing approach in conjunction with their knowledge base of operations and systems for successful long-term operation.

The proposed hours of operation would be 9am – 5pm Monday through Friday, and by appointment on Saturday. The property would require one Manager, one Leasing Agent, one Maintenance person, and one Cleaning person once stabilized.

Social and Economic Impacts: This development will have a positive social and economic impact. The projected additional tax base would exceed \$11,000,000 dollars, generating in excess of \$240,000 of annual tax revenue. The 2014 assessed full value of the parcel was \$98,283, generating net real estate taxes of \$2,261. The estimated potential impact to the Middleton-Cross Plains School District at completion of the development is presently estimated at 0.6 to 0.7 children per residence, or approximately 87 to 102 children. It would be a positive financial impact to the community if the tax burden on the citizens were lessened by quality new development increasing the tax base. Local City of Madison residents would benefit by the contribution to the city real estate tax burden, the creation of business opportunities for supportive services, permanent employment of the Paragon Place at Bear Claw Way on-site maintenance, leasing, and administrative staff, and substantial construction employment created during the build out of the Highlands Community.

Concluding Statements: UFG is a 35-year experienced Wisconsin and Milwaukee-Metro operator of high-end rental communities. The strong financial structure of UFG has allowed continued development and expansion even during the period from 2008 - 2012 when construction and real estate financing was not available for many Wisconsin development opportunities. This proposed Paragon Place at Bear Claw Way, as is true with all UFG developments, will be wholly owned by the McMurtrie-Salmon principals of UFG and all construction and property management services will be provided by United Financial Group, Inc. Financial and community reference contacts have been provided in this submittal.

Thank you for your time in reviewing our proposal. Should you have any questions, please call toll-free at (877) 968-8100 ext. 137.

Sincerely,

Ryan McMurtrie
Vice President
Development
Extension 137