

PRESENTATION FOR MADISON - LAKE STREET CONCEPT DESIGN

CRG, STEVENS CONSTRUCTION, ESG

DECEMBER 8, 2021

esc

CRG | INTEGRATED
REAL ESTATE
SOLUTIONS





INTRODUCTION

DEVELOPMENT TEAM EXPERIENCE

DESIGN

PARKING & TRANSPORTATION

SUSTAINABILITY

RACIAL EQUITY & SOCIAL JUSTICE

FINANCING

AFFORDABLE HOUSING

YOUR TEAM



JJ Smith

MANAGING PARTNER



Struan Robertson

SENIOR VICE PRESIDENT
OF INVESTMENT
RESIDENTIAL GROUP



Alison Mills

VICE PRESIDENT
OF DESIGN
AND DEVELOPMENT



Jeff Schroeder

VICE PRESIDENT OF
INVESTMENTS &
ASSET MANAGEMENT
RESIDENTIAL GROUP



Tom Shanabruch

VICE PRESIDENT OF
INVESTMENTS &
CAPITAL MARKETS
RESIDENTIAL GROUP



Louie Collela

VICE PRESIDENT OF
LEASING & OPERATIONS
RESIDENTIAL GROUP

CRG



Neil Reardon

VICE PRESIDENT
PROJECT MANAGER



Lee Jorgensen

PROJECT DESIGNER

ESG ARCHITECTURE & DESIGN



Jon Koch

SHAREHOLDER
DIRECTOR OF
PROJECT MANAGEMENT



Matt Hartenstein

SHAREHOLDER
DIRECTOR OF
PRECONSTRUCTION
(MADISON)



Steve Vogt

DIRECTOR OF
FIELD OPERATIONS

STEVENS CONSTRUCTION



DEVELOPMENT TEAM EXPERIENCE

COMPLETED PROJECTS

Academy
RENO



The Standard
COLUMBUS



HERE
STATE COLLEGE, PA



Rise
STATE COLLEGE, PA



Rise
RIVERFRONT CROSSINGS, IA

COMPLETED PROJECTS UNDER CONSTRUCTION



616 East Washington
ANN ARBOR, MI

ESG ARCHITECTURE & DESIGN



**Judge Doyle Square- Novo
Apartments & Wilson Street Garage**
MADISON, WI

STEVENS CONSTRUCTION



DESIGN

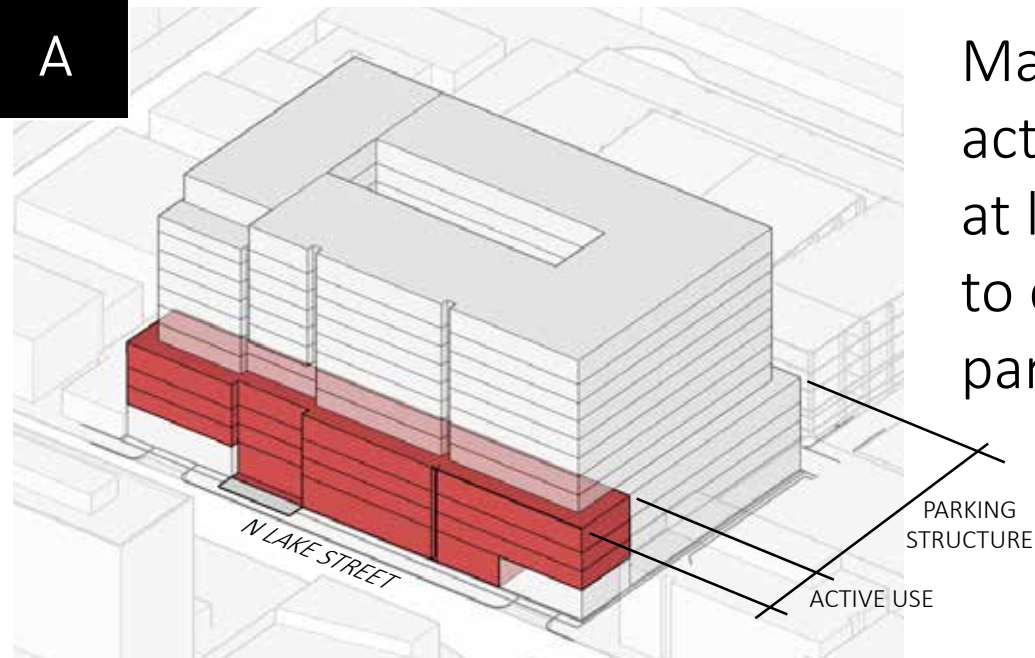
DESIGN APPROACH

- Active use public frontage
- Maximize shared parking potential
- Contextual setbacks/stepbacks
- Restrained and dynamic materiality
- Green moments



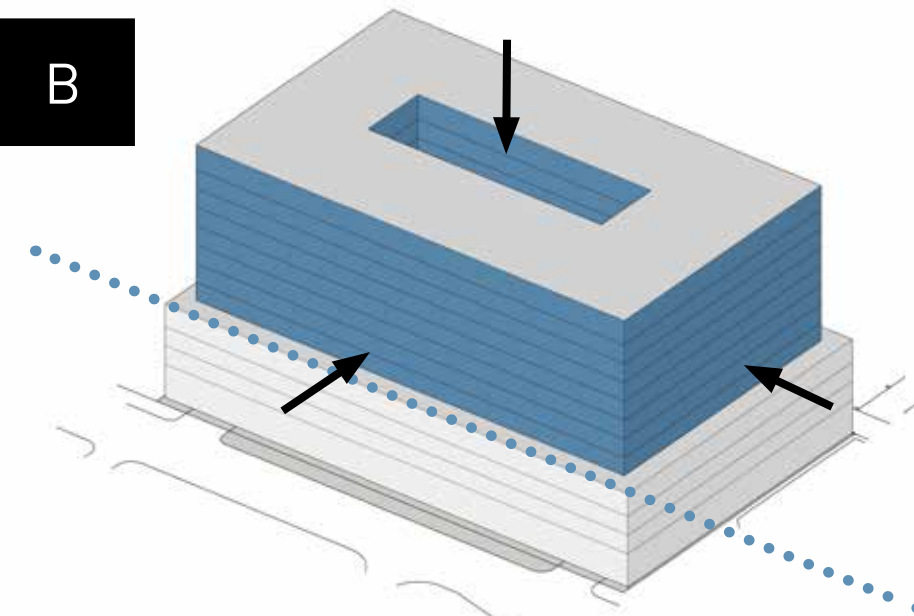
DESIGN APPROACH

A



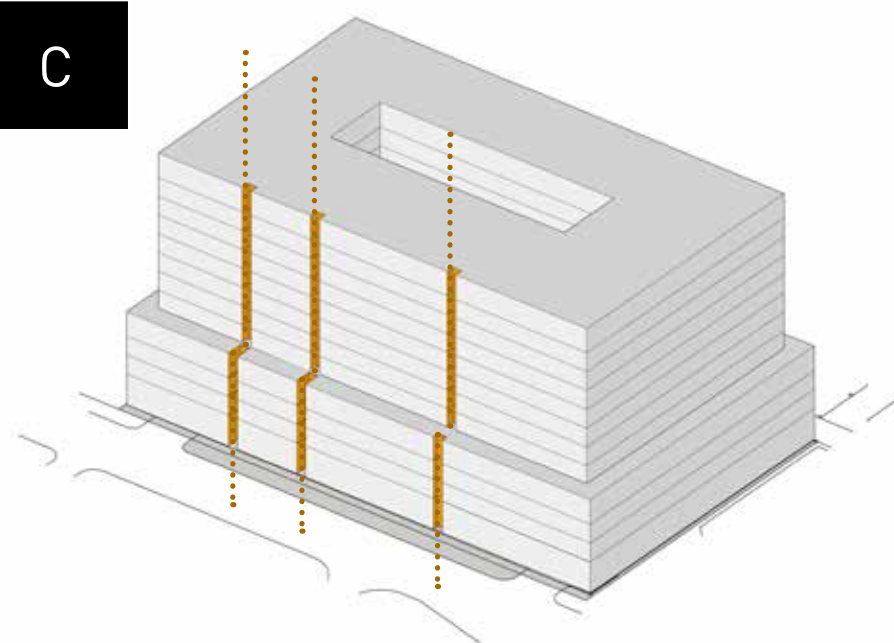
Maximize active-use liner at lower levels to conceal parking

B



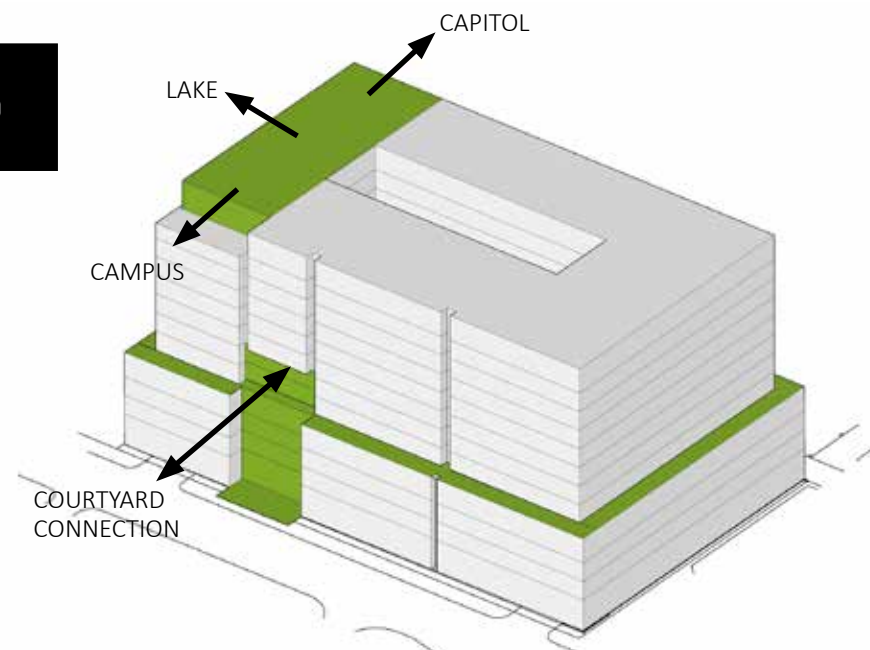
Step back upper levels at historical datum, and provide improved access to light and views.

C



Break down massing in response to contextual building rhythms.

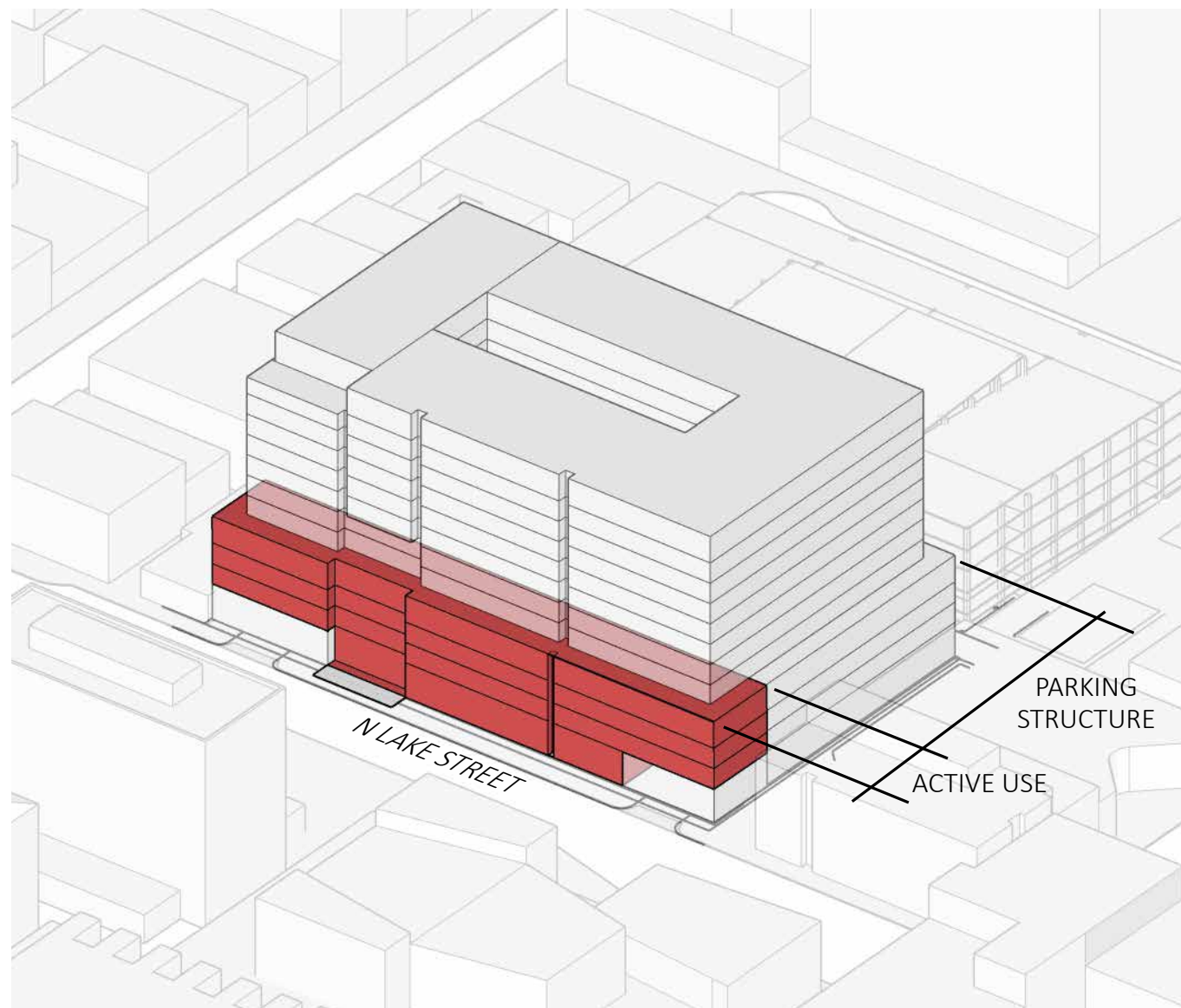
D



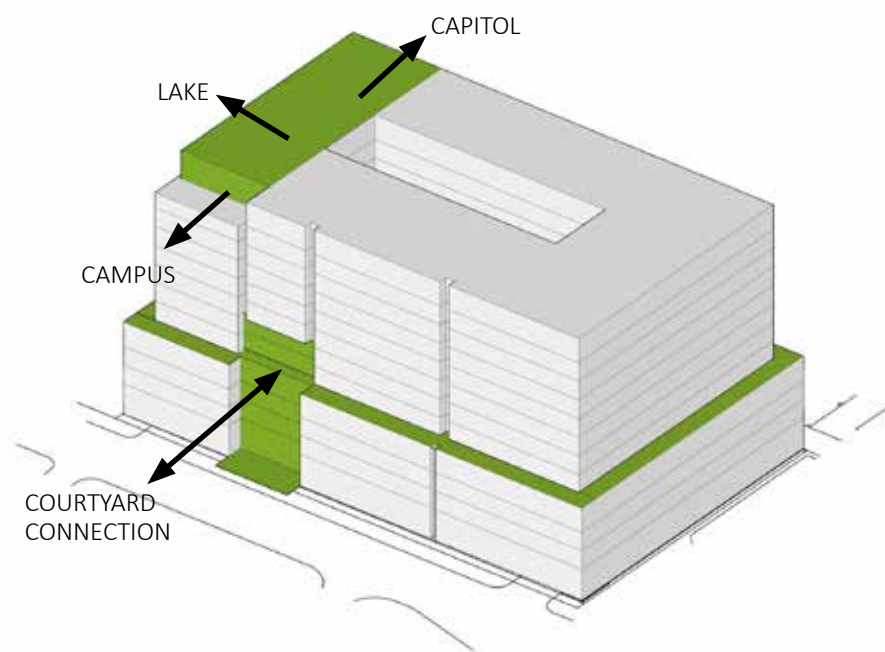
Provide outdoor program and massing relief, capitalizing on primary view corridors.

DESIGN APPROACH

- Prioritize urban realm
- 85% of podium program active use
- Parking structure lined by residential program
- Increased eyes on the street and urban vitality



DESIGN APPROACH



Provide outdoor program and massing relief, capitalizing on primary view corridors.

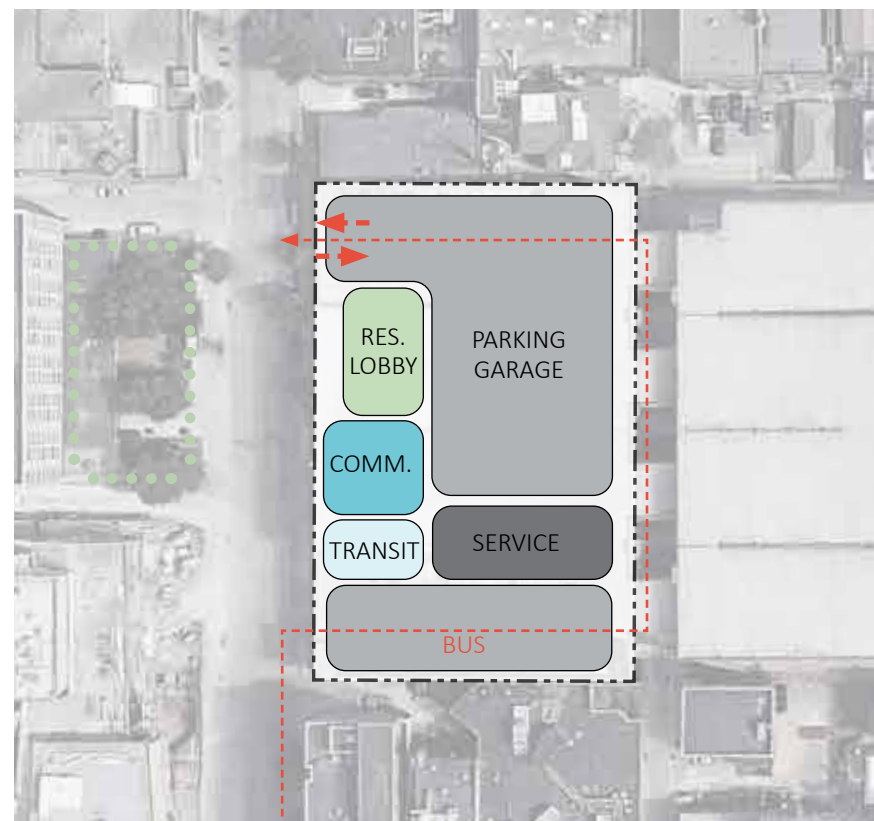


COURTYARD EXAMPLE

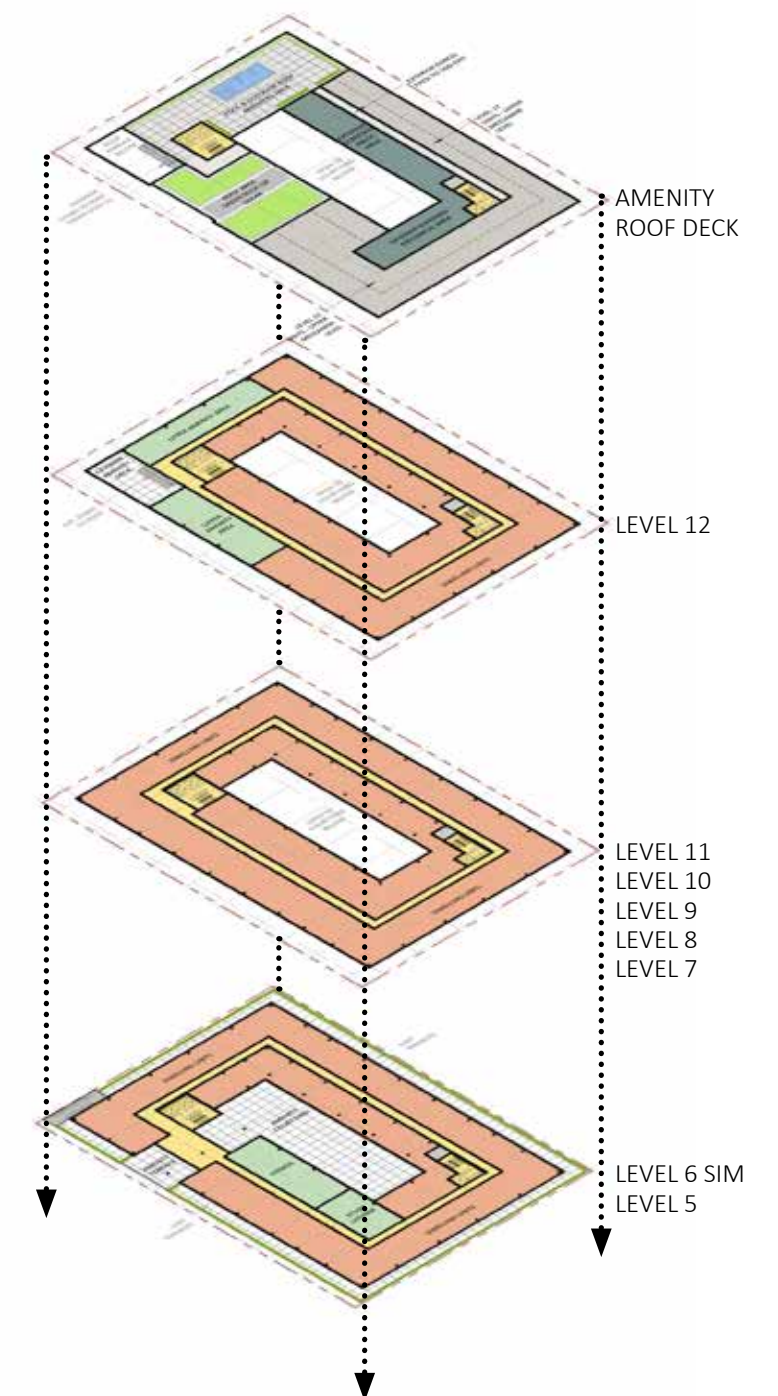
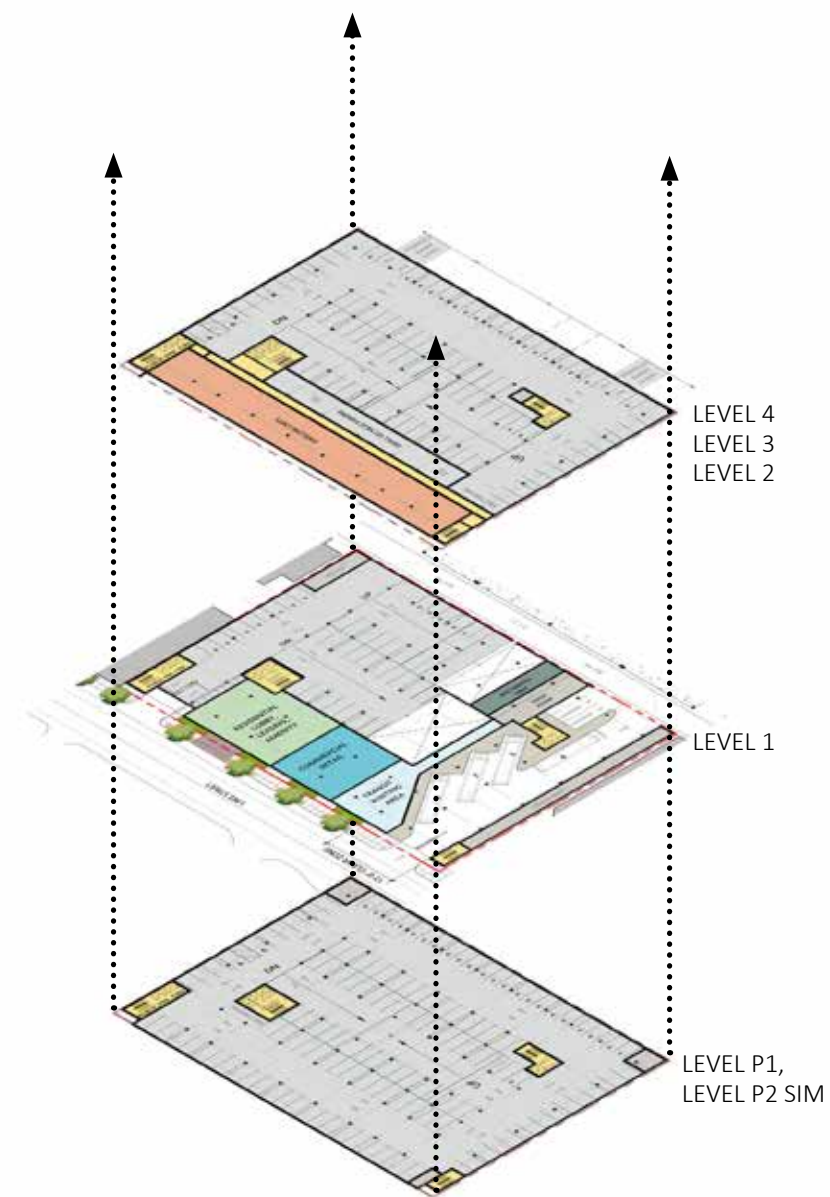
DESIGN APPROACH

UNIVERSAL DESIGN

- Clarity of the plan
- Spatial adjacencies
- Ease of wayfinding



LEVEL 1- PROGRAM DIAGRAM



OUTDOOR AMENITIES



VARIETY OF OUTDOOR GATHERING SPACES



ROOFTOP AMENITY DECKS

DESIGN APPROACH



UNDULATING PANELS

- Ripple effect inspired by the nearby lakes.
- Continually changing facade through transitioning sunlight.



WEATHERED STEEL TONES

- Richness and vibrant color
- Contextual yet modern
- Brand integration in a restrained and sophisticated manner.



MASONRY BASE

- Contextual response to existing block.
- Varied character and dark red tones balance a traditional material with modern detailing and glazing techniques.



PARKING & TRANSPORTATION

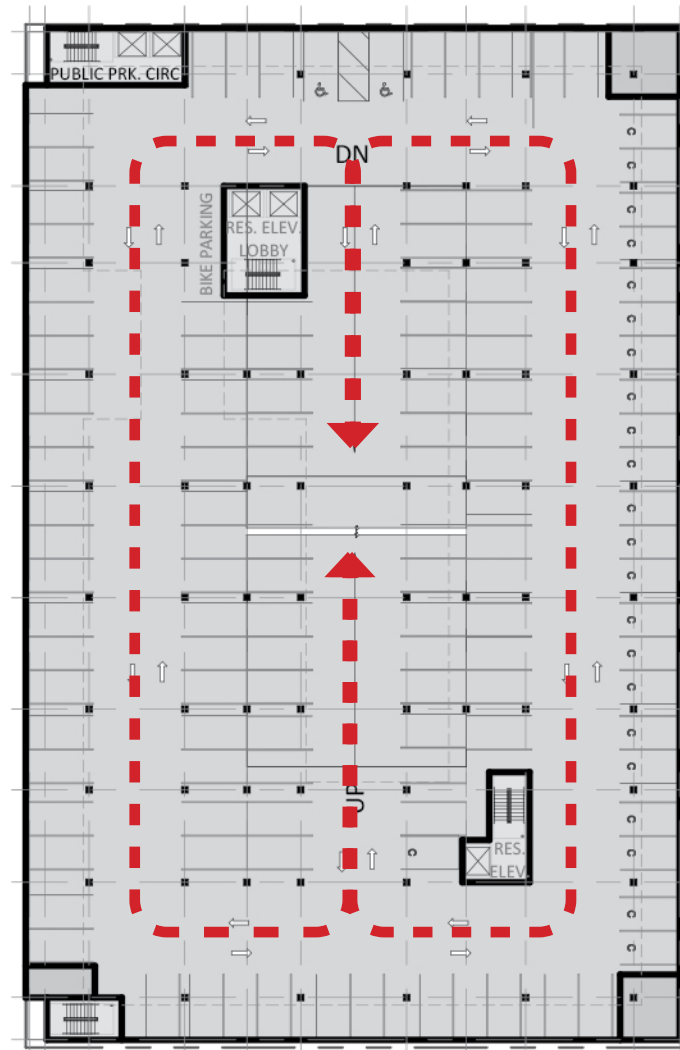
TDM STRATEGIES

- Bike Parking
- Bike Sharing
- Car Sharing (like Zipcar)
- Active Transportation Wayfinding
- Install Transportation Map Kiosk
- Proximity to Public Transit
- Unbundled Parking
- Delivery Supported Amenities

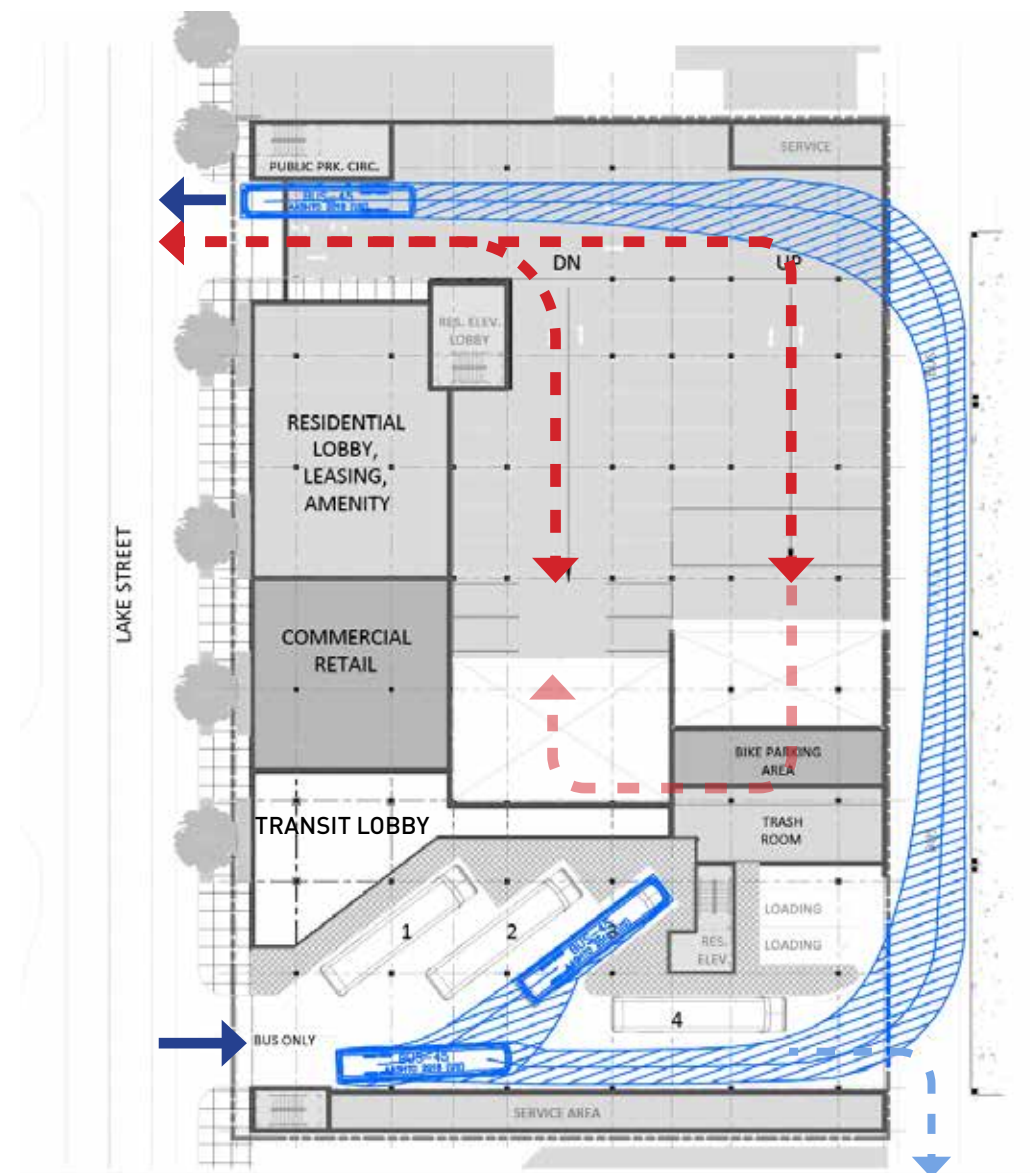


TRANSIT AMENITIES

- Create distinct entry points for buses and vehicles
- Minimize dependence on southern hawthorne ct.
- Intuitive, self-contained ramp circulation.
- Support small vehicle parking (scooters, etc)

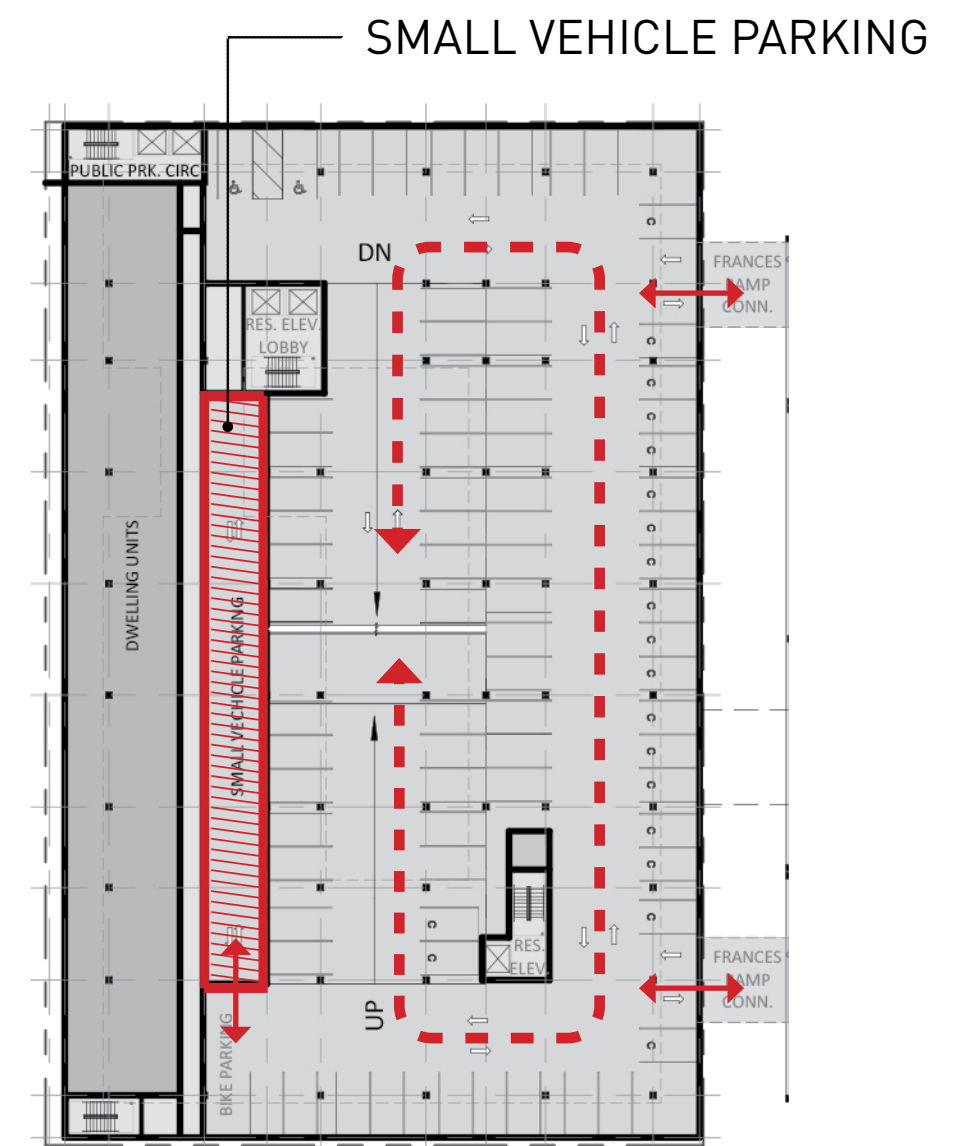


LEVEL P1 & P2



LEVEL 1

ALT EGRESS DURING PEAK RAMP HOURS



LEVEL 2-4



SUSTAINABILITY

SUSTAINABLE FEATURES

01

LOCATION & TRANSPORTATION

Access to transit &
multi-modal lines

EV Charging
Stations

02

SITES

Light colored site
pavement and
pavers

LED site lighting

03

HEALTH & HUMAN EXPERIENCE

Location of
entrances based
on pedestrian
movement

Low VOC adhesion
materials and
paints

Integrated water
fountains/bottle
fillers

Hand washing/
hand sanitizer
stations

Flexible spaces

04

ENERGY

High R-Value
building envelope

Roof and Walls

High Solar
Reflectance Roof
SRI of at least .28

Energy star rated
appliances

LED light fixtures

LED light fi xtures
with occupancy
sensors

05

WATER

Water sense
plumbing fixtures

06

MATERIALS

Low VOC adhesion
materials and
paints



ACHIEVING
LEED
CERTIFICATION

SILVER:50-59 POINTS

APPROXIMATE COSTS: \$250K

POINTS AVAILABLE PER CATEGORY	15	LOCATION & TRANSPORTATION
	07	SUSTAINABLE SITES
	12	WATER EFFICIENCY
	37	ENERGY & ATMOSPHERE
	09	MATERIALS & RESOURCES
	18	INDOOR ENVIRONMENTAL QUALITY
	06	INNOVATION
	04	REGIONAL PRIORITY

GOLD:60-79 POINTS

2.5%
INCREASE



FINANCING

VISION & CALCULATIONS

Project financing – public vs. private

The P3 Group, Inc.

(www.thep3groupinc.com)

Property Taxes

Air Rights Valuation

	Untrended	Year1 2027-28	Year2 2028-29	Year3 2029-30	Year4 2030-31	Year5 2031-32	Year6 2032-33	Year7 2033-34	Year8 2034-35	Year9 2035-36
Economic Occupancy	95.0%	89.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%
Average Rent Per SF	\$3.56	\$3.89	\$4.01	\$4.13	\$4.25	\$4.38	\$4.51	\$4.64	\$4.78	\$4.93
Average Rent Per Bed	\$1,241	\$1,356	\$1,397	\$1,438	\$1,482	\$1,526	\$1,572	\$1,619	\$1,668	\$1,718
Operating Revenue										
Rental Revenue	9,529,500	10,413,142	10,725,536	11,047,302	11,378,721	11,720,083	12,071,685	12,433,836	12,806,851	13,191,057
Vacancy	(415,072)	(1,041,314)	(429,021)	(441,892)	(455,149)	(468,803)	(482,867)	(497,353)	(512,274)	(527,642)
Bad Debt	(22,689)	(23,324)	(25,632)	(26,401)	(27,193)	(28,009)	(28,849)	(29,715)	(30,606)	(31,525)
Employee Units / Model Unit	(38,714)	(42,303)	(43,572)	(44,880)	(46,226)	(47,613)	(49,041)	(50,512)	(52,028)	(53,589)
Community Center Billback Revenue	68,900	68,900	70,317	71,764	73,240	74,748	76,286	77,857	79,461	81,098
Commercial Vacancy	(6,890)	(68,900)	(7,032)	(7,176)	(7,324)	(7,475)	(7,629)	(7,786)	(7,946)	(8,110)
Parking Revenue (\$/space)	-	-	-	-	-	-	-	-	-	-
Other Revenue	575,070	628,395	647,247	666,664	686,664	707,264	728,482	750,336	772,847	796,032
Total Operating Revenue	9,690,105	9,984,596	10,937,842	11,265,381	11,602,738	11,930,195	12,308,067	12,676,663	13,056,304	13,447,322
Operating Expenses										
Management Fee (3.00%)	290,703	298,038	328,135	337,961	348,082	358,506	369,242	380,300	391,689	403,420
General and Administrative	91,167	96,747	98,682	100,656	102,669	104,722	106,817	108,953	111,132	113,355
Marketing	112,000	118,855	121,232	123,657	126,130	128,653	131,226	133,850	136,527	139,258
Insurance	160,000	174,836	180,081	185,484	191,048	196,780	202,683	208,764	215,027	221,477
Taxes	1,602,013	1,465,933	1,806,105	1,858,754	1,913,183	1,969,428	2,027,533	2,087,540	2,149,494	2,213,446
Utilities	632,982	691,676	712,426	733,799	755,813	778,488	801,842	825,897	850,674	876,195
Payroll	570,305	605,213	617,317	629,663	642,256	655,102	668,204	681,568	695,199	709,103
Maintenance	144,000	152,814	155,870	158,988	162,167	165,411	168,719	172,093	175,535	179,046
Turnover	102,400	-	108,668	110,841	113,058	115,319	117,625	119,978	122,377	124,825
Total Operating Expenses	3,705,571	3,604,113	4,128,518	4,239,804	4,354,407	4,472,408	4,593,891	4,718,943	4,847,656	4,980,124
Op. Expense as % of Total Revenue	38.2%	36.3%	37.7%	37.6%	37.5%	37.4%	37.3%	37.2%	37.1%	37.0%
Net Operating Income	5,984,535	6,380,483	6,809,324	7,025,577	7,248,326	7,457,786	7,714,176	7,957,720	8,208,648	8,467,198
Return on Cost	5.47%	5.79%	6.23%	6.43%	6.64%	6.85%	7.06%	7.29%	7.52%	7.75%
Non-Operating Expenses										
Miscellaneous Non-Operating Expense	30,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003
Debt Service - Senior Loan	2,724,831	2,724,831	2,780,857	3,938,958	3,938,958	3,949,750	3,938,958	3,938,958	5,005,325	5,005,325
Replacement Reserves	96,000	96,000	98,880	101,846	104,902	108,049	111,290	114,629	118,068	121,610
Net Income / Cash Flow	3,133,704	3,479,652	3,898,687	2,952,945	3,171,684	3,386,222	3,629,149	3,868,311	3,048,360	3,302,260
Return on Equity	6.47%	7.18%	8.05%	6.09%	6.55%	6.99%	7.49%	7.98%	6.29%	6.82%
Return on Equity w/ Principal Paydown	6.47%	7.18%	8.05%	6.09%	6.55%	6.99%	7.49%	7.98%	8.54%	9.16%
Cash Flow w/ Full Occupancy	3,548,776	4,520,966	4,327,709	3,394,837	3,626,833	3,855,025	4,112,017	4,365,664	3,560,634	3,829,902
Return on Equity	7.32%	9.33%	8.93%	7.01%	7.49%	7.96%	8.49%	9.01%	7.35%	7.91%
Return on Equity w/ Principal Paydown	7.32%	9.33%	8.93%	7.01%	7.49%	7.96%	8.49%	9.01%	9.60%	10.25%
Debt Yield - Construction Debt	9.9%	10.5%	11.3%	11.7%	12.1%	12.4%	12.8%	13.2%	13.7%	14.1%
DSQR - Actual	2.16	2.29	2.41	1.76	1.81	1.87	1.93	1.99	1.62	1.67
DSQR - Fully Amtz - Construction Debt	1.64	1.73	1.86	1.92	1.98	2.05	2.11	2.18	2.25	2.32
DSQR - Fully Amtz - Permanent Debt	1.18	1.25	1.34	1.38	1.43	1.47	1.52	1.57	1.62	1.67

SAMPLE OF SPREADSHEET

AFFORDABLE HOUSING

- Heavy on 4-5 bedrooms
- Lower price per person
- Pricing associated with per bedroom
- More multi-bedroom units





RACIAL EQUITY & SOCIAL JUSTICE

RACIAL EQUITY & SOCIAL JUSTICE

“Together we will build opportunity for everyone.”

- Community Engagement
- Encouraging Growth
- Clayco Connects
- Field Focus
- Achieving Results Through Data Analysis
- Labor Shortages & Mitigation
- Integrating with the Local Market
- Inclusive Project Delivery Process
- Unconscious Bias Training Seminars





Q&A

esg

RACIAL EQUITY & SOCIAL JUSTICE

DIVERSITY STATEMENT:

ESG cultivates an environment of passion, respect, and innovation. As designers, we are always learning and improving on past performance, inspiring us to renew and strengthen our commitment to justice, equity, diversity, and inclusion (JEDI) within our firm and our community.

Our ongoing efforts include the creation of an employee-driven JEDI Committee, undertaking a firm wide Equity & Inclusion Assessment, and a commitment to increase the diversity of our job applicants, employees, shareholders, contractors, and vendors.

ESG believes that diversity strengthens communities, sparks creativity and makes us all around better people. An equitable and inclusive firm culture strengthens our work by allowing employees to bring their full, authentic selves to every project.

esg

RACIAL EQUITY & SOCIAL JUSTICE

EXPERIENCE RELATED EFFORTS:

- Management of meeting and documenting City SBE and/or disadvantaged contractor requirements for City subsidized projects
- Management of meeting and documenting City targeted workforce requirements for City subsidized projects
- Collecting and enforcing City approved affirmative action plans for participating subcontractors
- Identifying and assisting with the addition of new SBE contractors to be added to the City's database



NOVO APARTMENTS AND WILSON STREET GARAGE

- Removed all designated electrical and gas items from the City of Madison meters and transferred onto the tower projects meter ASAP. Helps eliminate utility costs.
- Coordinated final location of tower electrical and gas meters with the City of Madison. Located in the garage space.
- Coordinated electrical, gas, plumbing and fire protection routing through parking garage area to the tower project.
- Created access controlled doorways in the stairwells below the tower to prevent City of Madison parking garage occupants from making their way into the apartment tower floors.
- Worked with smoke control panel designer to integrate the City of Madison exhaust and intake fans to be controlled on the smoke control panel located in the Fire Command Center. Required by City of Madison Fire Department.
- Tied in existing parking garage Area of Rescue system into the towers Area of Rescue system to create a single system.
- Held final turnover meeting with City of Madison personnel for final transfer of building fire alarm system from City of Madison to the new Apartment Tower Fire Command Center