

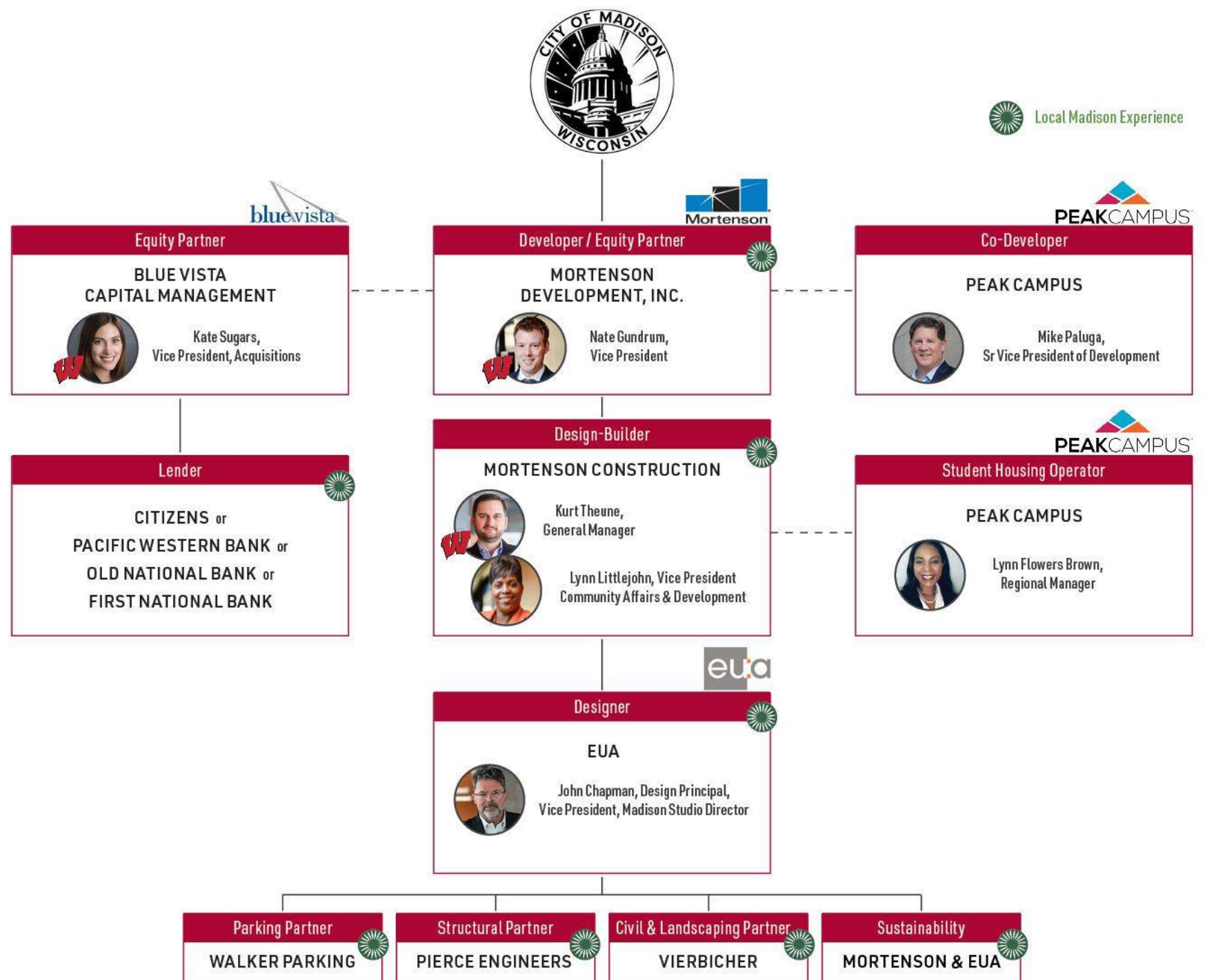


# STATE STREET CAMPUS GARAGE MIXED-USE PROJECT MADISON, WI

Interview for Development | 12.08.2021



# Development Team



# Has your development team worked together in the past?



**35**  
development  
projects totaling  
**\$1.46B**  
in total  
capitalization



**44** projects  
totaling  
**\$928M**



Currently working  
together on  
**\$100M+**  
U of MN student  
housing project

**Theory Madison team members have successfully partnered on over \$2.5B of projects.**



# CONTENTS

- 5. Development Team
- 6. Racial Equity & Social Justice
- 1. Sustainability
- 2. Parking / Transportation
- 3. Design
- 4. Financing

Q&A





6.

## Racial Equity & Social Justice





# Equity & Social Justice: Similar Values

---



**workforce hiring**

**scholarships**

**Growspace  
microlearning**

**PeakLink**

**outreach**

**Project Belong**

**uw minority  
scholarships**

**internships**

**Community  
engagement**

**resident initiatives**

**2021 DEI Grant,  
American Apt Assoc**

**workplace culture**

**Construction  
Inclusion Week**

**education**

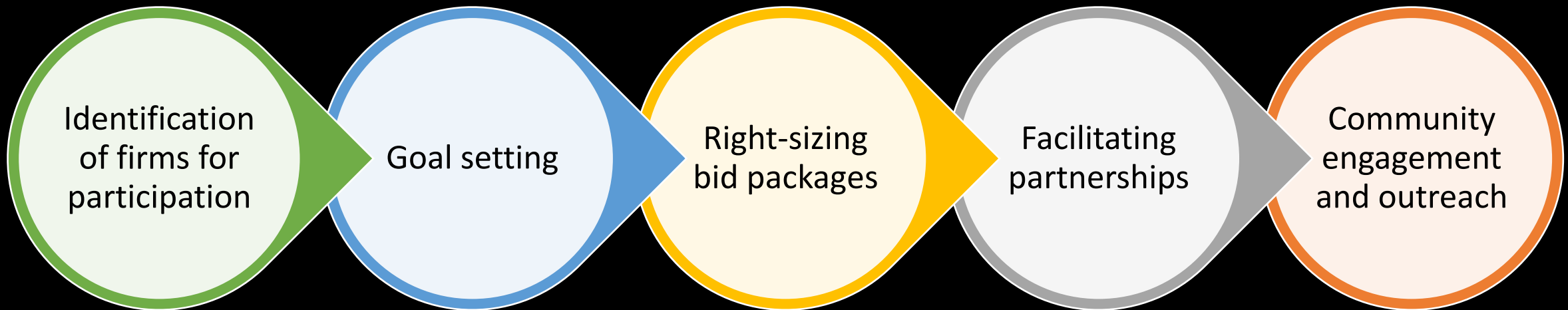
**Flavor Events**

## GOAL: Create an inclusive place to work and live.



- Introduced **Peak Link** in 2020
- **Project Belong** Pt I Gender Inclusive Housing, Fall 2021
- Leadership Team Completed **IDI Coaching Workshop**
- Awarded 2021 **NAA Innovation in Diversity and Inclusion Grant**
- **Recruitment & Hiring Resources:** Women and Minority Owned Recruitment Agencies, Interview Guides Focused on Competency to eliminate Bias
- Launched **Growspace**, a DEI Microlearning Platform

## Key Elements





# Equity & Social Justice: Community Outreach – Hiring Subconsultants



- Contractor open houses
- Pre-proposal meetings
- Liaison with community organizations, neighborhood groups, elected officials, community leaders
- Advertising in community newspapers
- Communication via social media, radio, plan rooms



# Equity & Social Justice: Making a Lasting Impact



PROJECT RESULTS	SWMBE		WORKFORCE		LOCAL	
	GOAL	ACHIEVED	GOAL	ACHIEVED	LABOR	BUSINESS
Fiserv Forum, Milwaukee, WI	25%	33%	40%	43%	95%	76%
Froedtert & MCW Center for Advanced Care, Milwaukee, WI	15%	23%	15%	22%	--	--
Froedtert & MCW Imaging Fit-Out, Milwaukee, WI	15%	23%	15%	30%	--	--
Nashville SC Stadium, Nashville, TN (underway)	30%	37%	22%	36%	87%	58%
SC Johnson West Campus Expansion, Racine, WI	8%	23%	--	--	--	--
Allegiant Stadium, Las Vegas, NV	15%	23%	38%	63%	80%	70%
TCF Bank Stadium, Minneapolis, MN	22%	30%	30%	40%	95%	90%
Harley-Davidson Museum, Milwaukee, WI	18%	22%	--	--	--	--



# Equity & Social Justice: Making a Lasting Impact



bluevista

## BLUE VISTA ACCELERATOR FUND

A \$100-\$200 million fund designed to launch the real estate platforms of minority and women-owned real estate professionals.



# 1. Sustainability





# What sustainability features are in your current proposal? What would it take to achieve a LEED silver minimum?



## HOUSING

**LED lighting** **Focus on Energy**

**bike share**

**paperless records/billing**

**building envelope**

**green roof**

**composting**

**water efficient plumbing**

**HVAC**

**recycled rainwater**

**energy star appliances**

**electronic recycling**

**multimodal transit**

**permeable pavement**

**sustainable laundry**

**sustainable printing**

**energy conservation education/labeling**

**“smart fleet”**

A detailed LEED v4 for Building Design and Construction: Multifamily Midrise Project Checklist. The form is divided into sections: Location and Transportation, Sustainable Sites, Water Efficiency, Energy and Atmosphere, and Materials and Resources. Each section contains a list of credits with checkboxes for 'Y' (Yes), 'N' (No), and 'P' (Partial). The form also includes a 'Project Name' and 'Date' field, and a 'TOTALS' section at the bottom right showing the total score and certification level (Certified, Silver, Gold, Platinum). The form is partially filled out, with some credits marked as 'Y' or 'N'.



# Solar option

# ventilation

# wayfinding

# electric car sharing

# EV charging



**Parknet Certification Scorecard**  
Oregon Convention Center (OCC) Garage  
Updated: 2021-11-29

**Total Project Score**

Bronze 110-134 Silver 135-169 Gold 180-248

**Legend:**  
Awarded  
Pending review comment responses  
Response complete - ready to submit for Final Review

**Section 1: Management**

DIM A1 Parking Pricing 4  
DIM A2 Shared Parking 4  
DIM A3 TMS/TMA 1  
D-M A1 Recycling Program 2  
D-M A2 Sustainable Purchasing Program 2  
D-M A3 Proactive Operational Maintenance 2  
D-M A4 Cleaning Procedures - Occupied Spaces 2  
D-M A5 Cleaning Procedures - Parking Decks 2  
D-M A6 Building Systems Commissioning 2  
A1 Regional Materials 6  
A2 Regional Labor 6  
A3 Reused/Repurposed/Recycled Materials 7  
A4 Third Party Sustainability Certification 4  
A5 Credentialed Management (PP) 12  
A6 Life Cycle Assessment 8

**Section 2: Planning**

PROG B1 Access to Mass Transit 4  
PROG B2 Wayfinding Systems - External - Dynamic Signage 2  
PROG B3 Wayfinding Systems - Internal - Wayfinding System 2  
PROG B4 Traffic Flow Plan 4  
PROG B5 Carshare Program 4  
PROG B6 RideShare Program 4  
PROG B7 Low-Emitting and Fuel Efficient Vehicles 4  
PROG B8 Alternative Fuel Vehicles 4  
PROG B9 Bicycle Park Fleet Vehicles 4  
PROG B10 Bicycle Sharing/Borrel 4  
PROG B11 Marketing/Educational Program 4

**Section 3: Design & Construction**

D-C C1 Mile Reduction/Pedestrian Design 4  
D-C C2 Fire Suppression Systems 4  
D-C C3 No/Low VOC Coatings, Paints, Sealants 4  
D-C C4 EV Charging Stations 2  
D-C C5 HVAC Systems Occupied Spaces - Energy Efficiency HVAC Systems 6  
D-C C6 HVAC Systems Occupied Spaces - CO2 Sensors 6  
D-C C7 HVAC Systems Occupied Spaces - Programmable Thermostat 6  
D-C C8 Ventilation Systems - Parking Decks - Environmentally Sourced Coolants 6  
D-C C9 Ventilation Systems - Parking Decks - Controlled Ventilation/Ventilation 6  
D-C C10 Lighting Controls 6  
D-C C11 Energy Efficient Lighting System 8  
D-C C12 Stormwater Management - Implement EPC Plan 8  
D-C C13 Rainwater Harvesting 6  
D-C C14 Indoor Water Efficiency 4  
D-C C15 Water Efficient Landscaping 2  
D-C C16 Roofing Systems 2  
D-C C17 Renewable Energy, RECs 2  
D-C C18 Design for Durability 6  
D-C C19 Energy Resiliency - Storage 12

**Section 4: Performance**

D-I D1 Exemplary Performance: Double Transit Ridership 6  
D-I D2 Innovative Approach: No Smoking 6  
D-I D3 Innovative Approach: Low Mercury Lighting 6  
D-I D4 Innovative Approach: Integrated Pest Management 6  
D-I D5 Innovative Approach: IAQ Management During Construction 6  
D-I D6 Innovative Approach: High Priority Site, Option 3 6

# Oregon Convention Center Garage



# What would it take to make your proposal net zero energy use?



Energy-Efficient  
**DESIGN**



**SOLAR**



**CREDITS**



# What would it take to make your proposal net zero energy use?



Energy-Efficient  
**DESIGN**



**SOLAR**



**CREDITS**



## Energy Use Intensity (EUI) Range

Less efficient	4.1
More efficient	2



Solar on 80% of roof area to achieve net zero



Solar on 40% of roof area to achieve net zero

No additional credits  
necessary to achieve  
net zero on parking





# What would it take to make your proposal net zero energy use?



Energy-Efficient  
**DESIGN**



**SOLAR**



**CREDITS**



## Energy Use Intensity (EUI) Range

Less efficient	4.1
More efficient	2



Solar on 80% of roof area to achieve net zero  
Solar on 40% of roof area to achieve net zero

No additional credits necessary to achieve net zero on parking



Less efficient	53.7
More efficient	34.7



Solar on 80% of roof area would offset 8% of energy use  
Solar on 80% of roof area would offset 12% of energy use

Significant credits through MG&E would be required to achieve net zero on housing.

## 2. Parking / Transportation





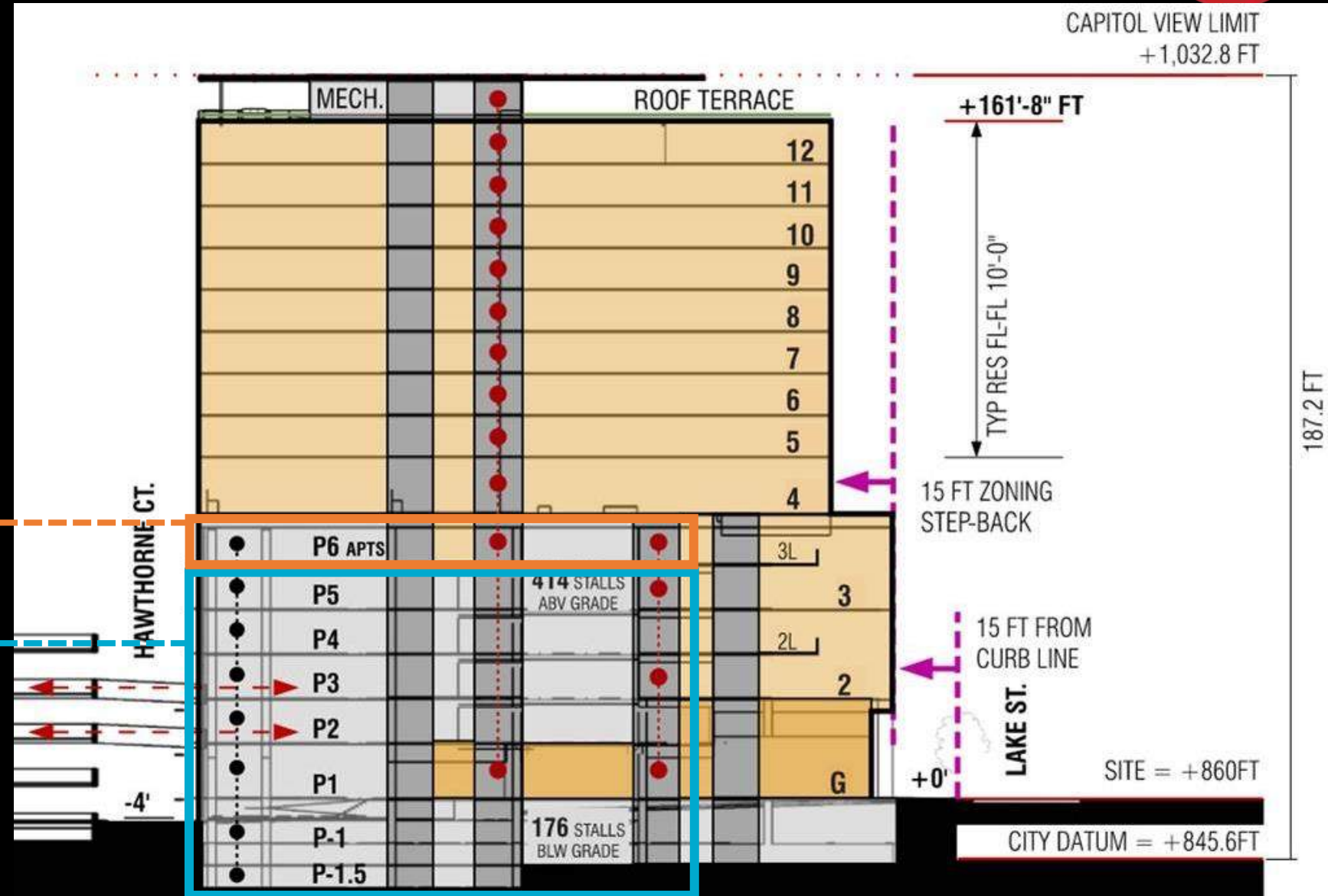
# Describe how the private parking needs are met in your proposal.



**80 stalls**  
for housing



**510 stalls**  
for City parking

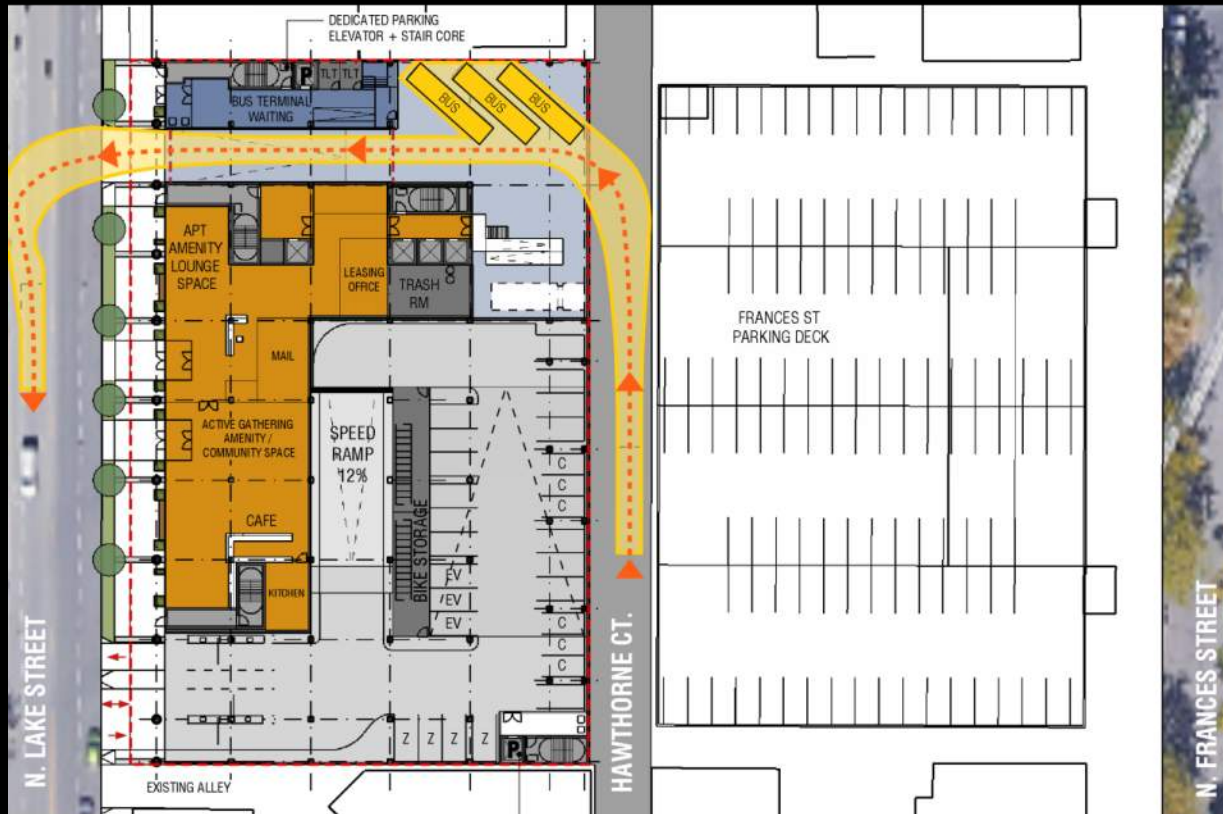


# How do vehicles get in and out of the building (what streets/alleys will be used) and describe the traffic patterns inside the building.

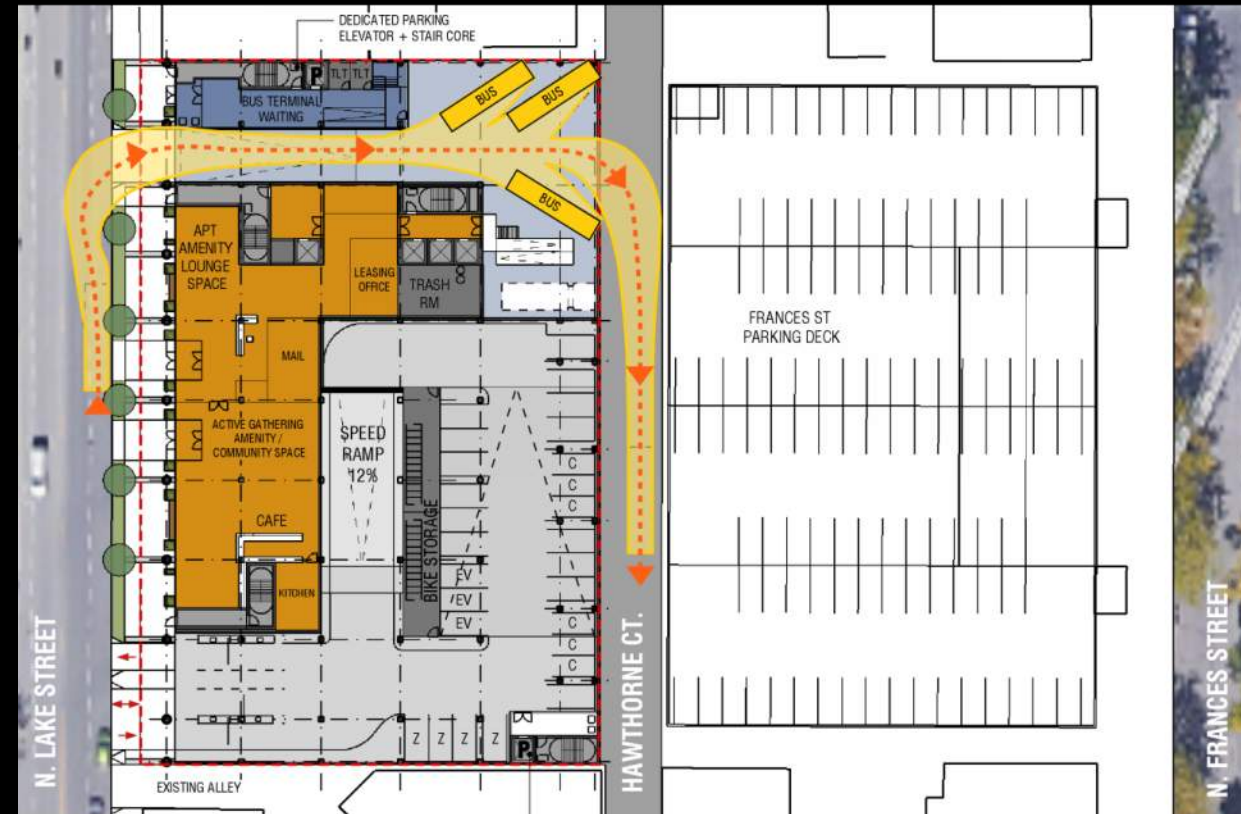


## Describe the use of Hawthorne Court for bus movements.

### OPTION 1

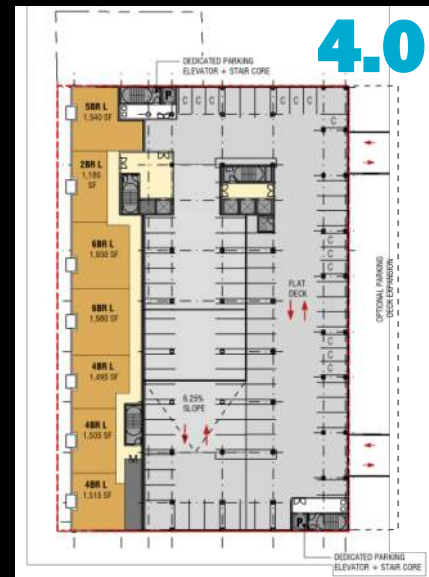
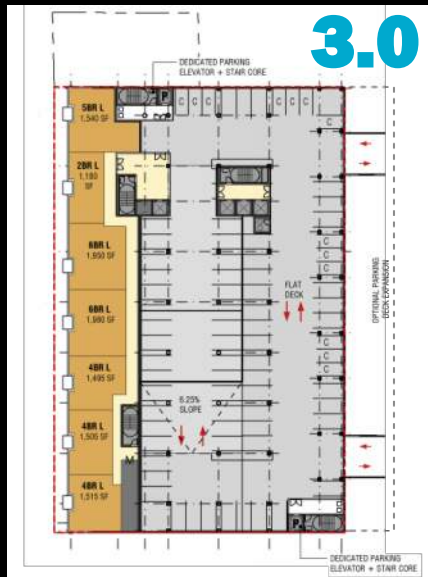
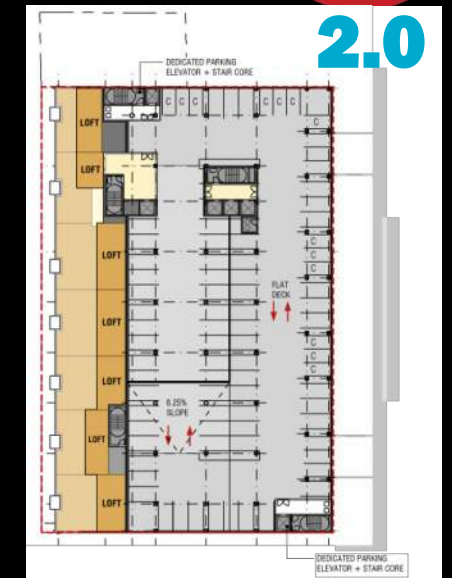
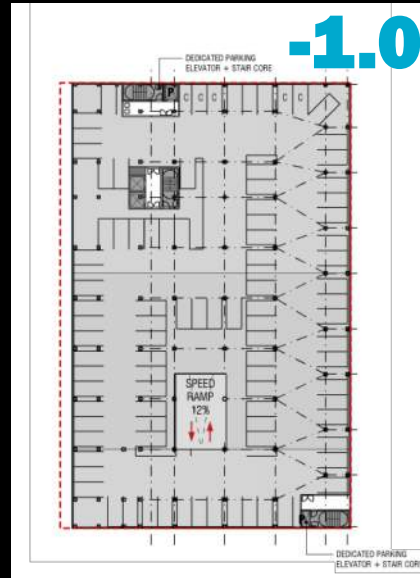
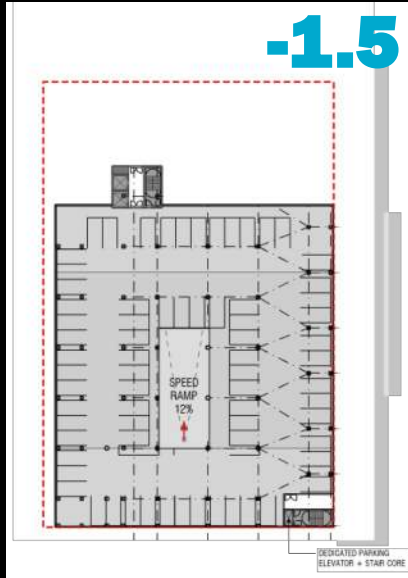


### OPTION 2





# How do vehicles get in and out of the building (what streets/alleys will be used) and describe the traffic patterns inside the building.



Please provide additional information related to entry/exit circulation, parking stall size, drive aisle size.



**9' x 18'** standard stall size

**24'** aisle width

**8' x 16'** compact stall size

**18%** compact stalls

**455** GSF / stall

**12** ADA spaces



# Describe how this project will meet future TDM requirements in the upcoming TDM ordinance.



15 points  
required

23 points  
so far!

APPENDIX A: TDM MEASURES - DRAFT FOR COMMENT									
Category	Measure	Option	Points	Considerations & Description		Eligible Use Categories			
						Residential	Employment	Commercial	Institutional
AT-7	Off-site pedestrian infrastructure		2-8	Develop or fund off-site bicycle infrastructure (wide sidewalks, new crossings, connections to bike-ped paths, etc.). Points would be awarded based on monetary value i.e., 2 points for every \$18,000 invested in an off-site improvement. Facilities used by both cyclists and pedestrians can earn a maximum of 12 points in this category and AT-3. Does not apply to facilities located within the project area (GDP for incrementally developed PDDs).		Y	Y	Y	Y
AT-8	Traffic calm					Y	Y	Y	Y
HOV-1	Provide shuttles					Y	Y	Y	Y

APPENDIX A: TDM MEASURES - DRAFT FOR COMMENT									
Category	Measure	Option	Points	Considerations & Description		Eligible Use Categories			
						Residential	Employment	Commercial	Institutional
HOV-7	Transit measures for patrons/visitors/students	A: Transit ticket validation	2	This measure would involve offering transit pass validation to all patrons i.e., a discount or a similar benefit for taking transit, similar to shoppers getting discounts for bringing their own carry bags.		Y	Y	Y	Y
		B: Two-ride passes	2	Provide free two-ride passes for patrons/clients/visitors, such that at least 25 percent of patrons receive a pass.		Y	Y	Y	Y
		C: Sell Madison Metro passes	2	Sell Madison Metro transit passes to patrons/clients/visitors, such that at least 25 percent of patrons receive a pass.		Y	Y	Y	Y
IC-1	Marketing and informational measures					Y	Y	Y	Y

APPENDIX A: TDM MEASURES - DRAFT FOR COMMENT									
Category	Measure	Option	Points	Considerations & Description		Eligible Use Categories			
						Residential	Employment	Commercial	Institutional
B-1	TDM coordinator and pay program fee		1	Designate a coordinator to manage TDM requirements and implementation. The person will be responsible for submitting the TDM plan prior to approval of the building permit, paying the program fee, meeting reporting requirements, if any, and serving as the point of contact for TDM matters. The position does not need to be full-time.		Y	Y	Y	Y
B-2	Pedestrian path to sidewalk		1	Provide continuous access to building entrances from the street to the sidewalk, as required by existing city standards.		Y	Y	Y	Y
B-3	Bike parking		1	Provide bicycle parking as required by existing city standards.		Y	Y	Y	Y
AT-1	Enhanced access to bike parking	A: Segregated access to bike parking with no stairs	1	In addition to Basic-3, provide a convenient and segregated access to the bike parking area without stairs (e.g. on the same level as the entrance, or via a ramp or elevator).		Y	Y	Y	Y
		B: Locational advantage	1	Locate the bike parking in a covered, indoor space, less than 100 feet from the main entrance.		Y	Y	Y	Y
AT-2	No drive aisle crossing		1	Provide direct street frontage to minimize pedestrian/vehicular conflicts. Access points/stairs should be located such that pedestrians do not have to cross parking lot drive aisles.		Y	Y	Y	Y
AT-3	Off-site bike infrastructure		2-8	Develop or fund off-site bicycle infrastructure (bicycle lanes, cycletracks, new crossings, bike-ped paths, etc.). Points would be awarded based on monetary value i.e., 2 points for every \$18,000 invested in an off-site improvement. Facilities used by both cyclists and pedestrians can earn a maximum of 12 points in this category and AT-7. Does not apply to facilities provided within the project area (GDP for incrementally developed PDDs). Facilities must be open to the public.		Y	Y	Y	Y
AT-4	Bike user facilities	A: Bike lockers	1	Provide lockers for secure, long-term storage of bikes: 1 locker for every 20 DUs or 30 employees.		Y	Y	Y	Y
		B: Bike maintenance facilities	1	Provide a bicycle maintenance station for on-site employees, tenants, residents and visitors. Tools and supplies should include at minimum: a bicycle pump, wrenches, a chain tool, lubricants, tire levers, hex keys/ Allen wrenches, torx keys, screwdrivers, and spoke wrenches.		Y	Y	Y	Y
		C: Clothes lockers and showers	1	Provide 1 shower along with 5 clothes lockers for every 30-50bike parking spaces.		Y	Y	Y	Y
AT-5	Shared fleet of bikes		2	Provide an on-site shared fleet of free/rental bicycles for use by residents/employees. Fleet should include at least 1 bicycle for every 10 DUs or 30 employees, with a minimum of 5 bikes.		Y	Y	Y	Y
AT-6	Bike share	A: Install a bike share station	4	Install a bikeshare station as part of the existing bikeshare network, within a quarter-mile walking distance of the development, that can be accessed and used by residents/employees.		Y	Y	Y	Y
		B: Provide membership	2 or 4	Offer at least one annual bike share membership to each DU and/or full-time employee.		Y	Y	Y	Y

Please describe your preference in the long-term operation of the intercity bus terminal; operated by the City, development team, or third party?



## OUR GOAL:

Provide a best-in-class residential facility that will operate seamlessly with the parking garage and bus terminal operation with the focus on **safety, security, cleanliness,** and **upkeep.**

**WE ARE FLEXIBLE.**



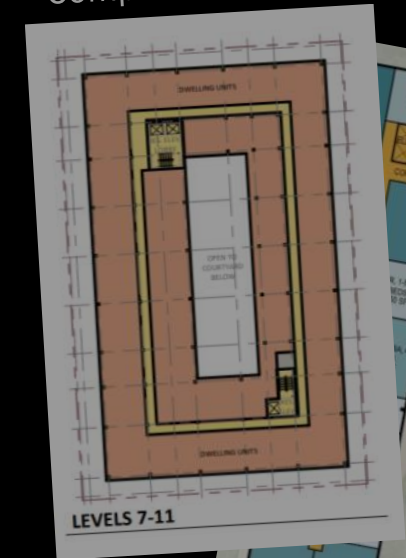


### 3. Design





- Windows / Daylight
- Access to Outside
- “Liveability”
- Stronger mental health
- Higher retention rates
- More alumni involvement

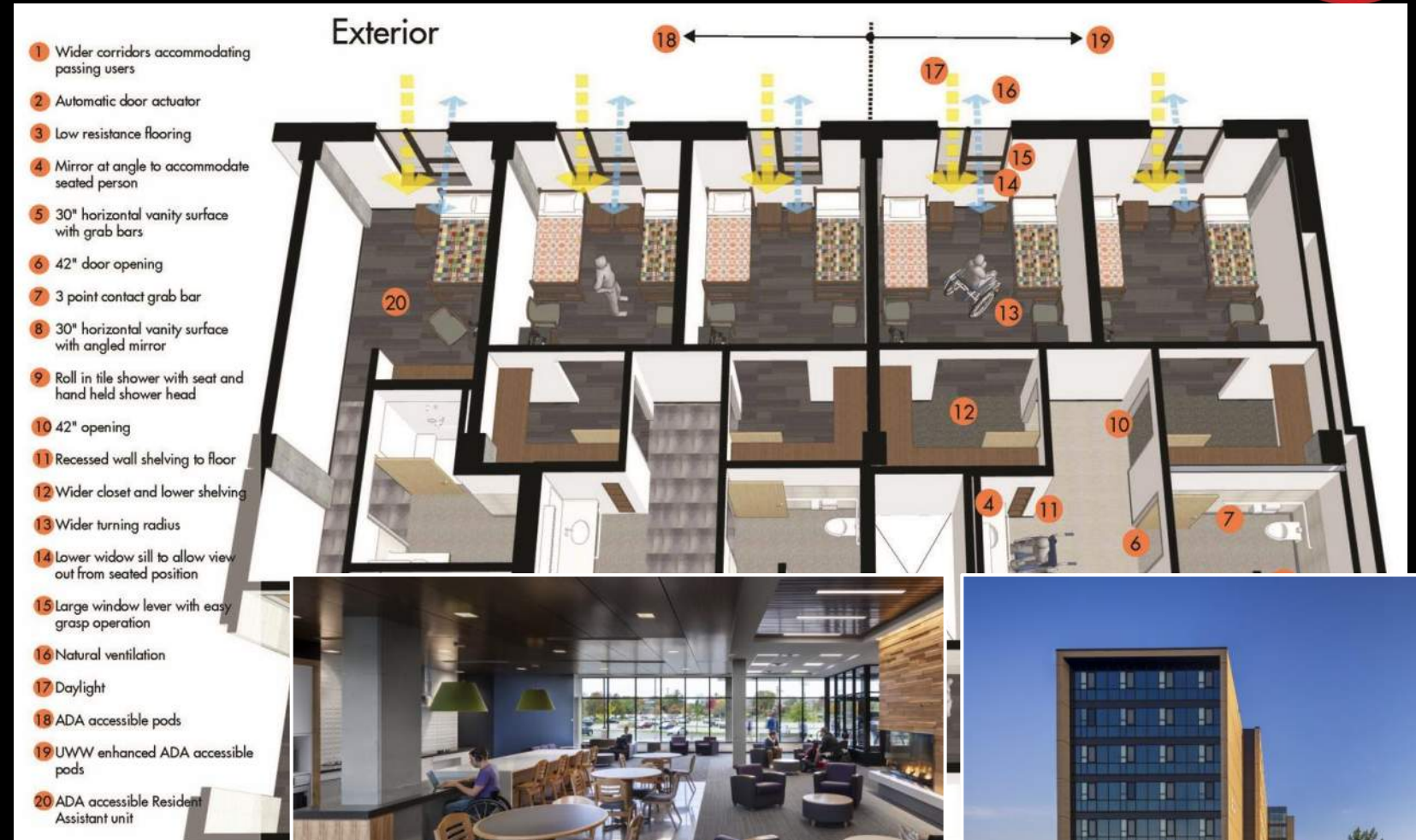




# Discuss how project design addresses universal design / ADA.



- Providing Equity in Use
- Flexible Design
- Simple & Intuitive Use
- Perceptible Information
- Tolerance for Error
- Low Physical Effort
- Size and Space for Approach and Use

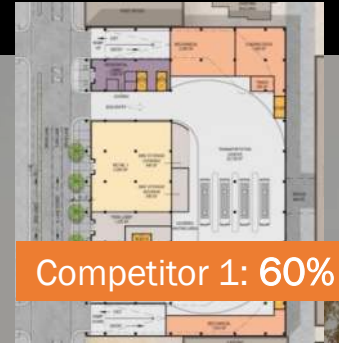


UW-Whitewater  
Ma'iingan Hall

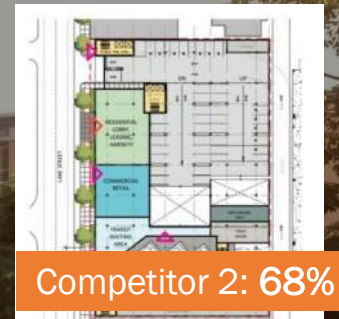




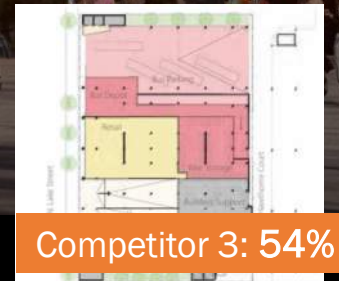
# Please explain your design approach—specifically how does it enhance the public realm at the street level and of the area?



Competitor 1: 60%



Competitor 2: 68%

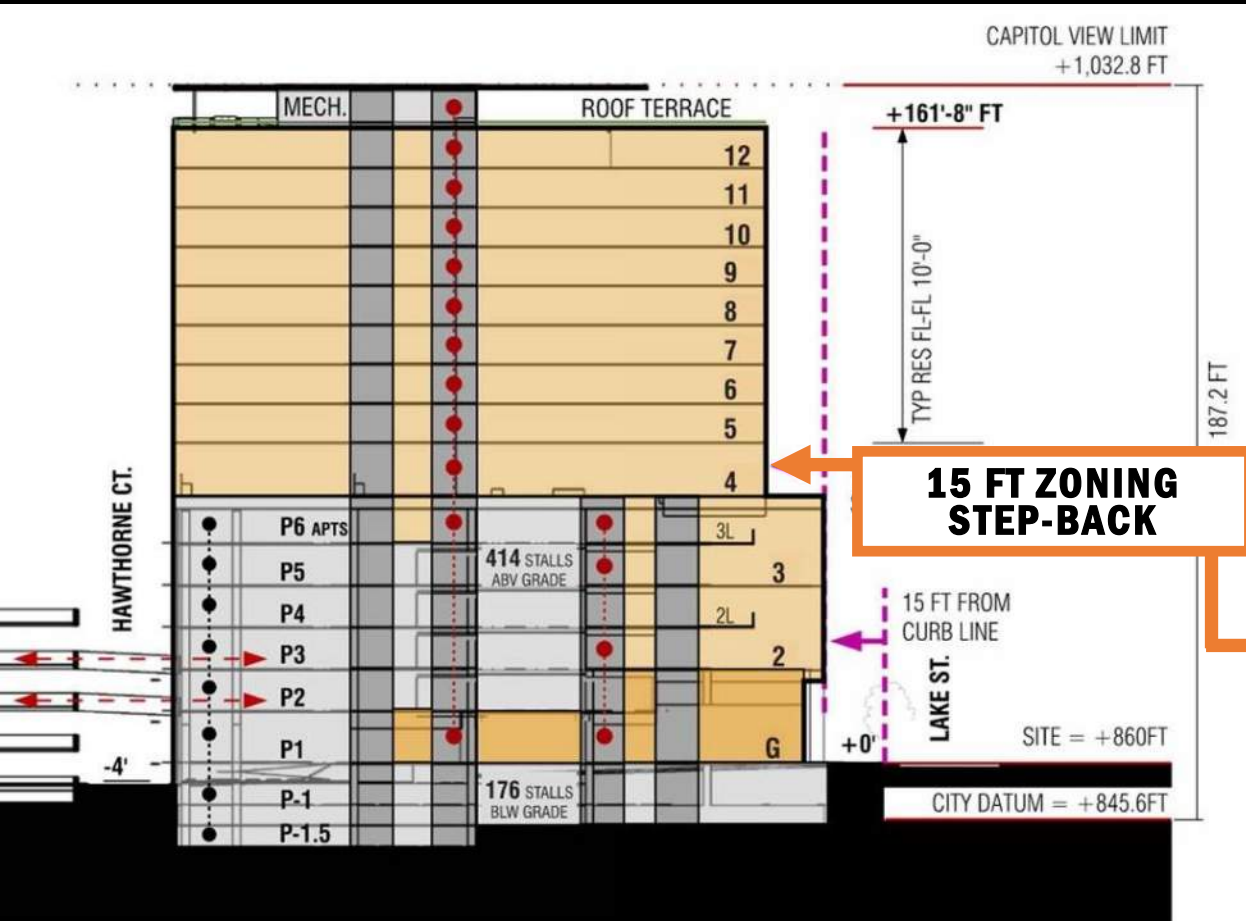


Competitor 3: 54%

## 75% ACTIVE USE ALONG LAKE ST



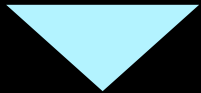
# How would you address the zoning conflict of a needed step back over the 4th floor?



Provide example(s) of projects your team has completed that required successful collaboration between two different design teams and/or construction teams to build one cohesive project. What are the lessons learned (pro/con) from these example(s) projects.

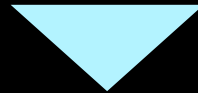


## Collaboration



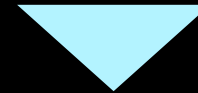
- ✓ City Design Involvement/Oversight/Approval
- ✓ City Construction Involvement/Oversight/Approval
- ✓ Community Outreach Coordination between Parking & Housing
- ✓ Entitlement Coordination between Parking & Housing
- ✓ Design Coordination between Parking & Housing

## Financing



- ✓ Certainty of Financing by Public Sector
- ✓ Certainty of Financing by Private Sector
- ✓ Completion Guaranty for Parking
- ✓ Cost Guaranty for Parking

## Liability



- ✓ Design Liability Exposure to City
- ✓ Construction Liability Exposure to City



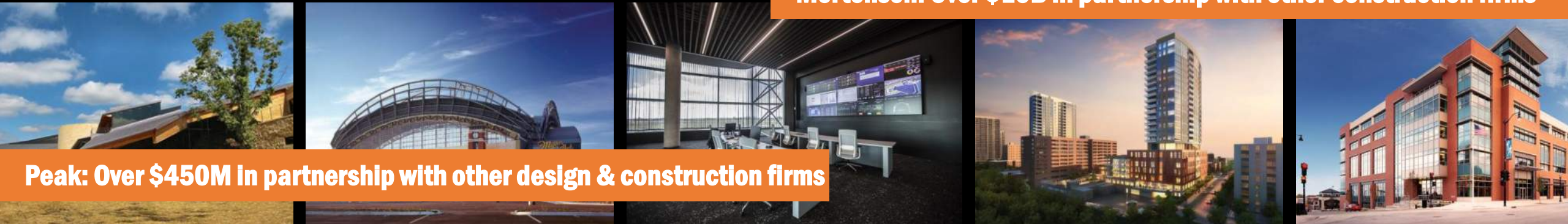
Provide example(s) of projects your team has completed that required successful collaboration between two different design teams and/or construction teams to build one cohesive project. What are the lessons learned (pro/con) from these example(s) projects.



**EUA: Over \$2.1B in construction in partnership with other design firms**



**Mortenson: Over \$10B in partnership with other construction firms**



**Peak: Over \$450M in partnership with other design & construction firms**



# 4. Financing





# Describe your vision for phasing of construction (public vs private) and financing of the project.



**TIMELINE  
PER RFP**  
*6.25 years*

DEC  
2021

OCT  
2023

JAN  
2025

MAR  
2026

OCT  
2026

MAR  
2028

Contracts / Entitlements / Design

PARKING CONSTRUCTION



Parking funded  
by City

HOUSING CONSTRUCTION



Housing funded by  
Theory Madison

# Describe your vision for phasing of construction (public vs private) and financing of the project.



DEC  
2021

OCT  
2023

JAN  
2025

MAR  
2026

OCT  
2026

MAR  
2028

**TIMELINE  
PER RFP**  
6.25 years

Contracts / Entitlements / Design

PARKING CONSTRUCTION

Parking funded  
by City

HOUSING CONSTRUCTION

Housing funded by  
Theory Madison

**INTEGRATED  
MODEL**  
4.25 years

Contracts / Entitlements

Design

PARKING & HOUSING CONSTRUCTION

Parking funded by City & Housing funded  
by Theory Madison simultaneously

**ENHANCED SPEED TO MARKET**

Additional ~2 years of:  
Increased tax revenue  
Increased parking revenue  
Lower general conditions cost





# Describe your vision for phasing of construction (public vs private) and financing of the project.



DEC  
2021

OCT  
2023

JAN  
2025

MAR  
2026

OCT  
2026

MAR  
2028

## TIMELINE PER RFP *6.25 years*

Contracts / Entitlements / Design

PARKING CONSTRUCTION

Parking funded  
by City

HOUSING CONSTRUCTION

Housing funded by  
Theory Madison

## INTEGRATED MODEL *4.25 years*

Contracts / Entitlements

Design

PARKING & HOUSING CONSTRUCTION

Parking funded by City & Housing funded  
by Theory Madison simultaneously

**ENHANCED SPEED TO MARKET**

Additional ~2 years of:  
Increased tax revenue  
Increased parking revenue  
Lower general conditions cost

## TAKEOUT APPROACH *4.25 years*

**OR**

Parking & Housing funded  
by Theory Madison

**OR**

City purchases Parking Core  
& Shell from Theory Madison  
at construction completion

# Describe your vision for phasing of construction (public vs private) and financing of the project.



## BLUE VISTA'S EXPERTISE

### SPONSOR NETWORK

**4,000+**

EXISTING SPONSOR  
RELATIONSHIPS

### FOCUSED PLATFORM

**\$10.5B**

IN TOTAL CAPITALIZATION  
INVESTED IN SINCE 2003

### EXECUTION ABILITY

**200+**

INVESTMENTS ALONGSIDE  
SPONSORS SINCE 2003

### PARTNER HISTORY

**75+**

UNIQUE PARTNER  
RELATIONSHIPS FORMED

### EXPERT TEAM

**60**

REAL ESTATE  
PROFESSIONALS

HOUSING			
Mortenson Development, Inc.	GP Equity	2%	\$1,702,489
Blue Vista Capital	LP Equity	33%	\$32,347,294
Third Party Lender	Debt	65%	\$63,235,312
TOTAL		100%	\$97,285,096
PARKING			
City of Madison		100%	\$42,684,579
TOTAL		100%	\$42,684,579



# Explain calculations and assumptions to arrive at assessed value for property tax purposes.



## PROPERTY TAX PRE-ACQUISITION DUE DILIGENCE REPORT

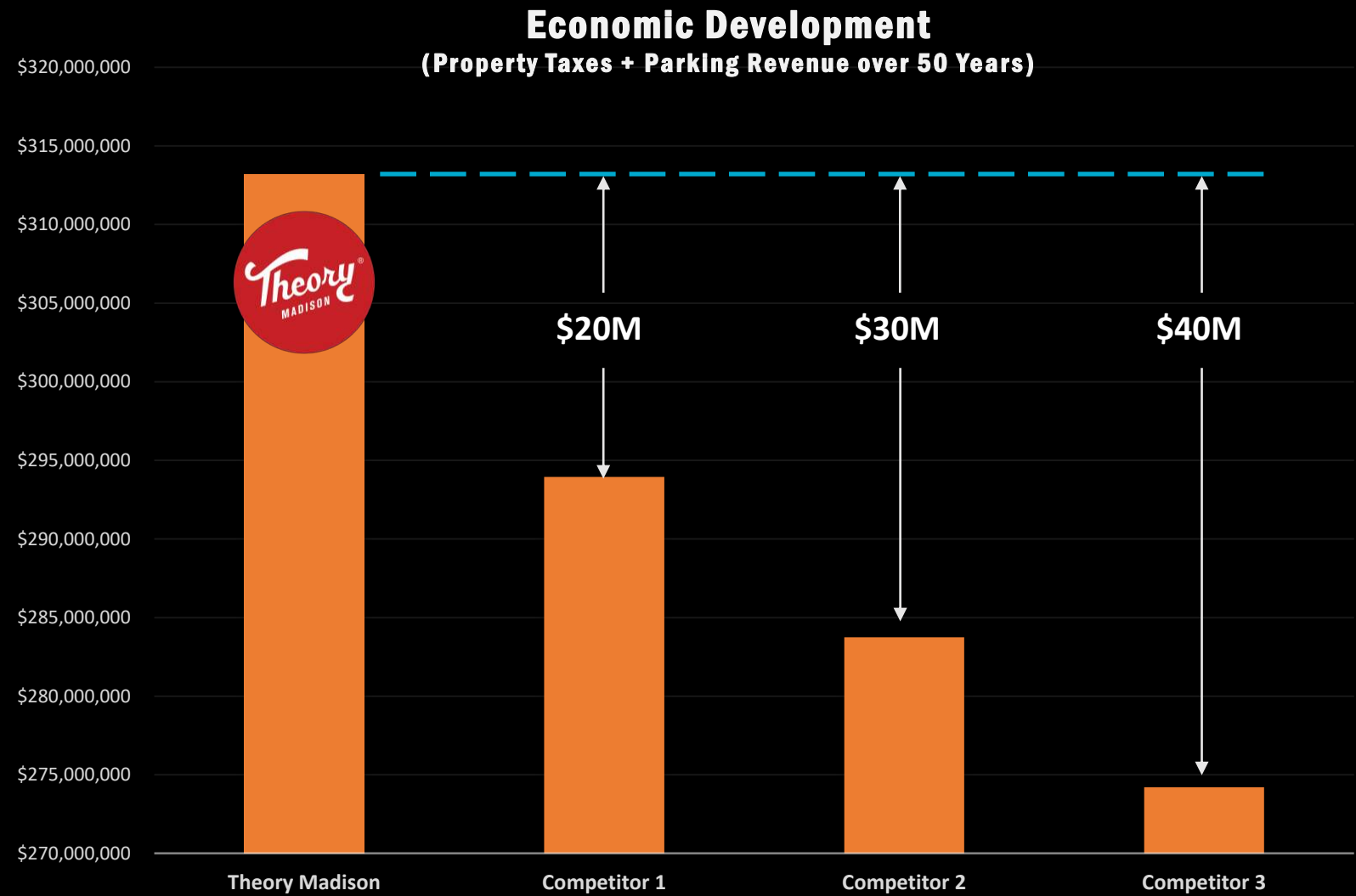
Theory Madison  
415 N Lake Street  
Madison, WI, 53715  
Dane County  
Student Development

Prepared:  
November 22, 2021  
Tax Years: 2020 Through 2027

MOST PROBABLE CASE	Actual	Reval	Reval	Reval	Reval	Reval	Reval	Reval
Tax Year	2020	2021	2022	2023	2024	2025	2026	2027
Lien Date	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24	1/1/25	1/1/26	1/1/27
Fair Market Value	\$0	\$0	\$0	\$0	\$35,226,638	\$57,072,447	\$72,676,595	\$72,676,595
Market Value unit	\$0	\$0	\$0	\$0	\$135,487	\$219,509	\$279,525	\$279,525
Assessment Ratio	100%	100%	100%	100%	100%	100%	100%	100%
Total Assessed Value	\$0	\$0	\$0	\$0	\$35,226,638	\$57,072,447	\$72,676,595	\$72,676,595
Equalized Tax Rate	2.2467%	2.2692%	2.2919%	2.3148%	2.3380%	2.3613%	2.3850%	2.4088%
RE Tax	\$8,417	\$8,501	\$8,586	\$8,672	\$823,587	\$1,347,678	\$1,733,308	\$1,750,641
Total Tax	\$8,417	\$8,501	\$8,586	\$8,672	\$823,587	\$1,347,678	\$1,733,308	\$1,750,641
Total Tax / NRA / Unit	\$32.37	\$32.70	\$33.02	\$33.35	\$3,167.64	\$5,183.38	\$6,666.57	\$6,733.23

- 1) 2020 - 2023 assessment is zero because the property is exempt and city owned.
- 2) 2021 2023 taxes are for special assessment not paid, assumed to go up 1% each year.
- 3) 2024 value is estimated to go to 90% of purchase price and assume 40% complete at 90% of Hard Cost (HC).
- 4) 2025 assume 90% of Hard costs (HC) and 75% complete; 2026 at 90% of HC and purchase price at 90%; flat for 2027
- 5) Tax rate estimated to increase 1% annually.

# Explain calculations and assumptions to arrive at assessed value for property tax purposes.





# Explain calculations and assumptions for \$6M air rights purchase.



## Revisited Proforma Assumptions:

- 2022 Preleasing Performance
- Costs
- Taxes
- Rents
- Financial Assumptions

up to  
**\$18M**

**\$6M**

original  
purchase  
price

current  
purchase  
price

**100**  
beds

original  
affordability

up to  
**150**  
beds

current  
affordability



the

**Theory**<sup>®</sup>  
MADISON

difference

AFFORDABILITY

SUSTAINABILITY

ECONOMIC DEVELOPMENT

COMMUNITY ACTIVATION







# Q & A

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AFFORDABILITY

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