

CAMPBELL

CAPITAL

GROUP, LLC

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Letter of Intent for Proposed Development

1801 East Washington Avenue (Marling Lumber Site)

Project Name: 1801 Washington

Applicant/Project Owner: MMP CCG Madison, LLC

November 23, 2015

Natalie Erdman, Director
Department of Planning, Community & Economic Development
215 Martin Luther King Jr. Blvd.
Madison, Wisconsin 53703

Dear Ms. Erdman:

It is our pleasure to submit this letter of intent to pursue land use and related approvals for the redevelopment of the 3.876 acre (166,087 square feet) property in the City of Madison at 1801 East Washington Avenue (PIN 251/0710-072-0912-7), currently owned and operated by Marling Lumber Company.

Project Summary

The Project will include 2, two to four story interconnected mixed-use buildings surrounding an interior parking structure serving the residents and commercial tenants. The Project will be comprised of approximately 230 apartments, approximately 20,000 square feet of ground-floor commercial space, three courtyards and a public plaza area near the Yahara River. The applicant is requesting rezoning from Industrial Limited (IL) to Traditional Employment (TE) with a conditional use permit to accommodate the residential units and anticipated commercial uses, as appropriate.

Existing Site Conditions

Currently zoned industrial, the property is home to Marling Lumber Company's eight-building complex used for the retail sale, distribution and storage of lumber and other building materials. The site is bordered by East Washington Avenue to the north, railroad tracks and a privately owned

auto repair business to the east, the Yahara River/Yahara River Parkway to the west and East Main Street to the south. Burr Jones Field and the Fiore Shopping Center are directly across East Washington Avenue from the site, and single family residences are located across East Main Street.

Project Layout

The East Washington Avenue frontage of the Project will consist of first floor commercial space, with three floors of apartments above. The Yahara River frontage will be primarily residential with the East Main Street portion of the fourth floor being stepped back, and a commercial component wraps around from the East Washington Avenue side. The East Main Street side of the Project will be entirely residential (two stories at the street level with floors three and four stepped back), including private entries for some of the street-level units. The parking structure architecture and façade is designed to integrate and blend with the residential component and will be set back behind the neighboring auto repair business.

Residents and visitors alike will be drawn to the Project by the glass tower anchoring the Yahara River and East Washington Avenue corner, and encouraged to explore the commercial and public spaces by the unobstructed glazed building fronts, matching awnings and architectural accent lighting. Entry to the residential facility along East Washington Avenue will be harmonious with, yet strikingly distinguished from, the commercial entries.

Each of the three inward-facing residential segments enjoy views of private, landscaped courtyards with amenities such as outdoor seating, grilling stations, and gathering spaces. Interior hallways and stairways provide all residents easy access to amenities, while maintaining privacy and security. A public plaza along the Yahara River connects and integrates the Project and its residents with the surrounding neighborhood. This sense of community, and interaction at the street level, is further enhanced by the exterior entrances to some of the residential units along East Main Street.

The residential, commercial, and public spaces will be served by an interior parking structure accessed from both East Washington Avenue and East Main Street. Designed in a podium style, residents' units and parking spaces will be on the same level. Commercial tenants and their customers will benefit from plentiful first-level vehicle parking in the structure, and bicycle parking will be easily accessible throughout the parking structure and Project.

Project Objectives and Benefits

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

- Increase annual real estate taxes generated by this property by an estimated \$644,600.
- Add 20,000 sq. ft. of new commercial space on East Washington Avenue.
- Provide additional employment opportunities to the area.
- Offer a new, unique housing alternative to this part of Madison.
- Include high-end and desirable lifestyle and community amenities.

- Allow for a live-work relationship with the surrounding area and the Capitol East District.
- Provide the community with new residents who will work and shop in the area.

The Project will invigorate the Marquette Neighborhood, provide additional housing diversity that complements the eclectic make-up of the neighborhood, create both construction and long-term employment opportunities, encourage use of multi-modal transportation options, and activate the streetscape and Yahara River Parkway.

Project Specifics

<u># of Units:</u>	Approximately 230 Units & 20,000 sq. ft. of commercial space
<u>Location:</u>	1801 East Washington Avenue
<u>Rental Sq. Ft.:</u>	203,862
<u>Avg. Sq. Ft. per Unit:</u>	811
<u>Start Construction:</u>	Approximately June, 2016
<u>Type of Building:</u>	Two, four-story buildings wrapping a five-level parking deck
<u>Land Area:</u>	3.876 Acres (166,087 square feet)
<u>Density:</u>	60 Units per Acre
<u>Real Estate Taxes:</u>	Current Taxes - \$55,400 Estimated New Taxes - \$700,000 Total Estimated Increase: \$644,600
<u>Vehicle Parking:</u>	Approximately 334 vehicle parking spaces
<u>Bicycle Parking:</u>	Approximately 265 bicycle spaces
<u>Site Access:</u>	East Washington Avenue & Main Street
<u>Usable Open Space</u>	26,477 sf (15.7%)
<u>Lot Coverage</u>	131,709 sf (78.0%)

The Project will be accessed from both East Washington Avenue and East Main Street, is close to Madison Metro bus stops, is considered a “Biker’s Paradise” and “Highly Walkable” area by Walkscore.com, and is within one-half mile of three B-cycle stations. It is adjacent to the Yahara River Bike Path and is in close proximity to access both Lake Mendota (at Tenney and Filene Parks) and Lake Monona (at Yahara Place and Morrison Parks)

Residential Specifics

The Project anticipates attracting a mix of residents including urban families, professionals, empty nesters and active seniors. The units will include high-quality features and amenities, access to a primary multi-modal transportation corridor on East Washington Avenue, and adjacency to recreational opportunities through the Yahara River Parkway.

Unit Mix: 151 one-bedroom - 65%
 78 two-bedroom – 34%
 3 three-bedroom – 1%

Apartment Features:

- Distinctive floors plans
- Professionally designed interiors
- Nine foot ceilings
- Electronic intrusion alarm system
- Covered, structured parking
- Quartz or granite countertops
- Upgraded appliances
- In-unit washers and dryers
- Private patio/balcony
- High-end cabinetry package

Community Amenities:

- On-site leasing office
- Clubhouse
- State-of-the-art fitness room
- Bike storage & repair in the parking structure
- Three private courtyards
- Public-use plaza along the river
- Access to the Yahara River and bike path

Commercial Specifics

The Project will include approximately 20,000 square feet of commercial space with structured, off-street vehicle and bicycle parking available to commercial tenants, customers, and guests. The northwest corner of the building along East Washington Avenue and the Yahara River Parkway will include a first-class commercial space that would be ideal for a coffee shop or restaurant with a patio facing the Yahara River Parkway. Additional commercial space along East Washington Avenue would be targeted toward small service, retail and office uses such as an insurance agency, a yoga studio, a boutique clothing store, or an art gallery. Commercial users would operate during normal business hours, with limitations on evening hours specifically to respect residential tenants and surrounding neighbors. Commercial parking, including visitor bike parking, will be located within the parking structure, which will allow for flexibility in the assignment of parking for different uses.

Compliance with Existing Plans

The Project site is in Aldermanic District 6 (Marsha Rummel), is part of the Marquette Neighborhood, and is currently zoned Limited Industrial. The Project team is seeking to have the site rezoned from Limited Industrial to Traditional Employment.

The Project complies with the Urban Design District No. 8 Requirements pertaining to building height, location, orientation, setbacks, massing, articulation, and materials; parking and circulation; and the aesthetics of landscaping, open space, lighting, colors, windows, entrances, and signage.

Mindful of the Yahara River Parkway Master Plan (1998), Yahara Gateway and Parkway Corridor Concept Plan (2014), and the East Washington Avenue Capitol Gateway Corridor Plan (2008), the Project is scaled to harmonize with the surrounding neighborhood and enhance the iconic view of the Capitol; will be an employment center served by the City's transit systems; and will, for residents and visitors alike, transform an underutilized industrial site into a vibrant and engaging center of residential and commercial activity along Madison's gateway corridor and the Yahara River.

Urban Design District No. 8 Requirements

Building Height

- The proposed building height of 4 stories complies with the District requirements both along East Washington Avenue and East Main Street, meeting the minimum required height and not exceeding the maximum permitted height.
- The proposed street level façade height of 4 stories along East Washington Avenue, 2 stories along East Main Street and 3 stories along the Yahara River complies with District requirements.

Building Location and Orientation

- The primary commercial and residential entrances for the Project address both East Washington Avenue and East Main Street.
- Project walkways connect to public sidewalks and paths.
- The anchor corner at East Washington and the Yahara River bike path is a commercial space visually enhanced with storefront glazing, canopies and an anticipated outdoor dining area which increases pedestrian character.

Setbacks

- Proposed setbacks of 15 feet along East Washington Avenue and between 5-20 feet along East Main Street comply with District requirements.

Parking and Service Areas; Circulation

- The off-street parking and service areas adequately address the City requirements for visual screening, lighting, and tree islands. (Note the parking structure does not abut either East Washington or East Main. The East Main façade of the structure has been architecturally screened to match the building and the East Washington façade of the ramp is visually minimized by the improvements on the neighboring lot.)
- Service entries, such as to the trash collection room, are obscured from direct street view.
- Parking structure entry drives are perpendicular to the connecting street.
- A loading zone (for residential move-ins) is provided off-street at the East Washington Avenue driveway. This loading zone does not impede pedestrian movement along East Washington Avenue.

- Plentiful bicycle parking is located throughout the Project for resident use, and near the commercial locations for temporary visitor bicycle parking.

Landscaping and Open Space

- Landscaping along East Washington Avenue and East Main Street contains canopy trees and plantings to enhance this urban project. Street furniture, bike racks and trash receptacles are stylistically coordinated with the building.
- At the corner of East Washington and the Yahara River bike path, a private cafe area, and other creative landscaping solutions, embrace and integrate the unique exposed retaining wall that is part of the Yahara River/East Washington bridge.
- The Project contains three courtyards, and one public plaza along the Yahara River. The courtyards contain trees, shrubs and seasonal color, shade structures, lounge furniture and outdoor grilling stations.
- The public plaza opens to the Yahara River and is a public amenity connecting the Project to the already established Yahara River bike path.
- Approximately 95% of the apartment units have private balconies that are a minimum size of 4'6"x 8'-0".

Site Lighting and Furnishings

- The Project includes architectural accent lighting at primary corners, lighting at the residential and commercial entries, and illuminated signage at the commercial spaces. Appropriate measures are in place to screen lighting from disturbing residents.
- Garage rooftop lighting are full cut-off fixtures.

Building Massing and Articulation

- The building mass respects and compliments views identified on the Views and Vista Map in the Downtown Plan.
- The Project has unique (primary) design elements on the first floor facing East Washington. A secondary design element from levels two through four distinguishes the residential architectural character from the lower commercial level. Architectural details establishing the Project's character continue on secondary (less visible) elevations.
- The corner of East Washington Avenue and the Yahara River contains a raised clearstory tower element that defines the primary corner of the project and creates a focal point.
- The commercial and residential uses have floor elevations that properly respond to the existing grades of the Project's site. There is no finished floor that is more than 3'-0" above grade.
- The ground level of the commercial areas facing East Washington Avenue and the Yahara River have increased visual interest created by storefront glazing, canopies, signage and landscape features.

- Balconies do not extend over the right-of-way on East Washington Avenue or East Main Street.
- Visual termination at the top of the building is a cornice element applied to the parapet walls.
- Rooftop equipment is screened by parapet walls or vegetation.

Materials and Colors

- Transparency percentages meet or exceed the District requirements at both commercial and residential uses.
- High quality, durable, low maintenance exterior building materials are being used including brick, cementitious siding, metal wall panel and storefront glazing.
- Colors and building textures are consistent with surrounding properties and are typical for urban projects.

Windows and Entrances

- No clear existing window and door pattern exists near the Project. The rhythm shown in the commercial and residential uses is typical and indicative of an urban project.
- At least 40% of the ground floor exterior of the commercial spaces is dedicated to windows.
- All windows on the ground floor of the Project are transparent and unobstructed.
- The commercial and residential entrances are each distinctive and clearly discernible to the public from the street.
- Permanent awnings on the commercial spaces along East Washington Avenue provide a base for the commercial signage. Awnings are steel and consistent with other exterior materials and architectural language of the Project.

Signage

- Signage is integrated with the Project's architecture.
- Colors and low-level lighting coordinate with the building façade and enhance the character of the Project.

East Washington Avenue Capitol Gateway Corridor Plan (2008)

Protect and Enhance the Iconic View of the Capitol: The modest height of the proposal preserves a key view shed of the capitol from First Street.

Respect and Strengthen Existing Neighborhoods: The proposal complements the existing housing mix in the neighborhood and respects adjacent single-family residences while introducing some commercial space, amenities and open space/public features to establish a truly activated, engaged mixed-use project complementary to the neighborhood.

Firmly Establish the Corridor as an Employment Center Supported by Transit: The proposal provides much-needed market-rate housing to downtown and near-east side workers and easy bus access to downtown. The approximately 20,000 square feet of commercial space creates employment opportunities.

Create an Inviting, Vibrant Boulevard Along East Washington Avenue: The proposal dramatically improves the interaction of East Washington Avenue with the Yahara River Parkway and introduces new residential and commercial uses on a historically underutilized, industrial site.

Land Use: The Project is consistent with the plan's designation of this site primarily for residential and employment uses.

Bulk Standards: The Project is consistent with the plan's designation of maximum façade heights not to exceed 3 stories on East Main Street, not to exceed 4 stories along the Yahara River, and not to exceed 5 stories on East Washington Avenue.

Building Height: The Project is consistent with the plan's designation of maximum building heights not to exceed 4 stories on East Main Street and the Yahara River and not to exceed 6 stories (with 2 "bonus" stories) on East Washington Avenue.

Urban Design: The Project is consistent with the plan's designation of the site for mixed-use development, with decreasing height on East Main, and utilizing the Yahara Parkway for "entertainment, residential, commercial, and retail uses, with restaurants and outdoor activities connecting to the river parkway activities and trail." The Project creates interconnectivity between the Yahara Parkway and the Project's adjacent outdoor spaces.

Compatibility: The Project is consistent with the plan's recommendations for this site including to "scale buildings compatible with existing residential properties" and to "integrate development with the Yahara Parkway."

Corridor: The Project is consistent with the plan's recommendation of a 3- to 4-story height limit across East Washington from Burr Jones field and along the Yahara River Corridor.

Yahara Gateway and Parkway Corridor Concept Plan (2014)

The Project is consistent with the plan's recommendations for this site, including 3-4 stories of residential on East Main Street, 4-8 stories of mixed use on East Washington Avenue, and a riverside activity area complementing the Yahara Parkway, including landscaping and other outdoor features integrated with the Yahara Parkway.

Yahara River Parkway Master Plan (1998)

The Project is consistent with the plan's recommendations of "housing at this site to strengthen the remaining housing in the area," and to complement the existing housing mix in the adjacent neighborhood.

Project Financial Information

Value of Land: The land is currently assessed at \$1,910,000 and improvements at \$381,000 for a total assessed value of \$2,291,000.

Estimated Project Cost: Approximately \$34,000,000

Number of Construction & Full-time Equivalent Jobs Created: 300 construction jobs; 6 full time employees of the apartments and approximately 65 jobs in the commercial / retail spaces.

Public Subsidy Requested: None.

Project Construction Schedule

Estimated to commence on or before June 2016 with a completion approximately 12 months after commencement.

Project Team

This is a joint effort between Campbell Capital Group, LLC and M-M Properties, Inc.

Architect:	Poole & Poole Architecture
Civil Engineering:	R.A. Smith National Inc.
Landscape Design:	R.A. Smith National Inc.
Structural Engineering:	Davis & Church LLC
Mechanical Engineering:	TBD
Traffic Engineer:	R.A Smith National Inc.
Legal/Land Use Approvals:	Whyte Hirschboeck Dudek S.C.
Interior Designer:	TBD

Campbell Capital Group, LLC was founded in 1999 specializing in all aspects of new multi-family developments. Campbell Capital Group, LLC has been involved in more than 7,000 apartment units representing in excess of \$200 million in equity invested, in projects totaling over \$1 billion in value. Michael J. Campbell is the Founder and Managing Member.

M-M Properties is a private commercial real estate firm based in Houston, Texas with a regional office in Los Angeles, California. It was formed by Kenneth S. Moczulski to develop residential and mixed-use projects. Multifamily investment activities have represented cumulative transaction volume of approximately \$2.3 billion inclusive of \$529 million of equity capitalization. Multifamily experience has encompassed projects totaling 18,000 units located in 22 markets across the U.S. from the Pacific Northwest to Florida.

R.A. Smith National Inc. is a leading consulting engineering firm, providing multi-disciplinary services to state and local government and the land development industry nationwide. Their comprehensive services include land development engineering, transportation, traffic engineering, municipal engineering, structural engineering, landscape

architecture, irrigation design, water resource engineering, ecological services, surveying, construction services, wastewater, geographic information systems (GIS), visualization and 3D laser scanning. R.A. Smith National was founded in 1978 by the current owner and president, Richard A. Smith, M.S., P.E.

Poole & Poole Architecture (2PA), LLC, located in Richmond, Virginia and Atlanta, Georgia, is an award winning, full service architectural firm specializing in multi-family developments, mixed-use projects, traditional neighborhood design (TND), single family homes and historic preservation and restoration. With more than 39 years of combined experience, founding principals Michael R. Poole, AIA, NCARB and Nea May Poole, AIA are committed to quality architecture and superior client service.

In closing, we look forward to working with the City throughout the approval process to transform this key site along the East Washington Avenue corridor and the Yahara River Parkway.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael J. Campbell". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael J. Campbell