From: **Bryson Heezen** <heezenb@hammescosports.com>
Date: Fri, Oct 25, 2013 at 8:25 AM
Subject: JDS
To: "George Austin (gaustin.madison@gmail.com)" <gaustin.madison@gmail.com>

George,

Attached, please find the presentation as well as the pre/post interview questions.

Please let me know if you have any questions.

Again, I apologize for the delay. I was on vacation last week in the mountains of North Carolina with little to no service. Upon returning I went straight to Red Crown which is also very limited in service when working with such large files like these presentations.

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George,

Thank you for the opportunity to address the questions raised by the committee and staff. You have submitted several questions pre and post interview. I'll answer your questions using the format you provided to ensure we provide complete feedback. For simplicity purposes, I used colored text as follows:

Black Text: Questions from JDS Committee and staff
Blue Text: Replies from JDS Development

Pre Interview Questions

Blocks 88 and 105

1. Provide the square foot mixed use assumptions for Block 105 and clarify how these assumptions are included in cost totals and TIF loan need. How would cost assumptions change if low value high density requests were reduced or removed? (JDS p. 24)

In Scheme 1 the mixed use assumptions for Block 105 include retail/dining at street level and residential units or commercial space in the mixed use building in addition to the separately identified city offices and bike center. By only building what we believe the market can support a TIF loan is assumed to not be needed for Block 105.

In Scheme 2 the mixed use assumptions for Block 105 include a mix of retail/dining at street level, residential and hotel units in addition to the separately identified office and bike center. Scheme 2 was presented on the basis that it would need to be self-supporting, but as the pro forma evidences this scheme will need substantially more TIF or other subsidy to be feasible. It was assumed TIF would not be made available for spec office and market rate residential. It is also expected an annual subsidy or further TIF will be needed to support this density.

2. Provide actual views from rooftop outdoor usable spaces. Provide renovation cost and use assumptions for each MMB floor including the lower level. How is room 260 of the Madison Municipal Building changed?

The views are included in the RFP interview presentation.

In our preferred Scheme 1 it is not practicable to break these costs out by floor as it would need to ignore the overlap of several elements such as MEP, circulation, exterior skin, roof, etc.

Please see the floor plans on pages 13 – 16 of our RFP reply for our preferred approach for uses on each floor of MMB under Scheme 1. In our alternate Scheme 2, the city's capital budget was assumed for renovation of MMB for city offices.

Room 260 will be a focal space within the hotel. As an extension of the main lobby, a new grand stair connecting the main lobby and second floor meeting rooms will bring hotel guests and meeting room occupants into room 260. The size, shape and volume of room 260 will remain with the opportunity to keep the wood wall paneling intact to establish the historic character of the architectural detailing for the rest of the space. The new use of the room will be an exceptional and unique gathering space outside of the meeting spaces.

3. Provide the square footage and locations for meeting rooms and full service features for hotels.

The meeting rooms are located on the second floor of the hotel and are 11,250sf. Full service hotels typically feature restaurant(s), fitness area, meeting rooms, banquet facilities, and other amenities.

4. On page 11 under Section 3.0 for Scheme 1, there isn't a breakdown of retail on the first floor for Block 88.

Scheme 1 Block 88 - First Floor Retail is 7,480sf.

On page 12 under Section 3.0 for Scheme 1 it doesn't provide square feet for retail/dining space.

Scheme 1 Block 105 - Retail/Dining is 7,000sf.

On page 25 under Section 3.0 for Scheme 2 it doesn't show the square feet of office or retail spaces.

Scheme 2 Block 105 - Office is 80,620sf. Retail is 5,180sf.

It also doesn't break down the number of public and private parking spaces. Please provide this information.

Please refer to counts on pages 11 and 12 as well as the parking demand calculations on pages 40 and 41 of our RFP reply.

5. Although the preferred JDS Development proposal shows an aerial view prospective from Doty and Martin Luther King Blvd., Scheme 2 does not. It would be appropriate to provide the same rendering for Scheme 2.

An aerial view from Doty and Martin Luther King Blvd for Scheme 2 can be found on page 32 of the RFP reply.

6. Can the City assume no additional cost for Block 105 city office space other than the square foot construction cost that's provided?

The costs provided are for developing 80,000 SF of office space on Block 105. We believe these costs will be sufficient to construct an office building for city purposes. If the city requires items outside a standard commercial office building consistent with the Madison market there could be impacts on budget.

7. How many on street parking spaces are being lost in both Schemes?

This was discussed during the interview.

Parking

1. Please clarify how the public and private parking spaces are separated in Block 88 and 105 for both Schemes.

Signage could be used to identify reserved, private, public, time limitations, etc. in parking levels, bays, and/or stalls.

2. It appears that you could provide another 100+/- spaces on the east portion of Lot 105. Please provide an estimate of the cost of another below grade level of parking for Scheme 1.

Adding stalls below grade may be possible but we don't see any economic reason to do so. Our plans accommodate an adequate amount of parking on Block 105. Pushing the planned parking below grade will only create space above ground that is currently not marketable. We're better off using the parking to create higher, more valuable space.

3. Your proposal uses a shared parking demand strategy to reduce the number of total parking stalls needed for the mixed-use development. Please provide information and/or examples of how shared parking has worked for other mixed-used developments in which your team has been involved.

This was addressed during the interview but additional information is as follows.

Shared parking is successfully used in many communities. For JDS, we used the methodology and data developed by Urban Land Institute (ULI). ULI has been collecting and publishing shared parking data since mid-80s. Based on widely accepted methodology, the shared parking approach and data provided by ULI is commonly used for most mixed use projects.

Public and private owners/stakeholders of the projects below successfully made shared parking a key part of their projects. The factors that made the shared parking concept successful include:

- Parking facilities were conveniently located within reasonable walking distances
- Encouraged shared parking use – Public administrators actively encouraged the use of shared parking
- Created shared parking agreements which made it easier for developers to implement and take advantage of this approach

Members of our team have been involved in many projects where shared parking has been successfully implemented. The following is a short list of our shared parking experience:

- City of Fort Collins, Colorado
- Cedar Rapids, Iowa
- South Side Works, Pittsburg, Pennsylvania
- City of Grand Rapids, Michigan
- City of Detroit, Michigan
- City of Green Bay, Wisconsin
- City of New York, New York

<u>South Side Works, Pittsburg, Pennsylvania</u>

- 123 acre brownfield site redevelopment
- Total public investment: $128M
- Mixed-use elements:
    - Residential
    - Retail
    - Office/Commercial
    - Light industrial
    - Hotel
    - Public parks
    - Sports training facilities

- Parking
    - Four parking structures
    - One parking lot
    - On-street spaces
    - Parking shared by all land uses

Thirty-Eight, Grand Rapids, Michigan

- 90,000SF mixed use development
- Total public investment: $9M
- Mixed-use elements:
    - Residential
    - Retail
    - Restaurants
    - Office
- Parking
    - 379-space parking structure
    - Other parking facilities in the area
    - On-street spaces
    - Parking shared by all land uses

4. Your proposals include over 902 parking spaces within scheme 1 and over 859 parking spaces within scheme 2, with all parking costs being incurred by the City. Please elaborate on how you envision parking ownership working, and specifically what arrangements would be proposed for the uses other (hotel, retail, residential) than public parking?

The formal structure of these components will require a lease or license agreement to provide the necessary parking for the commercial components of the project. It will also require either a condominium unit or a lease agreement to address the City Offices on Block 105 in Scheme 1. The Developer will need to work with the City to address the most desirable approach to the ownership structure. We would be interested in exploring an ownership structure similar to Block 89.

5. Your proposal shows an exit location for Block 105 on Doty Street at the east end of the site. This may result in congestion for vehicles exiting this location at peak periods due to traffic queues from the Doty Street/King Street intersection extending beyond the exit. Consider relocating the Doty Street exit for block 105 further to the west. Consider providing means to close this exit as needed and redirecting all exiting traffic to the Wilson Street exit.

One option could be to move the exit lane closer to the entry lane. This may not be the ideal location but it could decrease traffic congestion concerns on Doty Street. We would appreciate the city's feedback and recommendations as we further define the design of parking.

Variable message signs (VMS) could be provided above the Doty Street exit lane for purposes of closing this lane during specific times. When the Doty Street exit is closed, the VMS would show in red text, "CLOSED," "DO NOT ENTER," and "USE WILSON ST EXIT." Additionally, the parking gate will be programmed such that the gate arm will not be raised.

6. Floor plans do not show where Parking Access Revenue Control Equipment, including gates and pay on foot stations, would be located, or provide space for these amenities. Please elaborate on the design and location of these amenities.

The design and location of Parking Access Revenue Control Equipment is dependent on the final parking revenue management system and corresponding technology package selected by the city during their RFP process for this management system. The Parking Access and Revenue Control (PARC) Equipment could be located in a variety of places depending on the system selected as the system will ultimately define the proper location.

On entry/exit islands you could locate:

- Ticket Dispensers
- Ticket/Card Readers
- Proximity Card Readers

Above entry/exit lanes you could locate:

- AVI Readers
- Park-by-Phone Readers

Pay-on-Foot Stations could be located in the stair and elevator lobbies at the pedestrian connections to the streets.

Post interview questions

1. Committee member Annette Miller requested during the meeting that the green building techniques that are built into your budget assumptions be briefly described.

We are committed to promoting sustainable practices during construction and throughout the on-going operations of the JDS project. The following is a representative example of guideline criteria that will be evaluated for inclusion into the project (construction) and operating manuals.

This guideline serves as the framework to establish specific goals and objectives as the project moves forward and will be utilized by project team members including staff, designers, engineers, contractors and vendors that work on the project to guide decisions on the construction and operations.

Renewable Construction Practices:

Sustainable practices will be integrated into the strategy of the project.

- Complete assessment of constraints and opportunities associated with the existing site and buildings;
- Implement recycling program for waste, materials, furniture, fixtures and equipment that can be salvaged and re-used by the project or others from existing buildings;
- Reuse existing structure to minimize disruption, control the amount of new materials and the amount of trips of construction traffic;
- Prioritize use of renewable resources in construction to minimize construction waste;
- Favor locally/regionally sourced products;
- Replace windows with energy efficient windows;
- Replace mechanical, electrical and plumbing with energy efficient systems.

Removal of Hazardous Materials:

To the extent hazardous materials are present, the following will be undertaken:

- Complete a Phase I and Phase II Environmental Assessment;
- Remove (preferable) or encapsulate any existing material containing asbestos prior to the start of construction;

- Remove lead paint from premises;
- Dispose of Hazardous Materials in approved facilities and in accordance with applicable regulations.

Sustainable Site Development:

Landscape and site design will integrate into landscape design features:

- Development public spaces;
- Maintain grade control;
- Stormwater management systems;
- Landscape areas shall be designed to require minimum additional irrigation and integrate in the design low-consumption irrigating equipment;
- Irrigation management "smart control" system;
- Use of adaptive plant species in landscape design;
- Preventative pest management program that limits the amount of fertilizers and pesticides and favors treatment to organic fertilizers;

Water Savings:

Integrate efficient design and building systems within the project, including:

- Utilization of high-efficiency fixtures and equipment (e.g. kitchen equipment, toilets, showerheads, etc.)
- Conventional and non-conventional energy efficiencies;
- Consider applications for alternative technologies such as solar and thermal energy sources;
- Metering systems for all water uses shall be included with sub-meters on main points of use;
- Water flow regulators will be fitted to all wash basin taps and hand showers;
- Wash basins and urinals in public toilets will be fitted with controlled infra-red taps.
- Rainwater or grey-water recycling feasibility will be assessed by a specialist.

Conventional/Non-Conventional Energy Efficiency:

Integrate energy efficient design and building systems within the project, including:

- Appropriate orientation of buildings, location and sizing of windows or other glazed areas to promote passive energy benefits;
- Optimizing sizing of MEP systems;
- Utilize measurement and verification of modeled energy consumption to identify opportunities to improve/enhance performance of systems;
- Air handling units (AHU) with high efficiency heat recovery systems between air extract and air supply where space allows;
- Metering systems of all energy uses shall be included with sub-meters on main points of use;
- Modulate fresh air flow to optimize usage during peak periods for units dedicated to individual spaces;
- Motion sensors installed in low occupancy / use spaces;
- Implementation of energy efficient T8 and/or T5 fluorescent light fixtures;
- Implementation of LED lights on all exit signs;
- Energy efficient hallway and common area lighting;
- Gas boilers to be full modulating type and include at least one condensing unit;
- Well insulated water pipes and air ducts:
- Circulating pumps, fans, AHU's will be fitted with variable speed drive.

Sustainable Operations:

To the extent feasible or available, the project is commitment to the implementation of environmentally sensitive operations programs that include:

- Staff training/education on environmental standards;
- Operations recycling program;
- Implementing a comprehensive waste management policy that addresses proper disposal and recycling of materials and limits amount of waste sent to the landfill.
- Recycling bins included in guest rooms;
- Electronic accounting/inventory management system;
- Use of environmentally sensitive soaps and bath products;
- Linen re-use option encouraged in rooms;
- Involvement in donation of partially used soaps, etc.;
- Operating restrictions to reduce noise pollution;
- Enclosed loading dock and waste area to reduce noise pollution.

Sustainable Operation – Food and Beverage Facilities:
To the extent feasible or available, the project is committed to the implementation of environmentally sensitive operations programs that include:

- Staff training/education on environmental standards;
- Sustainable/local food program;
- Bottled water is US sourced;
- Standard water service in reusable glass pitchers;
- Use of recycled paper for guest and administrative functions;
- Operations recycling program;
- Recycling bins integrated into meeting/banquet levels;
- Electronic accounting/inventory management system;
- Involvement in food donation programs.

Transportation:
The development plan integrates the following:

- Pedestrian friendly paths/areas;
- Bike parking;
- Complete/implement traffic demand management program for employees;
- Encourage alternate transportation by employees.

2. During the presentation, Ms. Miller also requested more information on the WBE/MBE plans for the construction project. She asked if the goals and progress to date on the Edgewater project could be shared. If that isn't public information, could you use another recent project which is public?

Our year-end report will be completed during the 4th QTR. At this time we are compiling the data for our own evaluation. This is a private project so we won't be publishing our results but we are very confident that our efforts are having a positive impact on workforce development and retention in the community.