MANDEL GROUP, INC.

JUDGE DOYLE SQUARE
BLOCK 88
Development Opportunity in Downtown Madison
MEET THE TEAM

PHILLIP AIELLO
SENIOR VICE PRESIDENT - DEVELOPMENT

ANGIE TABRIZI
PROJECT MANAGER - DEVELOPMENT

BOB MONNAT
PARTNER | CHIEF OPERATING OFFICER

ANGIE ACHENBACH
CHIEF FINANCIAL OFFICER

ELIZABETH ADLER
DEVELOPMENT ASSOCIATE

KEVIN HICKMAN
SENIOR VICE PRESIDENT | C.D. SMITH

MIKE KROLCZYK
EXECUTIVE VICE PRESIDENT | C.D. SMITH

STEVE MAR-POHL
PRESIDENT | INSITE CONSULTING ARCHITECTS

CRAIG PRYDE
PRINCIPAL | KTGY

DEMETRIOS STAVRIANOS
EXECUTIVE DIRECTOR | KTGY

DUANE SOHL
TECHNICAL DIRECTOR | KTGY

JONATHAN SLADEK
VICE PRESIDENT | WSP

JONNY HUNTER
OWNER | UNDERGROUND FOOD COLLECTIVE

JUDGE DOYLE SQUARE
PROJECT MANAGER

JUDGE DOYLE SQUARE
TECHNICAL PRINCIPAL (CONSULTANT TO LVDA)

JUDGE DOYLE SQUARE
STRUCTURAL ENGINEER
MEET THE TEAM

PUBLIC PRIVATE PARTNERSHIP

MANDEL GROUP

CITY OF MADISON

KTGY ARCHITECTURE + PLANNING

CD SMITH

UNDERGROUND FOOD COLLECTIVE

INSITE CONSULTING ARCHITECTS

WSP

ARCHITECTURE / COORDINATION

CONSTRUCTION

RETAIL ACTIVATION

NOTES
MEET MANDEL GROUP

- Vertically-integrated real estate company with expertise in investment, development, property management, construction, and asset management
- Forte: developing best-in-class multifamily and mixed-use urban infill developments in walkable neighborhoods
- 28 years / $1.5 billion of investment in real estate
- Currently manage portfolio of 5.6 million square feet representing $930 million in market value
- Reputation for high design & excellent customer service
- Earned national recognition through Urban Land Institute and National Association of Home Builders
- Regional and local recognition from AOMA, NAA, CARW, and multiple business publications
DEVELOPMENT COMPLETION

Adept at stepping into partial completions & executing to high levels of success:

POINT ON THE RIVER
• Condo development defaulted to bank & Mandel Group took over mid-construction
• Mandel Group re-branded, finalized design, built out & sold a total of 152 condos
• Recovered $0.85 on the dollar for banks

PARK LAFAYETTE
• Mandel Group appointed receiver on condominium deal built during condo bust
• Mandel Group converted fractured condo to apartments
• Leased up property to sustained occupancy & subsequently purchased property with original lender as partner

BALLPARK COMMONS
• Recreation-oriented development with minor league stadium, ski hill & indoor sports complex
• Master developer solicited Mandel Group’s help with restructuring residential component to achieve feasibility & fulfill TIF guarantee obligation
• Engaged in November 2018 & construction starts July 2019
PUBLIC-PRIVATE PARTNERSHIP

THE WEST
- City solicited Mandel Group brand to signal city’s re-branding to market
- Brownfield redevelopment to support revitalization of West Allis Farmer’s Market
- Public/private partnership with City for remediation clearance & public infrastructure
- $175+ million reinvestment; vibrant downtown; walkable neighborhood

THE NORTH END
- City’s largest and most visible downtown brownfield site
- Public/private partnership with City for remediation clearance & public infrastructure
- $175+ million reinvestment; vibrant downtown; walkable neighborhood

LIGHTHORSE 4041
- Density land use through conversion of surface parking to structured parking
- Introduce first affordable housing available in affluent suburb
- Relocate Walgreen’s & provide public parking for surrounding uses
MEET THE DESIGN TEAM

INSITE CONSULTING ARCHITECTS
- Madison Office: Local connectivity
- Judge Doyle - Block 88 Continuity: Project Manager
- Project highlights: Madison Municipal Building & KM2 Building, Madison

KTGY
- Award-winning lead design firm
- Judge Doyle - Block 88 Continuity: Technical Consultant
- Deliver best-in-class design solutions
- Client list includes top-10 and top-25 builders and developers
- Expertise: Mid-rise & high-rise urban housing
- Project highlights: 1150 Wilshire, LA & The Ellis, Charlotte

WSP
- Industry-leading Structural Engineer
- Judge Doyle - Block 88 Continuity: Structural Engineer
- Expertise: Tall buildings & projects on challenging sites
- Project highlights: The Shard Tower, London & 505 Tower, Nashville TN
MEET THE GENERAL CONTRACTOR

C.D. SMITH CONSTRUCTION

- Madison Office: Local connectivity
- Best-in-class construction partner
- Expertise: complex projects on challenging, urban sites
- Preconstruction ingenuity & logistics planning
- Sustainable construction practices
- $190 million of vertical construction of high-density residential structures since 2016
- Well-versed in Madison’s Small Business Enterprise requirements
- Project highlights: 7SEVENTY7, Milwaukee, Breakwater Condominium, Milwaukee & UW-Madison Witte Hall
MEET THE CULINARY PARTNER

JONNY HUNTER / UNDERGROUND FOOD COLLECTIVE

- Madison-based operation encompassing Forequarter, the Heights, Underground Butcher, Underground Catering and Underground Meats
- Creative, exciting food + beverage experiences
- Best Chef Midwest (2014-2018) - James Beard Foundation
- Chef of the Year (2015) - Madison Magazine
- Forward Under Forty - University of Wisconsin
- Helped found the Chef Leadership Committee for Madison Area Chef’s Network (MACN)
- Co-founded FoodWorks, a career-training program that provides un- and under-employed students with free formal culinary training
UNIT TOTALS

- Unit Mix: 144 Apartments
  - Studio: 32
  - 1 BR: 59
  - 2 BR: 35
  - 3 BR: 18
- Targeted Space/Unit: 891 RSF

NEW HOUSING OPPORTUNITY

- High percentage of larger unit sizes for target audience: aging Baby Boomers looking to jettison home-ownership duties
- Designed to capture the pent-up demand of this underserved market & leverage strong demographics going forward
- Distinct target from most other millennial-focused apartment developments
WORKFORCE HOUSING

- 20% inclusive component
- 80% CMI
- Compliment tax credit inventory / pipeline
- Random distribution / same level of quality
- Promote social equality

"I have had such a great experience living here at the North End Apartments...Everyone that works here has always been so accommodating to my needs. I appreciate the most important factor that they have allowed me to live within my means with affordable housing."

-- WHEDA Resident

"Living at LightHorse is great, I think it’s excellent that I have the opportunity to live in a luxury apartment with these types of finishes and get the same type of services that someone else does paying a higher rent amount. There should be more apartment complexes like this!"

-- WHEDA Resident

"It’s the staff that makes it such a treat to call the LightHorse home. The office & building staff are so responsive and so easy to work with that I can’t imagine living anywhere else. Cannot recommend this place highly enough."

-- WHEDA Resident

"Lived here for two years and I loved it. Quiet, spacious and friendly. Everyone speaks when they see you in the hall. I had a couple that lived in the apartment next to me, and they always offered helping out with my kids if needed."

-- WHEDA Resident
FOOD & BEVERAGE

- Retail with a purpose
- Local
- Synergy with Madison Public Market
- Engage / support MarketReady participants
FINANCIAL PROPOSAL

MASTER LEASE PODIUM
- Put parking to immediate use
- Acquire podium @ sale / refinance
- Acquire air rights @ sale / refinance
- Provide City with upside participation
  1. Excess capitalization / cost savings
  2. Long-term appreciation
- Maximize total economic recovery to city

JUDGE DOYLE SQUARE
Lease Cash Flow Projection

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<td>Total Annual Cash Flow Lease Revenue</td>
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<td>$262,962</td>
<td>$270,851</td>
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<td>$287,345</td>
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<td>$313,990</td>
<td>$323,410</td>
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<td>Podium Purchase at 7.5% Loaded Cap Rate</td>
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Inflation Adjustment 3.00%

Note: “Loaded Cap Rate” equals the market valuation cap rate for purchase/sale transactions as determined by appraisal plus the net mill rate
MAXIMIZE **TAX BASE**

- Maximize height of building relative to Capitol View Preservation criteria
- Maximize building massing relative to podium’s allowable structural support
- Multi-family housing draws new residents to downtown area that otherwise would have few options
- Attracting residents with high disposable income drives new consumers to surrounding businesses and enhances the value of surrounding properties

NOTES
TIMELY DEVELOPMENT

- Design of building minimizes changes to podium, thereby minimizing delivery time
- Podium modifications reduce number of structural transfers from original concept design & could be achieved prior to podium completion
- Development expertise allows for expedient movement through challenges of entitlements process
- Proposed structure uses conventional materials to expedite permitting review time
- Design team familiarity with podium expedites design process
- Construction team’s track record of executing complex construction in tight urban settings ensures smooth delivery
- Management team’s long track record of successful lease-ups increases asset value in short term
In addition to the sustainability strategies put forth in the proposal, we would like to highlight the following concepts:

- We intend to locate the solar panels in a visible location for display and education purposes. Mandel has executed rooftop solar installations of up to 30kW output.
- Pursue Fitwel certification.
- Utilize green roof to mitigate storm water run-off.
- Construction waste management.
- Sustainable operation practices.
- Opportunity for composting.
- Focus on Energy.

**focus on energy**

Partnering with Wisconsin utilities.
WHY MANDEL TEAM

We are the right team for this complex and fast-paced project:

• We have demonstrated repeat successful performance on complex public/private development ventures to the high satisfaction of our public sector partners
• We have pointed experience with stepping into partially completed projects mid-stream and completing them in a manner that meets the objective of all involved parties and creates a highly favorable public perception of the completed product
• Our design/engineering/construction implementation team includes individuals with current, intimate knowledge of - and involvement in - the podium construction project
• Our construction lead – CD Smith – has direct, repeat expertise in executing complex urban high-rise construction in tight conditions
• Our design places the massing of the proposed improvements in the most advantageous relationship to the historic Madison Municipal Building, thereby respecting past reviews/inputs/approvals of the Landmarks Commission
• We are accustomed to working through detailed/complex public approvals processes, which characterizes nearly every transaction we have executed
• Our proposed market-responsive product differentiates Block 88 from the balance of Madison’s apartment inventory and broadens the array of options to best capture the available market
• Our targeted proposal for activation of the retail space supports other public initiatives, in particular the Madison Public Market and MarketReady initiative
THANK YOU

LET’S WORK TOGETHER!