



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

DESIGN

CONSTRUCTION

RETAIL  
ACTIVATION

INSITE  
CONSULTING  
ARCHITECTS

WSP

ARCHITECTURE /  
COORDINATION

STRUCTURAL  
ENGINEERING

NOTES

# MEET MANDEL GROUP



NOTES

- 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

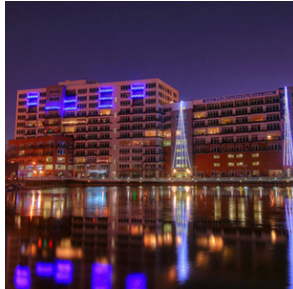




# DEVELOPMENT COMPLETION

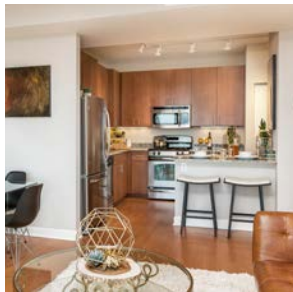


Adept at stepping into partial completions & executing to high levels of success:



## 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

NOTES

# 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
- Create food/beverage cluster to support ongoing reinvestment



## 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

NOTES

# 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



NOTES

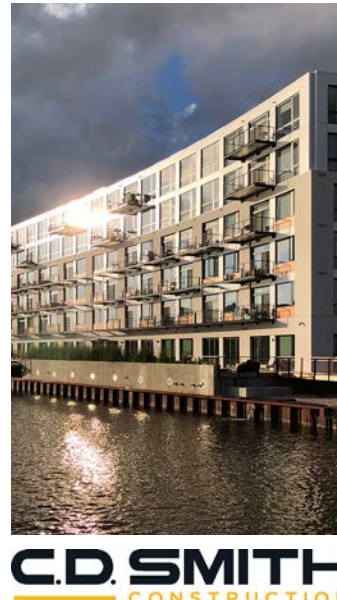


# MEET THE GENERAL CONTRACTOR

## 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

NOTES



**C.D. SMITH**  
CONSTRUCTION

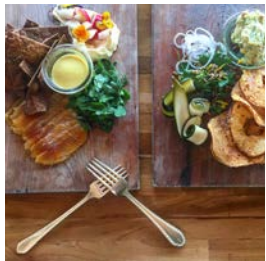


# MEET THE CULINARY PARTNER

## 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

NOTES



Underground  
Food  
Collective



# PROGRAM SUMMARY

## 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

NOTES





# 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

*"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

*"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

*"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

NOTES

# FOOD & BEVERAGE



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

NOTES





# 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

## NOTES

### JUDGE DOYLE SQUARE Lease Cash Flow Projection

Inflation Adjustment 3.00%

Net Operating Income	1	2	3	4	5	6	7	8	9	10	Total
Retail	\$ 56,583	\$ 58,280	\$ 60,029	\$ 61,829	\$ 63,684	\$ 65,595	\$ 67,563	\$ 69,590	\$ 71,677	\$ 73,828	\$ 648,658
Parking	\$ 198,720	\$ 204,682	\$ 210,822	\$ 217,147	\$ 223,661	\$ 230,371	\$ 237,282	\$ 244,401	\$ 251,733	\$ 259,285	\$ 2,278,102
Total Annual Cash Flow Lease Revenue	\$ 255,303	\$ 262,962	\$ 270,851	\$ 278,976	\$ 287,345	\$ 295,966	\$ 304,845	\$ 313,990	\$ 323,410	\$ 333,112	\$ 2,926,760
Podium Purchase at 7.5% Loaded Cap Rate										\$ 4,441,496	\$ 4,441,496
Air Rights Purchase										\$ 1,000,000	\$ 1,000,000
Total Annual Cash Flow	\$ 255,303	\$ 262,962	\$ 270,851	\$ 278,976	\$ 287,345	\$ 295,966	\$ 304,845	\$ 313,990	\$ 323,410	\$ 5,774,608	\$ 8,368,256

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

NOTES



# SUSTAINABILITY



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

NOTES



**focus on energy<sup>sm</sup>**

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**

NOTES

# THANK YOU



# LET'S WORK TOGETHER!

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