



REAL ESTATE INVESTMENTS

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LETTER OF INTENT

UNION CORNERS

Phase I: PUD-SIP

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McGrath Associates, as the managing member of Union Corners, LLC, has proposed a mixed-use redevelopment for the historic Union Corners property, an approximately fifteen-acre site bounded by Winnebago Street, East Washington Avenue, Milwaukee Street and the adjacent Rail Corridor. The site is an assemblage of twenty-two parcels and includes the former Madison Rayovac plant at 2317 Winnebago Street, the vacant Kohl's grocery site at 2525 E. Washington Avenue, and several other underutilized parcels. All twenty-two parcels are currently owned by the developer.

A General Development Plan (GDP) for the project was submitted in the Fall of 2005 and received Common Council approval in January of 2006. Included with the GDP approval was the demolition of all buildings on-site and the construction of roads as shown on the plan.

This project has included extensive public participation, including a 9-month long neighborhood design studio, several large public notice meetings and many smaller group meetings. The project has received an award from the Wisconsin Chapter of the American Planning Association, for the outstanding planning efforts and extensive neighborhood involvement.

Phase I: PUD-SIP

The subject Specific Implementation Plan (SIP) for Phase I of the project is for five buildings and covers 8.89 Acres of the site. Phase I includes 203 residential units and 100,673 SF of Commercial/Retail space. Of the 203 residential units – 140 are for-sale condominiums and 63 are rental apartments. The following is a summary of each of the five buildings and the site amenities of Phase I.

Buildings A and B

Buildings A and B sit on a 2.6 acre portion of the site at the corner of Milwaukee and East Washington. The two buildings share the surface parking lot as shown on the SIP Plans.

Building A is a three-story mixed-use, retail and office building over one level of below grade parking with a total area of 97,360 gsf, including parking. The parking level accounts for approximately 31,900 gsf, while the first floor commercial/retail space is approximately 28,500 gsf. The remaining 36,950 gsf is divided equally on two floors as leasable office space over the commercial/retail space.

The "A" site is bound by East Washington Avenue to the North, the realignment of Milwaukee Street to the East, the new Winnebago Street to the South and the new public square – Union Green to the West. The building footprint creates an "L" with the long leg running parallel to East Washington Ave. and the short leg extending south to form the partial east edge of the new public square. The primary mass of the building is a three story portion aligned along East Washington

Avenue and is intended to create an appropriate edge for the major boulevard and act as a buffer for the adjoining neighborhood to the south.

Building B is a 5,200 gsf commercial/retail building located on the corner of Winnebago Street and the southeast corner of the major public commons or square. The building is pulled up to this corner and is proposed as an over-story or two story structure to both anchor the corner and reinforce the common public space created between the adjacent structures. This added volume also provides for a dramatic lofted interior space with a clerestory primarily focused on the public square which is also highlighted with an occupiable interior mezzanine. The corner of the site is further reinforced by increasing the building mass with a large masonry volume with dramatic vertical windows and an indoor feature space. The concrete base of the building becomes exposed along the West elevation as it extends north from this corner with the glazed wall stepping back to create a raised planter. This is intended to provide visual building depth along the public square while softening the edge of the building along the sidewalk. Outdoor, sidewalk seating along this side of the building is envisioned as a scale element and activation of public space if an appropriate user occupies this building. Entrances to the building are located at either end of the glass volume that runs the length of the North side of the building and is set off against a monolithic, board formed, concrete wall. The entrance atrium is intended to bridge the access needs and entry identity for both the pedestrian and vehicular traffic and is designed to work in concert with the entry massing of the adjacent commercial space and entry for Building A to the north.

Both the "B" and "A" buildings are designed to provide a visual extension and focus of the commercial/retail spaces located along the private "Main Street" in addition to a focus on the center or cross roads of the public square. The increased vertical massing of the structure also provides integrated screening for roof top mechanical space on this central and highly visible, 360 degree site.

Building C

Building C at Union Corners will be a four story mixed-use building constructed over one level of below-grade parking. The parking garage is designed to provide 65 parking stalls. The ground floor of the building will include the residential lobby, and approximately 20,260 SF of commercial/retail space. Over the ground level commercial space is three levels of residential apartments totaling 63 living units. Each residential level will consist of 21 units averaging approximately 950 square feet per unit. Each floor will also include individual storage spaces and a glass lobby facing onto Unions Corner's Main St. – Union Main.

The exterior facades of the building will be subdivided into a series of four story vertical elements that will be distinguished by varying brick colors and will also include sections of glass curtainwall near both ends of the building. The design concept is to provide simple architectural detailing on the upper three floors while allowing the ground floor storefronts to be as imaginative and as colorful as the individual shop or business owners prefer. On the Union Main side of the building the storefronts have been set back 6' from the face of the building in order to allow for a covered walkway and to provide the potential for outdoor seating areas.

Building G

The G buildings are a series of three separate four-story residential condominium buildings set over a shared below grade parking structure and joined at the main level with a raised, semi-private, community terrace. The three buildings provide 124 living units and are arranged in a flattened U-shape that is aligned with and terminates the public square – Union Green, forming the southeast edge of this community space. The exposed, sandblasted, cast concrete foundation wall of the parking structure extends approximately 3 1/2 feet above the sidewalk level creating a raised plinth. This platform serves to unify and anchor the three buildings as they meet the ground. In addition to providing a landscaped "green roof" the platform serves as a semi-private community terrace for the building residents. The base of the buildings is also articulated with private, raised, entry porches for the lower level units. These porches allow the buildings to soften the street condition at Winnebago Street.

Each of the three buildings is comprised of 4 levels, providing approximately 150,000 gross square feet of living and common space. The buildings will be primarily brick veneer masonry and are intended to be reminiscent of simple American industrial/manufacturing structures. The masonry will consist of one primary “field” color and will utilize an accent brick to create areas of pattern for detail, texture and scale while other recessed surfaces will use the accent brick to break up the massing of the buildings. The stair elements are clad with coated copper, flat seam, metal panels that are proportioned to articulate the vertical. These vertical elements also intentionally break the roof line and are composed with the other building elements such as canopies and the fenestration to identify points of entry. In addition, the elements further break down the mass and repetition of each building. A combination of recessed balconies and French balconies with open metal rails also work to break down the mass while providing more intimate scale on the larger surfaces of the buildings

The G building site is unique in that there is sizeable green space surrounding the building – most infill projects have limited green space. So in addition to the green roof courtyard over the parking structure the G building residents will also be able to use several other site amenities specific to their building that take advantage of this green space which include several 8’ x 8’ garden plots, a composting area and potentially a small green house.

French Battery Building

The French Battery Building is a three-story mixed use building over one level of below grade parking. The ground level includes eight commercial condominiums and the upper two levels have 16 residential condominiums. The residential units will be “hard” loft style condominiums with high ceilings, large windows and exposed ductwork, conduit and other mechanicals. The grade level commercial condominiums will feature similar attributes including a nearly 16-foot high ceiling and will also have individual at-grade entrances. These units will allow small business owners the opportunity to own their own commercial/retail space – in a very unique building.

The building is designed to replicate the original three-story Rayovac office building, using original construction drawings, with an eighty foot long three-story addition that continues the façade of the building and completes the block face. The “original” 140 foot section of the building will be constructed using masonry, signage and other adornments that have been salvaged from the demolition of the existing building. The 80-foot “addition” will share the same detailing but will be built using a different color but complimentary brick.

Sales and Marketing Center

An existing one-story building at 2313 E. Washington Avenue has been renovated to serve as a sales and marketing center for the project. This space will include a 10’ x 15’ scale model of the project, sales and marketing offices, display/design space and a model residential unit. The front parking lot that serves the building has been redesigned as required by the East Washington reconstruction project – as shown on the SIP plans.

Site Amenities

The Union Corner Redevelopment recognizes the industrial history of the area but also incorporates a number of open space features, community amenities, and the implementation of several sustainable design features. Essentially there are four integrated amenity zones.

The open space area adjacent to the current Division Street at Winnebago has been designated as a resident park area with a play area, future bike path interconnection, and a landscaped entry feature that focuses on the preservation of the existing trees presently adjacent to the French Battery Building. This area may also feature some recycled elements from its former use.

This area transitions to Union Main Street which is an urban street environment with angled parking, urban streetscape, wide sidewalk, first floor retail and offices, and outdoor dining and activity on the block ends at 6th Street and Union Green West. This corridor aligns with the Union Green focal point - an outdoor amphitheater in the middle of Union Green. The pedestrian link between these

two areas is connected by a raised street table top crossing both Union Green West and Union Green East.

Union Green is the green space axis central to the development. The Union Green block adjacent to E. Washington Avenue contains the development's icon which consists of a functional industrial water tank. The water tank will be used to collect and store rainwater run-off from the building rooftops which will then be used for site irrigation or supply for potential water features. It may also include alternative renewable energy sources such as wind turbines and solar panels. The south block of Union Green is a flexible gathering place that includes an amphitheater, outdoor seating area, native plantings, and storm water infiltration area. The infiltration areas provide a unique opportunity to infiltrate and clean street storm water before it is discharged into the storm sewer system. This area transitions via a raised table top across the street to the parking lot adjacent to Milwaukee Street.

The Milwaukee Street frontage presents a heavily landscaped edge along the parking lot that provides a buffer and screening to the street. This is complemented by a unique translucent screen fence and a building corner at Milwaukee and East Washington Street that serves as a gateway to the development.

Other features in the development include, entryway monuments, a long bike path that flanks the southern edge of the property and connects Winnebago and Farwell Streets, proposed bike path connections across the railroad corridor to the adjacent neighborhoods at Division and Jackson Streets, a landscaped roundabout at the entry of 6th Street and Winnebago, and a raised table top at the intersection of Winnebago Street and Union Green. Other sustainable amenities include green roof features, resident garden plots, composting, and potentially a green house.

Master Association

To ensure quality maintenance and property management, the Union Corners Master Association will be established to oversee and maintain all of the common amenities and site features included with the project (the private streets, resident park, Union Green, etc...). Each individual building will have their own individual or sub-association and will also be a member of the Master Association. The Developer also proposes Maintenance Agreements with the City to plant and maintain public space on the project including the center of the round-about at 6th and Winnebago and the portion of the resident park that includes Division Street and the adjacent parcel at 2305 Winnebago – which the City will be acquiring for public works improvements. The Master Association will oversee the maintenance of these areas.

LEED Certification

The developer intends to obtain LEED certifications for most if not all of the buildings in this project. The use of solar power will be investigated and green roofs, special storm water management practices, high-efficiency HVAC systems, and other sustainable design practices will be implemented. Eric Truelove of the Renschler Company has been retained as our LEED Consultant.

Tax Incremental Financing

Tax Incremental District #37 is proposed to further the continued economic and physical revitalization of the East Washington Avenue/Winnebago Street Corridor. Union Corners is identified as the primary TIF generator. Increment from Union Corners is projected to fund over \$20,000,000 in City proposed public improvements. The Developer has applied for \$5,350,000 in TIF for Phase I to assist in funding land assembly costs, demolition, new road and utility infrastructure, inclusionary zoning requirements and other project feasibility needs. We will continue to work with City Staff to obtain the \$5,350,000 TIF commitment in advance of TID #37 State Certification in 2007.

Inclusionary Zoning (IZ)

An Inclusionary Dwelling Unit Plan Application has been submitted as part of the subject Application. Twenty-one (21) inclusionary units are proposed in Phase I with seventeen (17) units proposed in the G-Building, two (2) units in the French Battery Building and two (2) single-family homes that will be relocated

to the end of Farwell Street. The nineteen (19) new units will be affordable to those at 80% of AMI and have a minimum floor area of 540 SF for one-bedroom units and 767 SF for two-bedroom units. The two single-family homes within the project footprint, currently located in 2306 and 2310 Winnebago Street will be moved to Farwell Street. One home is a two-bedroom and the other is a four-bedroom and both are in very good physical condition. The homes will be available to residents at 70% of AMI. The IZ plan submitted is contingent on the resolution of TIF financing for the project.

Light-Rail/Streetcars

Union Corners has been identified as a potential node/stop location in both the streetcar feasibility study and the 2020 Transport study. Potential stop locations are identified on the attached SIP plans and include the resident park near the entry at Winnebago Street.

Division Street

As reflected on the SIP plans, the City is proposing to remove the section of Division Street from Lafollette to Winnebago and is also planning improvements to the Lafollette/Winnebago intersection. The City will also be purchasing the former radiator shop at 2305 Winnebago for public works improvements. The City will maintain control of both of these properties as excess right of way and as mentioned earlier the Developer intends to enter into a Maintenance Agreement with the City for these parcels and the center of the roundabout.

Environmental Remediation

As part of the Purchase Agreement with Union Corners, LLC, Rayovac Corporation has completed remediation of their property to residential standards in cooperation with the Wisconsin DNR and the VPLE (Voluntary Party Liability Exemption) program. A Certificate of Completion from the WDNR was received in March 2006. Prior to commencing the remedial work mandated by the WDNR, demolition of a portion of the existing site improvements was completed.

Demolition

Demolition of the remaining buildings on the site was approved thru the GDP and will be completed with a goal of recycling and reusing as much of the demolition waste as possible. Prior to demolition, salvage crews will be allowed access to remove useable products, appliances, trim and other equipment. The demolition contractor will be required to segregate and recycle concrete, asphalt, masonry, and metals to the greatest extent feasible. A Recycling and Reuse Plan was approved with the GDP. The Madison Fire Department has and will continue to be allowed access into the various buildings for training purposes prior to demolition.

MG&E

The Developer has been working closely with MG&E to reroute and underground all utilities that route through and service the site. MG&E has also offered to provide both technical and financing assistance to achieve some of the energy saving/sustainable design goals of the project.

Schedule

The first phase of road and utility construction is scheduled to begin in the Fall of 2006. The first phase of building construction is scheduled to begin in the first quarter of 2007. Build-out of this project will take place in phases during a three to four year period. Phases are subject to market demand and the future SIP. Total project cost is estimated at \$100 million.

Consultants

Schreiber Anderson Associates has been retained to provide site design, landscape architecture and civil engineering services. Engberg Anderson Design Partnership, SGN+A, and Architecture CSG have been retained to provide architectural design services. Anderson Illustration Associates is preparing architectural renderings and Bruce Severson of Architectural Arts is preparing the scale model for the project.

Union Corners, LLC has been created as the development entity for the project. McGrath Associates is the managing member responsible for development and marketing services for the project.