March 22, 2005

To The Madison Plan Commission 215 Martin Luther King Jr. Blvd; Room LL-100 Madison, Wisconsin 53701

Letter of Intent

Project Name: 4th Ward Neighborhood Office. A Bassett Neighborhood Project

Request: Demolition Permit for existing building at 551 West Main Street, the corner of South Bedford and West Main Streets.

Construction Schedule: Begin: Fall, 2005 Completion: Summer, 2006

Description of Existing Conditions: The existing building is a two-story brick building. Photos of the existing building are attached as part of this letter of intent. Gross building area for the two floors is 6,560 sq. ft. The building was originally built as a corner grocery store. The balance of the site is a surface parking lot. The zoning at this site is C2. The existing floor area ratio is .44, far below the allowable ratio of 3.0 in the C2 district, suggesting an underdeveloped site.

Proposed Project: Delta Properties seeks to develop a neighborhood office building at this site under C2 zoning guidelines. This is not an GDP-SIP submittal. While a mixed use of first floor retail and upper floor office may develop at this location, the focus of the project is office space which makes up about 90% of the rentable area. Neighborhood offices have the following characteristics:

- Typically located on corners or thoroughfares in residential neighborhoods. Business owners and employees in these buildings may live in nearby neighborhoods, walking, biking, or taking public transportation.
- Typically have surface parking which may be limited in scope.
- Typically have smaller suite sizes; 1,000 sq. ft. to 2,500 sq. ft.
- Landlords offer comparatively simple lease structures that may insulate tenants from changes in operating expenses.
- Examples of neighborhood offices in the Bassett Neighborhood include: Delta Storage Buildings –600 block West Main St.

Bedford Square-222 South Bedford

Keller Builiding-448 West Washington

Enterprise Solutions-Broom and West Washington

Giesen Law Offices-14 South Broom

Main Street Justice Center-Main and Broom Streets

Contributing Professionals:

Developer

Delta Properties, Inc. Contact: John Koffel 612 West Main Street Madison, WI 53703 608.279.8884

Architecture and Landscape Design

David Ferch, Architect 2704 Gregory Street Madison WI 53711 608.238.6900

Surveyor

Frank J. Lapacek, RLS 2658 Burse Surveying and Engineering, Inc. 1400 East Washington Avenue Madison, WI 53703 608.250.9263

Engineer

Mike Hein, PE Hein Engineering Group 319 West Beltline Highway Madison, WI 53713 608.288.9260

Contractor

Not Currently Selected

Developer Qualifications:

Delta Properties is uniquely qualified to assess the potential for renovation or redevelopment to neighborhood office. During the 1980's the principals worked for other companies on a variety of significant downtown Madison renovation projects. These projects include:

- Doty School renovation to condominiums
- West Rail Corridor Train Station renovation to restaurant
- Lincoln School renovation to apartments
- The Christian Science Church renovation to office
- One East Main (J.C. Penney's) renovation to office

Since the late 1980's Delta Properties has worked almost exclusively on the 600 bocks of West Main Street renovating older warehouses to neighborhood offices. We have completed more than 40,000 square feet of office projects located at 612, 624, and 633 West Main Street, and based on this experience we have learned a number of essential guidelines for determining renovation feasibility.

This experiences base allows Delta Properties to consider the potential and logic for two alternate scenarios as well as a the proposed development scenario including:

- 1. Alternate Scenario #1 Renovate the existing structure
- 2. Alternate Scenario #2. Renovate and add on next to the existing structure
- 3. Proposed Project: Construct a new structure that is historically sensitive to its Bassett Neighborhood context and appropriately scaled with its residential neighbors.

As we will demonstrate, we have concluded that a new structure is the most feasible and responsible course of action given the conditions and opportunities at this particular site.

Guideline Criteria for Renovation Feasibility:

All renovation projects have unique requirements. There is no simple formula. However, it is axiomatic that the more easily a building can be converted to a new use, the more feasible the project. Conversely, the more drastic the modifications, the more difficult feasibility becomes for the owner and the end user.

For neighborhood offices, affordability is a very critical issue. It is Delta's experience that a project needs to meet the following criteria before renovation can occur at a feasible cost:

- **Historic exterior features** must be in tact and the building needs to have basic structural integrity.
- The existing fenestration needs to be readily adaptable to the proposed usegood window patterns are required on all facades and all floors.
- In tact stairways must be reusable for the proposed development (new stairs built under new codes take up much more room and require major structural modifications.
- The building needs **interior features** that can be readily enhanced and which become meaningful architectural components of the renovated building. In the past we have worked with many diverse elements including wooden post and beam construction, steel girders, concrete structure and terrazzo floors, but some interesting architectural element has always been present in the projects we have undertaken.
- The building and site must have the ability to support reasonable parking demands for the contemplated use.

 In addition to the above building specific feasibility criteria, Delta also asks, in this time of strongly rising gasoline prices, "Does the proposed development make effective use of scarce land area in the downtown?"

Alternate Scenario #1: Renovate The Existing Building

The existing building at 551 West Main Street is an interesting brick structure with a nice cornice along Main and Bedford streets. The building is relatively sound even though the roof, the mechanical systems, and general layout are universally in need of replacement. At this basic level the building appeals to our sense of history and deserves consideration for adaptive reuse. The building is also however notably lacking in the other essential characteristics that Delta has learned are necessary for successful renovation projects. We note the **following deficiencies:**

- The original building fenestration is not readily adaptable. The window patterns on the two longest facades (the Bedford Street and parking lot sides) have only a few original openings along the first floor. Any reuse of the existing structure would have to substantially modify particularly the first floor of the long facades of the building. Cutting new windows wholesale into an older structure defeats its original integrity.
- The second floor window openings that do exist are irregular in size and spacing is not conducive to repeatable office layouts.
- No original stairwells remain in the building. The stairs to the second floor from the main street façade were added to the outside of the building and cannot be reused. The stairs at the rear of the building are housed in what is probably a 1940's addition, which strongly detracts from the original character of the building. If new stairs were restructured into the original building this would be at very substantial expense and it would result in a dramatic loss of useable floor area in so small a building.
- Other than some maple flooring on the second floor, the interior of the building is almost universally devoid of interesting features. Numerous comprehensive "remodelings" have left the interior with compromised layouts (very narrow halls) false ceilings on the first and second floors, and generally no pleasing elements that could be readily highlighted.
- Underdeveloped "edge locations" that border on residential neighborhoods are unique and scarce in the downtown environment. This is especially true in the Bassett Neighborhood. Perhaps only the former Findorff office site is an additional site for neighborhood offices in Bassett.

If neighborhood office development opportunities are both scarce and essential to balanced neighborhood growth, rational land use planning supports the creation of **as dense a project as is consistent with neighborhood scale.** This rationale has been in effect for the all-new residential redevelopment proposals for Bassett and other downtown neighborhoods for many years. At the Bedford and Main site under consideration, the appropriate building mass is a three-story building with

penthouse and a balanced parking supply. This particular building scale, or something larger, has been adopted by the Main Street developers and the Bassett Neigborhood Association for apartments and condominiums on the four, five, and six hundred blocks of West Main. How could this density be accomplished?

<u>Alternate Scenario #2: Renovate the Existing Building and Construct an Addition</u>

Could the original two-story building be gutted, re-fenestrated, and combined with a three-story addition giving the resulting structure a shape and size much like the new building we are proposing? For the moment once can assume yes it is possible subject to the limits noted above, but a closer analysis of the complexities of such a project leads to a rejection of this approach. The principal problems associated with this is the scenario's **parking ratio impact**.

Assuming that the original building was stripped of its offending stairway additions on the east and south sides, a new addition can more efficiently incorporate new ADA stairs as well as a new elevator. However, placing stairways and the elevator in the new addition severely reduces the parking capacity of that addition and no parking could be built under the existing structure.

With stairs in the new addition one would lose approximately 13 of 22 underground parking stalls as well as 8 of the 15 first floor parking stalls compared with the proposed all new building, a parking loss of about 21 stalls from a total potential of 46 stalls. The end result is a very unacceptable parking ratio for the project and inefficient parking costs for any single loaded parking that could be created in the addition scenario.

Finding renovation combined with a new structure infeasible, Delta Properties asked, "Can we create a new structure that respects its historical roots?" It is our belief that the building we are proposing for this site does make this contribution and thus deserves the approval of the neighborhood and the plan commission.

Scenario #3: New Building with Historic Detailing, Appropriate Scale, and Use As Detailed in the Bassett Neighborhood Plan

The Bassett Neighborhood Plan of October, 1996 includes recommended land uses. For the Bassett Tobacco Warehouse District which extends to the corner of West Main and Bedford, the plan says, "West Main Street and South Bedford Street are recommended for mixed use residential, office, retail and entertainment uses that are compatible with adjoining residential districts." The West Washington Avenue/Main Street Mixed Use District which also borders the site at Bedford and West Main calls for ground level retail, entertainment uses, and upper floor office/residential.

Delta Properties has an experience base with office development and management so we have focused our design of this building on the office user. Compatible retail use on the first floor will also be able to find a home at this location but the parking and traffic demands of any retail user will have to be carefully considered. An art gallery, for example, would be a retail use with a manageable parking demand. Desirable retail space in a newly renovated and constructed building has been available and vacant in the 500 block of West Washington Avenue for more than a year and additional retail has already been constructed and occupied at the other end of the block, the Basset and West Main intersection. Neighborhood feedback suggests that there are sufficient entertainment uses in the neighborhood at this time. We assume that the Bassett Neighborhood Plan is a guide to recommended uses and the proposed building falls within the guidelines established in the plan. Madison General Zoning Ordinances also recommend office within the C2 district which is the official zoning designation at this site.

The three-story façade is brick on all four sides and on all three floors. Artisan style bricks with softened edges that give the appearance of being hand formed are expected to be utilized. This will give the building more of an historic feel than many other recent buildings in the neighborhood. Recent construction has tended to utilize brick with sharply defined edges which gives it a much more typical and almost suburban feel to it. Stucco will be used at the penthouse level due to weight considerations. The historical style of the building is continued with brick arches over generous, traditionally styled windows. The roof cornice will be detailed to represent the existing building. Overall the look of the building recalls an historic corner bank particularly since the new structure preserves the original buildings strong relationship to the street corner. Overall the proposed building will certainly contribute to as well as enhance the established aesthetic of the Bassett neighborhood.

The massing and scale for this project at three stories plus a penthouse is similar to or more modest than all recent condominium and apartment construction on the four, five and six hundred blocks of West Main Street. These recent projects were approved under the more rigorous review process for PUD-GDP-SIP projects. The current project falls under C2 zoning guidelines, but in fact appears to meet or exceed typical thresholds used for the approval of the PUD projects.

Side yard and rear yard setbacks of 10' and 48' conform to C2 zoning requirements. The floor area ratio of 1.9 is less than the maximum floor area ratio of 3.0 in the C2 zoning district. No parking is required at this location but 46 stalls are provided and all but 9 of them are enclosed within the building. The size and use of each floor is as follows:

- Lower Level: 22 Parking Stalls plus mechanicals and storage.
- First Floor: 15 Parking Stalls plus office suite of 2,500 sq. ft.
- Second Floor: Office suites of 7,500 sq. ft.

- Third Floor: Office suites of 7,500 sq. ft.
- Penthouse: Office area of 2,950 sq. ft.
- Surface Parking: 9 stalls at the exterior of the building.

Recycling Plan: Recycling prior to and during the demolition process is being planned with George Dreckmann, City of Madison Recycling Coordinator and it will be completed prior to receipt of the final demolition permit. The plan preliminarily includes the following steps:

- Designate items to be donated to Habitat for Humanity ReStore, Jen Voichick, Director
- Wingra Stone: recycle concrete and broken brick.
- Payne and Dolan: recycle asphalt.
- Madison Stuff Exchange. Com: list brick salvage opportunities and architectural metal for reuse.
- Madison Trust For Historic Preservation: Coordinate volunteer brick recyclers.
- · Royal Container: explore options for wood recycling.
- All Metals Recycling: contract for recycling separated metals.

Site Description:

- Zoning: C2
- Total Area 15, 440 sq. ft.
- Frontage on Main Street 116.17'
- Frontage on Bedford Street 132.79'
- Elevation at North Corner 20.25 per City of Madison datum
- Elevation at South Corner 16.71 per City of Madison datum
- Right of Way Easement Doc. No. 753337
- Utility Easement Doc. No. 1265165

Legal Description:

The Southwest 47.16 feet of Lot One(1), and the Northeasterly 18.84 feet of Lot One (1) and the Southwesterly 3/4 of Lot Two (2), Block Thrity-One (31), Original Plat, in the City of Madison, Dane County, Wisconsin.

Building Maintenance: Trash removal will be serviced by private contractor, Waste Management. Trucks picking up at this location are equipped with cameras at the rear of the truck for safe backing. Recycling of paper and commingled items will also be by Waste Management. A wood enclosure as shown of the plan will conceal the trash and recycling containers. Snow removal and lawn equipment will be contracted to outside parties and equipment will be stored off site.

<u>Signage:</u> All building signage will conform to Madison General Ordinances for signage.

551 SURFACE PARKING







