



TRUMAN OLSEN REDEVELOPMENT PROPOSAL

4/13/2018



Prepared by





April 13, 2018

Economic Development Division, City of Madison
30 W. Mifflin Street, 5th Floor
Madison, WI 53701-2983

Dear Members of the Selection Committee:

Thank you for the opportunity to respond to the RFP on the purchase and redevelopment of the former Truman Olson site located at 1402 South Park Street. Hovde Properties and SSM Health (collectively "HPSSM") are partnering to propose a site development plan that meets the goals of the City and the Neighborhood in a single phase. Our proposal will include a modern grocery store, medical clinic space, retail stores, pharmacy, housing and collaborative nutritional and public health education programs. In addition, the development will incorporate ≈344 parking spaces, ample bike parking, mass transit connections and pedestrian friendly access. The total development will comprise 149,500 SF of usable space and an investment of over \$45 Million.

Hovde Properties is a third-generation developer and property management firm and has been doing business in Madison and Southern Wisconsin for 86 years. Hovde has worked with the City of Madison on several significant projects in the last five years including Ovation 309 and 316 West Washington, both of which required significant investments and development expertise. SSM Health serves the comprehensive health needs of communities across the Midwest through a robust and fully integrated health care delivery system. SSM Health serves four states and includes 10,000 providers and 40,000 employees located in 24 hospitals, 300+ physician offices/outpatient care sites, 10 post-acute facilities, comprehensive home care and hospice services, a pharmacy benefits company, an insurance company, a technology company and an Accountable Care Organization. The HPSSM partnership has shared values and a vision for the redevelopment of the former Truman Olson site as a catalyst to the Wingra BUILD Plan. The expanded design/development team includes architects and civil engineers, HGA/Ayers and Associates, a general contractor, JH Findorff & Son Inc., and community engagement specialist, Urban Assets. Our entire team has strong connections to Wisconsin and provides critical continuity with SSM Health's overall Fish Hatchery Campus planning process.

This proposal represents the collaboration of a development team committed to quality and specifically gathered to provide the depth of expertise and experience needed to meet the many needs of this key site outlined in both the City and Neighborhood plans. The quality of this proposal can be measured in the significant contribution to the tax base, the permanent employment and community opportunities generated by the mixed-use development, and its ability to deliver on critical components of City and Neighborhood plans including the completion of a much needed roadway, high quality housing, and community revitalizing grocery and retail components. SSM Health is uniquely positioned through current land ownership to allow the completion of this plan and the associated through street between Part Street and Fish Hatchery Road in a single-phase of construction. We thank you for your consideration and look forward to working with the City on this transformational project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael F. Slavish'.

Michael F. Slavish
President
Hovde Properties

A handwritten signature in black ink, appearing to read 'Brandon J. King'.

Brandon J. King
Director – Facilities Management
SSM Health Dean Medical Group

1. DEVELOPMENT TEAM

The development team is comprised of members with extensive experience in all facets of real estate development, design, construction, planning, community engagement and brokerage. The following are the members of the team and their respective roles as part of the development of the Truman Olson Property (“Development”):

Lead Developer and Owner



General Contractor



Architect



Civil Engineer



Community Engagement



Broker



Hovde Properties | a third-generation family-owned developer and property management firm headquartered in Madison, Wisconsin with locations in Milwaukee and Janesville. The Hovde team has been formed around veteran real estate and property management professionals with years of experience in the industry. Hovde’s current portfolio consists of 1.5M square feet and is valued at over \$250M.

Mike Slavish, President | mslavish@hovdeproperties.com | 608-255-5175
122 West Washington Avenue, Suite 350; Madison, WI 53703

SSM Health | a health system serving the comprehensive health needs of communities across the Midwest through a robust and fully integrated health care delivery system. With more than 10,000 providers and 40,000 employees in four states, SSM Health is one of the largest employers in every community it serves.

Brandon King, Director of Facilities Management | brandon.king@ssmhealth.com | 608-250-1031
1802 West Beltline Highway; Madison, WI 53713

J H Findorff & Son Inc. | an award winning, construction company with an average of 800 employees between its Madison and Milwaukee offices. Findorff has proudly stayed true to the values established more than a century ago: Character, Community and Craftmanship.

Jim Yehle, Project Exec. | Brad Beyer, Sr. Project Manager
300 South Bedford Street; Madison, WI 53703

HGA | a national architecture and engineering firm with 8 national offices and over 700 employees. HGA also is the lead firm for SSM Health on its entire campus located between Fish Hatchery Road and Park Street and adjacent to the Development.

John S. Chapman, AIA, IIDA, Principal | 333 East Erie Street; Milwaukee, WI 53202

Ayers Associates | a nationwide engineering, mapping, environmental, architectural, and survey firm with 13 offices throughout the United States.

5201 East Terrace Drive, Suite 200; Madison, WI 53718

Urban Assets | a project management and community engagement firm with proven results in improving access to transportation, community services, educational opportunities, affordable housing, public spaces, and a healthy environment for all with urban planning. Urban Assets is providing consulting services to SSM Health for their Fish Hatchery Campus redevelopment.

807 East Johnson Street; Madison, WI 53703

CBRE Group, Inc. | the world’s largest commercial real estate services and investment firm with more than 70,000 employees and 400 offices worldwide.

10 East Doty Street, Suite 400; Madison, WI 53703

309 OVATION



Findorff



LOCATION

309 W. Johnson St.; Madison, WI 53703

PROPERTY TYPE

Mixed-Use, Urban In-Fill, Market Rate Multi-Family, Office, Retail, Municipal

PROPERTY SIZE

478,854 SF (gross), 248 residential units, 338 parking stalls, 10,117 SF (office), 9,150 SF (retail)

AWARDS

- Apt. Owners & Manager's Assoc. of WI: 2015 High Rise Building of the Year
- InBusiness Magazine Commercial Design Award: 2015 Best New Development
- ASID, Wisconsin: 2016 Platinum Award for Interior Design Excellence

316



LOCATION

316 W Washington Ave
Madison, WI 53703

PROPERTY TYPE

Mixed-Use, Office, Retail

PROPERTY SIZE

246,868 SF (gross), 113 parking stalls, 8,069 SF (retail)

AWARDS

- The American Institute of Architects, Wisconsin: Merit Award 2017
- International Interior Design Association, Wisconsin: Award of Excellence 2017

SSM DEAN HEALTH PLAN



SSMHealth.

Findorff



LOCATION

Madison, WI

PROPERTY DESCRIPTION

Dean Health Plan selected Findorff to construct a new facility with the interior feel of a traditional office building while projecting a contemporary corporate image to the public. Dean Health Plan's four-story, 87,000 square foot headquarters features a curved wall and offers employees and visitors spectacular views with natural surroundings and full-service amenities throughout.

APERTURE AT THE NORTH END



LOCATION

470 E Pleasant St.; Milwaukee, WI 53202

PROPERTY TYPE

Mixed-Use

PROPERTY DESCRIPTION

HGA designed the third phase of the North End neighborhood development, a six-story mixed-use building that incorporates 168 luxury apartments and a 29,500-square-foot Fresh Thyme Farmers Market grocery store. The building also has three levels of parking; one level of below grade parking, one partial at grade and one partial mezzanine level, totaling 300 stalls.



Findorff



AVRES ASSOCIATES

UrbanAssets

CBRE

8TWENTY PARK



LOCATION

820 Park Street; Madison, WI 53715

PROPERTY DESCRIPTION

Urban Assets managed the neighborhood engagement and city approvals for 8Twenty South Park Street, the first affordable housing development planned for downtown Madison since 2012. 8Twenty South Park Street is a high-density, 95-unit, five-story affordable housing project funded by Section 42 Tax Credits. The site will leverage existing transit and health care services in the immediate neighborhood, and allow residents to live within walking distance of a variety of recreation and grocery options along South Park Street.

SSM ST. MARY'S EMERGENCY



LOCATION

Madison, WI

PROPERTY DESCRIPTION

Over the last several years, Findorff has been engaged by St. Mary's as their CM/GC via hard bid, competitive budgeting or negotiated work. Much of this work is complex, clinically intensive patient care areas like Maternal Services (Labor and Delivery, C Section, NICU), Medical Imaging, MRI, Pharmacy and Dietary to name few. Findorff also was the builder of St. Mary's award winning Healing Garden. Findorff is currently engaged as the CM/GC of the 6 West Inpatient Behavioral Health Inpatient Unit. The scope of the project includes a complete demolition and remodel, including exterior skin upgrades of the 20,000 square foot floor plate.

SSM ST. MARY'S HOSPITAL



LOCATION

Jefferson City, Missouri

PROPERTY DESCRIPTION

SSM Health wanted to streamline processes, reduce waste and plan a hospital that would meet the needs of their staff while delivering a superior patient experience. HGA worked closely with SSM to design St. Mary's Hospital - Jefferson City, a new 432,000 SF hospital focused on patient and staff flow, providing exceptional quality, improving outcomes and showcasing innovation.

SSM ST. ANTHONY HOSPITAL



LOCATION

Shawnee, Oklahoma

PROPERTY DESCRIPTION

Saint Anthony Shawnee Hospital engaged HGA to design a new addition that will transform the image of the existing hospital - one that can compete with the larger health systems of nearby Oklahoma City. The proposed design solution combines glass and metal panels to create an image unique to the community, combined with more familiar and tactile masonry materials for the building base. This addition also includes a new surgery suite, birthing floor, ICU rooms, and shell space for future med/surg beds.

2. DESIGN CONCEPT/LAND USE

A. Describe the development program and concept.

The design of this development, with 149,500 SF of usable space, achieves many of the goals of the Wingra BUILD Plan. This site will integrate grocery, retail, clinic, food education and housing uses and promote connectivity between Park Street and Fish Hatchery Road. In addition, the design also compliments and incorporates SSM Health's redevelopment initiatives for its campus to the west of the site with a critical relocation of part of its clinic space to the new Development. This development represents a new chapter for South Madison and sets the standard for future growth.

PROGRAM COMPONENTS

Grocery | The Development includes 40,000 SF on the ground floor for a full-service grocery which will greatly enhance the food choices and quality within the entire surrounding neighborhood. Current plans call for a coffee shop/deli space for neighbors to gather and interact. The grocery will have significant visibility from Park Street and access from the new Cedar Street.

Medical Clinic | SSM Health will be an anchor with 40,000 SF of medical clinic space located on the 2nd and 3rd floors above the Grocery. Each floor will consist of approximately 20,000 SF and have visibility from Park Street to facilitate wayfinding for clinic patients. A terraced patio is planned and will be accessible from the 2nd floor of the clinic for visitors and employees of the clinic.

Retail | 20,000 SF of ground floor retail space will be located on the western side of the Development, below the housing component, with visibility and access from the new Cedar Street. It is anticipated that 5,000 SF would be used as a new pharmacy for SSM Health and the remaining 15,000 SF would be leased to either SSM Health related users (optometry, chiropractic, etc.) or traditional retailers who would complement the grocery store.

Housing | A three-story housing development totaling 48 units (49,500 SF) with a mix of one and two-bedroom units will be located above the ground floor retail. The type of housing has yet to be determined but could be purposed for market rate, senior independent living or other types of housing which will be determined with a market study of the area and neighborhood input. The Housing will have visibility and access from the new Cedar Street through a lobby and elevators located in the lower parking area.

Community Food Education and Engagement | Plans include space in the 2nd floor of the medical clinic or within the grocery space itself for a food education program which may include a fully functioning kitchen to be used for food preparation demonstrations. This will support SSM Health's mission to educate and help people live healthier lives and understand how their food choices impact their overall health. SSM Health plans to partner with a grocery to implement this program.

Parking | The entire development will be served by ≈344 parking stalls managed through a shared parking arrangement. ≈134 stalls, located on the ground floor, will be utilized by Grocery and Retail users. ≈210 stalls, located in the lower level, will meet the needs of the Clinic and Housing components. Clinic hours are generally 8 a.m. to 5 p.m. on weekdays which will allow for efficient shared use with other components during the evening and weekends. In addition, SSM Health's Fish Hatchery Campus plan includes space for a large, future multi-level shared parking structure to the east on SSM Health's land. This ramp could be shared with the City of Madison and adjacent property owners under the right circumstances, allowing for higher density development of entire area. SSM Health plans to discuss the timing and circumstances of this future ramp with the City of Madison as part of its Fish Hatchery Campus Redevelopment Project forthcoming, currently in pre-design.

Bicycle Parking | Bicycle parking is planned within the Development sufficient to meet all City requirements and will encourage the use of the many bicycle routes near the Development.

Mass Transit | A proposed bus stop on the new Cedar Street is included in the Development plan to encourage mass transit use.

Pedestrian Access | The development was planned to activate Park Street with pedestrian-oriented design. Access will be improved with new sidewalks along Cedar and South Park Streets to encourage safe and efficient pedestrian usage throughout the development.

New Roadway Interconnectivity | The extension of Cedar Street has been included to help meet the goals of the RFP. This new segment will proceed west through the Development and then curve to the north towards land currently owned by SSM Health (presently a parking lot). SSM Health is willing to work with the City of Madison to facilitate the second half of the desired road connection through land that they currently own through a right-of-way swap or other means. With selection of this development team, the City's vision for the Cedar Street extension is unified and can be coordinated with one team.

Design and Integration with Adopted Plans | This proposal meets policy objectives, recommendations and requirements from the City's Comprehensive Plan, the Wingra BUILD Plan and Urban Design District Seven. In addition to the variety of tangible benefits and components outlined in the surrounding paragraphs, great care was taken to ensure that this Development would also conform to suggested aesthetics on Park Street. This design creates a visually engaging massing and façade with sixty percent of the ground floor commercial wall comprised of windows and 40 percent windows on the second and third floors. Both buildings will incorporate attractive colors and high-quality materials such as brick and metal panels. Finally, front entrances have been recessed to ensure a pedestrian friendly experience.

Employment Creation | The Development includes several new employment generators with a variety of job types. The following is an estimate of the new full-time job equivalents associated with each type of use: Grocery 72, Clinic 75, Retail 18, Housing 5, for an estimated total of 170 new permanent jobs. In addition, the construction of this Development is expected to create 175 construction jobs.

SSM Health's Campus Plan | SSM Health is a major employer and community asset to both the City of Madison and specifically the neighborhood surrounding the Development. SSM Health provides a stabilizing force within the neighborhood and is in a position with this Development to continue to provide quality healthcare and employment in the area for the long term. Future plans call for significant improvements within their Fish Hatchery Campus including: construction of a new clinic building to replace the existing outdated facility, space for a future shared parking ramp and a second clinic or administration building. The parking ramp could be developed for shared use with the City of Madison and adjacent property owners under the right circumstances. The Truman Olson Property represents a critical component of this overall plan. The proposed 40,000 SF clinic space will ensure that SSM Health is able to meet the community demands which cannot be accommodated on the main SSM Health campus and has an expected focus on primary care.

SSM Health and Hovde Properties have a shared development philosophy that demonstrates a commitment to close collaboration with local municipalities and community stakeholders to create projects that transform neighborhoods. Given the investments SSM Health and Hovde Properties have each made and plan to continue making in the Madison community and their long-standing histories, HPSSM is clearly the right party to work with on the Truman Olson Property redevelopment. HPSSM is uniquely positioned to maximize the overall impact to the entire area especially as it relates to the willingness of SSM Health to work with the City in implementing the desired transportation plans related to Cedar Street.

B. Submit preliminary site and building plans, building elevations and sketches with enough detail to help communicate development concept

Located on following pages.

C. Indicate the development land uses, prospective business types, along with unit counts and square feet per use.

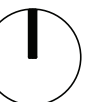
Please see section 2(A) for development land uses, prospective business types, along with unit counts and square feet per use.







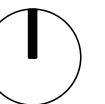
SECOND LEVEL:
SSM HEALTH CLINIC: 1,200 SF
GROCERY: 40,000 SF
RETAIL: 15,000 SF

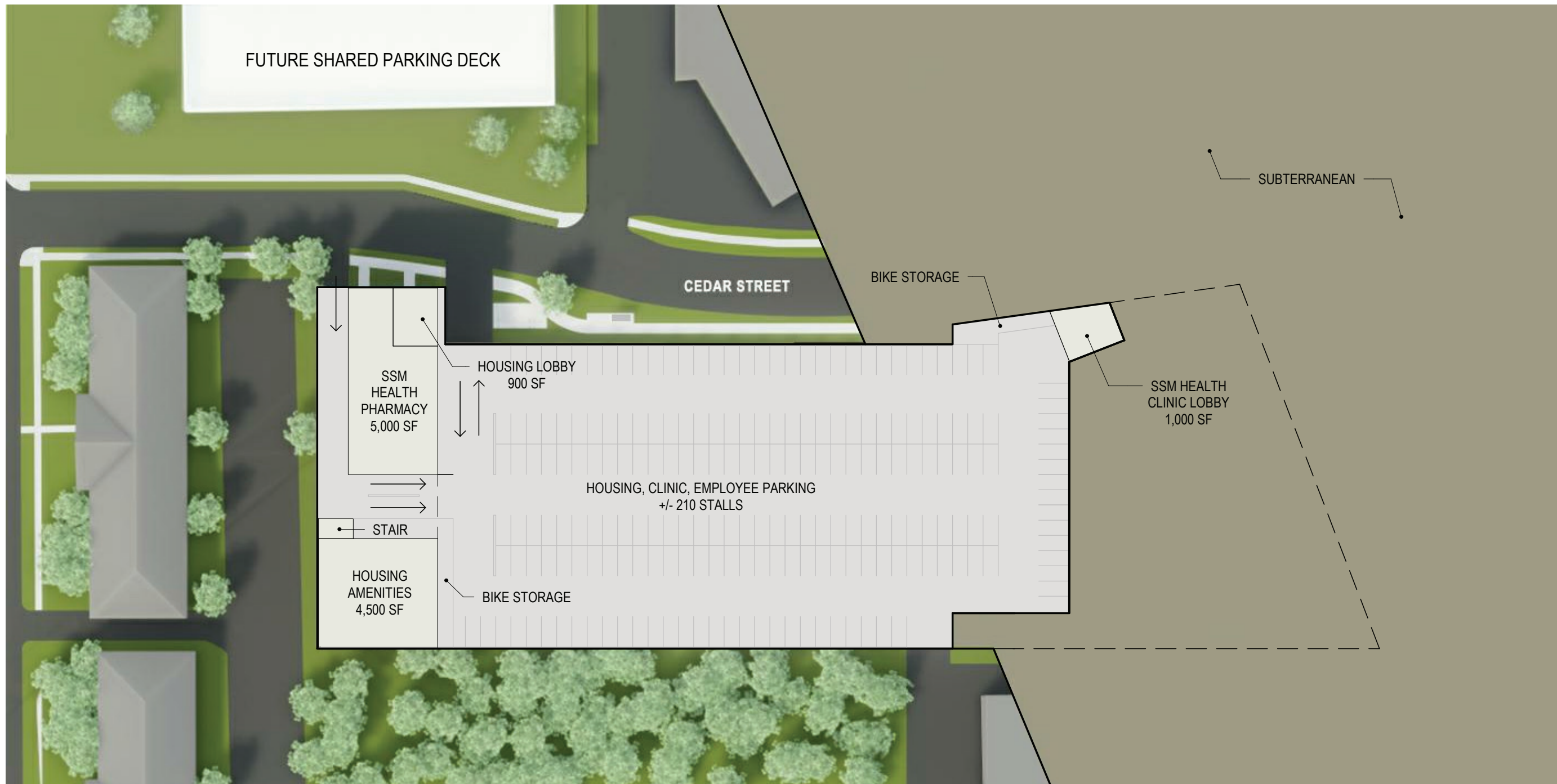




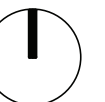
TYPICAL UPPER LEVEL

SSM HEALTH CLINIC: 20,000 SF (40,000 SF TOTAL)
RESIDENTIAL: 15,000 SF (45,000 SF TOTAL)
ASSUMES 48 UNITS TOTAL





FIRST LEVEL:
 SSM HEALTH CLINIC: 1,000 SF
 SSM HEALTH PHARMACY: 5,000 SF
 RESIDENTIAL: 5,400 SF

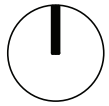




TRUMAN OLSON RFP SITE

SSM HEALTH CAMPUS PROPERTY

SITES FOR FUTURE DEVELOPEMNT



3. FINANCING

Responses to this section are included in a separate submittal per instructions in the RFP and direction from City staff.

4. OWNERSHIP STRUCTURE

A. Describe the desired method for taking title to the Property.

Hovde and SSM Health will form a limited liability company and take fee simple title to the property after negotiation of a purchase and sale agreement, which will include adequate time for City approval processes and customary due diligence of the site.

5. PROCESS/TIMELINE

A. Provide a timetable for each major phase of the project.

The total length of the development schedule is approximately three years and starts with the RFP submittal and ends with issuance of the Certificate of Occupancy. After final approval of the Developer's Agreement with the City of Madison the developer will complete the schematic designs needed for the land use application. The developer will follow the submittal and approval dates in the City of Madison's Development Review Schedule for UDC and Plan Commission completing the entitlement process in September of 2019. A twenty-one month construction period would start shortly after delivering finished space in the spring of 2021.

Detailed Development Schedule is provided on the next page.

B. Provide a summary of the marketing approach/plan if applicable.

CBRE employs a thorough process when examining new developments in order to create the optimal strategic plan. Items to be analyzed include restrictive covenants and exclusive uses, consumer demand, demographic data, operational challenges, neighborhood impact and traffic planning. CBRE then formulates a merchandising/leasing plan based on the results of this analysis and ownership's long-term goals for the property. An implemented marketing campaign would include the following: marketing brochures, e-blasts to specific tenant and broker lists, leasing signage, marketing videos or slideshows, a dedicated property website, LoopNet and CoStar listings, as well as, targeted phone calls and mailers.

C. Describe a neighborhood participation process or plan.

The goal of the neighborhood engagement process is to engage the Bay Creek Neighborhood, Park Street businesses, adjacent property owners, and the South Madison Community early and often. The SSM Health Fish Hatchery Campus Redevelopment Steering Committee, which is being convened by Alder Eskrich for the SSM Health – Dean Medical Group's redevelopment of the Fish Hatchery Campus, will be engaged for the Truman Olson Property redevelopment as well. The Steering Committee is composed of Bay Creek residents, adjacent property owners, and nearby business owners. The Steering Committee will meet three to four times; the first meeting will occur shortly after the selection of the Hovde/SSM Health Development Team by the city. Urban Assets will serve as the primary contact for the Steering Committee and will coordinate the meetings in consultation with Alder Eskrich and the Hovde/SSM Health Development Team.

The purpose of the SSM Health Fish Hatchery Campus Redevelopment Steering Committee is to: provide feedback on planning and design; advise on additional outreach and data collection activities to inform the Truman Olson Property redevelopment planning; provide input on appropriate engagement techniques within the redevelopment project area and help to leverage existing community engagement forums; ensure that diverse interests are represented throughout the planning process; and encourage involvement by a broad representation of stakeholders in public engagement activities.

D. Timeframe for phasing and development.

See answer to 5(A) above and Development Schedule on page 17.

D. Timeframe for phasing and development.

ID	Task Name	Duration	Start	Finish	2018				2019				2020				2021		
					4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
1	RFP Process	10.75 mons	4/13/18	2/8/19															
2	RFP Response Due	0 days	4/13/18	4/13/18			◆ 4/13												
3	RFP Reponse Review	1.15 mons	5/1/18	5/31/18			■												
4	Selection Committee deliberation and Selection	1.1 mons	6/1/18	6/30/18			■												
5	Common Council Review and Award	1.15 mons	7/1/18	7/31/18			■												
6	Development Agreement (DA) formalized	2.7 mons	8/1/18	10/15/18			■												
7	DA Agreement introduced to council	1.15 mons	10/16/18	11/15/18			■												
8	Committee recommendation to CC	1.65 mons	11/15/18	12/31/18			■												
9	Action by CC and Subcommittees	1.15 mons	1/1/19	1/31/19			■												
10	Close on Property	0 days	2/8/19	2/8/19															
11	Entitlements	7.6 mons	2/1/19	9/2/19															
12	Design Development	3 mons	2/1/19	4/25/19															
13	Submit Land Use Application*	0 days	5/2/19	5/2/19															
14	Urban Design Meeting*	0 days	6/19/19	6/19/19															
15	Plan Commission Meeting*	0 days	7/1/19	7/1/19															
16	Common Council Meeting*	0 days	7/9/19	7/9/19															
17	Department Sign Off	2 mons	7/9/19	9/2/19															
18	Construction	20.85 mons	9/3/19	4/8/21															
19	Excavation	4.9 mons	9/3/19	1/16/20															
20	Footings & Foundations	4.1 mons	12/27/19	4/20/20															
21	Structure	5.75 mons	1/28/20	7/6/20															
22	Enclosure	7.2 mons	3/17/20	10/2/20															
23	Interior	8.65 mons	7/13/20	3/10/21															
24	Close-out	1 mon	3/11/21	4/7/21															
25	Certificate of Occupancy	0 days	4/8/21	4/8/21															

*Estimate: Actual dates not yet released