

JUDGE DOYLE SQUARE

Interview Presentation

JDS Development, LLC

A Joint Venture of:
Hammes Company and Majestic Realty

October 14, 2013



OUR VISION

Our vision for Judge Doyle Square is to create a unique destination designed to strengthen Madison's urban core and complement our primary destinations — Monona Terrace and Overture Center — by creating a dynamic place with programmatic uses that define Madison's character. Imagine a place that captures all of the elements that define Madison for the next generation ...

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VISION / DESTINATION



CAPABILITY

Our extensive experience in developing destination projects across the country and our knowledge of the local market provides the foundation that will be needed to execute a project of this complexity over multiple phases.

- ◆ Leader in Destination Developments
- ◆ Community Anchors
- ◆ Driver of New Visitation
- ◆ Local Equity Commitment
- ◆ Leverage Operating Entity
- ◆ Long-Term Investment Perspective



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VISION / DESTINATION

Scheme 1 MMB Anchors Hotel

Block 88

- ◆ MMB anchors destination hotel
- ◆ Unique dining experience – Food Emporium
- ◆ Wellness

Block 105

- ◆ City offices move to Block 105
- ◆ Mixed Use / Residential on Block 105



Scheme 2 MMB Remains City Offices

Block 88

- ◆ MMB remains city offices
- ◆ No destination dining in hotel
- ◆ Wellness

Block 105

- ◆ Private office
- ◆ Mixed Use / Residential



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PROGRAM COMPARISON



How to Build a Destination

◆ Vision

- Unique Urban Experience
- A Landmark Destination
- Stylish Hospitality
- A Public Place . . . Rooftop Terrace
- Food Emporium
- Urban Wellness

◆ Market and Program

◆ Density

◆ Streetscape

◆ Public / Private Investment

◆ Equity Commitment

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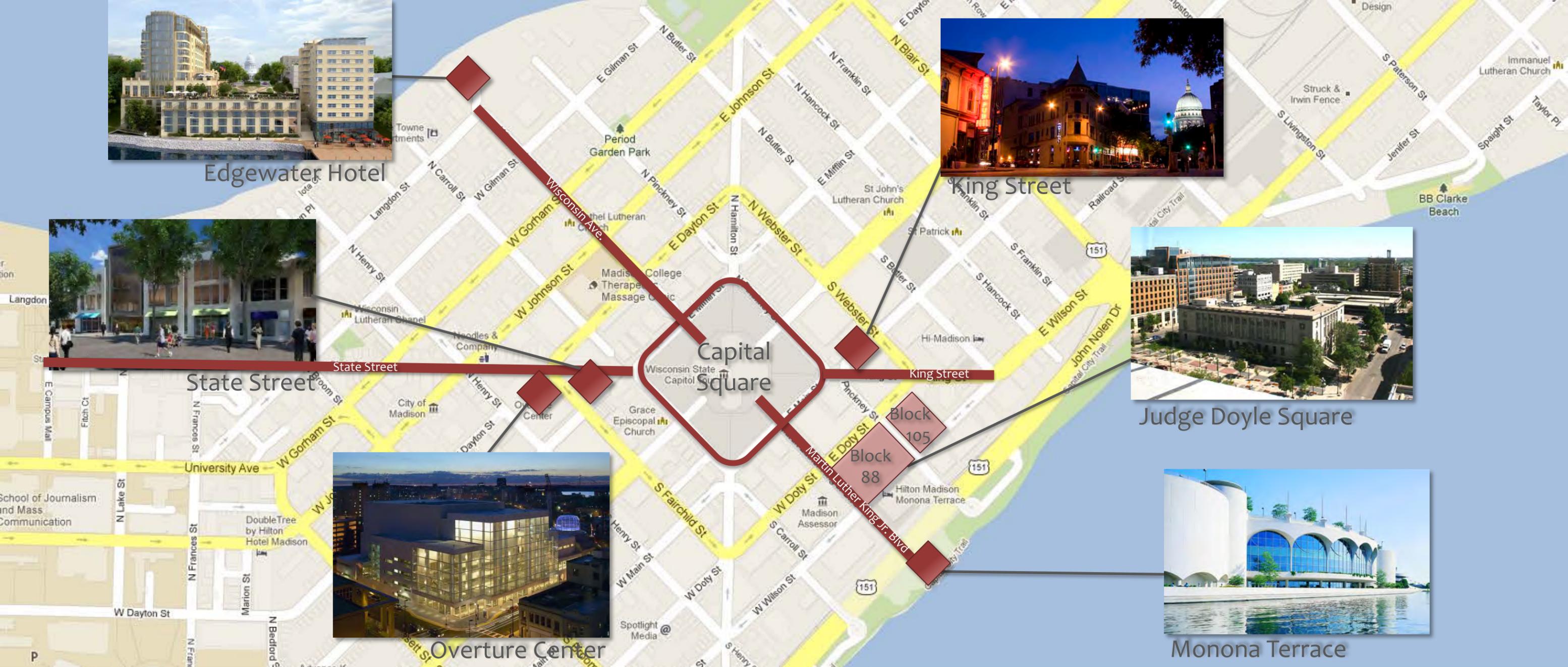
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HOW TO BUILD A DESTINATION

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VISION



URBAN EXPERIENCE

Our vision for this project is to create a connection between the places that make Madison a great destination.

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VISION



A LANDMARK DESTINATION

Historical, landmark places: create a sense of place, destination, drive year round visitation

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VISION



STYLISH HOSPITALITY

Judge Doyle Square will be a core destination connecting Monona Terrace and the Capitol Square and enhancing the culture of the urban core.

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VISION





A PUBLIC PLACE . . . ROOFTOP TERRACE

The roof of MMB offers amazing views of the things that make downtown Madison great... lakes, Monona Terrace and Capitol Square.

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VISION



FOOD EMPORIUM

This unique dining destination will offer a downtown experience that will enhance the Madison restaurant culture. Will bring the best of Wisconsin to downtown visitors. This will become a focal point to the culture of Madison and a compliment to Monona Terrace.

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URBAN WELLNESS

Health and wellness in the urban core will promote the Madison lifestyle, with a focus on fitness and active lifestyles. This builds on an energizing urban trend in health & wellness.

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VISION



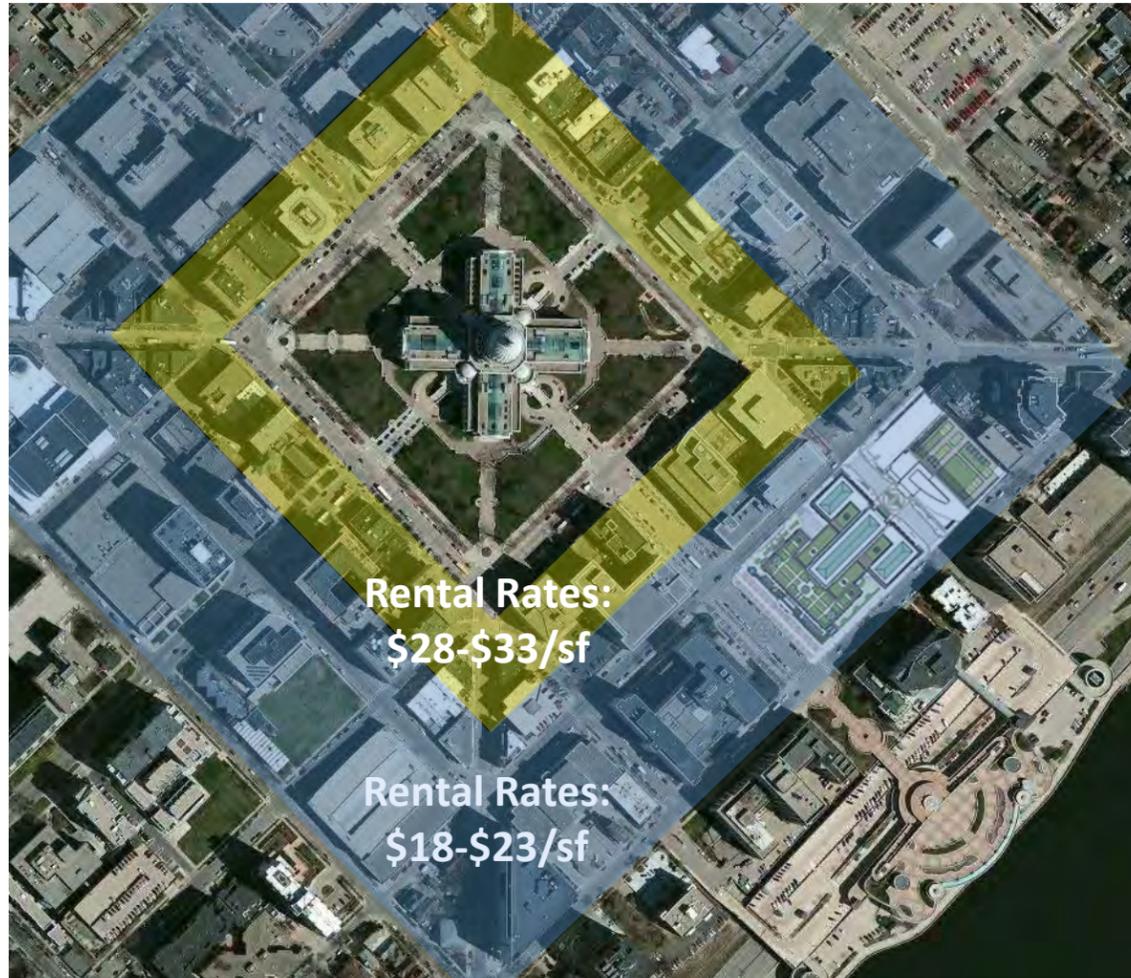
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VISION

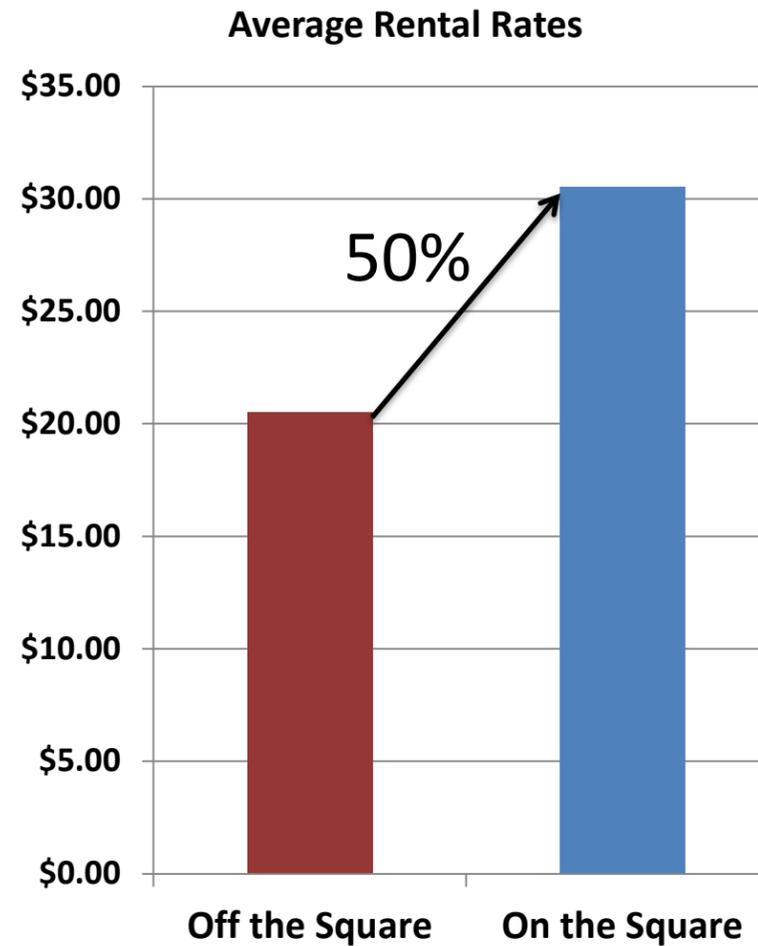


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MARKET AND PROGRAM



In 2013, the vacancy rate for downtown Madison office space increased to **17.2%**



“JDS is not a prime location for new Class A office space because Block 105 is one block off the Capitol Square. Judge Doyle Square would be appropriate for Class B office space (such as government offices).” - JDS Master Plan Chapter 2, Page 4

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MARKET



Private Program Summary

	Scheme 1	Scheme 2
Block 88 - Private	MMB Anchors Hotel	MMB Remains City Offices
Hotel	213,380	180,270
Food Emporium	19,800	-
Meeting Space	11,250	6,800
Wellness	11,000	10,000
Total Block 88 - Private	255,430	197,070
Block 105 - Private		
Office - Private	-	80,620
Residential/Mixed Use	106,250	106,360
Total Block 105 - Private	106,250	186,980
Total Private Program	361,680	384,050
Expansion Area	65,000	
Potential Program - Private	426,680	384,050

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PROGRAM

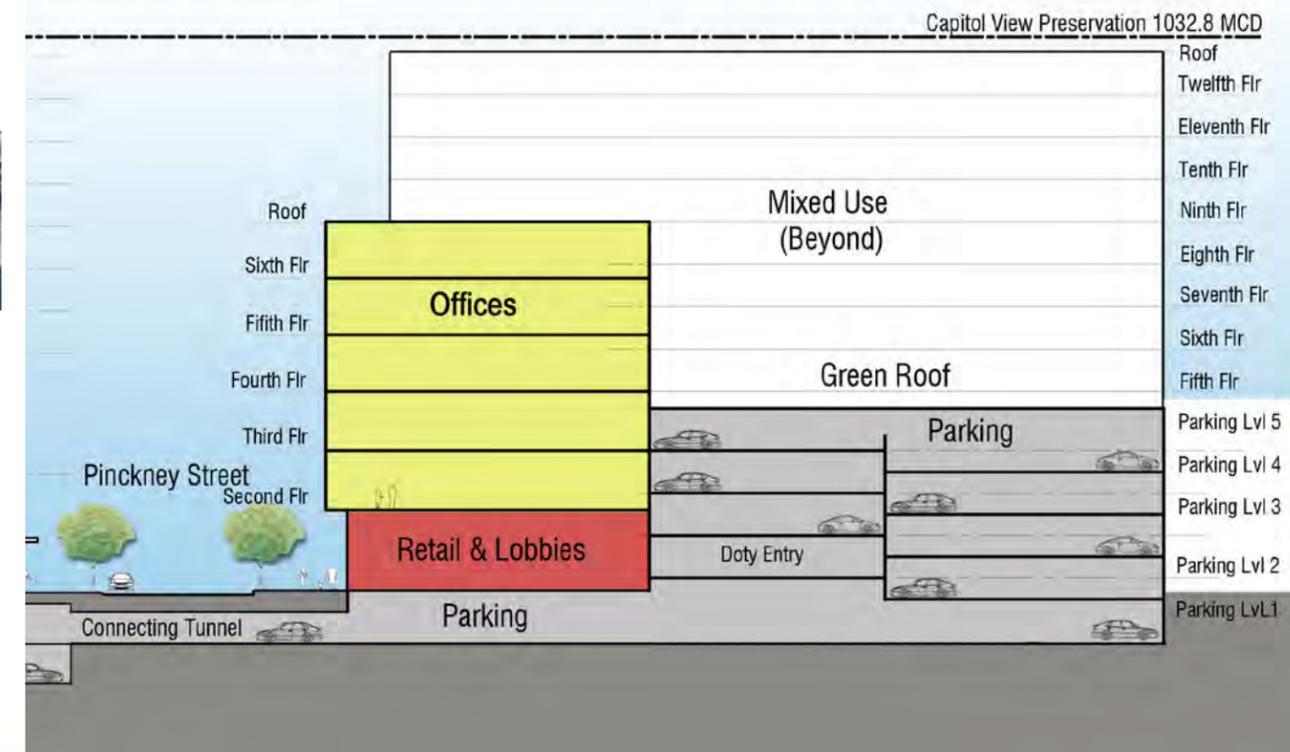
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DENSITY

DENSITY CONSIDERATIONS

There are several important factors that will impact the marketability and feasibility of private development.

- ◆ Dimensions of Floor Plate
- ◆ Market Value of Floors 2 – 5
- ◆ Relationship of Commercial Space to Parking
- ◆ Cost of Transferring Parking Below Grade
- ◆ Maintain an Active Street
- ◆ Façade Treatment to Enhance Architectural Character



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DENSITY



FUTURE EXPANSION

Our design concept has been established to accommodate future growth in program if a market exists.

- ◆ We have allowed for the ability to expand if market demand shifts
- ◆ Expansion area could accommodate up to an additional 65,000 square feet
- ◆ Expansion planned to maintain interesting views and double window walls

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STREETSCAPE



SCHEME 1
MMB Anchors Hotel

URBAN CONTEXT

Pinckney Street must become an attractive and pedestrian friendly environment. The scale and density of development will define this space.

- ◆ Avoid an urban canyon



SCHEME 2
MMB Remains City
Offices

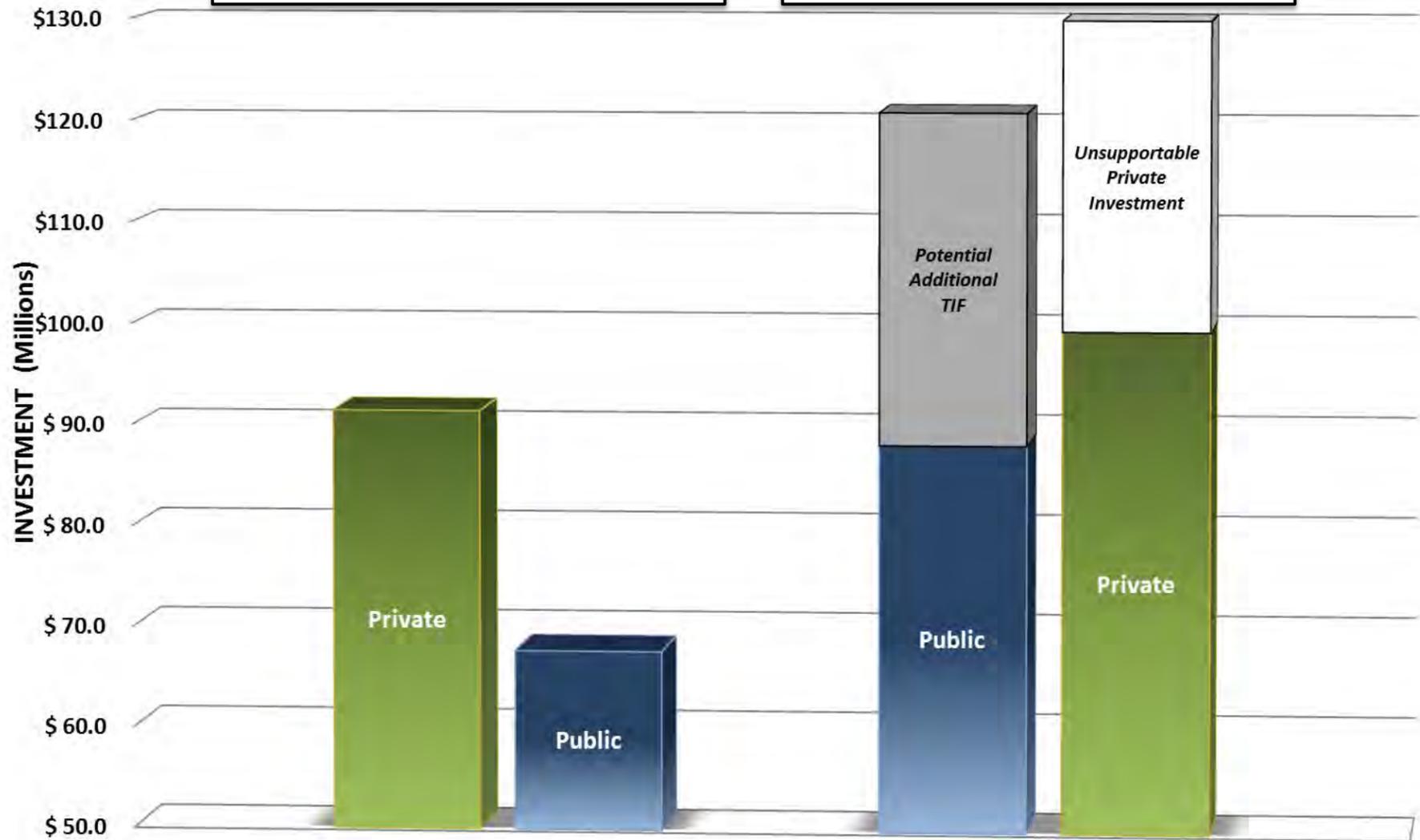


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PUBLIC / PRIVATE INVESTMENT

Scheme 1
MMB Anchors Hotel

Scheme 2
MMB Remains City Offices



Public	Scheme 1	Scheme 2
TIF	\$16,795,577	\$21,218,761
Parking and Bike Center	\$28,016,699	\$41,115,005
City Offices	\$22,900,290	\$25,920,000
Total	\$67,712,566	\$88,253,766

The public investment for Judge Doyle Square is one of the primary considerations in our evaluation of Scheme 1 vs. Scheme 2

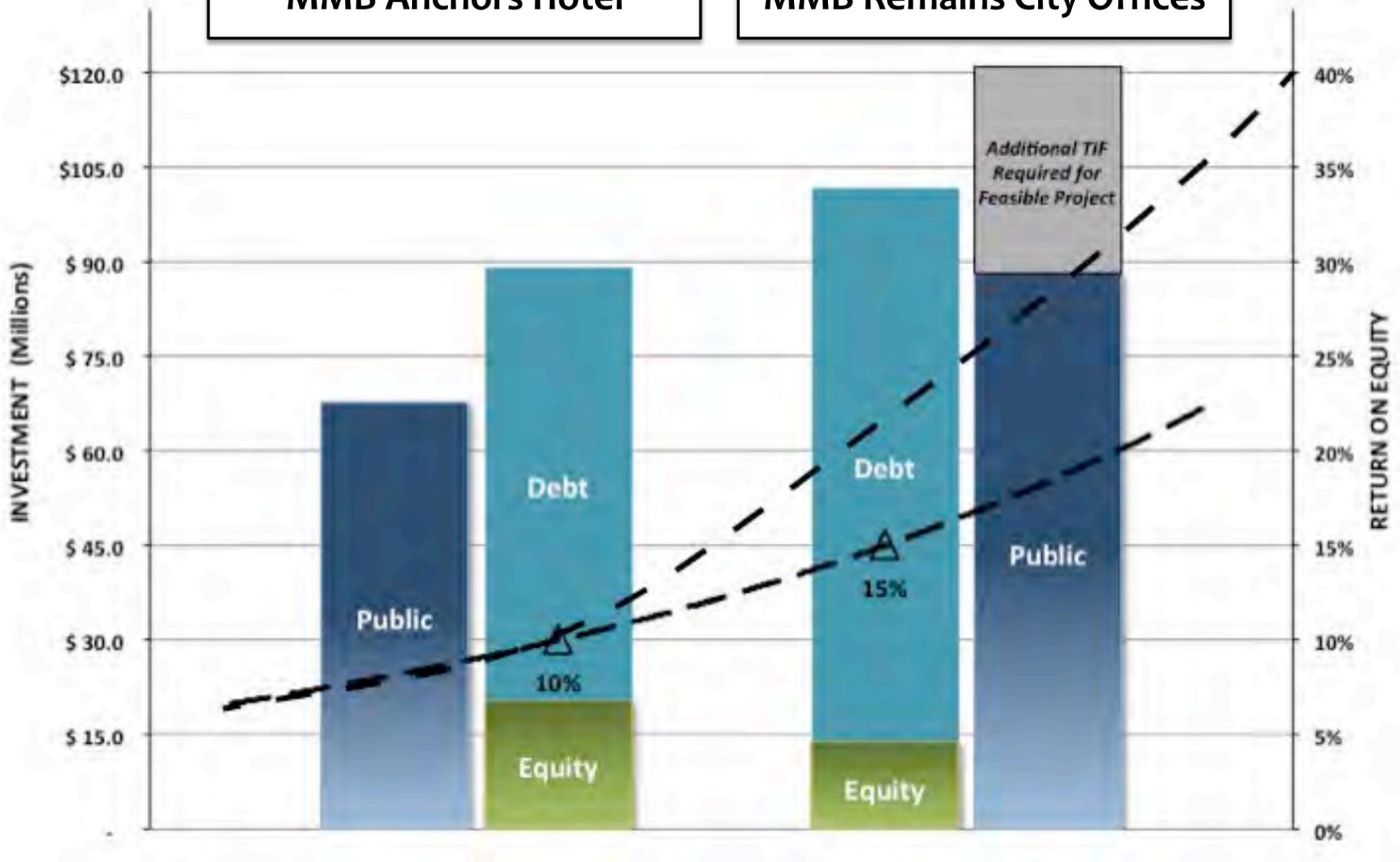
- ◆ A base difference of \$20M of public dollars invested between Scheme 1 vs. Scheme 2
- ◆ High probability that \$30M to \$35M of added public dollars will be required for Scheme 2
- ◆ Other forms of public support may be required (i.e. operational subsidies, etc.)

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EQUITY COMMITMENT

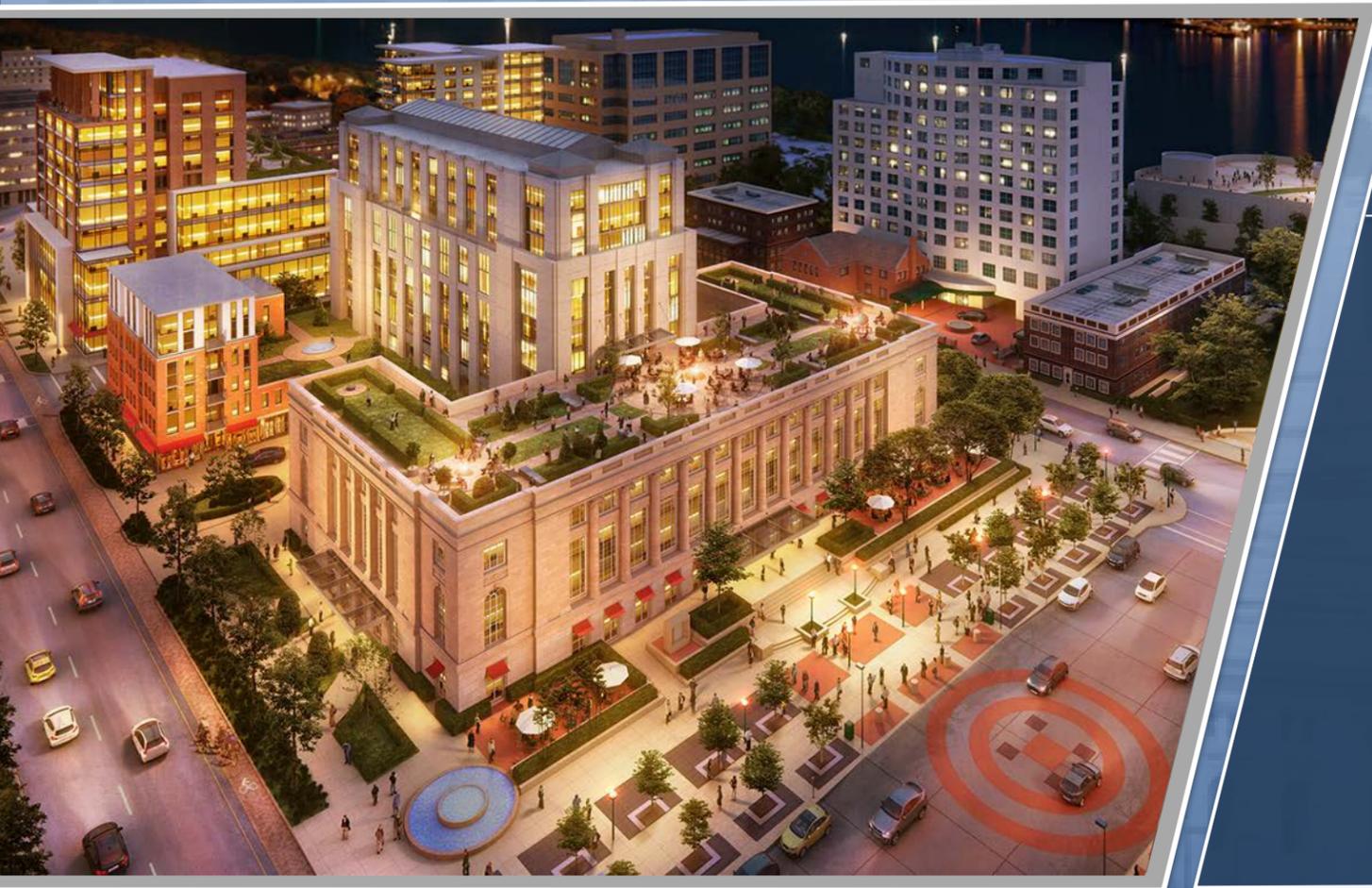
Scheme 1
MMB Anchors Hotel

Scheme 2
MMB Remains City Offices



We are prepared to make a substantial equity investment in Judge Doyle Square. There are several important considerations in our investment of equity in this Project, including:

- ◆ Local commitment of equity
- ◆ Our investment threshold is driven by the opportunity to create a landmark project for Madison
- ◆ Our yield expectations are built around a long-term economic model
- ◆ Significant difference in the yield curve between Scheme 1 vs. Scheme 2
- ◆ We view Scheme 2 as having dramatically different risk considerations



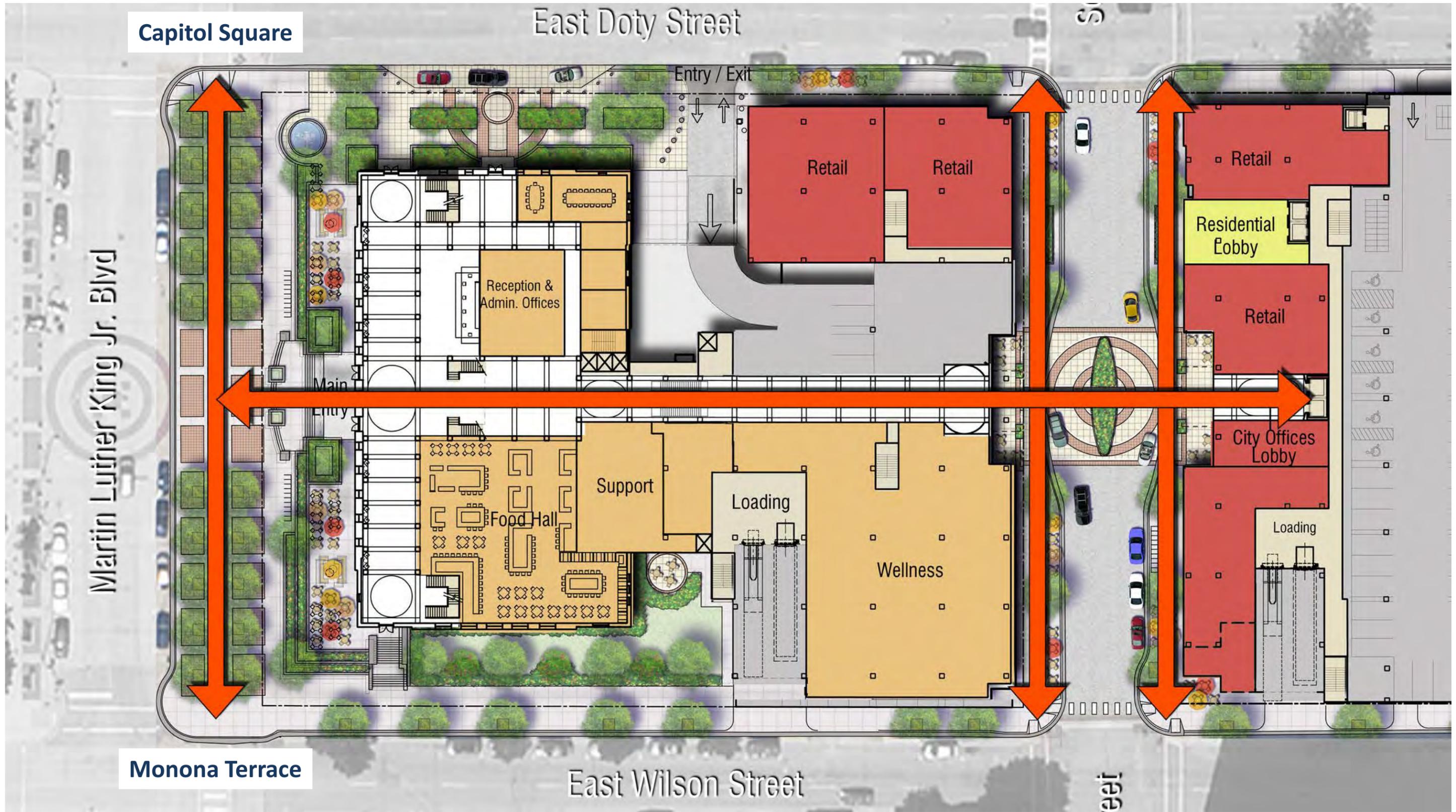
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Capitol Square

East Doty Street

Martin Luther King Jr. Blvd

Monona Terrace

East Wilson Street

Street

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URBAN EXPERIENCE