

**Notes from TLNA Steering Committee Meeting**  
**Gorman and Co. Proposal for the Messner Property**  
Monday, June 25, 2018, 6:30pm  
Festival Foods

Attendees:

District 2 Alder Ledell Zellers

Dane County District 2 Supervisor Heidi Wegleitner

*Gorman and Company* – Nicole Solheim (project lead), Ben Marshall (head of architecture), Mark Smith (project architect)

*TLNA Council members* - Patrick Heck, Keith Wessel

*Neighbors and Interested Parties:* Lori Wessel, Don Jones, Shawn Kapper, Joey Hoey, Pat Kelly, Sue Springman

**Introductions and Project Timetable**

After a welcome and introductions by Patrick Heck, the Gorman team presented their latest information and design. Nicole Solheim showed their updated timetable (see slide 1). On June 11, they submitted their land use application to the City – this also includes items such as the Certified Survey Map application, rezoning request, and their Conditional Use applications. They also have submitted an application to a Chicago bank for \$750k in gap financing. Nicole noted that the rezoning has to be accomplished prior to their WHEDA submittal deadline of Dec. 7. Other deadlines were noted per slide 1.

Patrick briefly reviewed the typical path that the process takes – the steering committee will continue to evaluate, working with the City and the development team, and eventually report to TLNA Council. TLNA Council is who will determine whether or not TLNA will issue a statement of support, opposition, or remain neutral. All of those options typically include a summary of some key concerns and issues, plus recommended conditions of approval. Patrick suggested that the steering committee should aim to complete its work and send a report to TLNA Council before the proposal gets very far in the city process. Alder Zellers noted that it would probably be best if TLNA Council weighed in prior to the UDC information meeting, currently thought to be on Oct. 3. This would point to TLNA Council needing to vote at their September monthly meeting (2<sup>nd</sup> Thursday of each month), so the steering committee might want to issue a report by the end of the summer. Ledell added that input that might be given by the neighborhood in the spring of 2019 (as suggested on slide 1) would be low impact because the city process would be effectively over.

Ben Marshall added that the city meetings all allow public testimony so there will be chances to weigh in then too. Ledell said that input at those meeting is allowed, but the impact of neighbors is typically much greater during the neighborhood process rather than waiting until the city process unfolds. She believes the best approach is for the developer, the neighborhood and city staff to be on the same page before city meetings start.

Joey Hoey asked about the rezoning. Nicole said that the 3 parcels would be combined and they are seeking a Traditional Employment zoning category for the combined lot. The only Condition Use they will ask for is to have a mixed-use residential component in a TE district. Mark Smith added that it is a permitted use to have residential in a TE district if it meets a particular condition (i.e., it is allowed with a Conditional Use granted by Plan Commission). Supervisor Wegleitner added that any residential component with more than 8 units requires a Conditional

Use from the City, so CUs are common. Ledell said that CUs are indeed common and in some ways provide a mechanism allowing people to weigh in – they aren't just automatic. Joey asked why they want to keep (expand) the TE zoning if there is no employment planned. Nicole said that there will be a service component (Dryhootch), but exactly what that will consist of is not clear yet. The service component will be a part of it though, so there could very well be employment.

Pat Kelly asked about their timing. Nicole said they are now focusing on getting to the UDC initial meeting on Oct. 3. They want to have a steering committee meeting after that. Patrick responded reiterating what Ledell mentioned earlier - that the neighborhood process needs to be wrapping up or wrapped up by the time the UDC initial occurs.

Ledell noted that any demolition will also need to go before the Landmarks Commission and the Plan Commission. Nicole and Mark said that those applications have been submitted. Shawn Kapper asked which items on their schedule were public meetings. The Gorman team said they would add asterisks to the slide to indicate which meetings were public, but all commission and committee meetings are public.

Shawn asked what would happen if they did not get their WHEDA funding - will they continue? Nicole said that if denied by WHEDA, the County would then need to agree to extend their agreement so that they could apply for the next round of WHEDA funding. Pat Kelly asked when they would learn of the WHEDA decision on their application – early March. Patrick Heck mentioned the Stone House proposal in Atwood that was denied WHEDA funding last year reapplied and did receive the funding this year – it is not unheard of for a denial to be turned around the next year.

### **Proposal Update:**

Mark Smith presented the updated site plan and building renderings. He said there were no radical changes, but they have made changes based on neighborhood input. They retain a 0-foot lot line on the east side towards Pasqual's – they are picturing similar developments nearby to the east on the Mullins property in the future (other than on the Pasqual's site which is an historic landmark). On E. Washington the setback requirement is 15' from the sidewalk and they will do that. The setback requirement on the west side (parallel to N. Baldwin) is 6' – they will have that since there is again a surface lot on that side, plus a required fire lane between the parking stalls and the building. In the back, the requirement varies because some of it is adjacent to other TE zoning lots while the area that pushes northwest to create the green area is adjacent to residential zoning. Fortunately, the large green area meets the setback requirement, so they should be okay the way they've designed the rear area green spaces. The rear setback along the TE lot (Tenney Nursery) is 20' and they meet that. There is also a 45-degree setback angle requirement adjacent to residential zoning lots, but they should have no trouble meeting that since the taller parts of the building are far from the lot lines there.

Surface grade parking is on west side and in the rear, although the rear lot is enclosed as part of the building. The ground floor will look like commercial/retail. Pat Kelly asked for more explanation about the parking areas. Lori Wessel and Shawn Kapper wondered if the side parking is enclosed – no. Ben Marshall said that they went to the building basement recently, prior to the heavy rains. The electricity is off, so the sump pump has not been running – they believe that the water level in the basement (about 8 to 10" of water on the floor) is the water table for that part of the isthmus. That water is about 6 to 7' below the level of the sidewalk. So, they have decided they can push the building down – there will be an underground parking level,

which lowers the entire building. This should address some of the earlier concerns about the building's height. Keith Wessel asked if their pushing down would make the water table rise on nearby neighbors. No said Ben, it shouldn't. The basement will also have structured bike parking for tenants that will be secure. Public parking for bikes will be outside on the street level. Ledell asked how tenants would get the bikes in/out of the basement – probably the elevator, but they don't have those details entirely worked out. There will be a car ramp down to the basement level from East Washington.

Mark Smith explained that the apartment levels of building have been rotated again so that the open middle faces northwest, as requested by nearby neighbors. They have one less unit now - 59 apartments. 35 will be 2-bedroom and 24 will be 3-bedroom units. All apartments will have a balcony. They no longer plan to put common space in the courtyard area that is in the opening of the apartment area since all units will have balconies, including those that face that area. On the top floor (5<sup>th</sup>), the corner unit that faces the capitol will be a shared space with a balcony – a community room.

### **Shadow Study:**

Mark showed the shadow studies (see slide) which are for the equinoxes (March 21 and Sept. 21) at 8am, noon, and 4pm. The maximum shadow on Tenney Nursery is at 8am and gets quickly better as the sun gets higher and moves west. The shadow does touch the rear of the nursery building at 8am. Summer shadows will be much better, but winter worse. Mark noted that all the homes and buildings cast very long shadows in the early morning (and late afternoon) near the winter solstice (Dec. 21). Neighbors asked if he could do some images at the winter solstice too so we could see the worst-case scenario. Mark said he could, but warned that they can be deceptive – even he could cast a 60' shadow when the sun is that low in the sky. He also showed an evolved, but still preliminary rendering of what the exterior might look like.

### **More Input and Questions:**

Patrick Heck asked about the building height now that they've lowered the building into the ground. It will be 62', down from about 70' or more. Joey Hoey asked for a reference – what other building is like this? The old brick building that is being converted to a hotel at Paterson and E. Washington has 5 stories, so not that different from that – maybe Valor will be a bit shorter. Pat Kelly asked if the center apartment courtyard is on the ground floor, so could be used as more green space – no, it is on top of the 1<sup>st</sup> floor. Sue Springman asked about green space for kids to play - the larger rectangle on the northwest side of the rear is the main green space for play, but there is also the longer 20' deep space along the rear behind the building. They are not yet sure how to use that long, relatively narrow green space, but will try to make it work for the kids. Nicole Solheim added that there would be additional indoor play area for kids in common areas.

It will have 4 floors of apartments. It was mentioned that there is at least one street tree to save, perhaps two. Ledell encouraged them to do whatever they can to save the existing street trees. Pat Kelly asked if the Quonset hut (Trachte building) on the west side of the Messner building will be torn down – yes. Shawn Kapper added that the house on E. Washington (#1314) will also be demolished. The group discussed the interface between the east side of the proposed building with any project that Mullins could develop (although Pasqual's is landmarked). Mark Smith said that there will be a stepback of 12' to the apartments on that side above the taller ground floor and it would be likely that any Mullins development would need to have the same. Sue Springman (of Mullins) added that she thought there needed to be a 30' separation for fire prevention/services. Mark Smith said that the fire service requirements depend on a building's

having sprinklers, the building materials, and openings (windows/doors, etc.) – there are many factors that the city uses to determine the required separation distances, but this building will be built as if a development could occur next to it on the Mullins’ site.

Patrick Heck mentioned that the height of this building is likely similar to the Factory District apartments, but with two additional floors of apartments. Factory District’s parking is partially underneath like this proposal and has 2 floors of apartments atop the ground floor rather than the 4 for this proposal.

Sue Springman asked about the driveway entrance/exit off E. Washington to the parking level – is the entrance up to the sidewalk? Will cars be able to see pedestrians? Mark Smith said that there will be 15’ between the door and the entrance/exit. That should leave plenty of room for a car to pull entirely out of the enclosed ramp area and stop before it reaches the sidewalk – plenty of room to look for pedestrians and traffic. Mark noted that all of the parking will be underneath or enclosed in the rear, other than the 12 stalls outside on the west side of the building. The elevation of the outside parking area should be similar to what it is now. Lori Wessel asked if there would be a retaining wall along the west property boundary. Gorman – not yet, but they City will require that any height changes that they make require that no additional water from their property can flow to the neighboring properties. They won’t be able to pass inspection if water is channeled to adjacent properties.

Patrick Heck asked if the rear parking level above the underground parking level would be elevated since the underground level is not likely to be entirely underground given the water table. Ben Marshall said that the elevation change as you go to the rear of the property should keep the rear parking level at or near grade.

Pat Kelly believes that cars wanting to go in off of eastbound E. Washington will have to turn onto N. Baldwin, take E. Mifflin over to N. Dickenson, and then enter the parking ramp or lot off E. Washington – that could increase traffic on the bike boulevard and for the neighbors. It was noted that eastbound drivers can currently and legally make a U-turn at Dickenson now, so that should keep many from having to go on Mifflin. Dickenson also has a designated left turn lane, which helps. Pat added that she is comfortable with the number of apartments - ideally there would be even more to help with the construction budget, but she appreciates the nearby neighbors’ concerns about the height and mass of the building.

Patrick asked about exterior of the building – is it likely to be further fleshed out in the near future? Mark said that they will likely wait on developing some of the specifics until they get feedback from the initial meeting with UDC in October. They will develop some aspects soon though. They will compare to built projects nearby to get ideas about what will be appropriate. There is likely to be masonry on the ground floor and perhaps some vertical features of a similar material/look, but it won’t be entirely clad in masonry on all 4 sides – that would be too expensive given their budget – they know this from experience. The budget will eventually determine what the exterior can consist of.

Joey Hoey said that he appreciates the changes they’ve made to address the concerns that were expressed at the last meeting, but he still thinks it is a big block dropped in the middle of a residential neighborhood. He’s hoping the side facing E. Mifflin could be lower and that perhaps they could instead add one floor on E. Wash. The residential part of the block isn’t going to change much in the future. Maybe some portion of the Mullins properties could develop, but the historic building will stay, as will the small homes. The homes are now worth a lot more than in

the recent past – they will likely stay. Couldn't they build 6 stories on E Wash and tier down in back? Mark Smith answered that it would be tricky due to needing to change construction type if they go higher than planned. If you look around town, you see a lot of buildings in the 3-5-story range and others with 10-12 floors. There is not much in between because the added cost of changing construction type for upper floors requires a lot of additional floors to make it worth your while. It is expensive to build more than about 5 floors. Shawn said that the proposal was originally 6 stories and now you are proposing 5 – why were they able to have 6 stories earlier? Ben said that it is still effectively a 6-story building, but they've pushed the parking level underground, which allows it to appear to be a 5-story building. The concrete podium is 2 stories consisting of the parking level and the ground floor. The 4 stories of apartments will still be built on top of that. That hasn't changed – what has changed is that the podium is partially underground.

Pat Kelly reiterated that she thinks more apartments would be good. If they could tier towards the back, they could have more apartments. She loves The Breese – we are welcoming more people into the neighborhood who otherwise couldn't afford to live here. Ben said that the proposed building would have to go a lot higher to make economies of scale work out. Joey remained opposed to more apartments. He thinks they will be drastically changing the nature of our block – the building needs to be spread out in space. Joey added that he thinks it is all 1- or 2-family homes on that block and this will not fit in. This proposal might be in conjunction with the long-term city plans, but people living on the margins are going to stick out like sore thumbs in the neighborhood. At The Breese, children can play across the street at the school. These children and families won't feel like part of the neighborhood. He at least hopes they can take 4 apartments off the back at the top to reduce the height that faces Mifflin. He believes that the tenants aren't going to feel part of the community, so the smaller the number of the apartments the less the tenants will stick out.

Nicole Solheim disagreed with Joey's point about the tenants sticking out - based on Gorman's experience at Carbon (Union Corners), residents there seem to be very grateful for the surrounding community and there is an incredible support network. They are plugged into the neighborhood. She realizes that the Valor block is partially in a residential hood and that neighbors live there, but it is also on E. Washington. Joey said he'd prefer a 5-story office building or factory in this location because it would fit into that site better.

Don Jones asked Sue Springman (Mullins) how much they would develop of the adjacent property if they did (and how tall it would be). Sue said it would likely be as much as they were allowed to build according to city plans and zoning.

Shawn Kapper asked about their WHEDA financing. What is their break-even point? If they are getting WHEDA money and other free money from the government, why is 59 apartments the magic number? The Gorman team said that the tradeoff is that they are charging lower rents for a 99-year commitment to affordable rents. Shawn asked if they would still have some market rate apartments – yes, 9 of them. Nichole said that the rents for the 50 affordable units will start at \$400. They have a smaller gap to finance compared to market rate developments, so they can charge lower rents – the loan they have to support will be smaller. It is critical for them to get the financing from WHEDA, the City and the County upfront. It is all about the affordable rents. Shawn asked what would happen if they had only 45 apartments? They would have close to the same amount of cost with fewer units to rent to subsidize their loan payments. It was asked if they won't go under 59 units. Nicole said that 59 is what they have submitted to the City and they are proceeding with that. Mark Smith asked everyone to think about a nearby development

such as the Factory District that has more units (all market rate) that are smaller (fewer number of bedrooms) so their income per square foot is much, much higher than Gorman's will be. The Valor is not what someone who is making money would propose. Patrick Heck reminded them that they will be making money on the project, but that their rental income will be much less than a market rate project.

Sue Springman reiterated that the 99-year commitment to Section 42 apartments is a lot longer than usual – it is usually just 30 years - very unique. Pat Kelly agreed and said it is also unique because it is catering to families – she appreciates that.

A neighbor said that he prefers a total of 4 stories rather than 5. Every developer that comes to the neighborhood says they must have so many stories and apartments and then reduces that.

Joey reiterated that he wants more transition from E. Wash to E Mifflin. Pat Kelly agreed, but she is very supportive of the proposal. Shawn asked how much space they are giving Dryhootch – couldn't that space be used for apartments and then take some off the top floor? She thinks it may not be necessary to have a café, workshops, etc. – could they pare their space down? Is it free for them? Are they paying rent? Make them give something up. Nicole said that Dryhootch is an important part of the project and they need facilities. It was noted too that zoning will not allow residential units on the ground floor on E. Washington. Keith Wessel mentioned that one thing he likes about the Dryhootch areas on the ground floor is that those spaces can have double uses – they can perhaps be used by tenants in the evenings.

Mark Smith noted that tiers in buildings are not impossible, but they do create design and expense challenges. Circulation becomes an issue in terms of stairwells, hallways, and elevators.

Shawn asked what happened to the idea of earmarking some units for non-veteran homeless families. Nicole said that in their response to the County's RFP their plan was to stick with a veteran's preference and they are keeping that. If there are 30% CMI apartments that are unrented, they will work with the homeless services consortium to fill those with non-vet families. There will be no hard set-aside for non-veteran families. Heidi Wegleitner asked about what this means – will non-rented units be determined at move-in? How long will they leave units empty waiting for veteran-led families? Will there be a 60-day application period and then open them up to others? What happens when a unit later becomes available – how long will that waiting period be? Nicole said that they didn't have all of that worked out, but they will work on it.

Joey Hoey asked how the Mullins feel about the proposal. Nicole said that she has met with Sue Springman (who at this point had left the meeting). Her impression is that the Mullins are glad that something is happening on a vacant site next to their properties. She heard no formal objections.

Joey mentioned that they had considered hiring a lawyer when the first music venue was proposed for the dairy site (The Lyric site). He asked Nicole if Gorman will be managing the property. Yes. Joey noted that a group of neighbors would need 20% of adjacent property owners to agree if a group wants to sue the Plan Commission concerning a development proposal. Ledell mentioned that there have been several lawsuits against Plan Commission and they usually don't prevail.

Shawn thanked the Gorman team for being accommodating. Her concern is the height in the rear.

**Next Meeting:**

The committee agreed to try to meet again in perhaps late July or early August to look at anything the development can do to address committee input. The exterior materials and design could be taking better shape by then too. Patrick will let everyone know once a meeting is scheduled, but he encouraged email communication if something comes up.