

**North Monona Drive
Redevelopment Plan
Redevelopment Area #7
City of Monona, WI**

Prepared By:
City of Monona
Community Development Authority
5211 Schluter Road
Monona, WI 53716
(608) 222-2525

With Assistance From:

vierbicher
planners | engineers | advisors



999 Fourier Drive, Suite 201
Madison, WI 53717
(608) 826-0532

**Adopted by the City Council:
February 21, 2011**

Redevelopment District #7

Redevelopment Plan Adopted: February 21, 2011

Monona City Council

Robb B. Kahl, Mayor
Jim Busse
Dennis Kugle
Scott Munson
Michael Vesperat
Jeffrey Wiswell Sr.
Douglas Wood

Monona Community Development Authority

Bob Miller, Chair
James Busse
Andrew Homburg
George Lightbourn
Jason Scott
John Surdyk
Jeffrey Wiswell, Sr.

Prepared by the City of Monona Community Development Authority
with assistance from Vierbicher Associates
Gary Becker, Project Manager

Table of Contents

| | |
|--|----|
| Introduction | 1 |
| <i>The Need for Redevelopment</i> | 1 |
| <i>Plan Approval Process</i> | 3 |
| Relationship to Local Objectives..... | 5 |
| <i>City of Monona Comprehensive Plan</i> | 5 |
| <i>City of Monona Strategic Plan for Economic Development</i> | 6 |
| <i>Monona Drive Corridor Study</i> | 6 |
| <i>Monona Drive Design Guidelines</i> | 7 |
| <i>Monona Drive Revitalization Plan</i> | 7 |
| <i>City of Monona 2007 Strategic Housing Plan</i> | 7 |
| Inventory of Area | 9 |
| <i>Municipal Jurisdiction and Property Ownership</i> | 9 |
| <i>Existing Land Use & Property Conditions</i> | 9 |
| <i>Existing Zoning</i> | 9 |
| <i>Infrastructure Report</i> | 9 |
| Economic Potential | 11 |
| <i>Retail Potential</i> | 11 |
| <i>Office Potential</i> | 16 |
| <i>Future Housing Potential</i> | 18 |
| Redevelopment Plans..... | 25 |
| <i>Target Area Three: Commercial and Mixed-Use Development</i> | 25 |
| <i>Target Area Four: Mixed-Use Development</i> | 29 |
| Implementation & Financing | 31 |
| <i>Tax Increment Financing</i> | 32 |
| <i>Timing</i> | 33 |
| Relocation..... | 34 |
| Conclusion | 35 |
| Appendix A: Maps | |
| <i>Map #1: Redevelopment Area Boundary</i> | |
| <i>Map #2: Property Conditions</i> | |
| <i>Map #3: Current Land Uses</i> | |
| <i>Map #4: Proposed Land Uses</i> | |
| <i>Map #5: Proposed Improvements</i> | |
| <i>Map #6: Zoning</i> | |
| Appendix B: Property List | |
| Appendix C: Resolutions | |
| Appendix D: Blight Determination & Photos | |

1 Introduction

This redevelopment plan for North Monona Drive - Redevelopment Area #7 (RA #7) in the City of Monona has been prepared in compliance with Wisconsin Statutes Chapter 66.1333(6). The plan establishes a need for the district, the proposed improvements within the district, an estimated time schedule, and an estimated budget. The plan also includes a detailed description of the RA #7 boundaries. The boundary is a Redevelopment Project Area for exercising the power of the Community Development Authority (CDA) as defined in 66.1333(3); the Plan for the area is a Redevelopment Plan required to be prepared by a CDA in compliance with 66.1333(6).

After the introduction, this plan goes on to review how it relates to local objectives for the area, give an inventory of the area, discuss the economic potential of the area in terms of retail, office, and residential, give details on two targeted redevelopment areas within the overall RA#7 boundary, cover implementation and financing of the plan, review this plan's relationship with local objectives for the area, and outline what would be done in the case that relocation proves to be needed within the area. Appendices to the plan contain maps, a property list, resolutions that were adopted throughout the plan's creation process, and the blight determination (with accompanying photos) for properties in the area.

The Need for Redevelopment

Monona Drive is the City's most visible street for both residents and commuters. It bears the City's name and is a gateway to the community. Due to these factors, it is indelibly linked with community pride. Reconstruction of the street, which began in 2009 and is projected to be complete in 2013, will address the deteriorating infrastructure that the corridor has experienced for some time. However, a number of underutilized and blighted properties exist along Monona Drive that are both a detriment to the community's appearance and its tax base.

Redevelopment efforts often necessitate local government involvement on some level. When government involvement is in the form of financial assistance, taxpayers sometimes question why the redevelopment effort should be supported with public dollars. It is important to realize that blighted and underutilized property, if not addressed, contributes to higher property taxes for all taxpayers. There are three main reasons why this occurs:

- Blighted or underutilized property does not contribute as much property tax revenue to cover the cost of public services as property under a similar use that is well maintained and fully utilized;
- Tax revenue is not realized because the property is not developed to its full potential; and
- The value of and reinvestment in adjacent property is suppressed, causing the loss of additional tax revenue to the City.

Two examples of the negative impacts of underutilized property, both of which are within the redevelopment area, are discussed below.

Rubin's Site

The Rubin's site (Targeted Redevelopment Area #4 on page 25) provides an example to illustrate the above points. The property is currently assessed at \$667,600¹, \$372,600 of which is improvement value. At 1.4 acres, the Rubin's site is valued at about \$480,000 per acre for land and improvements. The City collects approximately 27% of the property taxes levied, which is \$3,545 for a \$667,600 property. By comparison, the Lake Edge Shopping Center at the corner of Buckeye Road and Monona Drive is assessed at 50% more per acre than the Rubin's site. Residential property along Monona Drive to the south of Rubin's is assessed at about \$1.1 million per acre. A recent redevelopment project that the Monona CDA was involved in – the Monona State Bank at the corner of Bridge Road and Broadway – is assessed at \$2,854,405 per acre, and generates about \$14,800 in local taxes each year.

This redevelopment plan designates the Rubin's area as appropriate for mixed-use redevelopment. If the area were redeveloped as apartments with ground-floor commercial, the site could be assessed at about \$4.2 million, which would generate about \$85,000 in property taxes. While some service calls may increase when replacing low-density commercial with high-density residential, the City tax base would be significantly increased if better use of the land were encouraged. The property would generate more property tax revenue, but would not require any more streets, utilities, snowplowing, or other similar capital investments or services.

If it were assumed that:

- The Rubin's property were redeveloped as a mixed-use project assessed at \$4.2 million more than the current site;
- The lifespan of the new building was (conservatively) 50 years;
- The property appreciated at 1.5% per year; and
- The mill rate declined at 0.25% per year;

The present value of the taxes collected on the project would be approximately \$2.9 million more than the current collections for all taxing jurisdictions and \$765,000 more for the City. Any increase in the building's lifespan or assessed value would result in commensurate increases in the above present value numbers. By comparison, the present value of the property continuing in its present state for the next 50 years with no appreciation (the land value would likely go up and the improvement value would diminish) yields a present value of \$330,305 in total property taxes, of which \$87,000 would go to the City. This analysis does not take into account any diminishment in neighboring property values caused by the possible continued deterioration of the site.

Block West of Monona Grove High School

The properties fronting Monona Drive that are just west of Monona Grove High School (Targeted Redevelopment Area #3-2, as shown on page 29) provide another example of the negative impacts of underutilized, blighted property. The seven properties in this area are currently assessed at about \$1.4 million, about \$1.1 million of which is improvement value. While the site is valued at about \$1.2 million per acre, which is significantly higher than the Rubin's site, the per-acre value is still lower than comparable areas. The City collects about \$7,300 on the properties. The previously-mentioned Monona State Bank redevelopment collects double that amount of taxes for the City.

The redevelopment plan designates the area west of the high school for mixed-use redevelopment. The site's assessed value could increase by about \$2.2 million more than it is

¹ The parcel was recently split – the land portion of the assessment is based on a proportion of the previous land value.

currently if it was redeveloped as ground-floor commercial with residential or office above, If the area was developed as a mixed-use project assessed at \$2.2 million more than current assessed values (with all other assumptions remaining the same from the Rubin's scenario), then the present value of the additional taxes collected would be approximately \$1.5 million more than the current collections for all taxing jurisdictions and \$400,000 more for the City. By comparison, the present value of the property continuing in its present state for the next 50 years with no appreciation yields a present value of \$710,000 in total property taxes, of which \$188,000 would be paid to the City.

Secondary Impacts of Blight & General Redevelopment Challenges

In addition to the lost property taxes on the site itself, blighted and underutilized properties tend to have a negative influence on surrounding properties. People are often hesitant to invest in their properties if adjacent areas are not in good condition. Similarly, buyers are not going to offer the same price for a property next to a blighted structure as they would if there were no blighted structure next door. It is difficult to quantify the extent to which a blighted property suppresses the property values of nearby properties, but there is no question that there is an effect, and no question that it also suppresses new investment in adjacent property. If not addressed, the problem can spread, depressing property values and tax collections over a wider area. The suppression of value reduces the property tax revenue generated from these properties from what it would be if the adjacent property was developed to its potential. This places the burden on other City taxpayers to pay additional property taxes to make up for depressed values (and tax collections) in blighted areas. Eventually, a pattern of declining property condition and property value can combine with increasing taxes and a decreasing service level to drive people to move elsewhere.

The City of Monona faces an additional challenge that many cities do not – it is landlocked. Additional development on the outskirts is not available to offset a lack of reinvestment in the core. Furthermore, as the City's population declines, increasing municipal costs are spread out over fewer people.

Greenfield development is generally easier than redevelopment – there are no demolition costs, little chance of discovering environmental contamination, less need to coordinate with adjoining property owners, and the site can be more easily customized to the project (rather than vice versa). A more central location can be a plus, but is often not enough to offset the other issues inherent in redevelopment. The City is not only competing with other prospective redevelopment sites in other areas, but also greenfield sites that have built-in cost advantages over redevelopment.

While redevelopment projects are difficult, requiring an investment of time and funds on the City's part, the payoff of success usually far outweighs the investment necessary to revitalize an area. The City owes it to all taxpayers to do what it can to relieve the property tax burden blighted and underutilized properties place on the taxpayer.

Plan Approval Process

The City of Monona CDA established the boundary for RA #7 at its October 27, 2009 meeting, and recommended that the Monona City Council make a finding of blight for the area. The Monona City Council adopted a resolution declaring RA #7 a blighted area at its November 16, 2009 meeting. The CDA, at its November 23, 2010 meeting, reviewed a draft of the Redevelopment Project Plan for RA #7 and scheduled a public hearing to gather input on the plan draft. Notices were sent out to property owners on January 3, 2011, and a public hearing notice was published in the Monona Herald-Independent on January 6, 2011 and January 13, 2011. The public hearing on the RA #7 Plan was held on January 25, 2010. Subsequent to the

public hearing, the CDA recommended approval of the plan to the City Council. The City Council adopted the plan on February 21, 2011.

This Plan is to be used as the official plan that guides redevelopment activities within RA #7. Implementation of the plan and completion of the proposed activities will require a case by case authorization by the Community Development Authority and City Council. Any public expenditures for projects listed in the plan will be based on the development status of the land and economic conditions existing at the time the project is scheduled for construction. As stated in the City Council resolution approving this plan (see attachments), this Redevelopment Plan conforms to the Comprehensive Plan of the City of Monona.

The City Council resolution approving this plan specified that, upon CDA certification of the Plan, no new construction may be authorized by any agencies, boards, or commissions of the City in the RA#7 boundary unless authorized by the City Council. This includes substantial remodeling, conversion, rebuilding, enlargement, extension, or major structural improvements on existing buildings, but does not include ordinary maintenance or remodeling or changes necessary to continue occupancy of buildings. Prior to Council consideration of any proposals for development in RA #7, the CDA shall forward its recommendation to the Council as to whether the proposal complies with this Plan. This process has already been used for existing redevelopment areas in the City, and has resulted in a number of successful and well-received projects.

2 Relationship to Local Objectives

There are a number of planning efforts that have addressed Monona Drive in the past. The five most important plans to consider in concert with implementation of this plan are:

- City of Monona Comprehensive Plan, 2004
- City of Monona Strategic Plan for Economic Development, 2006
- Monona Drive Corridor Study, 2001, Biko Associates
- Monona Drive Design Guidelines, 2010, JJR
- Monona Drive Revitalization Plan, 2009, Vierbicher

A brief discussion of each of the above plans, including the City's Comprehensive Plan, is given below. It will be important to consult each plan before moving forward with redevelopment efforts.

City of Monona Comprehensive Plan

The City of Monona's Comprehensive Plan describes the north end of Monona Drive as one of the City's Smart Growth Redevelopment Areas, and states that, in general, there is potential for mixed-use redevelopment along the length of Monona Drive (Map #3 in Appendix A of this document illustrates the current land uses in RA #7, and Map #4 in Appendix A shows proposed future land uses). The City's Comprehensive Plan, especially the land use chapter, should be consulted when pursuing redevelopment projects to make sure that the projects are in conformance with the Comprehensive Plan, as is required by state law. In general, the Comprehensive Plan is very supportive of redevelopment. The following redevelopment-related goals, objectives, and policies are listed in the Land Use chapter of the Plan:

- Objective: Continue to monitor the cleanup of contaminated sites to foster the redevelopment of brownfields.
- Objective: Encourage the use of sound development principles in the design of new development and redevelopment, such as the efficient use of land resources, a mix of land uses, and transportation options.
- Objective: Encourage redevelopment projects that will have a positive impact on the City's tax base and character.
- Goal: Encourage the development and redevelopment of efficient, well-planned and designed land uses.
- Objective: Encourage the development and redevelopment of compact, highly planned mixed-use activity centers that include shopping, employment, housing, and recreation opportunities.
- Objective: Encourage strong public-private investments in business district improvements and facilities.
- Objective: Strive to upgrade or eliminate obsolete, deteriorating, or deteriorated buildings.
- Goal: Consider community needs and market trends while determining land uses for areas of development and redevelopment.
- Objective: Assemble land into parcels [that are] functionally adaptable with respect to shape and size for disposition and redevelopment.
- Objective: Provide for the orderly physical and economic growth of the community through planned and controlled development and redevelopment.
- Objective: Continue to prepare Redevelopment Project Plans for areas of the city.
- Objective: Continue to coordinate planning for redevelopment between the Community Development Authority, Economic Development Committee, Plan Commission, and City Council.

- Objective: Encourage coordinated development and redevelopment, giving consideration to high standards of design for new development, right-of-way, landscaping, and open space.
- Objective: Encourage private development and redevelopment that will add to the tax base and character of the City of Monona, stimulate economic activity, and that will not adversely affect the public's interest while minimizing the impact on public services.

Most of the Land Use goals and objectives deal either directly or indirectly with redevelopment, as could be expected from a "landlocked" City. As is apparent from the points above, the City has made a strong commitment to quality redevelopment projects in its Comprehensive Plan.

City of Monona Strategic Plan for Economic Development

The City of Monona's Strategic Plan for Economic Development was adopted by the City Council in August of 2006. The Plan, along with other plans summarized in this section, has resulted in the creation of Redevelopment Area #7 to address previously discussed signs of weakness in the corridor. Specifically, the Strategic Plan stated that "while there is no immediate economic crisis facing Monona, the committee did find that the city's commercial sector is showing signs of weakness. Some commercial districts in the city are distinguished by aging, deteriorating buildings and sites, (i.e., properties that are not being used to their full income-generating potential) and property assessments that are not keeping pace with the overall growth of the city assessments. Unless Monona adopts an aggressive proactive approach to redevelopment and renewal, the city may see a decline in the relative valuation of many commercial tracts. This will push an increasing tax burden onto residential properties."

The Plan also states that because Monona is landlocked, it cannot expand commercial and industrial tax base through aggressive growth, and must instead focus on renewal and infill. The Plan states that "if the soft spots in the city's commercial sector are not addressed future City Councils will face two unacceptable options: either reduce the services provided to residents or move an ever-increasing tax burden onto the homeowners." To avoid such an untenable choice the Plan says that the City must: take a proactive approach to revitalizing commercial areas; create specific redevelopment plans; and provide the CDA with the necessary tools to redevelop commercial sectors of the City.

The goals of the Plan include:

- Redevelopment efforts should be self-funded through programs like tax increment financing.
- Commercial parcels should be developed to optimize economic value while maintaining an appropriate relationship to the community.
- Maintain and improve the ratio of commercial property valuation to residential property valuation.
- Create a distinctive look and feel for Monona's commercial areas.
- Attract new business development by adopting a clear, expedient path for developers and other investors for the review and approval of development.

Monona Drive Corridor Study

The Monona Drive corridor study was completed in October 2001. It was compiled to provide Madison and Monona with recommendations for: organization of land use, future development, urban design treatments, improving traffic flow/safety, and roadway cross sections along the corridor.

For future land use, the study recommends the creation of a mixed-use town center area between Frost Woods Road and Owen Road.

The study covers a number of recommendations regarding the configuration of Monona Drive, many of which are being implemented as part of the ongoing Monona Drive reconstruction project. Those recommendations are not summarized here because reconstruction of Monona Drive has commenced since the study was adopted..

Other goals of the study include:

- Improve pedestrian connections and landscaping along Monona Drive;
- Develop a plan that would address consolidation of curb cuts along Monona Drive.
- Provide connections to Woodland Park from the Monona Drive corridor.

Monona Drive Design Guidelines

The Monona Drive Design Guidelines document was created with 11 goals in mind:

1. Establish a distinctive sense of place within the Monona Drive corridor.
2. Provide a framework for consistent site plan review.
3. Create an environment that encourages social gathering and neighborliness.
4. Encourage destination uses (discourage Monona Drive as a thoroughfare).
5. Develop and maintain a positive business atmosphere.
6. Optimize the balance between needed parking and aesthetics.
7. Provide pragmatic yet distinctive design guidelines geared toward both new development and renovation.
8. Provide balance between pedestrian and bicycle friendliness, auto efficiency, and safety.
9. Provide a basis for coordination with the City of Madison.
10. Promote walkability of the Monona Drive corridor.
11. Better define Monona Drive as Monona's "Main Street."

The guidelines give recommendations for:

- Site design, including: general development patterns, parking, pedestrian/bicycle/transit facilities, service/storage/refuse collection, landscape design, lighting, and stormwater management.
- Architecture, including: character and context, scale and massing, architectural details/materials/colors, and signage.

The Monona Drive Design Guidelines represent an important vision for the corridor, and should be consulted for all projects within RA #7.

Monona Drive Revitalization Plan

The Monona Drive Revitalization Plan was prepared for the CDA. It addresses the entire corridor from the Beltline to Cottage Grove Road. The Monona Drive Revitalization Plan focuses more on economic analysis and the economics of redevelopment, as opposed to urban design elements. It delves into the retail office, and housing potential of the Monona Drive corridor, shows general planned land uses for different segments of the corridor, identifies targeted redevelopment areas for the City to focus on (including example pro formas for each area), and discusses various goals and strategies for revitalization. The Plan includes several corridor case studies from around Dane County. Some information in this Plan was adapted from the Revitalization Plan. The Monona Drive Revitalization Plan should be consulted for a wider view on how RA #7 fits in with the rest of the Monona Drive corridor and the City at large.

City of Monona 2007 Strategic Housing Plan

The City's 2007 housing plan inventoried the City's housing stock and provided recommendations for maintaining and improving housing within the City. Though the Plan has a Citywide scope, and therefore discusses many points regarding the City's large single-family

housing sector, there are still several goals, strategies, and actions that relate to potential multifamily housing along Monona Drive:

- Strategy: As supported by the market, increase the diversity of housing types in Monona.
- Action: Within current and near future redevelopment opportunities, show support for creative housing and mixed-use proposals that bring new and diverse housing types to Monona.
- Action: Review and explore opportunities to update zoning regulations to allow for co-housing, accessory dwelling units (“granny flats”), assisted living facilities, active living facilities, town homes, etc. in appropriate parts of the city.
- Strategy: Over time, consider dense, mixed-use development within walking distance to public and commercial facilities.
- Action: In tandem with its reconstruction, encourage mixed-use development along and within walking distance of the Monona Drive and Broadway Corridors, where the bulk of Monona’s current commercial activity can be easily accessible on foot by new residents.

3 Inventory of Area

Redevelopment Area No. 7 runs along the west side of Monona Drive, from just south of West Dean Avenue north to Winnequah Road. All parcels are between Gordon Avenue and Monona Drive, with most of the parcels fronting Monona Drive. The area is a mix of single-family residential parcels, mixed-use residential/commercial parcels, and commercial parcels. Single-family homes are concentrated in the center of the district. With the exception of the drive-through bank (parcel #33), all of the buildings in the area were constructed before 1970.

Municipal Jurisdiction and Property Ownership

The Redevelopment Area contains approximately 8.4 acres of property, excluding right of way. All of the property is located within the City of Monona and the Monona Grove School District. The City of Monona has recently bought some land within RA #7, but most land in the area is still privately owned. Parcel size varies from approximately 1.4 acres (the Rubin's and M&I Bank parcels), to 0.13 acres for some of the residential parcels. Several property owners own more than one parcel within the area. Appendix B provides a list of property owners in RA #7 by parcel and can be used with Map #1 in Appendix A as a reference guide to properties in the redevelopment area.

Existing Land Use & Property Conditions

The southern two blocks of RA #7 contain commercial land use. The middle two blocks contain residential uses. The northernmost block contains a commercial use. Commercial uses are mixed between services, such as banking and insurance, and retail, such as furniture sales and jewelry. Residential uses are all single-family homes. Commercial development along the corridor, and within RA #7 in particular, is mainly small-lot freestanding retail, restaurant, and office structures, with parking between the businesses and the street. Commercial parking is often has minimal buffering from the street and is usually un-buffered from the sidewalk, leading to unpleasant and sometimes dangerous conditions for pedestrians.

The single-family residential lots in RA #7 all front Monona Drive, and vary in size from about 5,700 square feet to about 10,000 square feet. Homes in the area were built between 1920 to 1954.

On November 16, 2009 the City Council passed a resolution declaring RA #7 a blighted area, based upon a study performed by Vierbicher that found that 68.3% of the real property in the area met the state statutory definition of blight. Map #2 in Appendix A shows which properties were found to be blighted. The Blight Study, including photos of areas found to be blighted, is included in this document as Appendix D.

Existing Zoning

There are only two zoning designations within the area: single-family (SF) and retail business (RB). The zoning matches the land use description in the above section.

Infrastructure Report

Most existing City infrastructure along Monona Drive can support redevelopment and the increased use such redevelopment would place on facilities. The main transportation-related project planned in the redevelopment area is the reconstruction of Monona Drive. Map #5 in Appendix A shows public improvements planned for the area as part of this Plan.

Water, Sanitary Sewer, and Storm Sewer Systems

The water, sanitary sewer, and storm sewer systems will all be replaced as part of the comprehensive upgrade of Monona Drive. As a result, all such systems will be well-equipped to handle redevelopment of properties along the Monona Drive corridor.

Transportation System

Monona Drive through RA #7 is scheduled to be reconstructed in 2013 as part of the third and final phase of a complete reconstruction of Monona Drive from Broadway to Cottage Grove Road. Phase 3 runs from Nichols/Pflaum Road north through the area, and ends at Winnequah Road. The section of Monona Drive from Winnequah Road to Cottage Grove Road – immediately north of the RA #7 boundary – is scheduled for reconstruction in 2011. The first phase of reconstruction was from Broadway to Nichols/Pflaum Roads. It began in 2009, and was completed in fall 2010. The reconstruction of Monona Drive will improve the currently poor pavement conditions, benefit pedestrian safety, and improve intersection configurations throughout the corridor, including within the RA #7 boundary.

The City of Monona contracts a commuter bus service that makes two loops through Monona, the UW Campus, and Downtown Madison in the morning, and two loops in the evening. This service is called the Monona Express. Monona also runs the Monona Lift for senior citizens and riders with special needs. The Madison metro bus system also serves parts of Monona on the north and southwest sides of the City.

Electric Distribution System

Electric service to the area is provided by Madison Gas and Electric. Electric lines were buried as part of Phase I of the Monona Drive reconstruction. As of the drafting of this plan, no decisions have been made as to whether burying of electric lines will continue in future phases of the Monona Drive reconstruction. Regardless, the electric distribution system will be upgraded as Monona Drive is reconstructed, and will therefore be able to easily handle any increase in density along the corridor.

Redevelopment Activity Impacts on Existing Infrastructure

RA #7 is well situated to handle redevelopment due to the already scheduled reconstruction of Monona Drive and associated utilities improvements. Other significant infrastructure improvements will likely not be necessary to support planned redevelopment within the area.

4 Economic Potential

The Monona Community Development Authority created a Monona Drive Revitalization Plan in late 2008 and early 2009 to analyze the corridor and guide any future activities. The Revitalization Plan encompasses the entire length of Monona Drive, from the Beltline to Cottage Grove Road. As the result of that Plan, the decision was made to establish RA #7 to address the most distressed part of the corridor. Redevelopment Area #7 is just a small part of the overall Revitalization Plan, but some of the background of the corridor-wide plan still applies to RA #7. The Revitalization Plan identifies four generalized future land use areas along Monona Drive: the primary commercial corridor (Beltline to Frostwoods Road), the mixed-use neighborhood center (Frostwoods Road to Pflaum/Nichols Road), the office and small-scale commercial area (Pflaum/Nichols Road to Coldspring Avenue), and the high-density residential area (Coldspring Avenue to Cottage Grove Road). RA #7 falls within the office and small-scale commercial and high-density residential areas, as designated in the Revitalization Plan. Discussion on economic potential below is based upon those two categories, but occurs in the context of the Monona Drive corridor as a whole (see map on the following page for the estimated corridor market area). Market information from the 2008 revitalization plan has been updated to reflect 2010 market conditions, and changes that have occurred are noted throughout the economic potential portion of this document.

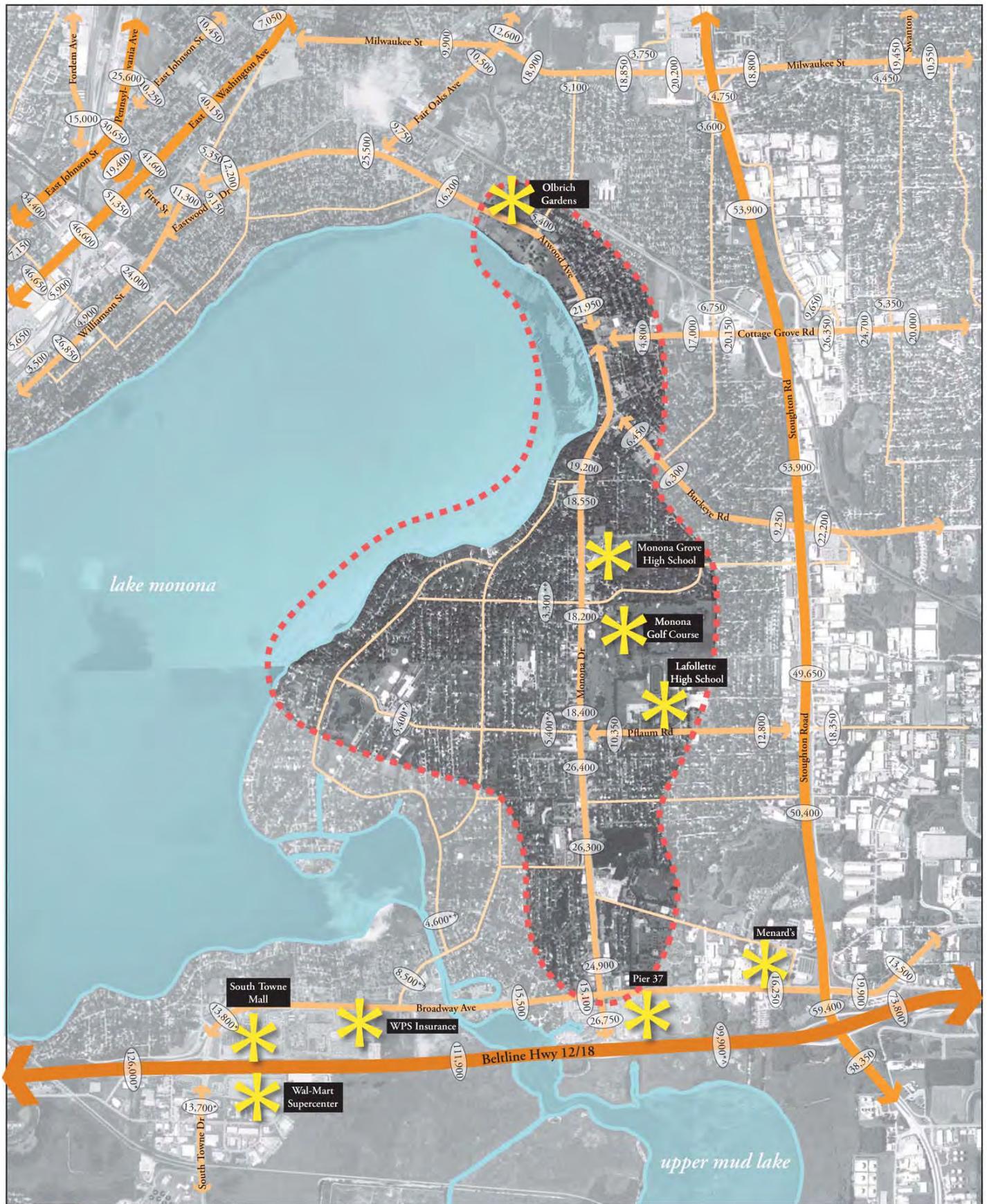
Retail Potential

Retail potential is built upon three elements. First, it is important to know how well the retail within the corridor is currently meeting the needs of the neighborhood residents. In other words: how much of spending by the neighborhood is being captured by the retail along the corridor? Second, in order to project future retail opportunities it is necessary to estimate potential future demand. Finally, it is important to translate potential future demand into the amount of total retail space which could be supported along the Monona Drive.

Data dealing with each of the above elements was gathered and analyzed in order to create a picture of Monona Drive's current and future retail environment. Although the data technically reports the amount of money which could be diverted back to the neighborhood if an ideal mix of retail was established, immediately adjacent competition makes capturing future retail development almost impossible in some product categories. For example, the data showed the grocery store category has the potential to capture a portion of leaked sales. However, in reality, adjacent grocery stores – primarily a Wal-Mart Supercenter and Woodman's – make that potential largely non-existent. Because of regional competition, initial results had to be adjusted, and calculations had to be conducted on a second filtered version of the data. The filtered data discarded the product categories that were already heavily represented in the immediate area, such as grocery stores and building supplies. In addition, remaining categories which did not fit the existing and future Monona Drive retail environment, which is largely neighborhood-serving were excluded. The following categories comprise the second version of the data:

- Auto Parts, Accessories and Tire Stores
- Furniture and Home Furnishings
- Specialty Food Stores
- Beer, Wine, and Liquor Stores
- Clothing Stores
- Shoe Stores
- Jewelry, Luggage and Leather Goods Stores
- Books, Periodicals, and Music Stores
- Florists

Monona Drive Corridor



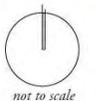
vierbicher

KEY

Functional Classifications
From Dane Co. MPO

-  Freeway
-  Principal Arterial
-  Minor Arterial
-  Collector

-  ###,### Traffic Count, from City of Madison 2006 unless otherwise noted
- ⁺ DOT Traffic Count, 2006
- [^] 2005 Traffic Count
- ⁺ 2002 Traffic Count
-  Destination
-  Estimated Corridor Market Area



- Office Supplies, Stationary and Gift Stores
- Used Merchandise Stores
- Sporting Goods, Hobby, and Musical Instrument Stores

All of the data below, and the majority of the narrative, are based on the calculations done with the second set of data representing the categories listed above.

Monona Drive Corridor Capture Rates

A capture rate measures the percentage of total retail spending by the residents living within the Monona Drive corridor which actually occur at establishments within the same area. For example, if the shoe store category has a capture rate of 25 percent, that means ¼ of all the shoes purchased by residents of the Monona Drive corridor are being bought at stores along Monona Drive. The remaining 75 percent are being “leaked” to stores outside the corridor. The lower the capture rate, the more potential there is to meet the needs of residents with future retail options that fill a gap in the current retail mix. Table 4-1 summarizes the capture rates and the amount of leaked dollars for the product segments that meet the conditions discussed in the previous section.

Table 4-1: Monona Drive Capture Rates – Selected Categories

| Product Category | Dollars: (Leaked) or Surplus | Capture Rate |
|---|------------------------------|--------------|
| Auto Parts, Accessories, and Tire Stores | (\$39,625) | 97% |
| Furniture & Home Furnishings Stores | (\$603,883) | 85% |
| Specialty Food Stores | \$1,026,186 | 295% |
| Beer, Wine, and Liquor Stores | (\$197,324) | 76% |
| Clothing Stores | (\$3,490,724) | 18% |
| Shoe Stores | (\$349,123) | 35% |
| Jewelry, Luggage, and Leather Goods | \$563,363 | 220% |
| Book, Periodical, and Music Stores (NAICS | (\$623,800) | 20% |
| Florists | \$250,589 | 192% |
| Office Supplies, Stationery, and Gift | (\$11,327) | 97% |
| Used Merchandise Stores | \$70,536 | 171% |
| Sporting Goods/Hobby/Musical Inst. | \$2,713,107 | 364% |
| Total Leaked | (\$5,304,479) | -- |

Source: ESRI, Vierbicher Associates Inc.

Product segments which have particularly low capture rates include clothing stores, shoe stores, and book, periodical and music stores. These categories may reveal the ability for future retail establishments to locate along Monona Drive and capture some of the neighborhood spending which is currently being leaked to stores outside the area. In addition to the categories with leaked sales, numerous categories have capture rates over 100 percent and are showing surplus. This means that these segments are selling more product than would be expected given the demand of the area residents. The additional demand is likely generated by commuters or individuals who travel to the corridor specifically to shop at a particular retailer. This phenomenon generally occurs in product categories which are fairly specialized, as appears to be the case in the Monona Drive corridor.

Overall, the corridor is leaking approximately \$5.3 million of sales which could be captured by future businesses. If the total leaked sales were calculated for *all* product categories (including the ones specifically ruled out in the section above), that number would be significantly larger. However, even though a complete product category list seemingly reveals more potential for

retail growth, because of the discussions above, the categories in the filtered data represent a more realistic picture of potential.

A second method for determining specific product categories with future potential is to examine the “spending potential index” of residents in the Monona Drive Corridor. The spending potential is the amount of dollars spent by Corridor residents in each product category as compared to the national average. Any index above 100 shows sales greater than the national average and an index under 100 shows sales below national averages. Table 4-2 shows all the product categories are slightly below the national averages. However, the table also reveals that products related to electronics (TV, video, sound equipment and computers) and food, have the highest spending potentials. These numbers, when considered with surrounding competition, could help in revealing potentially successful product mixes.

The restaurant product subcategory within retail is especially difficult to analyze, but is an important element in creation of a successful retail. According to data gathered through ESRI, it appears the neighborhoods surrounding Monona Drive demand approximately \$11.5 million in eating places (both full-service and limited-service) and an additional \$1.2 million in drinking places (taverns and bars). With an average restaurant satisfying about \$700,000 to \$800,000 of demand, the Monona Drive corridor should support about 15 restaurants in the unlikely event that 100 percent of the surrounding neighborhood’s demand is satisfied locally. However, the corridor has approximately 20 restaurants and numerous bars and taverns. This means the restaurant category is being heavily trafficked by individuals who do not reside in the neighborhood. Therefore, as retail and housing grow along the corridor and the area becomes more successful at serving the surrounding neighborhood, as well as potentially becoming a more attractive retail destination for those beyond the immediate neighborhood, it is likely the need for restaurants will increase, even though current data suggests an oversupply.

In addition to being well-positioned to serve increasing residential density within RA #7, the commercial area of RA #7 also has the nearby market of 1,000 students from Monona Grove High School.

Future Retail Demand

The second element in identifying retail potential is to quantify future retail demand. Future retail demand represents the amount of spending attributed to future residents within the Corridor, given projected increases in households and increases in median household income. For this analysis the future demand potential was calculated for the time period between 2007 and 2015. In order to more accurately represent an improved retail corridor (due to redevelopment projects and the reconstruction of Monona

Table 4-2: Monona Drive Corridor Retail Spending Potential

| | |
|--------------------------------------|----------|
| Apparel & Services: | |
| Average HH Spending | \$2,362 |
| Spending Potential Index | 86 |
| Computers & Accs: | |
| Average HH Spending | \$234 |
| Spending Potential Index | 94 |
| Entertainment/Recreation: | |
| Average HH Spending | \$3,163 |
| Spending Potential Index | 92 |
| Food at Home: | |
| Average HH Spending | \$4,709 |
| Spending Potential Index | 94 |
| Food Away from Home: | |
| Average HH Spending | \$3,206 |
| Spending Potential Index | 95 |
| HH Furnishings & Equip: | |
| Average HH Spending | \$2,021 |
| Spending Potential Index | 89 |
| Retail Goods: | |
| Average HH Spending | \$24,015 |
| Spending Potential Index | 91 |
| TV/Video/Sound Equip: | |
| Average HH Spending | \$1,107 |
| Spending Potential Index | 95 |
| Travel: | |
| Average HH Spending | \$1,775 |
| Spending Potential Index | 96 |
| Vehicle Maint. & Repairs: | |
| Average HH Spending | \$987 |
| Spending Potential Index | 93 |

Source: ESRI

Drive), the capture rate was increased by ten percent in all categories which are currently leaking dollars. In those categories with existing surplus – where the capture rate is over 100 percent – the capture rate was held constant. For example, the clothing stores category was increased from 18 to 28 percent, but the florist category was held at 126 percent because the establishments are already doing more business than expected.

The Revitalization Plan, when completed in 2008, originally calculated a spending increase for the 2007-2015 period at \$8.1 million² of additional demand present in the neighborhoods surrounding the Monona Drive Corridor in the categories identified in Table 4-1. This number is slightly inflated given the dramatic drop in consumer spending over the course of the intervening recession. This number has been adjusted downward to reflect a 2010 baseline spending pattern and slower growth in spending over the next two years as the economy recovers. This revision, discussed below, results in an estimated increase in spending of \$7.6 million over the same time period. It is important to remember that the future demand is for the entire corridor – RA #7 will only be able to capture a portion of growth for the entire corridor.

The Potential for Future Retail Space

The future retail demand number can be translated into the amount of retail space which could be supported by Monona Drive residents by using current square feet of retail along the corridor to estimate a measure of sales per square foot. Then, the measure is applied to the potential for future spending increases to determine the amount of retail which could be supported. In 2007, this number was identified as an increase of \$8.1 million in sales by 2015. Current projections have 2010 retail spending totals closing the year at or near 2006 levels, which points to the necessity of revising the 2015 forecasts downward slightly to start from this lower base. The original forecast was based on population growth projections, which remain valid, and also on increased household income (2.75% growth annually) and no change in overall spending patterns. A more conservative forecast using the 2009 income growth rate of 1.1 percent through 2012 and accelerating from this point forward was run. This results in a 6 percent decrease in future spending from original projections, or an additional \$7.6 million in potential 2015 sales.

Using both sales data and gross square feet data for the Monona Drive Corridor, an average sales per square foot for the Monona Drive Corridor of \$222 was calculated. Using this average, the \$7.6 million of potential new spending could support approximately 34,200 square feet of retail and restaurant space through the year 2015. Of course it must be noted that new dollars do not automatically mean new retail space. Much of the initial increase can be absorbed by existing businesses and currently vacant space. In addition, this calculation is based on only a slight improvement (10%) over the existing conditions of the Corridor. As redevelopment occurs and Monona Drive becomes more attractive to both local and commuters the potential may increase beyond these projections. In addition, as a result of the recession, short term retail potential has been severely curtailed. While restaurant sales have been impacted slightly less than soft goods, and grocery anchored and essential retail has remained strong, the fact remains that consumer spending on discretionary items is significantly less than it was when the Revitalization Plan was drafted in 2008. This decline alone does not refute the prior gap analysis, but does point to the necessity of re-inventorying the retail captures in the corridor once the market has been re-established as the impact of store closures both on the Corridor and in competing nodes will likely have caused a shift in spending patterns.

² All future spending discounted to 2008 dollars.

In order to place the Monona Dr. potential within the context of a larger, more substantial retail environment, this same calculation was done for the future retail demand of the entire east side of Madison. Because the east side of Madison contains several regional retail designations, a significant portion of sales comes from people who do not live on the East Side. Therefore, their future demand is significantly larger than the future spending potential of area residents. The calculation for future retail potential for the east side of Madison revealed the possibility of supporting approximately 650,000 square feet of additional retail space, assuming the destination nature of east Madison's retail nodes do not significantly change.

Beyond a shift in spending patterns due to store closures, little can be forecasted regarding the future of consumer spending. Over the longer term, the impact of the recession does not dramatically impact the amount of potentially supported retail space in the future within the trade area. What may be impacted are the retail sectors where that demand will occur. Numerous studies, including a piece in *Time Magazine*, surmise that luxury brands and large ticket item spending may be permanently diminished. Discount and small ticket items will maintain or increase in popularity. Personal savings have also been on the rise for the first time in recent history, and have the potential to stay that way, as 62 percent of people reportedly 'enjoy saving' versus spending in a 2010 Gallup poll, with an increasing percentage stating an intention to continue saving to a greater percentage of income (38 percent in 2010 versus 32 percent in 2009).

Entertainment and Culture Potential

Venues that focus on entertainment and cultural options are a sub-sector of the retail market. Popular cultural and entertainment attractions can roughly be split into two categories. One group is comprised of regional and sub-regional destinations. These are places people go on specific outings, such as: bowling alleys, movie theaters and miniature golf. An important aspect of these venues is that they can generally attract people regardless of the type of environment they are located in. The second group of entertainment and cultural venues is made up of attractions which are more closely connected to the local environment and the existing business stock. These types of facilities can include things like live music venues, art galleries, or independent film theaters.

Given Monona's location in a larger urban area, and the existing and planned regional cultural and entertainment options, it is felt that the best cultural niche for the Monona Drive Corridor are venues which fall into the second group described above. These venues can more easily integrate into the current business environment, and can also be more easily supported by local patrons. Regional destinations often require extensive patronage and visibility, which Monona Drive cannot match when compared to other east Madison locations.

For the Monona Drive Corridor, there may be potential to integrate live music into existing venues or target new restaurants/clubs towards live music. Also, it is believed that there may be a market for art galleries and artist studio space. Monona has an ideal combination of access to many artists and the surrounding incomes necessary to support art galleries and dealers.

Office Potential

One of the most impacted sectors of the market during the recent recession has been the demand for commercial real estate. The significant overall job losses (3.3 percent of Madison Metro jobs) over the course of the recession resulted in a diminished office leasing market. The sharp drop in consumer spending (US Average down 31 percent from 2008) and continued depressed state of consumer confidence (index of 50.4 in July versus a 90 reading for a healthy economy) caused a similar decline in the need for new retail space.

An updated inventory of available space and asking rents for the City of Monona/Monona Drive markets demonstrates the deteriorating conditions within the City. There are currently 19 commercial spaces for lease in the City of Monona (17 of which are retail/office) and 12 (11 of which are retail/office) within the Monona Drive Corridor. The majority of the spaces are office, approximately one third of them are retail, and two are a mix of warehouse and flex space. This is a shift from 2007, when the majority of availability was in non-Monona Drive properties. The increased median per square foot rate on Monona Drive is due to an increase in the percentage of retail space available, which typically commands higher rental rates. The types of lease also vary; including triple net leases, double net leases and unspecified leases. The distribution of the retail and office lease rates is shown in Table 4-3. Given the difficulty in determining some lease provisions, all of the lease types are grouped together for the following calculations.

Future office projections were modified by taking 2010 employment data for the City of Monona and applying a projected statewide growth rate for each industry sector which uses office space. The resulting number gives the projected increase in area employment by the year 2016. This can then be translated into the amount of estimated square feet demanded by these employees using an industry standard of 250 square feet of office space per one new employee. To make the calculation more sensitive to local conditions, the statewide growth rate in each industry sector is adjusted by the growth rate of the City of Monona relative to statewide growth. However, neither the state projections nor the estimates from Claritas (a demographic and business data service) account for the most recent round of job losses. Therefore, an additional job loss factor has been added based on industry trends through the first half of 2010. Table 4-4 shows the office projections for the City of Monona in the industry sectors which traditionally use office space.

Table 4-3: Lease Rates

| Number of Properties (2010) | 2010 Avg. PSF Rate 2007 Avg. PSF Rate | 2010 Median PSF Rate 2007 Median PSF Rate |
|--|--|--|
| City of Monona (excluding Monona Drive) | | |
| 6 | \$15.61 | \$13.50 |
| | \$14.95 | \$14.98 |
| Monona Drive Corridor | | |
| 11 | \$12.10 | \$15.95 |
| | \$13.43 | \$12.60 |

Source: Property Drive real estate listing, Loopnet

Table 4-4: City of Monona Office Market Potential

| Industry Sector | Statewide Yearly Growth Rate (2006-2016) ¹ | Citywide Jobs: 2010 ¹ | Local Job Growth Rate | Expected Citywide Employment by 2016 | Net New Jobs in Planning Area 2010-2016 | S.F. Demanded |
|--|---|----------------------------------|-----------------------|--------------------------------------|---|---------------|
| Business Services | 1.59% | 267 | 1.16% | 290 | 23 | 5,627 |
| Finance and Insurance | 1.25% | 441 | .74% | 451 | 10 | 2,376 |
| Real Estate & Rental and Leasing | .95% | 504 | .66% | 506 | 2 | 490 |
| Professional, Scientific, & Technical Services | 1.80% | 308 | 1.20% | 312 | 4 | 993 |
| Health Care & Social Assistance | 2.31% | 1,231 | 1.50% | 1,367 | 136 | 33,888 |
| Total | | 2,751 | | 2,924 | 173 | 43,375 |

Sources: Wisconsin Department of Workforce Development, Claritas, Vierbicher

Given the above calculations, the estimated amount of new office space which could potentially be supported by new employment by the year 2016 is just over 43,000 square feet. Some of this space demand will be absorbed within existing space vacancy before new space will be required. The equilibrium vacancy rate before new development is warranted is considered to be 10 percent. It should also be remembered that these calculations only reflect growth in the City of Monona if current trends continue. They do not take into account the possibility of capturing new business development from other locations in Dane County, or the potential to attract a large new office user to the City.

Given the prime Beltline frontage that Monona commands, there is strong potential for office growth above and beyond the projected 43,000 square feet. In fact, it may be more appropriate to assume that the 43,000 square feet worth of office growth would be outside of the Beltline/Broadway corridor.

Future Housing Potential

The purpose of this section is to discuss the potential for housing development along the Monona Drive Corridor. Because Monona Drive is such an integral part of the City of Monona, any plan for housing development along the corridor must be consistent with the housing needs of the City as a whole. In addition, future housing development in Monona, and virtually every other location, must anticipate the changing national demographic environment which is, and will, have a significant effect on the housing market. While the recession has undoubtedly had a significant impact on population trends, this impact cannot be fully determined until the results of the 2010 census are released in 2011. Residential recessionary impacts anticipated by many economists include increased household size (a positive, as this is a trend that will rapidly reverse as the economy recovers, boosting the demand for housing units), delayed childrearing and postponed college enrollment or graduation.

This section draws data and insight from both national and regional studies of the housing market, as well as the *2007 Strategic Housing Plan* which was completed by MSA Professional Services. This housing section begins with a brief overview of trends in the national housing market and a discussion on how those trends could affect Monona. The second section identifies the City-wide housing issues which were presented in the 2007 MSA report, and then discusses how future Monona Drive corridor development can address national trends as well as City-specific issues in order to capitalize on future housing potential.

Housing, Income and Home Value

Income and housing statistics are important retail and housing potential indicators because they describe the relative ability of individuals to afford homes and spend money on retail goods - in particular non-necessity goods. As mentioned earlier, the diminished home equity and inability to borrow against home values will significantly impact housing trends moving forward. Despite current record low interest rates, overall trends will be toward less home buyers and more renters. Some main drivers of this trend include stricter lending standards, the diminished appeal of home ownership as a path to financial gain and overall demographic trends pointing toward a longer pre-marriage period and increasing proportion of retirees and minority households (who are more likely to rent). Where most recent residential redevelopment along the corridor has been concentrated in senior housing and condominium properties, the most likely scenario in the coming years is toward apartment development. In addition to the economic trends mentioned above, apartment financing is significantly easier and cheaper to obtain, especially given the federally backed funds available and thus more attractive to developers.

A preliminary study shows that for the City of Monona as a whole, median sales prices have declined by 3.2 percent year over year as of second quarter 2010, which is on par with the

Madison metro average. The good news is that the 87 homes on the market as of the end of second quarter represent approximately 6 months of inventory, which is less than the 7.6 months for the Madison East market average, and the lowest tally of all Madison suburban communities. In addition, a relatively small percentage of these homes (7%) represent distressed assets.

An additional related byproduct of the recession is the change in household income levels. The decline in home value and diminished ability to borrow against this value, will significantly impact housing decisions. Similarly, the high unemployment rate (seasonally adjusted 7.8 percent for the state) and even higher underemployment rate (16.5 percent nationally, double the pre-recession rate) mean that many households are getting by with significantly less income than in prior years. Even those that are employed likely have less discretionary dollars. The Social Security Administration reports that average earnings rose by only 1.1 percent over the past year, which was the smallest rise in two decades and not sufficient to keep pace with the 2.8 percent cost of living increase during the period. According to a study by Columbia University, the lingering impacts of the recession on income can continue for up to a decade into the future. These lingering impacts are felt the greatest by recent college graduates (approximately 4.5 percent of Monona residents) who were forced to enter the job market at a lower pay scale, or postpone entry entirely, and by those approaching retirement age (14 percent of Monona residents) who will be forced to work longer and potentially retire with less retirement savings due to stock market losses.

National Housing Trends and Issues

Two national trends have ramifications on housing choices: the change in age structure, and the increase in minorities and minority families³. Both of these trends will affect housing in Monona in the coming years.

Historically age distribution of American householders has been roughly pyramidal in shape; with the largest cohort (by far) being ages 25-44, followed by 45-64, and the smallest being 65 and over. By the year 2025 it is anticipated that all three age cohorts will be approximately equal. Although the initial leveling out is largely going to be due to the aging baby boomer population, the trend is expected to endure even after the boomer generation due to increased life expectancy. As the older cohorts increase in number, there are more households without kids, driving down the overall household size. In addition, married couples are often waiting longer before having children (or not having children at all). These trends have led to married couples with no kids being the most common household type in the US, and single-person households being the second most common. This is an important change in relation to housing stock because so much of existing housing is geared toward the "traditional" family structure.

A second element important to the aging of America is the current versus anticipated income distribution. Data shows that income inequality is most pronounced in households over the age of 55. This means as new housing options are considered for the aging population, the mix of price points as well as rental versus ownership opportunities will be important.

Just as pronounced as the shift in age is the significant increase in minorities in virtually every location around the country. This shift is very important to housing decisions for a few main reasons. First, minority families tend to be considerably younger than non-Hispanic white individuals. In 2000 the median age of non-Hispanic white persons was 38.5 compared to 26.6 for Hispanic individuals, 28.5 for American Indians, 30.5 for African Americans, and 32.3 for Asians.

³ Riche, M. F. (2003) *Issue Papers on Demographic Trends Important to Housing*. Prepared for the U.S. Department of Housing and Urban Development, February 2003.

As a result of this difference in age, there are more minorities in the child-rearing stage than there are non-Hispanic white households. In fact, by 2025 it is expected that only 25 percent of non-Hispanic white households will have children compared to 43 percent of Hispanic households, 36 percent of Asian households and 30 percent of African American households. In short, traditional family structures are no longer the dominate reality in the majority of non-Hispanic white households. Instead, minority households present the best opportunity for growth in the family cohort.

This increase in minorities can be seen in the historic data of the City of Monona as well (Table 4-5).

Table 4-5: City of Monona Race and Ethnicity Distribution

| | 1980 # | 1980 % Dist. | 1990 # | 1990 % Dist. | 2000 # | 2000 % Dist. | 2010 # | 2010 % Dist. | Percent Change 1980 - 2010 |
|--------------------------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|----------------------------------|
| American Indian, Eskimo, Aleut | 11 | 0.12% | 17 | 0.19% | 24 | 0.29% | 41 | .52% | 273% |
| Asian | 32 | 0.36% | 62 | 0.71% | 62 | 0.76% | 65 | .83% | 103% |
| Other | 17 | 0.19% | 30 | 0.34% | 100 | 1.23% | 311 | 4.0% | 1,729% |
| Black | 31 | 0.35% | 118 | 1.35% | 175 | 2.15% | 197 | 2.25% | 536% |
| White | 8,814 | 98.6% | 8,418 | 96.3% | 7,542 | 92.6% | 7,202 | 92.14% | -18% |
| Hispanic Ethnicity | 36 | 0.40% | 97 | 1.11% | 244 | 2.99% | 393 | 5.03% | 992% |
| Total | 8941 | 100% | 8742 | 100% | 8147 | 100% | 7,816 | 100% | -13% |

Source: US Census, Claritas, Vierbicher Associates, Inc.

Although the absolute numbers have only changed slightly, the overall percentage of change over the last 20 years has been significant within Black, Hispanic, and Other; each having increases of over 400 percent in the 30 year period from 1980 to 2010. That is equivalent to an average annual increase of at least nine percent. At this rate, if growth could occur without any constraints such as lack of housing stock, by the year 2025 Monona’s racial composition would look as follows:

- American Indian, Eskimo, Aleut – 0.7%
- Asian – 4.1%
- Other – 22.9%
- Black – 16.6%
- White – 53.9%
- Hispanic Ethnicity – 24.9%

Although this scenario is not an accurate picture of the future of Monona because it does not reflect the anticipated levels of overall growth in the City, the above distribution is a clear indicator of the historic trends and potential future changes expected in Cities across the country. These changes are important to the City of Monona and the Monona Dr. Corridor because their housing stock is largely targeted at families and the current decreasing average household size is resulting in a declining population. The possibility of attracting additional minority families would be appropriate for the current housing stock, as well as work to increase the overall household size and potentially the population.

City-Wide Housing Issues

In conjunction with national demographic and housing trends, future housing development along the Corridor must respond to current city-wide housing issues and opportunities. Below are the five issues which are common themes throughout the City’s 2007 Strategic Housing Plan.

Low Household Size

The Monona Drive Corridor has a very low average household size, which is forecasted to continue to decrease. This fact is reinforced by the findings of the City's Housing Plan which reveals that Monona has the lowest household size among the nine other comparison municipalities. The primary impact of a continually decreasing household size is a declining population – as household size decreases, more housing units are needed to meet the needs of the same population. If housing supply remains relatively constant, the population will continually decrease.

Common Resident Complaints

According to a survey conducted as part of the Housing Plan, the four most common responses to questions asking about the least desirable traits of Monona were:

- Taxes/assessments
- Inadequate bicycling and pedestrian facilities
- Poor transit options
- Inadequate shopping

To some extent, all of these issues can be addressed by the form of future housing development.

Size and Age of Housing

Because Monona's housing stock is comprised primarily of older (pre-1960) homes, the size of homes in Monona is typically smaller than new suburban development. Consequently, many existing homes lack amenities which are sought by today's homebuyers. Because people historically choose amenities over location when making housing decisions, the City of Monona may not be viewed as favorably as a new development in more suburban communities like Waunakee and Cottage Grove. The age of homes in Monona also leads to more costly home maintenance which can be a deterrent for first-time homebuyers.

Age of Homeowners

Census data, and data presented in the *Strategic Housing Plan*, points to a fairly high concentration of householders over the age of 50. This data was tabulated in the year 2000, so those householders are now eleven years older. A more aged population has a positive impact on current housing stability, but it also creates the potential for significant housing turn-over during the next 10 to 20 years. If this does occur, and there is a desire to keep the aging population from leaving the City, there must be senior housing options available.

Increased Renting of Single Family Homes

Recent data shows that the percentage of single-family homes which are being rented to non-home owners has increased. Although this is not an inherently negative trend, it does remove housing stock from potential home buyers. The trend also points to a possible lack of rental units.

Monona Drive Housing Potential

Taking into account the local and national issues listed above, there are certain housing development patterns that could occur along the Monona Drive Corridor that would not only address some of the above problems, but also capitalize on potential housing markets and the changing national demographics. The following housing options and strategies are most viable for the Monona Drive corridor.

Density of Development and Node Creation

Future housing should be clustered in higher density nodes which are intermixed with retail offerings. This form of housing development would address problems associated with a low household size because of the potential for a substantial increase in the overall number of housing units, which, in turn, could help stabilize or even increase the population. More dense

development adjacent to retail offerings will also help address all four of the common complaints about Monona by providing housing developments which are more accessible to alternative transportation (or will encourage transit expansion because of increased density), have easier access to shopping, increase tax base, create more efficient use of existing services, thus potentially reducing the overall tax burden.

Development with a Variety of Amenity Levels

New housing in Monona should address unit size and amenity levels – two concerns with the City’s aging housing. For example, a portion of future housing development should offer some of the amenities which are currently demanded by homeowners such as more bathrooms, larger bedrooms and adequate parking and storage. This can be accommodated in new condominiums, townhomes, or apartments. However, because of the aging population and the potential for future housing turn-over, some new housing development can also include provision of smaller more simplified living arrangements for seniors.

In addition to filling a current need in the City, the provision of new housing which meets the needs of homebuyers and is also located in a well-connected urban location will likely become more attractive as fuel prices rise and consumer patterns change. As mentioned above, historically many families and individuals have been choosing amenities over location. However, if the cost to live outside of an urban area continues to increase due to transportation costs, location will become a more prominent factor in housing choice. If that shift does occur and Monona has provided new housing which could also meet some of the amenity needs, the City will be well-positioned to capture families and individuals who desire a small-town feel, great schools, and multi-modal connections. This outlook is strengthened by recent research which shows the hottest real estate areas in Dane County are those neighborhoods with access to shopping, schools, parks and buses.⁴ Clearly, with the right housing stock, Monona Drive fits this profile.

New Apartment Development

The increased incidence of single-family homes being used as rentals points to the potential market for more apartments in the City. This assumption is based on the idea that renting a single-family home is often more costly due to utilities, and more time-intensive because of yard maintenance. Because of this, renters may desire a more simplified and cost-effective method of living such as provided by multi-unit apartment buildings.

Developer Interviews

Area developers were interviewed to gather opinions on current market conditions and the redevelopment prospects for north Monona Drive. Five general questions were asked:

1. What are your overall impressions regarding potential for redevelopment along North Monona Drive (Pflaum to Winnequah)? Do you think the area would be suitable for retail, office, residential, and/or mixed-use?
 - *The overall amount of retail along corridor should be reduced – the current market has little room for new neighborhood-oriented retail.*
 - *Many retailers don’t want to be part of mixed-use development; those that do generally demand great visibility along the street.*

⁴ Balousek, Marv (2008) , *Hot Neighborhoods in Cold Market*. [Wisconsin State Journal](#). Saturday, May 17.

- *The north Monona Drive configuration creates problems – ingress and egress is a huge issue. Left turn lanes or a signalized intersection are needed for viable retail. Businesses want space for easy left turns so customers feel it is safe to stop, and know that it will be easy to get back on the roadway.*
 - *Landscaping along N. Monona Drive needs improvement.*
 - *There could be room for a good restaurant or specialty grocery along N. Monona Drive.*
 - *Large, deep parcels are needed to accommodate redevelopment projects – small, shallow parcels make for smaller, less viable projects.*
2. Is there a project size that you would need to make a redevelopment project worthwhile (lot size, number of residential units, square footage of office/retail)?
- *Varying answers were given to this question:*
 - *There is no magic number in general – each project is different.*
 - *25+ units for residential; 40,000+ square feet for office to achieve sufficient economies of scale.*
 - *\$5 million project value.*
 - *Is it possible to build up in the area to get views for residential? If so, residential redevelopment prospects would be enhanced with lake views.*
 - *Is it possible to have above-ground structured parking in the area? This option would allow for flexibility in accommodating parking.*
3. What is your feel for construction costs in the current market?
- *There were mixed responses to this question – some said materials costs have come down, some said materials costs have gone up. There was general agreement that labor costs have gone down.*
 - *There is generally more activity that must adhere to Davis-Bacon wage requirements due to stimulus-related projects. Davis-Bacon can drive wages back up when it is in play.*
4. What is your opinion on current conditions for bank financing for redevelopment projects?
- *It is impossible to finance retail and office unless there is a major tenant secured and overall high pre-lease rates.*
 - *No one can finance condo projects.*
 - *Municipal/institutional users could be a potential target.*
 - *Some projects need 50% LTV to proceed.*
 - *Rental housing is the least difficult project type to finance.*
5. Do you have any other comments on redevelopment in the north Monona Drive area? Are you interested in further information or an RFP in the future?
- *All interviewees are interested in hearing more when the plan is done.*
 - *Developers need deep pockets and good bank relationships to do redevelopment projects right now.*
 - *One developer stated that 100% of the projects he is involved in have some sort of government participation (tax credits, TIF, etc).*

- *One developer strongly recommended that the CDA not send out an RFP once the plan is done – those often just get thrown in the trash. Instead, the CDA should invite a group of developers to discuss potential projects for the area, and go into developer meetings with an open mind and a willingness to partner on a project. The CDA should give a general outline of what is desired, but do not overwhelm potential developers with requirements.*

5 Redevelopment Plans

As previously discussed, the CDA's Monona Drive Revitalization Plan designated four land use areas along the Corridor; RA #7 contains property within two of the four areas – the office and small-scale commercial area, and the high-density residential area. The CDA also identified four "targeted redevelopment areas" (TRAs) along the corridor. The TRAs are areas where there is the most opportunity for redevelopment along Monona Drive to address the economic potential discussed in the previous chapter. TRAs #1 and #2 are south of RA #7, TRAs #3 and #4 are within the RA #7 boundary. TRA #3 is bounded by West Dean Avenue on the south, Gordon Avenue on the west, Lofty Avenue on the north, and Monona Drive on the east (not including single-family homes facing Gordon Avenue north of Spring Have Avenue). TRA #4 is the current Rubin's site.

Development scenarios were prepared for each of the targeted areas. The purpose of the scenarios is to model the financial performance of a fully developed site. The scenarios do not represent any actual proposed developments, nor do they necessarily represent recommended development types. This information can provide guidance to decision-makers and help to understand some of the financing challenges of redevelopment. Each scenario shows an assumed square footage of development, development footprint, number of parking stalls (surface and structured), and, where applicable, number of residential units. These statistics for density and intensity of development are summarized in the table below.

Table 5-1: Summary of Density and Intensity of Development in Targeted Redevelopment Areas

| Area # | Area Acreage | Bldg. Footprint Sq. Ft. | # Floors | Gross Bldg. Sq. Ft. | Floor Area Ratio | # Surface Pkg. Stalls | # Structured Pkg. Stalls | Anticipated Lot Coverage* | # DU** | DU** Per Acre |
|--------|--------------|-------------------------|----------|---------------------|------------------|-----------------------|--------------------------|---------------------------|--------|---------------|
| 3-1 | 2.31 | 23,000 | 4 | 92,000 | 0.91 | 210 | 50 | 75% | 0 | 0 |
| 3-2 | 1.10 | 12,000 | 4 | 48,000 | 1.00 | 40 | 45 | 78% | 30 | 27.3 |
| 3-3 | 1.39 | 15,000 | 4 | 60,000 | 0.99 | 50 | 57 | 50% | 38 | 27.3 |

* Building and surface parking.

** DU = dwelling units

TRA redevelopment scenarios are meant as examples of the type of development that can occur in each area; actual redevelopment plans will likely differ from the TRA scenarios. TRA scenarios should not limit developers in formulating their own creative redevelopment scenarios in RA #7 that meet the overall goals for the area.

No changes are proposed in the Master Plan, Official Map, or Building Codes as part of this Plan. The City's Zoning Code and other City Ordinances are required to implement this project plan. Individual redevelopment proposals will require changes in the current zoning designation (shown on Map #6 in Appendix A) consistent with the intent of this Plan. This Plan complies with the City's Comprehensive Plan, which was adopted on April 19, 2004.

Redevelopment scenarios for both TRAs are outlined below.

Target Area Three: Commercial and Mixed-Use Development

Targeted Redevelopment Area #3 is just to the southwest of Monona Grove High School. It currently consists of many small retail and office establishments. Redevelopment project 3-1 analyzes a commercial development, and 3-2 analyzes a mixed-use project with ground-floor commercial with apartments above. Commercial development would be geared more to neighborhood and near east-side customers, as opposed to regional employment centers that typically seek Beltline, downtown Madison, or other regional office node locations.

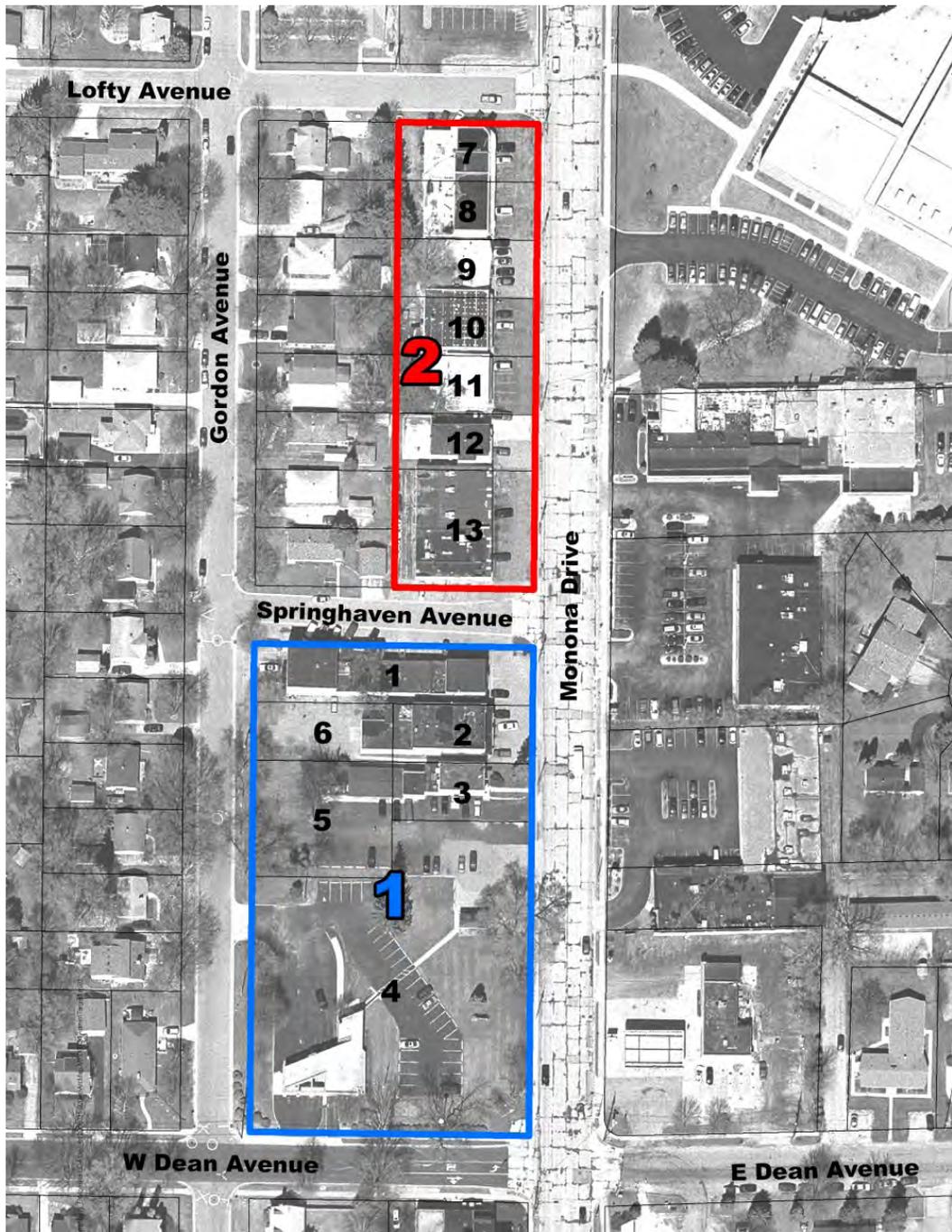


Table 5-2: Targeted Redevelopment Area #3-1 Redevelopment Scenario

| | |
|---|---|
| Existing Development(s): (Individual Parcels Shown in Chart Below) | Improvement Value: \$938,700 Acres: 2.31 Improvement/Acre: \$405,837 |
| The proposed development: | <ul style="list-style-type: none"> ▪ 78,200 square feet of leasable commercial space |
| Parking: | <ul style="list-style-type: none"> ▪ 210 surface stalls ▪ 50 structured parking |
| Anticipated Increase in Assessed Value | \$7.7 million |
| Total Developer Construction Cost | \$12.2 million |
| Estimate of Jobs Created | 260 |
| Total Anticipated CDA Subsidy ⁵ | \$1.6 million (17% of anticipated value) |
| Target Developer Yearly Cash Flow (10 year loan term) | \$1,140,000 |
| Estimated Yearly Actual Cash Flow (10 year loan term) | \$777,000 |
| Anticipated Yearly Profit | (\$363,000) |
| Observations | The high cost of office construction, coupled with high parking costs and only modest office and retail lease rates, makes 100 percent commercial developments difficult. Even with a CDA subsidy and a lease rate of \$18.00 per square foot, the project's yearly cash flow is negative. Current commercial market requires a high rate of long-term pre-leasing. |

Table 5-3: Targeted Redevelopment Area #3-1 Existing Parcels

| Parcel # | 1983-1988* | | 2010 | | % Increase Land** | % Increase Improve.^ | |
|----------|--------------|------------------------------------|-----------|-----------|-------------------|----------------------|------|
| | Land | Improve. | Land | Improve. | | | |
| 1 | 071017177419 | \$37,600 | \$182,400 | \$67,400 | \$305,400 | 79% | 67% |
| 2 | 071017177526 | \$34,200 | \$125,800 | \$59,900 | \$161,200 | 75% | 28% |
| 3 | 071017177633 | \$42,000 | \$44,800 | \$73,000 | \$158,000 | 74% | 253% |
| 4 | 071017177964 | \$154,300 | \$151,000 | \$256,800 | \$314,100 | 66% | 108% |
| 5 | 071017178847 | Combined with parcel 071017177633. | | | | | |
| 6 | 071017178954 | Combined with parcel 071017177526. | | | | | |

* Note: Values are for this range of years; parcels were not re-assessed each year or records were missing.

** Increase in commercial land assessment 1985-2010: Citywide: 176%. HS area 1&2: 71%

^ Increase in commercial improvement assessment 1985-2010: Citywide: 260%. HS area 1&2: 87%.

⁵ In typical redevelopment situations, a subsidy up to approximately 15% of anticipated future development value can be recovered via TIF increment.

Table 5-4: Targeted Redevelopment Area #3-2 Redevelopment Scenario

| | |
|--|--|
| Existing Development(s): <i>(Individual Parcels Shown in Chart Below)</i> | <i>Improvement Value: \$1,121,900 Acres: 1.10 Improvement/Acre: \$1,016,214</i> |
| The proposed development: | <ul style="list-style-type: none"> ▪ 12,000 square feet of leasable office space ▪ 30 apartments |
| Parking: | <ul style="list-style-type: none"> ▪ 40 surface stalls ▪ 45 structured stalls |
| Anticipated Increase in Assessed Value | \$2.2 million |
| Total Developer Construction Cost | \$8.1 million |
| Estimate of Jobs Created | 40 |
| Total Anticipated CDA Subsidy ⁶ | \$710,000 (18% of anticipated value) |
| Target Developer Yearly Cash Flow (10 year loan term) | \$757,000 |
| Estimated Yearly Actual Cash Flow (10 year loan term) | \$559,000 |
| Anticipated Yearly Profit | (\$198,000) |
| Observations | The commercial component of the project would likely require a high level of pre-leasing. Though the apartment market is relatively good, apartments are generally assessed lower than condos, making the increase in property value much lower. The relatively high cost of acquisition and small site result in a negative yearly cash flow. |

Table 5-5: Targeted Redevelopment Area #3-2 Existing Parcels

| Parcel # | 1983-1988* | | 2010 | | % Increase Land** | % Increase Improve.^ | |
|----------|--------------|----------|-----------|----------|-------------------|----------------------|------|
| | Land | Improve. | Land | Improve. | | | |
| 7 | 071017165413 | \$26,400 | \$118,600 | \$37,400 | \$146,500 | 42% | 24% |
| 8 | 071017165520 | \$24,000 | \$111,000 | \$37,400 | \$201,300 | 56% | 81% |
| 9 | 071017165637 | \$24,000 | \$46,000 | \$0 | \$0 | -- | -- |
| 10 | 071017165744 | \$24,000 | \$146,000 | \$37,400 | \$162,600 | 56% | 61% |
| 11 | 071017165851 | \$24,000 | \$91,000 | \$37,400 | \$160,700 | 56% | 77% |
| 12 | 071017165968 | \$22,600 | \$52,400 | \$36,300 | \$112,200 | 61% | 114% |
| 13 | 071017166074 | \$51,100 | \$143,900 | \$68,400 | \$338,600 | 34% | 135% |

* Note: Values are for this range of years; parcels were not re-assessed each year or records were missing. Parcel #9 was removed from the percent increase calculations below, since it was purchased by the City and is therefore assessed at \$0.

** Increase in commercial land assessment 1985-2010: Citywide: 176%. HS area 1&2: 48%

^ Increase in commercial improvement assessment 1985-2010: Citywide: 260%. HS area 1&2: 69%.

⁶ In typical redevelopment situations, a subsidy up to approximately 15% of anticipated future development value can be recovered via TIF increment

Target Area Four: Mixed-Use Development

The current Rubin's furniture site is in an ideal location to support new mixed-use development. The area to the north of Rubin's is already home to numerous condominium developments which take advantage of lake and capitol views. New residential development, potentially with ground-floor commercial, would add residents and customers to the corridor while also increasing the profile of the area and creating a more walkable neighborhood environment on the north side of the Monona Drive corridor.

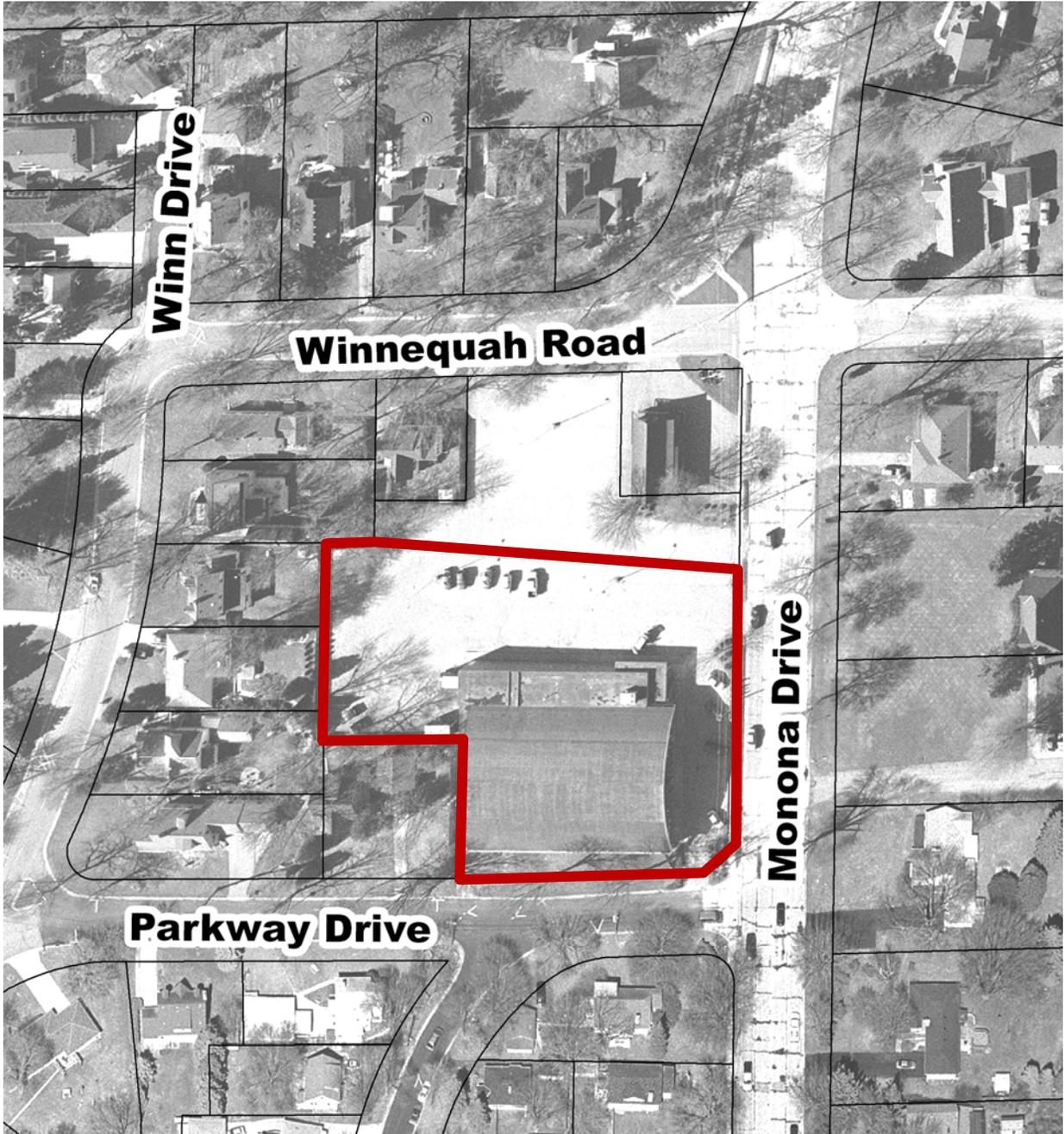


Table 5-6: Targeted Redevelopment Area #4-1 Redevelopment Scenario

| | |
|--|--|
| Existing Development(s): <i>(Individual Parcels Shown in Chart Below)</i> | <i>Improvement Value: \$372,600 Acres: 1.39 Improvement/Acre: \$267,388</i> |
| The proposed development: | <ul style="list-style-type: none"> ▪ 15,000 square feet of leasable retail space ▪ 38 apartment units |
| Parking: | <ul style="list-style-type: none"> ▪ 57 structured parking (underground) ▪ 50 surface |
| Anticipated Increase in Assessed Value | \$4.2 million |
| Total Developer Construction Cost | \$8.2 million |
| Total Anticipated CDA Subsidy ⁷ | \$700,000 |
| Target Developer Yearly Cash Flow (10 year loan term) | \$772,000 |
| Estimated Yearly Actual Cash Flow (10 year loan term) | \$779,000 |
| Anticipated Yearly Profit | \$7,000 |
| Observations | The apartment market is currently the best sector in a down market. Apartments assume an average lease rate of \$950 per month. Current commercial market requires a high rate of long-term pre-leasing. |

Table 5-7: Targeted Redevelopment Area #4-1 Existing Parcels

| Parcel # | | 1983-1988* | | 2010 | | % Increase Land** | % Increase Improve.^ |
|----------|--------------|------------|-----------|-----------|-----------|-------------------|----------------------|
| | | Land | Improve. | Land | Improve. | | |
| 1 | 071017105642 | \$243,200 | \$396,800 | \$295,000 | \$372,600 | 21% | -6% |

* Note: Values are for this range of years; parcels were not re-assessed each year or records were missing.

** Increase in commercial land assessment 1985-2010: Citywide: 176%. HD res. area: 21%.

^ Increase in commercial improvement assessment 1985-2010: Citywide: 260%. HD res. area: -6%.

⁷ In typical redevelopment situations, a subsidy up to approximately 15% of anticipated future development value can be recovered via TIF increment

6 Implementation & Financing

Based on 2009 property tax data collected from Dane County, the current value of land in the RA #7 is \$1.5 million. Improvements in the area are currently valued at about \$4.1 million, for a total property and improvement value of approximately \$5.6 million. Considering that blighted conditions exist in the area and some parcels are vacant, there is potential to significantly increase property values and corresponding tax base by eliminating blight and promoting redevelopment.

Strategy

It is the intent of the CDA to selectively acquire parcels under certain circumstances, as is provided for in §66.1333. The CDA expects to consider property acquisition when properties:

- *Present a public health and safety hazard.* A major indicator for such a hazard is citations for building code violations. Other indicators may be non-compliance with safety-related provisions of the zoning ordinance, or structural code violations that have been grandfathered in from older ordinances/codes.
- *Are left to deteriorate.* While some properties along Monona Drive are well-maintained by their owners, many properties along Monona Drive exhibit deterioration that indicate a lack of maintenance or investment by property owners. Such conditions are not only detrimental to adjoining property owners, who will see their property values decline due to proximity to blighted property, but also to the City, which has seen a decline of property tax collections from dilapidated commercial properties that results in increased burden on other City properties.
- *Are available for a reasonable price.* The CDA may purchase properties that are listed within the Redevelopment Area. This option would most likely be exercised if there is an opportunity to assemble a number of properties that would present an attractive redevelopment prospect to the market.

The CDA intends to promote the area to developers who may be interested in partnering on significant redevelopment projects. Private developers often do not want to face the difficulty and uncertainty of the property assembly that is often necessary when dealing with redevelopment. Because the redevelopment area is made up of small parcels that are under separate ownership, the CDA will be able to remove that difficulty and uncertainty by assembling a sufficient number of properties to make redevelopment feasible for a private development partner. The CDA is able to take the long view when assembling property, when private developers are more likely to need to proceed with a redevelopment project in the near term to begin recouping their investment and reduce the cost of holding the land.

While the CDA is prepared to assemble properties and partner with developers, that should not preclude the efforts of any private developers to assemble properties and present a project, so long as that project complies with the general intent of this Plan. The CDA expects that a zoning change, most likely to the Community Design District (CDD) will need to take place to accommodate redevelopment proposals. Furthermore, the City and CDA are willing to consider vacating Springhaven Avenue, should doing so allow for a higher-quality project.

Regardless of whether development is CDA initiated or privately initiated, redevelopment proposals should:

- Assemble smaller parcels to present a cohesive development proposal to take the place of the current piecemeal development that is present along Monona Drive.
- Increase density above what is currently present within the Redevelopment Area.
- Increase property values and property tax collections.

- Provide new employment and/or housing opportunities consistent with the design guidelines that have been adopted for the Monona Drive corridor.

§66.1333(6)(e) states that the City Council must permit new construction within RA #7. Because the CDA has drafted this Plan for Redevelopment Area #7 and has been tasked by the City Council to eliminate blight and provide for redevelopment of underutilized areas of the City, the CDA should review redevelopment proposals for compliance with the Plan for Redevelopment Area #7 and make a recommendation to the Council prior to Council action to approve any redevelopment in the area. The prohibition on development without Council approval does not apply to ordinary repairs, maintenance, or improvements that are necessary to continue occupancy.

Tax Increment Financing

Financing redevelopment projects can be prohibitive for the private sector due to a variety of cost barriers. Environmental remediation to prepare a site for development and the rehabilitation or removal of existing structures are two examples of the types of additional costs that make redevelopment financially challenging. The financial barriers to redevelopment are the same barriers that perpetuate blighted conditions and further reduce property values, creating an even more challenging redevelopment environment. In order to make redevelopment feasible from a cost perspective, it is important for the City to position itself to partner with the private sector by providing financial tools that make redevelopment financially feasible.

The primary source of funding for redevelopment activities within Redevelopment Area #7 is expected to be Tax Increment Financing.

The State of Wisconsin has empowered communities to create Tax Increment District (TIDs) to promote the redevelopment of underutilized, obsolete, or blighted areas. In order to create a TID the City must determine a boundary within which costs are incurred and new tax base is created. After setting up the district boundaries, the City must then identify the potential costs that are needed to make new development feasible within the district. There are a variety of eligible project costs associated with the creation of a TID. Examples of eligible project costs include financing, infrastructure development, real property assembly, professional services, and other costs specifically outlined in the project plan.

Property taxes are comprised of taxes collected by the local unit of government, the county, the Technical College District and the State of Wisconsin. When a TID is created, a 'base value' is established by determining the current value of real property located in the District. The overlying taxing entities continue to collect their portion of property taxes on the 'base value'. As property values in the District increase as a result of new development, redevelopment or inflation, the additional value is captured by the TID. This additional value is called the 'tax increment' and can be used to fund project costs over the life of the TID. Once the District is terminated all of the overlying taxing entities begin to receive property taxes on the full value of property in the former District. Overlying jurisdictions benefit from the additional tax base created as a result of the redevelopment facilitated through the TID.

Creating a TID for the North Monona Drive area would provide funds to assist with the costs associated with redevelopment projects, and may also be applied toward funding public improvements such as the anticipated reconstruction of Monona Drive.

Timing

The City and CDA would like to implement redevelopment projects within the targeted redevelopment areas described in section 5 of this plan as soon as practicable. However, moving forward will depend upon two major factors:

- *The availability of land at a reasonable price.* The City and CDA do not anticipate paying a large premium simply to hasten redevelopment of the area by a few years. The CDA would prefer to work with current landowners to reach a fair price and avoid contentious negotiations. Given the diversity of ownership in some of the targeted areas, condemnation may be necessary in select cases to enable projects that comprehensively address the targeted redevelopment areas.
- *The participation of development partners.* The City has a long history of successful public/private partnerships. Recent projects that involved City/CDA collaboration with the developer include Frostwood Commons, Heritage Monona, Monona State Bank, and Monona Woodlands. On the Heritage Monona project, for example, the CDA acquired properties, issued a request for proposals, selected a developer, and worked with the developer to arrive at an agreement, which included TIF assistance, that brought about the construction of a well-received senior housing project in a formerly blighted area. The CDA and City will continue to pursue successful partnerships with collaborative developers to implement forward-looking projects that address Monona market needs. Such partnerships allow the City/CDA to leverage its investment and create a project that will increase the aesthetics, boost quality of life, and increase property tax revenues.

7 Relocation

Though the CDA hopes to work with landowners to implement this plan, it is possible that relocation will be necessary to implement projects proposed as part of Redevelopment Area #7. If relocation were to become necessary in the future, the following is the method proposed by the City or Community Development Authority for displacement or relocation. Before negotiations begin for the acquisition by eminent domain of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statutes and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce (DOC) as required by law. If any person is to be displaced as a result of the acquisition they will be given a pamphlet on "Relocation Benefits" as prepared by the DOC. The City will file a relocation plan with the DOC and shall keep records as required in Wisconsin Statutes 32.27. The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

8 Conclusion

This Plan has been created to allow the CDA use authority granted under §66.1333 in Redevelopment Area #7. This Plan has established a need for redevelopment planning in the area and used previous planning efforts related to Monona Drive, as well as the City's Comprehensive Plan, as a base for redevelopment efforts in the redevelopment area. With the planned upgrades for the Monona Drive corridor, the infrastructure will be in place to accommodate the increase in density that is anticipated as part of this Plan.

This Plan has purposefully been written to allow for developer flexibility in proposing projects within RA #7. Broad outlines of what is desired have been given; the CDA does not wish to mandate a specific mix of uses, specific style of development, or a specific development density. While specific redevelopment projects were analyzed in Chapter 5, the densities and mix of uses contained in those analyses should be considered examples, and not preclude other proposals. Going forward, the CDA and City intend to be responsive to changing market conditions when evaluating proposed redevelopment projects. At the same time, development should adhere to the guidelines contained within the Monona Drive Urban Design Guidelines document in order to maintain a consistent overall feel and quality for development along the Drive.

As the City's Comprehensive Plan discusses, redevelopment will be an important part of the City of Monona's economic health in the coming years. Monona Drive, as the City's central arterial and "Main Street," is perhaps the most important corridor for revitalization in Monona. With the huge ongoing investment in public infrastructure to upgrade the right-of-way and utilities in the Corridor, interest in property redevelopment will only increase in the coming years. This Plan puts in place some of the necessary tools that the City and CDA can use to maximize the impact of public and private investments in the Monona Drive corridor, and boost its economic vitality for years to come.

A Appendix A: Maps

Map #1: Redevelopment Area Boundary

Map #2: Property Condition

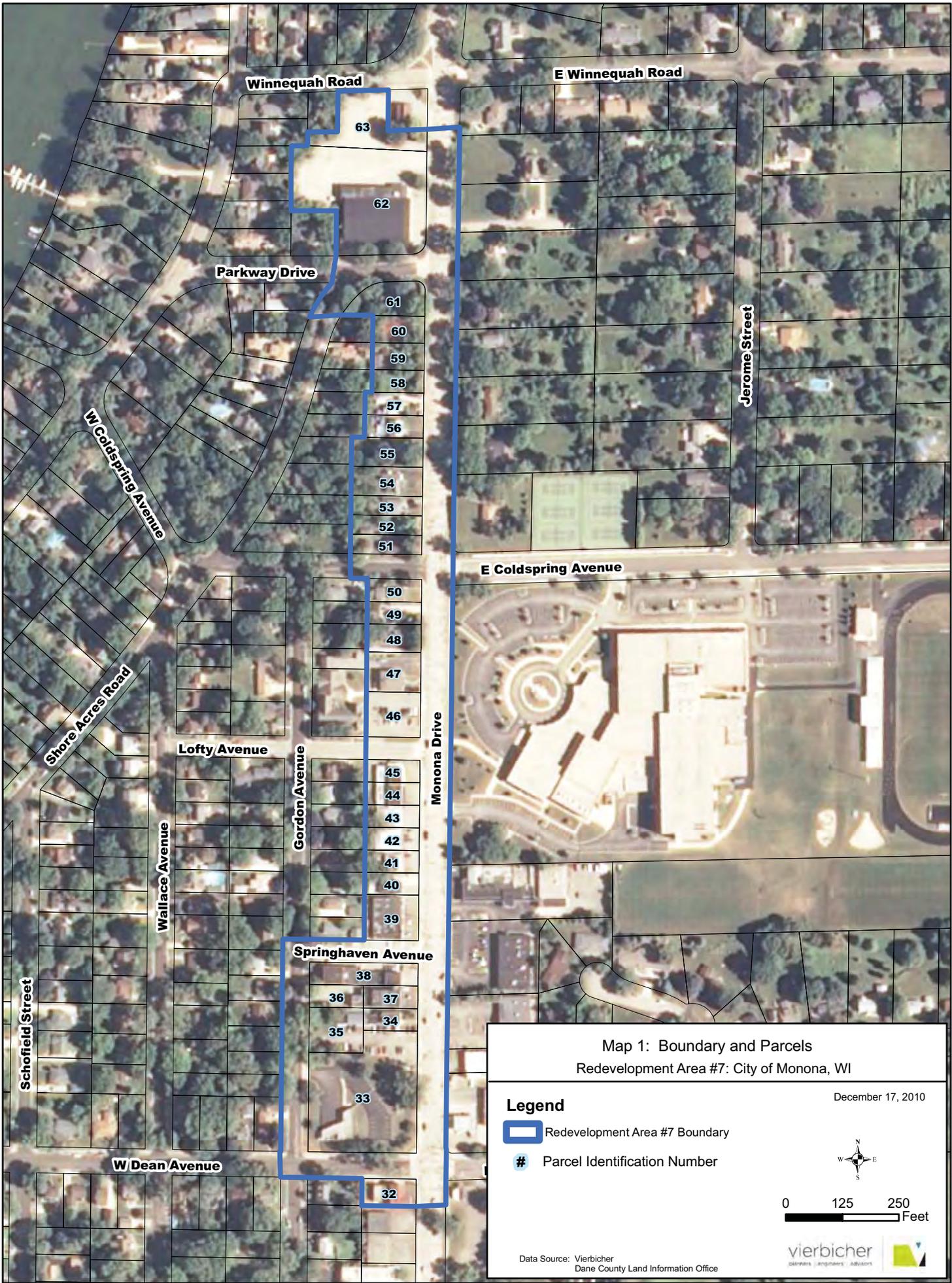
Map #3: Existing Land Uses

Map #4: Proposed Land Use

Map #5: Proposed Improvements

Map #6: Zoning

D:\temp\Gary_B\Monona CDA Dev_01206603_100\arc\ArcMap-MXD\North Monona Dr Review\RedevArea7_map1.mxd



Map 1: Boundary and Parcels
 Redevelopment Area #7: City of Monona, WI

December 17, 2010

Legend

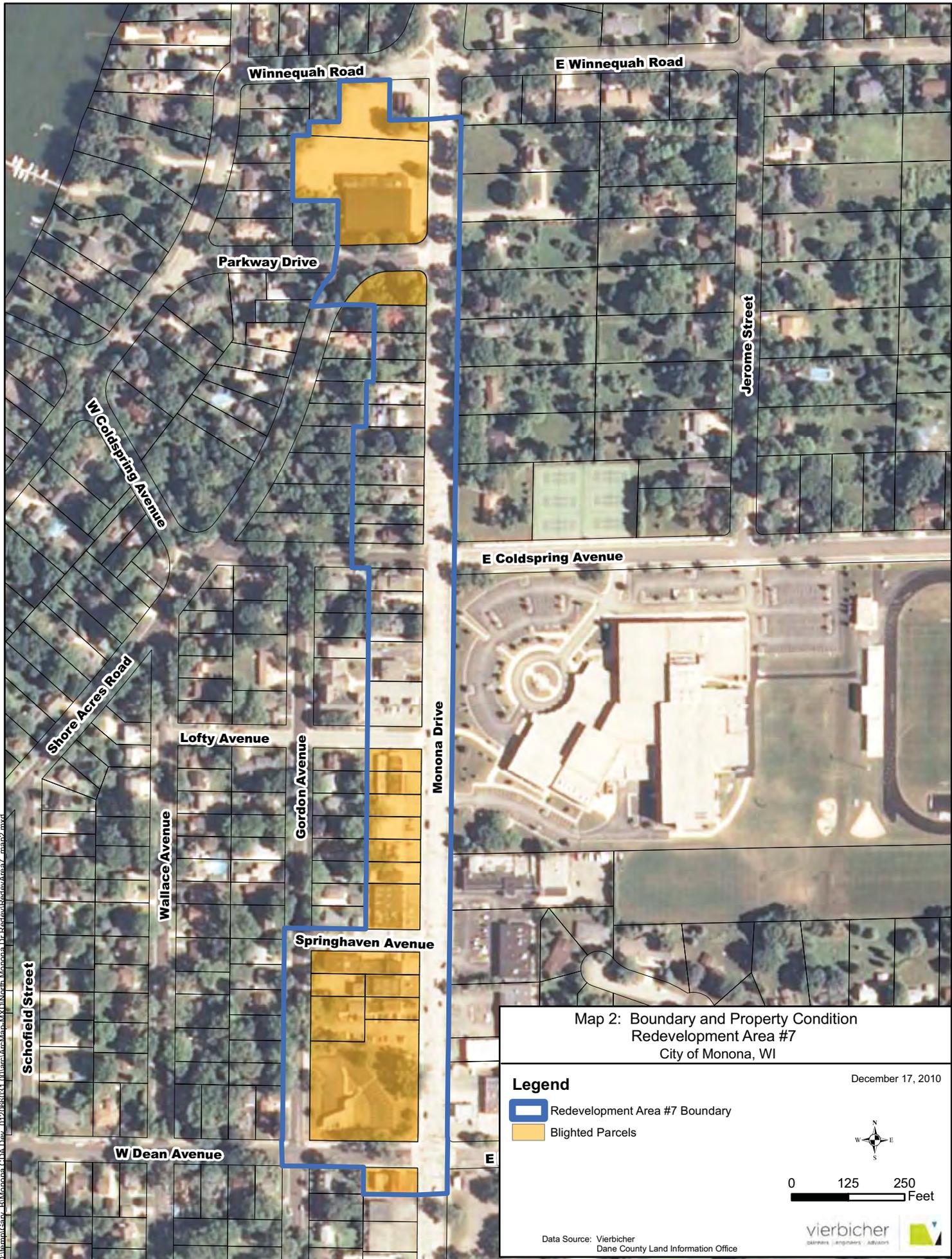
- Redevelopment Area #7 Boundary
- # Parcel Identification Number



0 125 250
Feet

Data Source: Vierbicher
Dane County Land Information Office



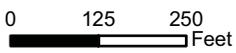


Map 2: Boundary and Property Condition
 Redevelopment Area #7
 City of Monona, WI

December 17, 2010

Legend

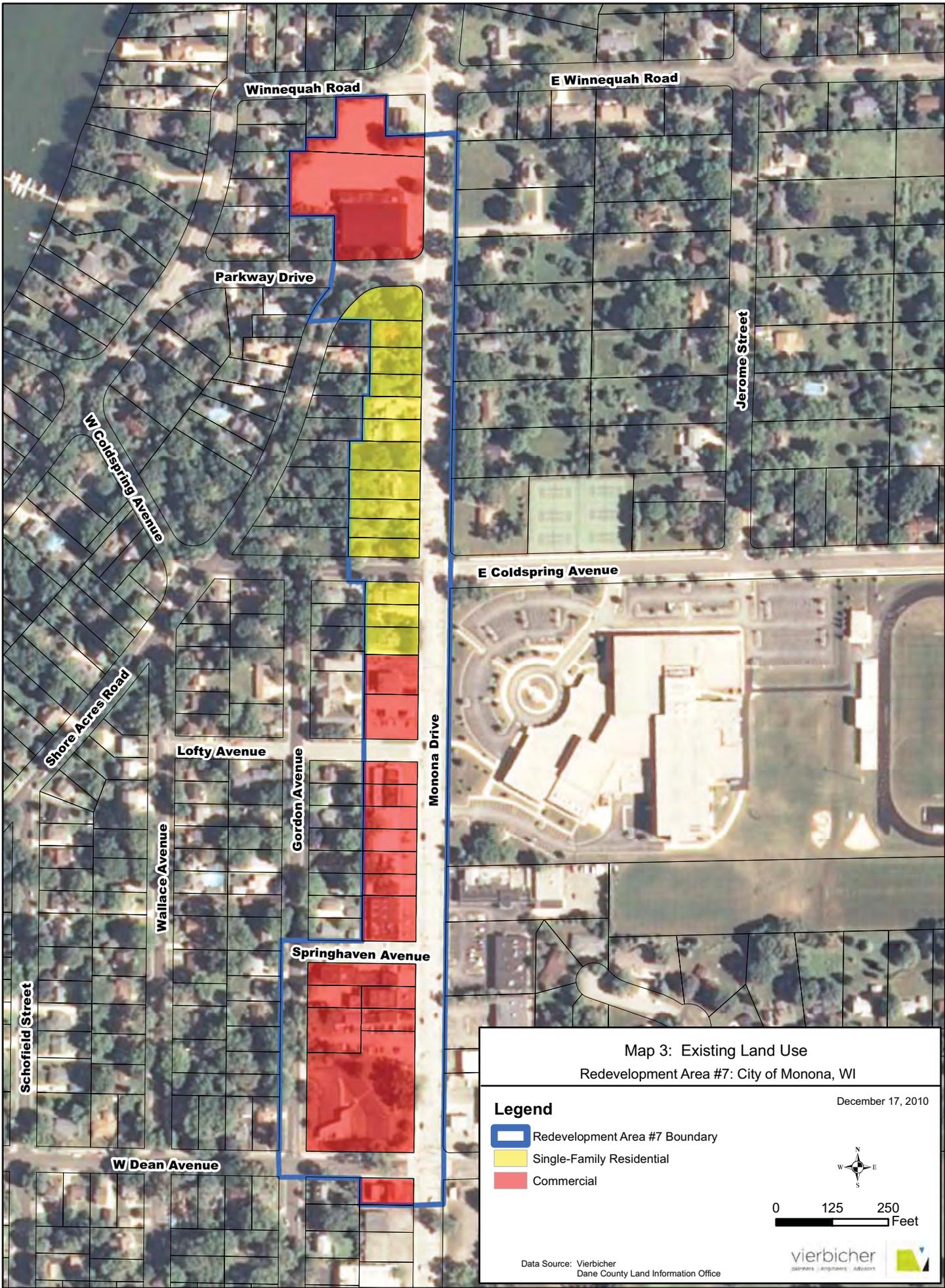
- Redevelopment Area #7 Boundary
- Blighted Parcels



Data Source: Vierbicher
 Dane County Land Information Office



D:\hema\Case - RM\Monona CDA Draw - 012056031_00\Area\Map\Map\Monona_CDA\Bldg\Bldg\Area7_map2.mxd



Map 3: Existing Land Use
Redevelopment Area #7: City of Monona, WI

December 17, 2010

Legend

-  Redevelopment Area #7 Boundary
-  Single-Family Residential
-  Commercial

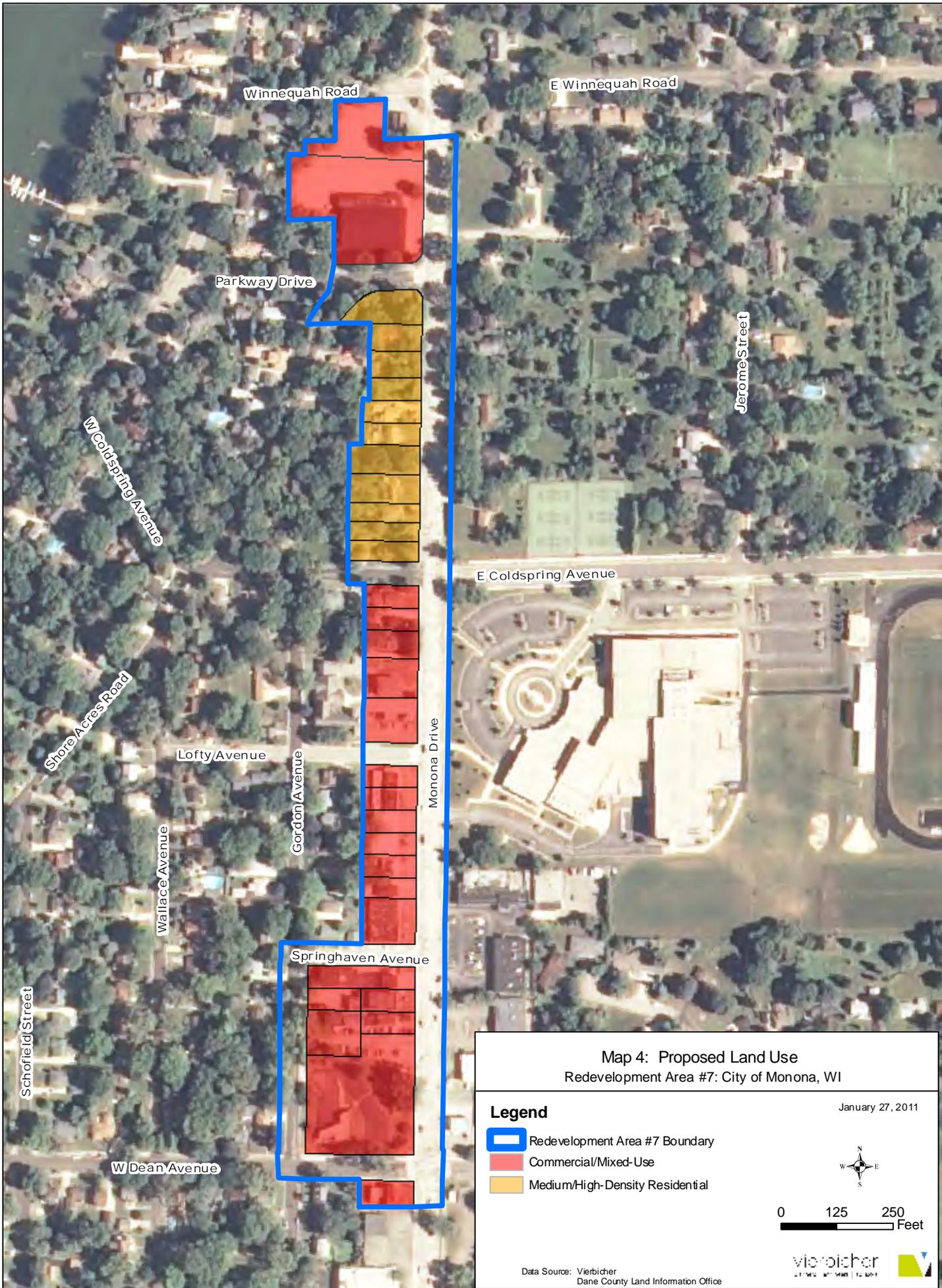


0 125 250
Feet

Data Source: Vierbicher
Dane County Land Information Office



D:\temp\Gary_B\Monona CD A Dev_012066031_00a\rc\AreaMap-MXD\North Monona Dr Rede v\RedevArea7_m\map4.mxd



Map 4: Proposed Land Use
 Redevelopment Area #7: City of Monona, WI

January 27, 2011

Legend

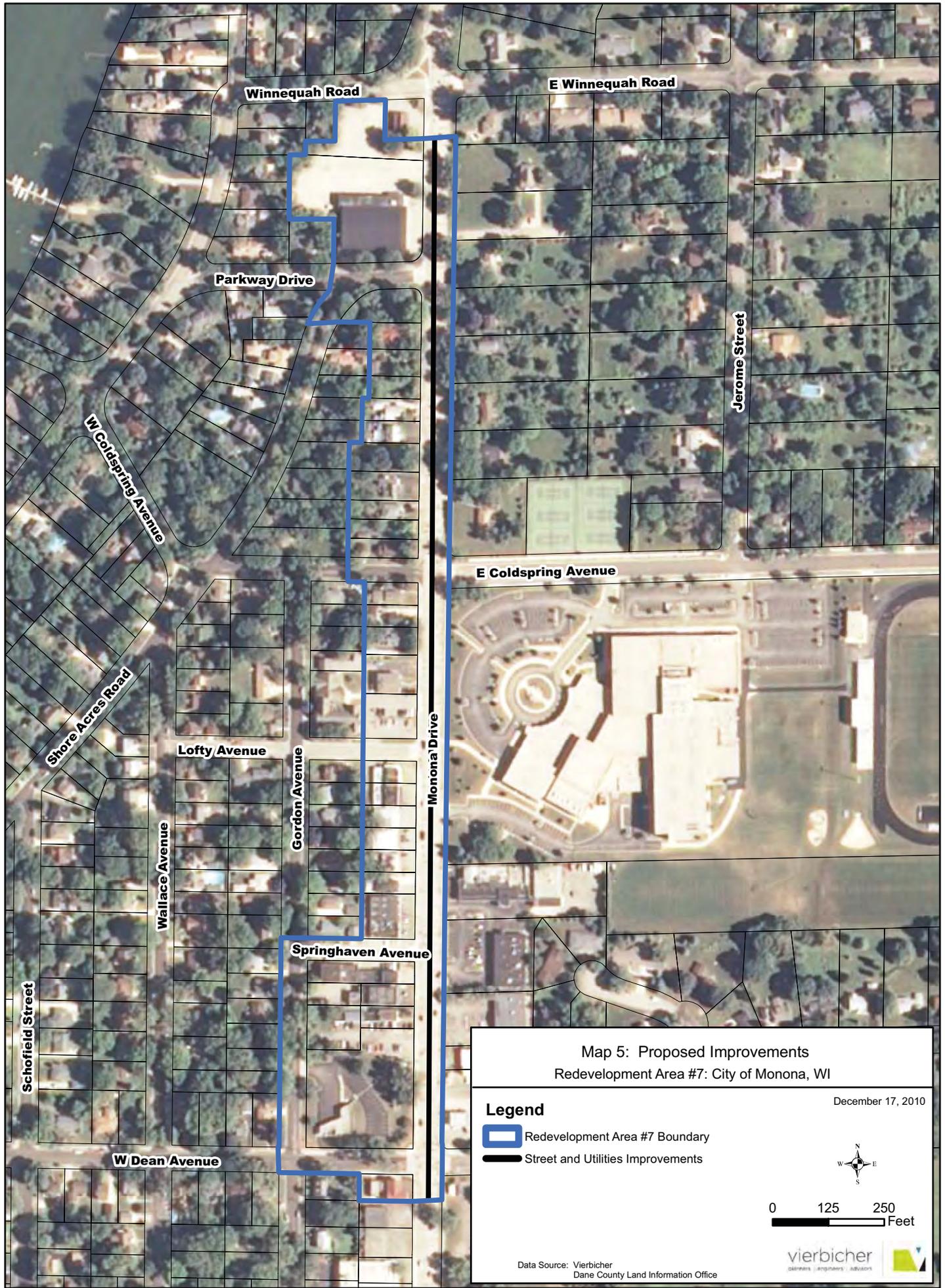
-  Redevelopment Area #7 Boundary
-  Commercial/Mixed-Use
-  Medium/High-Density Residential

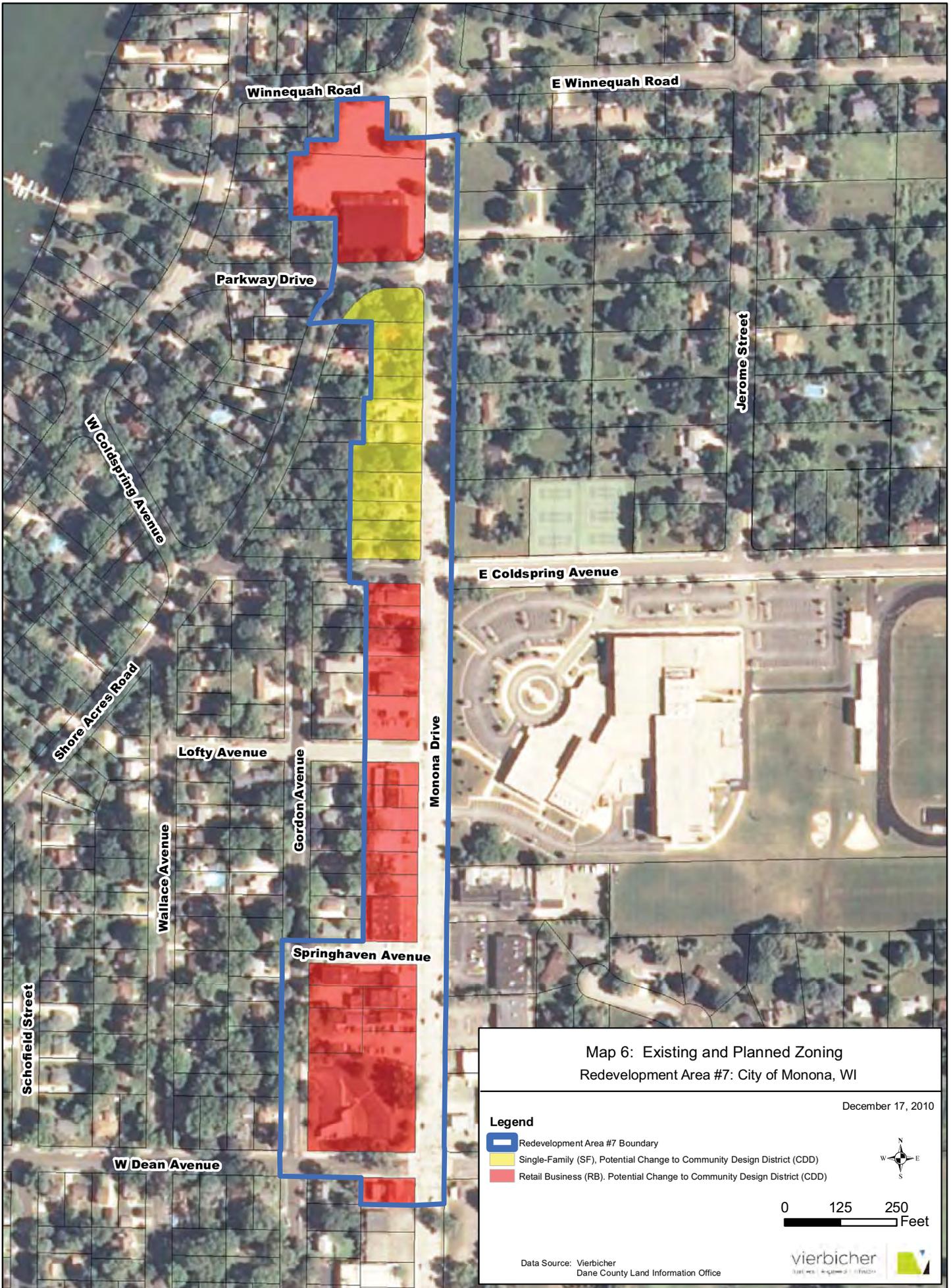


0 125 250
 Feet

Data Source: Vierbicher
 Dane County Land Information Office





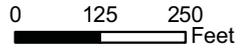


Map 6: Existing and Planned Zoning
 Redevelopment Area #7: City of Monona, WI

December 17, 2010

Legend

-  Redevelopment Area #7 Boundary
-  Single-Family (SF), Potential Change to Community Design District (CDD)
-  Retail Business (RB), Potential Change to Community Design District (CDD)



Data Source: Vierbicher
 Dane County Land Information Office



B Appendix B: Property List

The following page is a listing of parcels within the redevelopment area.

C Appendix C: Resolutions

CDA RESOLUTION NO. _____
ESTABLISHING THE BOUNDARY OF
REDEVELOPMENT PROJECT AREA NO. 7

WHEREAS, the City of Monona Community Development Authority (CDA) has reviewed boundaries for a proposed Redevelopment Project Area and reviewed a blight determination letter prepared by the CDA's consultant; and

WHEREAS, the City of Monona CDA has determined a need for blight elimination and urban renewal projects within the boundaries of the proposed Redevelopment Project Area;

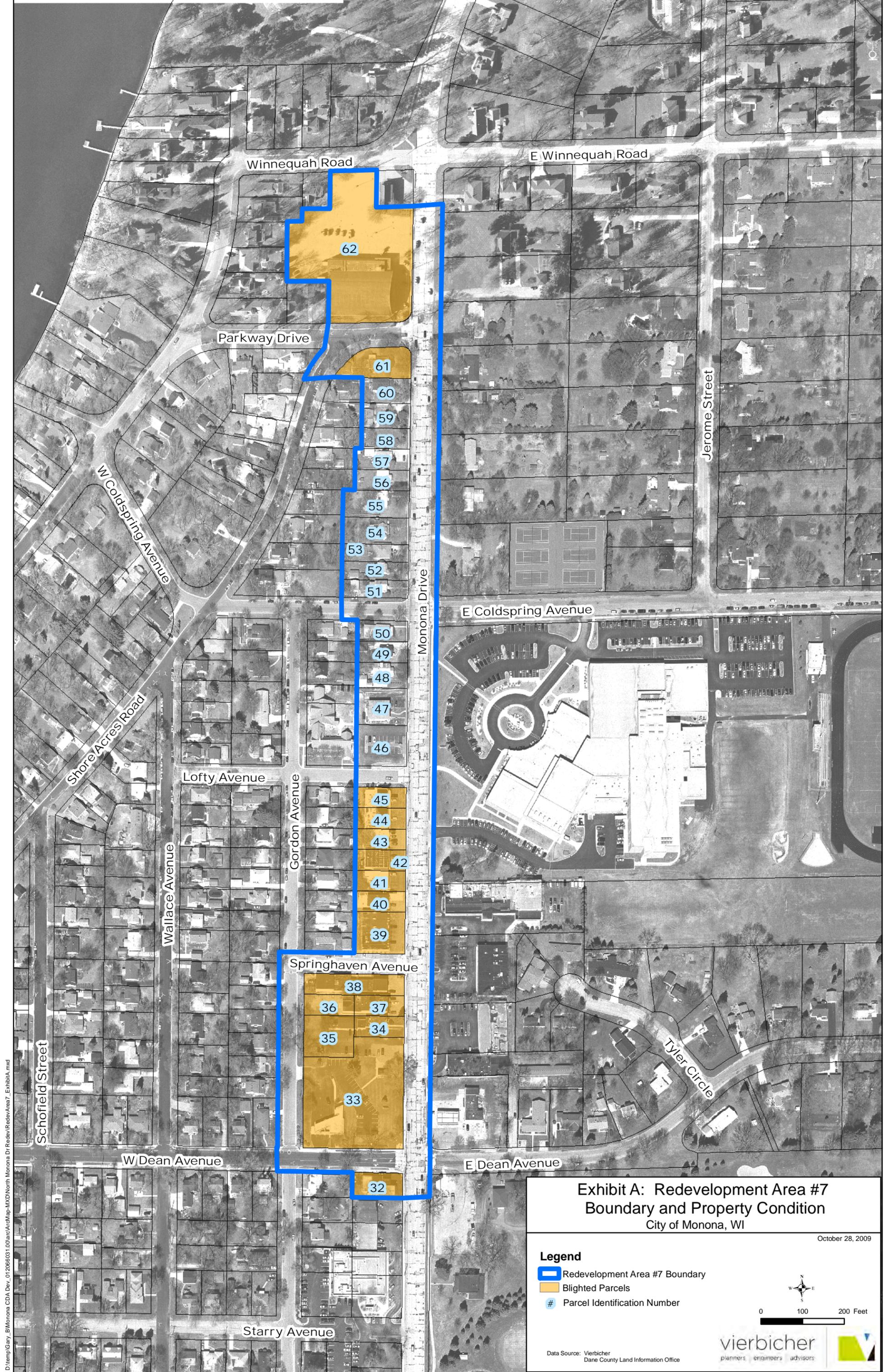
NOW, THEREFORE, BE IT RESOLVED after due consideration, the City of Monona Community Development Authority hereby designates the boundary of Redevelopment Project Area No. 7 as shown on Exhibit A to this Resolution; and

BE IT FURTHER RESOLVED that the Community Development Authority of the City of Monona recommends the City Council of the City of Monona review the blight determination letter prepared by the CDA's consultant and adopt a resolution declaring such area to be a blighted area in need of blight elimination and urban renewal projects.

This Resolution is being adopted by the City of Monona Community Development Authority at a duly scheduled meeting on October 27, 2009.


_____, Chair
Cari Fuss

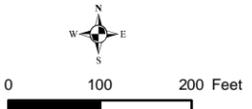

_____, Secretary



**Exhibit A: Redevelopment Area #7
Boundary and Property Condition**
City of Monona, WI

October 28, 2009

- Legend**
- Redevelopment Area #7 Boundary
 - Blighted Parcels
 - # Parcel Identification Number



Data Source: Vierbicher
Dane County Land Information Office



Resolution No. 09-11-1666
2009
Monona Common Council

DECLARING REDEVELOPMENT PROJECT AREA NO. 7 A BLIGHTED AREA

WHEREAS, The City of Monona Community Development Authority (CDA) has designated the boundaries of Redevelopment Project Area No. 7; and

WHEREAS, the CDA has evaluated conditions within the area designated as Redevelopment Project Area No. 7 and has determined that conditions exist sufficient to meet the statutory definition of blighted area under ss. 66.1333(2m)(b) and a finding supporting such conditions was reviewed by the City Council; and

WHEREAS, the CDA has requested the City Council of the City of Monona declare Redevelopment Project Area No. 7 (Exhibit A to this resolution) to be a blighted area in need of blight elimination and urban renewal projects as described in ss. 66.1333(6)(b)1; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Monona hereby declares Redevelopment Project Area No. 7 to be a blighted area in need of blight elimination and urban renewal projects;

BE IT FURTHER RESOLVED, that the City Council of the City of Monona hereby requests the CDA prepare and approve a Redevelopment plan for Redevelopment Project Area No. 7 and submit said plan for approval by the City Council so long as the statutory requirements for a Redevelopment Plan are met as described in 66.1333 (6)(b)2.

Adopted this 16th day of November, 2009.

BY ORDER OF THE CITY COUNCIL
CITY OF MONONA, WISCONSIN



Robb B. Kahl
Mayor

ATTEST:

Joan Andrusz

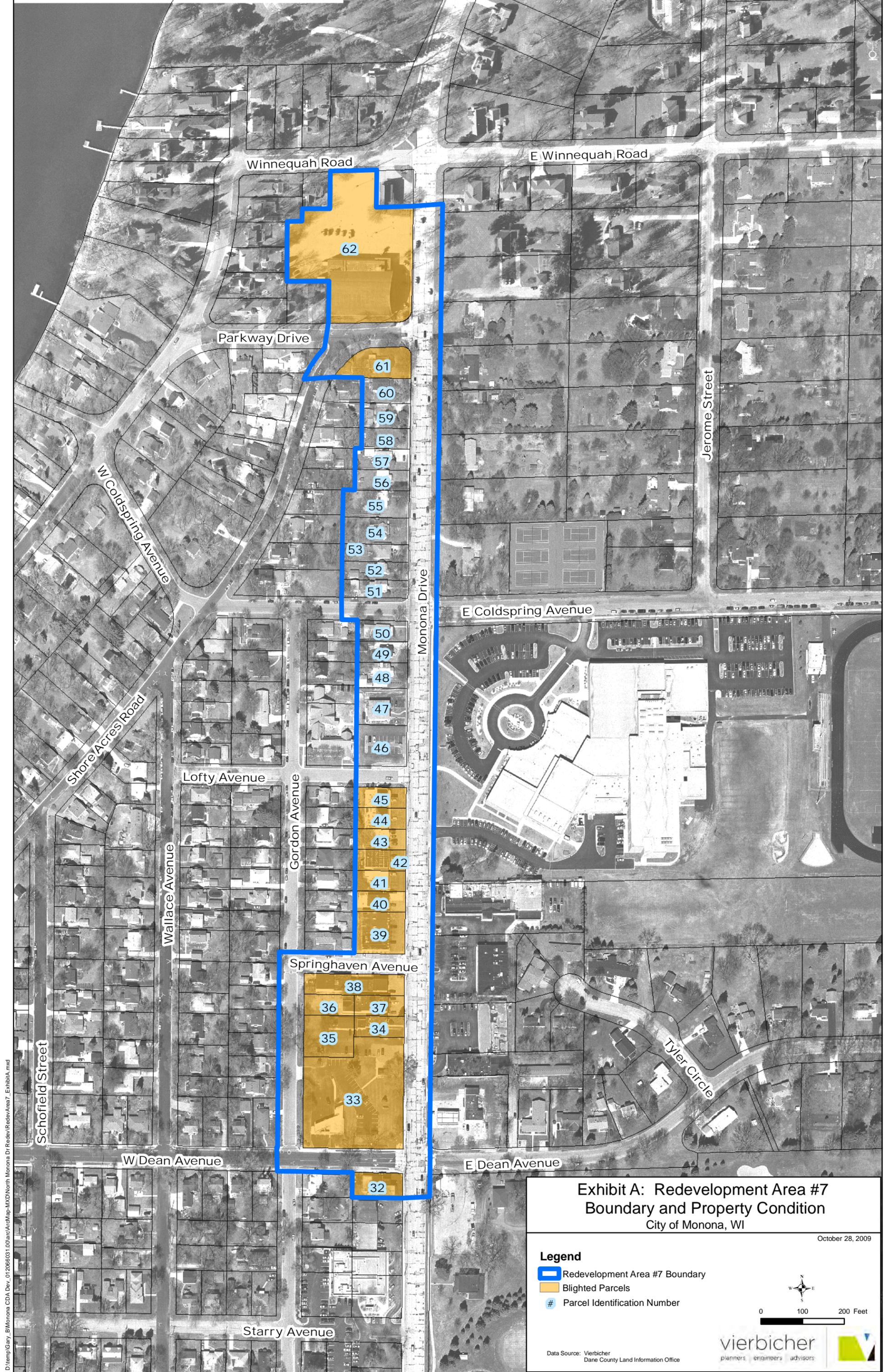
Joan Andrusz, City Clerk

CERTIFICATION

I, Joan Andrusz, Clerk of the City of Monona, certify that the foregoing Resolution was duly and regularly adopted by the City Council at a duly scheduled meeting held at the Monona Public Library on November 16, 2009.
Motion by Alderman Jim Buse, seconded by Alderman Jeff Wiswell to adopt the Resolution.

Vote: 6 Yes 0 No
Resolution Adopted.

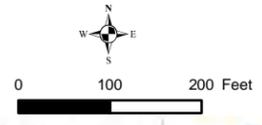
Requested by: Community Development Authority



**Exhibit A: Redevelopment Area #7
Boundary and Property Condition**
City of Monona, WI

October 28, 2009

- Legend**
- Redevelopment Area #7 Boundary
 - Blighted Parcels
 - # Parcel Identification Number



Data Source: Vierbicher
Dane County Land Information Office



COMMUNITY DEVELOPMENT AUTHORITY RESOLUTION NO. _____
APPROVING REDEVELOPMENT PLAN FOR
NORTH MONONA DRIVE – REDEVELOPMENT PROJECT AREA NO. 7

WHEREAS, the Community Development Authority of the City of Monona (hereafter “CDA”) established the North Monona Drive Redevelopment Area (Redevelopment Project Area No. 7) on October 27, 2009; and

WHEREAS, on November 16, 2009 the City Council of the City of Monona determined the area within the boundary of Redevelopment Project Area No. 7 to be a blighted area within the meaning of §66.1333(2m)(b) and there existed a need for blight elimination and urban renewal projects and requested the CDA prepare a redevelopment plan for Redevelopment Project Area No. 7 as described by §66.1333(6)(b)(2); and

WHEREAS, the CDA conducted a public hearing on the redevelopment plan for the North Monona Drive Redevelopment Project Area No. 7 on January 25, 2011;

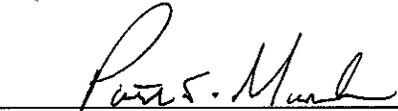
NOW, THEREFORE, BE IT RESOLVED after due consideration, the CDA finds the redevelopment plan for North Monona Drive Redevelopment Project Area No. 7 to be feasible and in conformance with the Comprehensive Plan of the City of Monona; and

BE IT FURTHER RESOLVED that the CDA hereby approves the redevelopment plan for Redevelopment Project Area No. 7.

BE IT FURTHER RESOLVED that the CDA recommends the City Council refer redevelopment plans within Redevelopment Project Area No. 7 to the CDA for review prior to any City Council authorization of development required under §66.1333(6)(e) so that the CDA may review development plans for compliance with the Plan for Redevelopment Project Area No. 7 and make a recommendation to the Council on development plan compliance.

This Resolution is being adopted by the Community Development Authority of the City of Monona at a duly scheduled meeting on January 25, 2011.


_____, Chair


_____, Secretary

**Resolution No. 11-02-1750
Monona Common Council**

**APPROVING A REDEVELOPMENT PLAN FOR NORTH MONONA DRIVE –
REDEVELOPMENT PROJECT AREA NO. 7**

WHEREAS, the City of Monona Community Development Authority (CDA) has designated the boundaries of the North Monona Drive Redevelopment Project Area No. 7, prepared a redevelopment plan for said Project Area and approved said plan after public hearing; and

WHEREAS, the CDA has found the redevelopment plan to be feasible and in conformance with the Comprehensive Plan of the City of Monona;

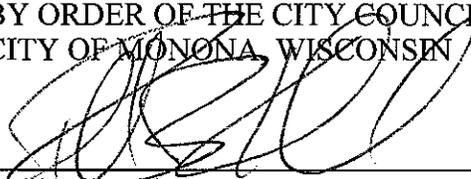
NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Monona hereby approves the redevelopment plan for Redevelopment Project Area No. 7 under 66.1333(6)(e).

BE IT FURTHER RESOLVED, upon CDA certification of the Plan, the City Council directs that no new construction, including substantial remodeling or conversion or rebuilding, enlargement, or extension or major structural improvements on existing buildings be authorized by any agencies, board, or commissions of the City in Redevelopment Project Area No. 7, unless said actions are authorized by the City Council. This shall not include ordinary maintenance or remodeling or changes necessary to continue occupancy of structures.

BE IT FURTHER RESOLVED, the City Council directs the CDA to review proposed development within Redevelopment Project Area No. 7 and provide a recommendation to the City Council as to the compliance of said proposed development with the Redevelopment Plan for the Area prior to City Council consideration of any construction under this resolution.

Adopted this 21st day of February, 2011.

BY ORDER OF THE CITY COUNCIL
CITY OF MONONA, WISCONSIN



Robb B. Kahl
Mayor

ATTEST:



Joan Andrusz
City Clerk

CERTIFICATION

I, Joan Andrusz, Clerk of the City of Monona, certify that the foregoing Resolution was duly and regularly adopted by the City Council at a duly scheduled meeting held at the Monona Public Library on February 21, 2011. Motion by Alderman Jim Busse, seconded by Alderman Doug Wood to adopt the Resolution.

Vote: 4 Yes 1 No
Resolution Adopted.

(one Alderman was absent.)

Joan Andrusz, City Clerk
Joan Andrusz

Note: This resolution requires a two-thirds vote for approval.

Approval Recommended By: CDA, 1/25/11

Council Action:

Date Introduced: 2/07/11
Date Approved: 2-21-11
Date Disapproved: _____

Certification

The Community Development Authority of the City of Monona in Dane County, Wisconsin hereby certifies to the City Council of the City of Monona the following:

The Redevelopment Area No. 7 Project Plan, approved by Resolution of the City Council of the City of Monona on February 21, 2011, is the official plan of redevelopment for the area described therein and the Community Development Authority will proceed to exercise the powers granted to it by Wisconsin Statute.

This 22 day of FEBRUARY, 2011.



Chair

City of Monona Community Development Authority

D Appendix D: Blight Determination & Photos



October 29, 2009

Mayor Robb Kahl
City of Monona
5211 Schluter Road
Madison, WI 53716

Re: Blight Determination for Redevelopment Area No. 7

Dear Mayor Kahl:

Vierbicher Associates, Inc. was retained by the City to assist with the preparation of a redevelopment project plan to support the creation of Redevelopment Area No. 7. The process requires the City Council to make a determination that the designated redevelopment area is blighted.

One of the tasks assigned to Vierbicher Associates is to evaluate conditions in the identified section of Monona and determine whether conditions exist to make a finding that the proposed district is a blighted area. Our preliminary findings and thoughts were discussed with City Staff and the Monona Community Development Authority (CDA). In addition to visiting the sites in question, supporting documents were reviewed, including:

- Maps and aerial photos
- Property descriptions and parcel boundaries
- Assessor information
- Photos of site improvements
- DNR BRRTS database on environmental contamination

The CDA of the City of Monona established Redevelopment Area No. 7 on October 27, 2009. The CDA discussed blighting conditions within the district and concurred with the findings described in this determination letter.

This letter summarizes our findings of conditions within the redevelopment area boundaries as they relate to the statutory definition of "blighted area" and "blighted property" for the purpose of implementing Community Development Authority projects.

Definition of Blighted Area and Property

Wisconsin's Blight Elimination and Slum Clearance Act defines a Blighted Area as follows:

Wisconsin Statutes, Section 66.1333(2m)

"Blighted Area" means any of the following:

- 1. An area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.*
- 2. An area which by reason of the presence of a substantial number of substandard, slum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use.*
- 3. An area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.*

Additionally, "Blighted Property" is defined as:

...any property within a city, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provisions for ventilation, light, air or sanitation, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and is detrimental to the public health, safety, morals or welfare, or any property which by reason of faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair market value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provisions of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use, or any property which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.

In all cases, the local legislative body determines whether conditions on the property are detrimental or a menace to public health, safety, morals, and welfare, or impairs or arrests the sound growth of the community. In making a determination that blighted conditions exist, the City Council should also consider that the primary purpose of a Community Development Authority is the elimination and prevention of blighted conditions.

Description of Area

Redevelopment Area No. 7 runs along the west side of Monona Drive, from just south of West Dean Avenue north to Winnequah Road. All parcels are between Gordon Avenue and Monona Drive, with most of the parcels fronting Monona Drive. The area is a mix of single-family residential parcels, mixed-use residential/commercial parcels, and commercial parcels. Single-family homes are concentrated in the center of the district. Many parcels in the area have multiple zoning violations¹, with parcels 32, 37, 38, 41, 42, 43 all having more than 10 violations.

With the exception of the drive-through bank (parcel #33), all of the buildings in the area were constructed before 1970.

Finding of Blight

It has been determined that 68.3% of the real property within the redevelopment boundary meets the statutory definition of blight.

While most of the single-family residential parcels in the area appear generally well-maintained, many of the commercial and mixed-use properties show signs indicating a lack of upkeep and investment. Such indicators include dilapidated facades, windows that are in poor condition (including some broken and bricked/boarded up windows), exterior wiring on buildings, and deteriorated parking lots and/or walkways, among other things. General site conditions that are prevalent throughout the commercial and mixed-use portions of the district include:

- Monona Drive is severely deteriorated and has an inadequate design for the safety of motorists, pedestrians, and cyclists. The predominance of access points from parcels within the district to Monona Drive creates a public safety hazard.
- No buffer between the sidewalk and parking lots, which endangers pedestrians;
- A lack of green space – many parcels are completely covered by impervious surfaces, which leads to increased stormwater runoff and water quality issues;
- Inadequate outdoor storage and/or screening. Accumulated junk was visible on several properties; many properties lack adequate storage space or screening for such things as dumpsters.

A map of properties determined to meet the statutory definition of blight is included as Exhibit A to this letter. Site photos of properties meeting the definition of blight are included as Exhibit B to this letter.

Sufficient documentation exists to support the following findings of blight for 68.3% of the proposed Redevelopment Project Area #7:

- The condition and character of structures, buildings, or site improvements results in conditions that are detrimental to public health and safety.
- The lot layout of some parcels within the district results in lots that are underutilized relative to the location, and affects the usefulness and accessibility of those parcels.
- The layout and condition of the predominant street serving the district, Monona Drive, creates conditions that are detrimental to the public health, safety, and welfare.

Redevelopment Area Property Summary

| | Parcels | Acres | Percentage |
|---------------------|----------------|--------------|--------------------------|
| Blighted Property | 16 | 5.71 | 68.3% (of real property) |
| Vacant Property | 0 | 0 | 0% (of real property) |
| Real Property | 31 | 8.35 | 58.9% (of total area) |
| Right of Way | -- | 5.82 | 41.1% (of total area) |
| Total Boundary Area | -- | 14.17 | 100% (of total area) |

¹ Zoning violation data for 2000-2002, October 2005-April 2008.

Conclusion

It is my opinion that conditions exist in the subject area to justify a finding of blight in accordance with the Blight Elimination and Slum Clearance Act ss. 66.1333(2m)(b)3, and such conditions are a sufficient basis for the City of Monona to designate the area a "blighted area" for the purpose of carrying out a plan of redevelopment and blight elimination/ prevention.

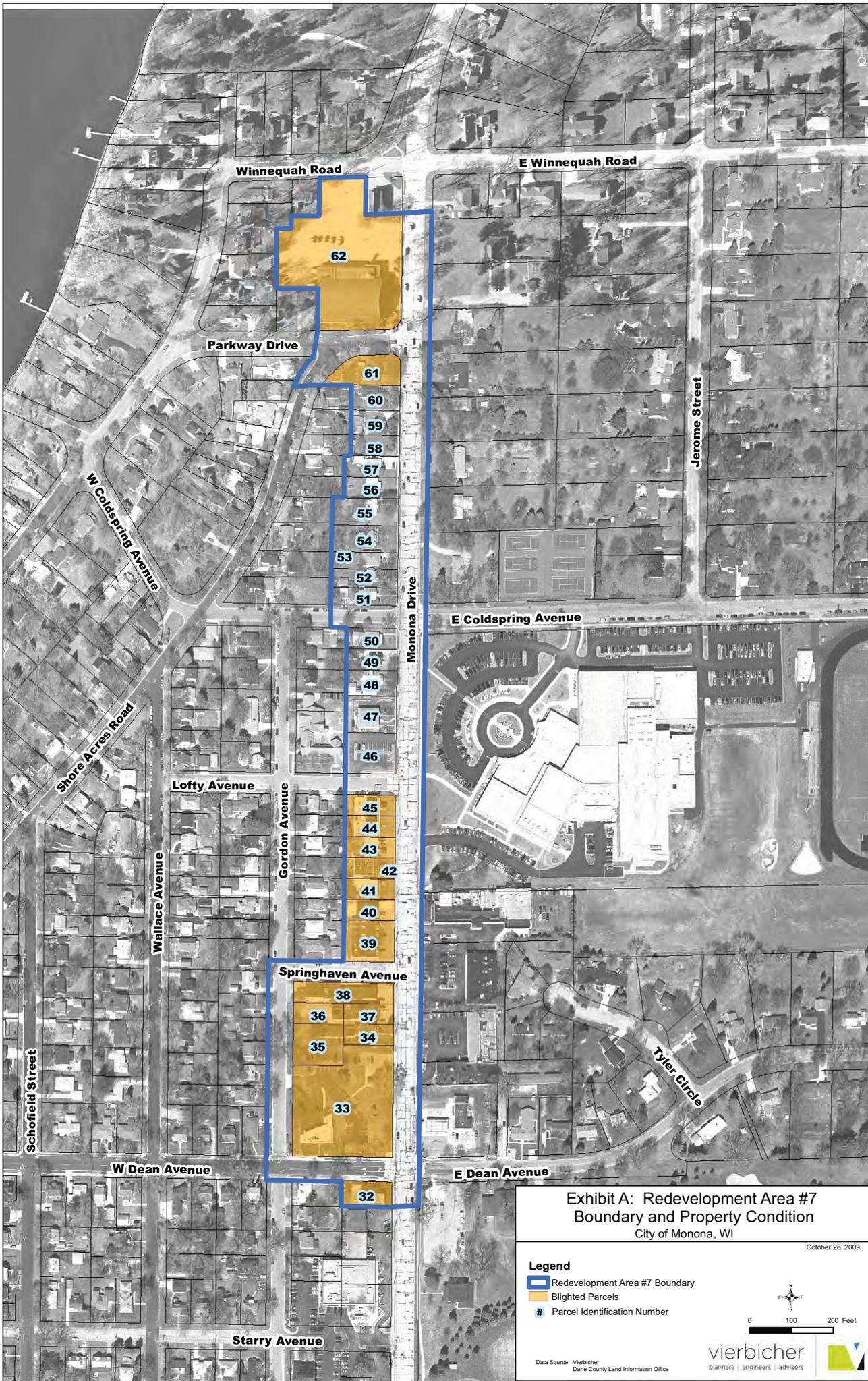
In order to eliminate blighting influences on the area, encourage private investment, and promote the orderly development of the City, the City Council and Community Development Authority are justified in exercising their powers under the Slum Clearance Act ss. 66.1333(2m)(b)3.

Sincerely,



Gary Becker, CEcD
Community Development Specialist

- Attachments: Exhibit A: Map – District Boundary and Property Conditions
Exhibit B: Site Photos
Exhibit C: Spreadsheet of Parcel Ownership, Value, and Condition Details

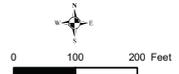


D:\Temp\GIS_B\Monona\CD\Dev_CD\20080801_00\arcgis\slu-100\North Monona Dr Redevelopment\7_Erthshk.mxd

**Exhibit A: Redevelopment Area #7
Boundary and Property Condition
City of Monona, WI**

October 28, 2009

- Legend**
- Redevelopment Area #7 Boundary
 - Blighted Parcels
 - # Parcel Identification Number



Data Source: Vierbicher
Dane County Land Information Office



Exhibit B: Site Photos

Taken October 7, 2009

Parcel #32: 5007 Monona Drive



Heaved and cracked concrete walkways.



No buffer between sidewalk and parking lot.



Wiring sticking out from building (various locations).



Windows in poor condition.

Parcel #33: 4711 Monona Drive (10/28/09 photos)



No access via Monona Drive or Dean Avenue - only accessible in back via Gordon Avenue (residential street).



Lot is overparked - 27 stalls for a purely drive-through bank building.



No buffer between sidewalk and ATM parking lot.



Walk-in ATM in stand-alone building.



Lot is underutilized; building is set far back from Monona Drive with bunker-like appearance.



Boarded up window.



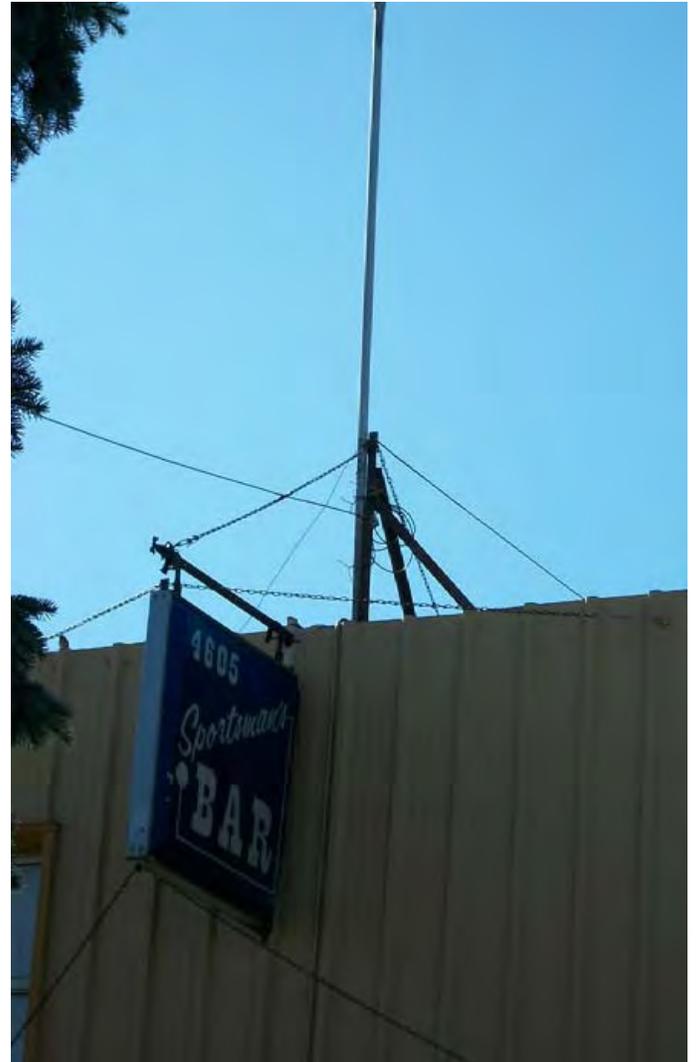
No buffer between sidewalk and parking lot.



Peeling paint.



Dented awning; original window opening covered in stucco.



Makeshift flagpole and signage bracing.

Parcel 36/37: 4603 Monona Drive



Exterior wiring; bricked up window.



Overhang in poor condition.



Makeshift door cut from paneling.



Original window space covered.

Parcel 38: 4601 Monona Drive



Boarded up windows; exterior wiring.



Trash and barrels strewn on site.

Parcel 38: 4601 Monona Drive, continued



Bricked up doorway, mismatched paint job, HVAC cut through glass bricks.



Cracks in cinderblock façade; exterior wiring.



Broken window blinds (many locations).



Boarded doorway; peeling paint.



No buffer between private parking and street.



Plywood overhang detaching from building.

Parcel #39: 4513 Monona Drive



No buffer between private parking and street.



Lack of outdoor storage/trash areas.



Cracked foundation.



Rusty overhang and light fixtures.

Parcel #40: 4511 Monona Drive



Unpaved driveway area, cracked concrete, boarded up window.



Outdoor storage of items; accumulated trash.

Parcel #40: 4511 Monona Drive, continued



Cracked façade bricks.



Damaged siding.

Parcel #41: 4509 Monona Drive



Parking lot and walkways in poor condition.



Peeling paint.



Weedy overgrown side yard; broken glass brick in window; window A/C unit damaged.

Parcel #42: 4507 Monona Drive



Exposed outlet on roof.



Deteriorating brick façade.



Deteriorating wood.



Temporary banner signage; dead plants on overhang.

Parcel #43: 4505 Monona Drive



Overgrown, debris-strewn parking lot.



Cracked steps; weeds; debris.



Padlocked front door.



Missing/crumbling bricks.



Peeling paint/exposed wood.



Windows in poor condition.



No buffer between sidewalk and street.



Insulation-covered window; lack of outdoor trash storage.



No buffer between private parking and street.

Parcel #61: 4301 Monona Drive



Dilapidated garage.



Pallets laying around property.

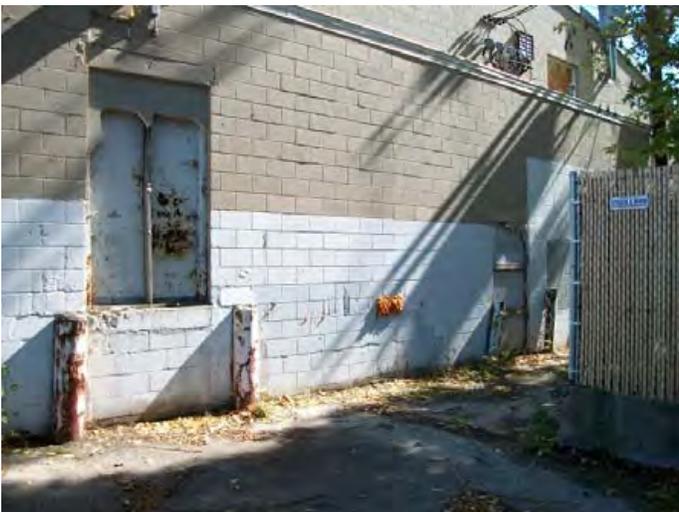


Overgrown front entrance.



Tarp on roof; windows, siding, and trim in poor condition.

Parcel #62: 4301 Monona Drive



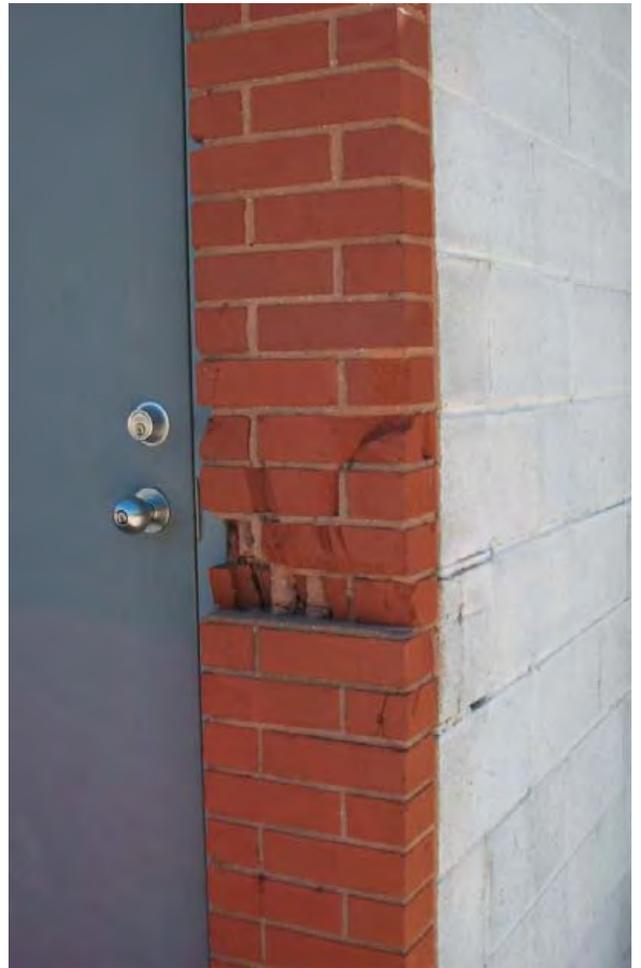
Rusted bollards/doors; foam patch on wall.



Multiple multi-colored paint coats.



Dilapidated, overgrown door with foam sealant.



Damaged bricks.



Cracked/heaving concrete walkway.

Exhibit C: Parcel List

| PIN | Parcel # | Owner | Parcel Address | Mailing Address | Land Value | Imp. Value | Acres | Blighted? |
|-----|--------------|--|----------------|-------------------|-------------|-------------|-------|-----------|
| 32 | 071017400113 | Gordon M & Elizabeth A Ottaviano | 4701 Monona Dr | 5603 Winnequah Rd | \$44,900 | \$235,500 | 0.17 | Y |
| 33 | 071017177964 | Monona Grove State Bank | 4711 Monona Dr | Po Box 8998 | \$256,800 | \$314,100 | 1.35 | Y |
| 34 | 071017177633 | John A & Monica A Quale | 4605 Monona Dr | 2004 Barber Dr | \$73,000 | \$158,000 | 0.14 | Y |
| 35 | 071017178847 | John A & Monica A Quale | 4605 Monona Dr | 2004 Barber Dr | \$0 | \$0 | 0.28 | Y |
| 36 | 071017178954 | Groves Rev Tr, William D & Marlene B | 4603 Monona Dr | 505 Moygara Rd | \$0 | \$0 | 0.14 | Y |
| 37 | 071017177526 | Groves Rev Tr, William D & Marlene B | 4603 Monona Dr | 505 Moygara Rd | \$59,900 | \$161,200 | 0.14 | Y |
| 38 | 071017177419 | Jan W & Marge Klund | 4601 Monona Dr | 3000 Waunona Way | \$67,400 | \$305,400 | 0.28 | Y |
| 39 | 071017166074 | J Edward & Carolyn R Halvarson | 4513 Monona Dr | 4204 Sprecher Rd | \$68,400 | \$338,600 | 0.28 | Y |
| 40 | 071017165968 | Wayne L & Donna J Kiefer | 4511 Monona Dr | 4511 Monona Dr | \$36,300 | \$112,200 | 0.13 | Y |
| 41 | 071017165851 | Computer Repair Pros LLC | 4509 Monona Dr | 4509 Monona Dr | \$37,400 | \$160,700 | 0.14 | Y |
| 42 | 071017165744 | Computer Repair Pros LLC | 4507 Monona Dr | 4509 Monona Dr | \$37,400 | \$234,800 | 0.14 | Y |
| 43 | 071017165637 | Linda J Mc Farlane | 4505 Monona Dr | W4466 Vangen Rd | \$37,400 | \$133,900 | 0.14 | Y |
| 44 | 071017165520 | Dennis W Simmons & Donald E Gilbertson | 4503 Monona Dr | 4585 Sprecher Rd | \$37,400 | \$201,300 | 0.14 | Y |
| 45 | 071017165413 | Dennis W Simmons | 4501 Monona Dr | 4501 Monona Dr | \$37,400 | \$146,500 | 0.14 | Y |
| 46 | 071017164665 | Monona Evangelical Lutheran Church | 4411 Monona Dr | 4411 Monona Dr | \$0 | \$0 | 0.28 | |
| 47 | 071017164549 | Monona Evangelical Lutheran Church | 4411 Monona Dr | 4411 Monona Dr | \$0 | \$0 | 0.24 | |
| 48 | 071017164432 | Kenneth W Pulliam & Janis R Pulliam | 4405 Monona Dr | 4405 Monona Dr | \$37,200 | \$156,200 | 0.17 | |
| 49 | 071017164325 | Monona Quarter LLC | 4403 Monona Dr | 5203 Schluter Rd | \$30,000 | \$128,900 | 0.14 | |
| 50 | 071017164218 | Monona Quarter LLC | 4401 Monona Dr | 5203 Schluter Rd | \$30,000 | \$140,000 | 0.14 | |
| 51 | 071017109091 | Jose R Cuevas & Ana L Robles | 4321 Monona Dr | 4321 Monona Dr | \$34,200 | \$124,800 | 0.16 | |
| 52 | 071017108994 | Yvette R Ferris | 4319 Monona Dr | 4319 Monona Dr | \$34,000 | \$106,600 | 0.16 | |
| 53 | 071017108896 | Dane Cty Housing Authority | 4317 Monona Dr | 2001 W Broadway | \$0 | \$0 | 0.16 | |
| 54 | 071017108789 | Patricia C Adair | 4315 Monona Dr | 4315 Monona Dr | \$50,300 | \$159,900 | 0.23 | |
| 55 | 071017108672 | Joshua R Mcphail | 4313 Monona Dr | 4313 Monona Dr | \$50,000 | \$103,900 | 0.23 | |
| 56 | 071017108261 | Roger P Ipsen | 4311 Monona Dr | 4311 Monona Dr | \$32,500 | \$135,500 | 0.15 | |
| 57 | 071017108163 | Jeanine T Ipsen Bernstein | 4309 Monona Dr | 4309 Monona Dr | \$32,500 | \$103,400 | 0.15 | |
| 58 | 071017108056 | Barbara L Slack | 4305 Monona Dr | 4305 Monona Dr | \$0 | \$0 | 0.13 | |
| 59 | 071017107628 | Barbara L Slack | 4305 Monona Dr | 4305 Monona Dr | \$52,600 | \$107,800 | 0.16 | |
| 60 | 071017107511 | Mark D & Jeanine M Goff | 4303 Monona Dr | 4061 Vilas Rd | \$34,500 | \$143,900 | 0.16 | |
| 61 | 071017107404 | Mark D & Jeanine M Goff | 4301 Monona Dr | 4061 Vilas Rd | \$30,800 | \$156,600 | 0.26 | Y |
| 62 | 071017105675 | Rubin 4207 Monona LLC | 4209 Monona Dr | 317 E Wilson St | \$354,900 | \$372,600 | 1.86 | Y |
| | | | | | \$1,597,200 | \$4,442,300 | 8.35 | |

Total Parcel Area 8.35
 Total Blighted Parcel Area 5.71
 Blighted % of Parcel Area 68.3%