

THE CONSTELLATION

MADISON, WISCONSIN

Prioritizing support for the local food economy to anchor mixed-use development

LESSONS

- The process of accommodating local food businesses within a development project may be longer and initially more expensive than working with national credit tenants, but can result in the creation of an authentic dining hub that reflects the local area.
- Mixed-use projects with local restaurants and food retailers can support the revitalization of underused urban corridors.
- Developers have an opportunity to include a mix of local food growers, restaurateurs, and retailers within projects who partner with one another and use each other's products, thereby strengthening the local food supply chain.

QUICK FACTS

Location
10 North Livingston Street, Madison, WI 53703

Project type
Mixed use

Development team
Gebhardt Development

Project cost
\$39 million

Project size
220 apartment units; 32,500 square feet (3,019 sq m) commercial space; land area approximately 1.5 acres (0.6 ha)

Project status
Opened in 2013

Financing
City tax incremental financing, BMO Financial, New Markets Tax Credits, Midwest Disaster Bonds, private equity

Equity partner
None



Above: The Constellation supports the local Madison, Wisconsin, food supply chain by accommodating a mix of independent food businesses on the building's ground floor. (Bark Design)

Next page: The Constellation is located close to the Dane County Farmers Market, the nation's largest "producers-only" farmers market. (Kznf)

THE CONSTELLATION is a 12-story mixed-use development outside of downtown Madison, Wisconsin, that opened in 2013. The project includes 220 apartments and 32,500 square feet (3,019 sq m) of commercial space, which is anchored by a mix of local eating and drinking establishments.

The decision by the project's developer, Gebhardt Development, to accommodate local food businesses within the Constellation, instead of leasing the building's retail spaces to national credit tenants, has led to the creation of a dining destination that is a major draw for area residents.

Features and Innovations

- **A mix of local food businesses:** The Constellation features a local restaurant, bar, and coffee shop that, together, create a local food dining hub on the first floor of the mixed-use building.
- **Proximity to farmers market:** The Dane County Farmers Market—the nation's largest “producers-only” farmers market—is located within a seven-minute walk of the Constellation. The market, which features Wisconsin-only products, is a notable amenity for building tenants.
- **Development supporting the local food supply chain:** Gebhardt's adjacent Galaxie mixed-use development, whose first phase opened in 2016, will feature a rooftop farm that will supply produce to the businesses at the Constellation, many of which also source products from the nearby farmers market.

Creating Value: People, Planet, Profit

Otto Gebhardt III, CEO and founder of Gebhardt Development, explains the strategy behind prioritizing the inclusion of local food businesses over more “standard” tenants within the Constellation, stating, “Working with local food operators goes a long way in creating an area that's a true destination.”

Gebhardt adds, “It is more upfront work, and it's usually more intensive and costly for the landlord to work with local tenants, but the payoff is huge in terms of supporting the financial success of a mixed-use development as well as the opportunity to support the local community.”

One of the Constellation's restaurant tenants is Sujeo, which is run by Chef Tory Miller. Miller is a James Beard Award-winning chef who is known around the region for his commitment to sourcing local, sustainably produced products for his restaurants, as well as for advocating for local foods to be included in school lunches.

Establishments such as Sujeo have helped differentiate the Constellation from other nearby developments. All of the building's apartments were rented out before it opened in August 2013, and shortly thereafter, Google signed a seven-year lease for 8,000 square feet (743 sq m) of office space in the



“We believe in the local talent responsible for Madison's unique restaurants, food retailers, and farms. These businesses help create a retail environment that stands out from more ‘typical’ developments.”

Otto Gebhardt III, CEO and Founder, Gebhardt Development

building. Gebhardt attributes part of the success of the project to its authentic, lively ground-floor businesses, as well as the proximity to other local dining establishments.

The development is also helping revitalize Madison's East Washington Avenue corridor. The corridor is within walking distance of downtown, yet it was home to mostly underperforming industrial spaces until the Constellation helped catalyze additional mixed-use development, including other Gebhardt projects.

Gebhardt is continuing to focus on food in new projects along East Washington Avenue, such as the 13-story, \$64 million Galaxie mixed-use development, whose first phase opened in 2016. Gebhardt explains, “We partnered with Festival Foods, a regional grocery operator, to launch its first-ever urban location. We were thrilled to include the 55,000-square-foot (5,110 sq m) store, especially since the area was formerly a food desert, with no full-service grocery store within five miles.”

The Galaxie will also include an organic rooftop garden and market run by Vitrubian Farms, which will supply produce to the food businesses at the Constellation. Gebhardt notes, “The businesses at the Constellation already source some of their products from other Vitrubian Farms ventures. Including one of their urban farms in our next phase of development is a wonderful synergy and helps us to play a role in increasing the density of local food operators in the area.”