



Monday, July 18, 2016

Ms. Emily Stern
City of Minneapolis – Community Planning and Economic Development
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

RE: Request for Proposals for: 205 Park Avenue Parcel

Dear Ms. Stern,

Peggy Lucas and I would like to update you (restaurant and new partner) and share our thoughts as we have processed the feedback and dialogue at the July 12 DMNA meeting.

We have a few updates related to our proposal that we would like to share with you.

- We have had much interest in the proposed restaurant space. It seemed that there was such keen interest in knowing at minimum the quality of restaurant – we decided to choose one of the groups. As we have communicated, we have been in specific discussions with Patti Soskin who owns two YUM restaurants. We have an e-mail from her confirming her interest in working with us to bring her concept to our project at 205 Park. We feel that YUM is a particularly good fit because they do a robust breakfast and brunch business and they have an excellent bakery. In addition, they have a quality menu throughout the day and a deli that offers upscale take out options.
- As we had mentioned in our response last week, we have been in discussions with an investor/development partner. We are pleased to share that Schafer Richardson will be joining Grand Real Estate Advisors and Peggy Lucas to execute the proposed development of 205 Park. We have reached an understanding with them and really believe that they will be a strong addition to the team. This also strengthens our investor group from the neighborhood and will only add to the success of the project.

Our thoughts about the community forum:

First of all we were gratified at the turnout with the auditorium nearly full. We really believe that the meeting was well run and very fair. The show of hands of the attendees illustrating that the majority, if not all, were owners representing many of the neighborhood buildings from the Carlyle to Zenith demonstrate the impact of a vested community. Although there was no official vote it seemed clear that those in the room overwhelmingly favored ownership housing.

After the two proposals were presented we were able to compare them further and think our proposal provides significant advantages both to the neighborhood and to the city. A few of those are below:

- The demand for ownership housing in the Mill District is extremely high and the inventory is low. Although there are some large condo projects on the horizon we

believe that there is a strong market for small building living as well. The model of the adjacent buildings in the Mill District has proven very popular.

- The City of Lakes Land Trust proposal for affordable ownership commits to perpetual affordability while the Sherman proposal only guarantees 15 years of affordability. As mentioned before these will be the first Land Trust units in downtown and hopefully can offer a model for more affordable ownership!!
- Residents are concerned about traffic impacts. Our project plans include about 52 units vs 119 as proposed by Sherman. This will result in significantly fewer cars. In addition owners tend to stay longer so the moving in and out will be far less.
- The return to the city in terms of property taxes collected over time should be greater with the condo option. We know that staff will look at the initial land economics as well as the return to the City over time. We estimate that the difference in annual property taxes generated could be as much as \$300,000.
- Our building is designed by award winning Julie Snow and mirrors the much-admired Park Ave Lofts across the street. The Mill District is known for good design and enough buildings have received AIA recognition that some call the Mill District “the Design District”. The 205 Park building will enhance this reputation.
- Our building fits the neighborhood in terms of scale. It has a smaller footprint, which allows for neighborhood friendly patios and yards. It will have a greener footprint including a rooftop with plantings and greenery, which is an important interface with the taller buildings that look down on it!
- Our building will be concrete and will be constructed with the same high quality materials as the Park Ave. Lofts. This includes using brick on all sides. The building will be durable and age well.
- Although the 205 Park site is located outside of the St. Anthony Falls Historic district, the proposed building will be set back from Park Avenue to preserve the views of the National Historic Landmark Washburn A Mill, as suggested on page 3 of the district guidelines.

In summary it seems clear that the neighborhood wants homeownership and a building that fits into the existing context of the Mill District. The magic of this neighborhood! Residents of these buildings are involved in making Minneapolis a better place by serving on boards, fundraising for new parks, tutoring at Webster School, volunteering and contributing to the Guthrie Theater, the Mill City Museum and Open Book, serving on the McPhail Board, building Mill City Commons which knits together residents on both sides of the river... the list goes on and on. This kind of community involvement is priceless and will enrich the city for years and years to come.

Thank you for your efforts on behalf of the citizens of this great city! We hope that you will support the ownership option for 205 Park Avenue!

Sincerely,



Tanya L. Bell

Peggy Lucas