



PROPOSAL FOR THE 1101 WEST BROADWAY BUILDING

1. a) **Developer:**
Streetfront Development, LLC

5051 41st Avenue South; Minneapolis, MN 55417

- b) Current legal status: LLC
- c) Federal Tax ID: 87-0756895
- d) MN Tax ID: 8080944
- e) Chuck Burdick, Principal
(612) 810-0072, cburdick@streetfront.net
- f)

Architect: Architectural Works

5770 Blackshire Path; Suite A; Inver Grove Heights, MN
55076
(651) 389-1188



NOV 30, 2005

November 30, 2005

Erik Hansen
City of Minneapolis – CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

RE: Request for Redevelopment Proposal for City-Owned Property at 1101 West Broadway

Dear Mr. Hansen:

Streetfront Development and Architectural Works are pleased to present this proposal for the redevelopment of 1101 West Broadway in North Minneapolis.

We believe that renovating and restoring a landmark building on a prominent corner in this neighborhood will bring a dramatic impact to the emerging transit corridor.

Our team is especially passionate about vibrant street-level activity, enhancing the cultural identity of the city, maintaining the city's architectural treasures, and creating a safe location for commerce. We have experience in historic redevelopment, retail development, and environmentally friendly features.

As we met with area community groups, it became quite clear that the neighborhood cares deeply about the future of this corridor and this cornerstone property in particular. They have high hopes and we look forward to being able to meet and exceed their expectations.

We hope to partner with RESOURCE, Inc. as a potential tenant and Cobra Construction as our general contractor.

We hope you find our creative site features as exciting as we do including:

- Cafe Plaza along Emerson Avenue
- Restored brickwork, expanded retail storefronts with updated awnings
- Feature lobby entrance to the upper office floor
- Rooftop penthouse office with views to downtown and garden patio
- Future residential development on Fremont

Thank you for your consideration. We look forward to working with you and the community as we strive for a greater Minneapolis.

Sincerely,

Chuck Burdick
Streetfront Development

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2. Project Overview

Project Goals

We identified several goals to guide our design.

1. Restore the historic look to the facade
2. Revitalize the street-level retail
3. Update the office space to be modern and appealing
4. Maximize the “eyes on the street” to maintain a safe environment
5. Provide sufficient parking

Feature Highlights

We have created several exciting design features to make 1101 West Broadway into a prominent and vibrant anchor in the neighborhood.



General Condition

Currently, the building is untenable and in disrepair. We will completely renovate the interior, updating the space to current code requirements and creating “Class A” space.

Additionally, the lot at 1834 North Fremont is vacant. We intend to construct multifamily housing.

Emerson-side Cafe Plaza

To allow wheelchair accessibility to the building and to create a vibrant street presence, we created a cafe plaza. This plaza can support outdoor dining and flower boxes for a pleasant street aesthetic.



Five Main Spaces

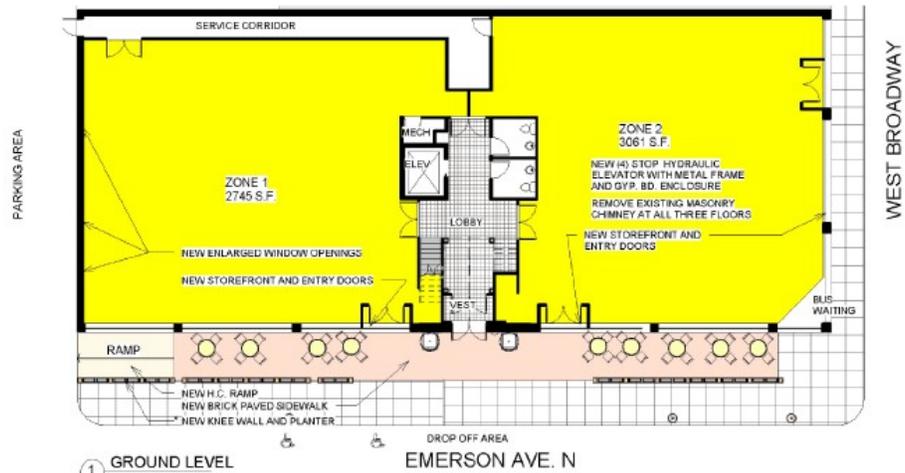
The old building floorplan was divided into many small compartments that did not allow flexible and open use of the building. We intend to simplify the floorplan by creating five main spaces. Eventual tenants of each space may desire to customize and subdivide these spaces to their liking.

1. Front-facing (Broadway) Retail: 3,061 square feet
2. Side-facing (Emerson) Retail: 2,745 square feet
3. Front-facing Office: 2,962 square feet
4. Side and Rear-facing Office: 2,932 square feet
5. Penthouse Office: 2,000 square feet

Vibrant Street Retail

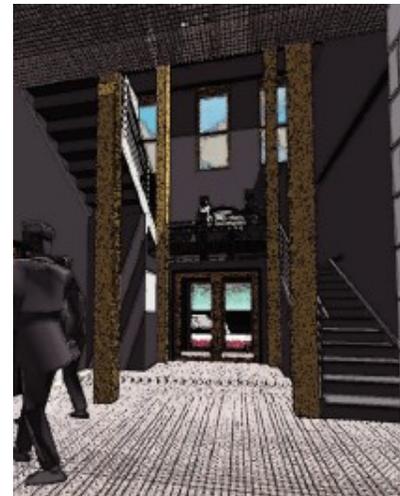
We are looking for an anchor tenant such as a bank or credit union to feature in the front-facing retail space.

With the Cafe Plaza, we intend the side-facing retail space to be used for light dining or convenience grocery use. Desired tenants include a coffee shop, coop grocery, or deli.



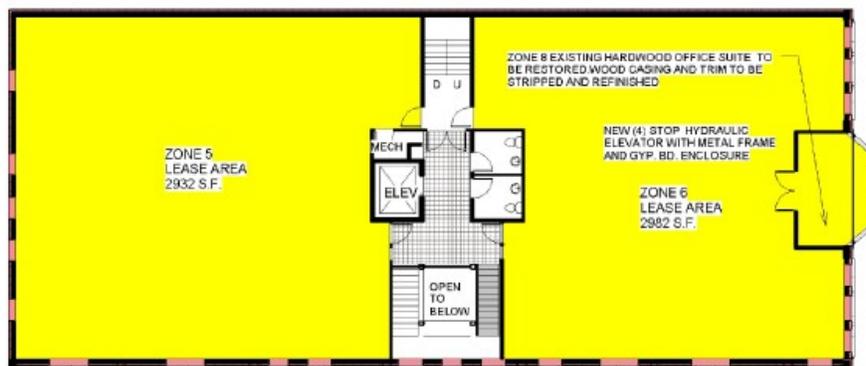
Feature Lobby

In its historic use, the main entrance to the office space was on Emerson. We respected that configuration and enhanced the side entrance with an open atrium lobby. The lobby is lit by skylights from the roof and features a grand stair to access the upper levels of the building. It also provides elevator access for those that do not wish to use the stairs.



Flexible Office Space

On the second floor, we intend to expand the rear-facing windows and open up the floorplan. This will create much more flexible tenant opportunities with the eventual tenants able to customize the space for their needs.



Penthouse Office Space

We wanted to preserve the look of the building from the street and yet raise the profile of the neighborhood and the usability of the building by creating a third floor penthouse office.

This office will be significantly set back from the front and side of the building so that it does not disturb the historic character of the building when viewed from the sidewalk.

This third floor space will be modern and open with a great view of downtown Minneapolis to the south east.



Rooftop Patio

To enhance the penthouse office space, we have created a rooftop patio so that tenants can enjoy the view of the city and the bustling neighborhood.

Tenant Mix

We propose a tenant mix that fits the neighborhood needs. We are seeking retail tenants that complement West Broadway as a transit center.

- Bank or Credit Union
- Light Dining Deli or Cafe
- Convenience Grocery

The office space will be sold to typical office tenants. We are currently in discussions with RESOURCE Inc., a prominent Twin Cities non-profit that takes a very active role in each community they serve. Resource Inc may potentially use the entire office space including the penthouse office.

Condominium Revenue Model

We have chosen a commercial condominium model of ownership for the 1101 West Broadway property. Each of the five major areas of the building will be a separate commercial condominium for sale to tenants or investors. That way, tenants can become owner-operators of their building and take a stronger role in maintenance and community interaction.

Professional Safety and Security Review

We commissioned a security review based of the existing property and surrounding area. Many of our design decisions were based on this input.

Security features/strategies incorporated into proposed design:

- Enlarged window openings on rear of building and additional penthouse level windows increase natural surveillance of parking lot area
- New glass storefronts promote bidirectional main floor visibility of both interior and exterior activities
- Entrances to retail establishments and office lobby create focal point along Emerson Avenue drawing eyes to the site
- Skylight provides natural illumination to two-story lobby area that enhances surveillance of visitors
- Centralized common/shared facilities (e.g., elevator, staircase, restrooms) reduce remoteness from potential observers and prevent blind corridors
- Eliminates right-angle building corner adjacent to Broadway/Emerson intersection to encourage unobstructed observation around corner
- Knee wall planter reinforces boundary between sidewalk and café plaza while also encouraging legitimate outdoor activity to monitor street-level traffic

A detailed listing of these findings are included in the Additional Information section later in this proposal.

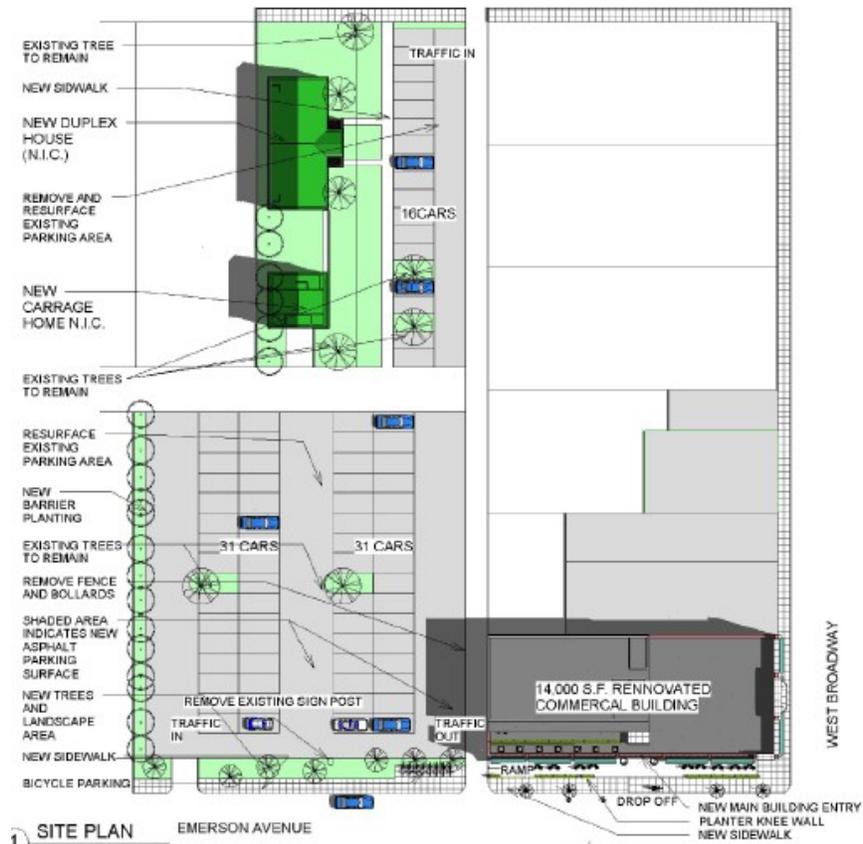
Updated Parking Area

The parking area will be resurfaced and re-striped for optimal parking utilization. Existing trees will remain, as they add to the comfort and aesthetic of the area. The medians and sidewalk area will receive new landscaping and curbs. The partial fence along the alley will be removed. A bike storage area will be added.

Parking Requirements Calculation

<i>Use</i>	<i>Requirement</i>	<i>Square Feet</i>	<i>Parking Spaces</i>
General retail sales and services	1 space per 300 sq. ft. of GFA in excess of 4,000 sq. ft.	5,806	6
Offices	1 space per 300 sq. ft. of GFA in excess of 4,000 sq. ft.	7,894	13
Total		13,700	19

As shown in our requirements calculation, there is plenty of parking available in the lot. Spots will be shared with other neighborhood uses with no specific reservations except those marked for accessible parking.



Multifamily Residential Development

We propose a light multifamily residential use on the 1834 North Fremont lot that is currently vacant. In our site plan and calculations we suggest a duplex plus carriage house, though the exact configuration is still in design. Pricing on these units is moderate and fits well with other nearby triplexes.

Sales Projections

Sales Projections

<u>Unit</u>	<u>Square Feet</u>	<u>Sugg. Sales Price</u>	<u>PSF</u>
Front Retail Space	3,061	\$420,000	\$137.21
Back Retail Space	2,745	\$335,000	\$122.04
Front Office Space	2,962	\$250,000	\$84.40
Back Office Space	2,932	\$225,000	\$76.74
Roof Penthouse Office	2,000	\$240,000	\$120.00
Duplex Unit 1	1,081	\$120,000	\$111.01
Duplex Unit 2	1,081	\$120,000	\$111.01
Carriage House	965	\$90,000	\$93.26
<hr/>			
	16,827	\$1,800,000	\$106.97

3. Identification of Entities

For the purposes of redeveloping these parcels anchored by 1101 West Broadway, a new LLC corporation will be formed between Streetfront Development and investors. We intend to financially partner with the architect and contractor so that interests are aligned and costs are controlled.

Principal

Streetfront Development: Chuck Burdick, Principal

Streetfront Development, LLC
5051 41st Avenue South
Minneapolis, MN 55417
612-810-0072

Streetfront Development is a new development group located in Minneapolis. It focuses on vibrant mixed-use properties. The principal developer, Chuck Burdick, has experience in residential development and historic renovations from his work with Monument Realty in Washington, DC and Empire Properties in Raleigh, NC. At Monument Realty, Chuck worked on several market-rate residential condominium conversions including The Watergate, an \$80 million conversion. For Empire Properties, Chuck prepared a business plan including financing and phases for a \$6 million conversion of a historic warehouse. Chuck holds an MBA in Real Estate and Sustainable Enterprise from the University of North Carolina and a BA from Macalester College. He is an active member of the Urban Land Institute in its Young Leaders Group.

Chuck Burdick will serve as the primary contact and spokesperson for this project.

Partners

Architectural Works: Rick Peterson, Architect

Architectural Works
5770 Blackshire Path
Suite A
Inver Grove Heights, MN 55076
651-389-1188

Architectural Works is an Architectural firm specializing in Site master planning, Multifamily and Affordable housing, Office, Retail and Municipal building types. The firm's principles have over 50 years of combined professional service in the design and construction industry.

Rick Peterson, the Architect assigned to this project, provided all of the site planning, space planning, illustrations and graphics for this proposal. Mr. Peterson has been a registered architect with the state of Minnesota for 17 years. He is an active member of the Congress of New Urbanism. Rick holds a Masters of Architecture Degree from the University of Minnesota.

Twin City Construction of Minnesota, LLP: General Contractor

Twin City Construction of Minnesota, LLP
713 151st
Burnsville, MN 55306
(952) 892-6067

Advisors

Tony Paetznick

Tony Paetznick has been a licensed peace officer for a suburban law enforcement department for over six years. In his current assignment, Tony leads the agency's crime prevention activities. As part of that role, he serves on a design review committee for the municipality to analyze community development projects for safety and security concerns.

Tony received his Crime Prevention Specialist certification from the Minnesota Crime Prevention Association and has completed Crime Prevention Through Environmental Design (CPTED) training from the National Institute of Crime Prevention. A graduate of the University of St. Thomas, Tony holds a Master of Arts in Police Leadership and Bachelor's degree in Criminal Justice and Spanish.

Tony's efforts to reduce crime in a low-income apartment community helped his agency earn the 2004 International Association of Chiefs of Police Community Policing Award and the 2005 National League of Cities James C. Howland Award for Municipal Enrichment.

Investors

Should this team be selected for the development, the developer will assemble an investor group from its network of qualified investors and full financial documentation will be made available.

4. Preliminary Capital Pro-Forma

Assumptions

Months of Pursuit	9
Months of Construction	8
Primary Loan Starting Rate	7.50%
Quarterly Loan Rate Change	0.13%
Empowerment Zone Loan Rate	4.00%
Emp. Zone Amort. Length (yrs)	30
Sales Fees	2.00%
Preferred Return to Investor	9.00%
Property Tax Rate	3.75%
Starting Tax Basis	\$250,000
Ending Tax Basis	\$1,500,000
<u>Unit</u>	<u>Month of Sale</u>
Front Retail Space	3
Back Retail Space	6
Front Office Space	1
Back Office Space	1
Roof Penthouse Office	1
Duplex Unit 1	1
Duplex Unit 2	3
Carriage House	5

Sources

			<u>PSF</u>
Deferred Pursuit Costs	\$22,000.00	1.11%	\$1.31
Cash Equity	\$50,000.00	2.53%	\$2.97
Deferred Developer Fee	\$30,445.99	1.54%	\$1.81
Deferred Architect Fee	\$24,449.08	1.24%	\$1.45
Deferred Contractor Fee	\$24,449.08	1.24%	\$1.45
Empowerment Zone Sub Debt	\$350,000.00	17.71%	\$20.80
Primary Loan	\$1,474,539.27	74.63%	\$87.63
Total	\$1,975,883.42	100.00%	\$117.42

Uses

			<u>PSF</u>
Land Acquisition	\$50,000.00	2.53%	\$2.97
Construction	\$1,397,090.00	70.71%	\$83.03
Contingency	\$69,854.50	3.54%	\$4.15
Architect Fee	\$48,898.15	2.47%	\$2.91
Contractor Fee	\$69,854.50	3.54%	\$4.15
Legal	\$12,000.00	0.61%	\$0.71
Accounting	\$5,000.00	0.25%	\$0.30
Pursuit Costs	\$22,000.00	1.11%	\$1.31
Financing Fee	\$16,746.97	0.85%	\$1.00
Interest Expense	\$53,167.05	2.69%	\$3.16
Property Taxes	\$34,375.00	1.74%	\$2.04
Developer Fee	\$50,743.32	2.57%	\$3.02
Equity Return and Overhead	\$146,153.92	7.40%	\$8.69
Total	\$1,975,883.42	100.00%	\$117.42

Comments

All financing terms are proposed and provided figures are estimates of the final costs and sale values.

Requested Assistance

We request that the city provide the full Empowerment Zone funding as a low interest loan. We also request that the city provide a financial guarantee on the primary loan.

Additionally, we would like the city to coordinate with the Minneapolis Police Department to provide enhanced site and area security during the construction. This will help deter theft and vandalism, which have been problematic during the building's seven year vacancy.

Proposal Conditions

The ideas put forth in this proposal are subject to several assumptions and conditions including:

1. Successfully securing financing
2. Achieving construction bids within budget
3. City completes and certifies full environmental abatement
4. Building condition was well described in city reports
5. Structural evaluation indicates sound construction
6. Market conditions hold for construction costs and sales revenue
7. Due diligence period allowed for detailed site investigation and legal review

Additional Funds

We will be pursuing additional funds for the project including community development grants and Empowerment Zone loan forgiveness by achieving the program goals.

5. Operating and Sales Pro-Forma

Construction Estimates

	Square Feet	Hard Cost PSF	Total Cost
1101 West Broadway	13,700	\$86.00	\$1,178,200
1834 North Fremont	3,127	\$70.00	\$218,890
Total			\$1,397,090

Cash Flows

Month	0	1	2	3	4	5	6	7
Cash Equity	\$50,000.00							
Sub Loan Proceeds (EZ)	\$350,000.00							
Acquisition	-\$82,021.77							
Construction		-\$194,852.69	-\$194,852.69	-\$194,852.69	-\$194,852.69	-\$194,852.69	-\$194,852.69	-\$194,852.69
Property Taxes		-\$781.25	-\$781.25	-\$781.25	-\$781.25	-\$781.25	-\$781.25	-\$781.25
Primary Loan Interest Accrued	\$0.00	\$0.00	\$0.00	-\$486.93	-\$1,743.73	-\$3,008.52	-\$4,351.53	-\$5,653.90
Sub Loan Payment		-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95
Sales Net of Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Primary Loan Payoff	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub Loan Payoff	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Preferred Return to Investors	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Beginning Cash Balance	\$0.00	\$317,978.23	\$120,673.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Cash Balance	\$317,978.23	\$120,673.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Beginning Primary Loan Balance	\$0.00	\$0.00	\$0.00	\$76,631.56	\$274,423.38	\$473,472.01	\$673,785.43	\$875,441.85
Ending Primary Loan Balance	\$0.00	\$0.00	\$76,631.56	\$274,423.38	\$473,472.01	\$673,785.43	\$875,441.85	\$1,078,400.64
Beginning Sub Loan Balance	\$350,000.00	\$349,495.71	\$348,989.75	\$348,482.09	\$347,972.74	\$347,461.70	\$346,948.95	\$346,434.50
Ending Sub Loan Balance	\$350,000.00	\$349,495.71	\$348,989.75	\$348,482.09	\$347,972.74	\$347,461.70	\$346,948.95	\$346,434.50

Month	8	9	10	11	12	13	14
Cash Equity							
Sub Loan Proceeds (EZ)							
Acquisition							
Construction	-\$194,852.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Property Taxes	-\$781.25	-\$4,687.50	-\$4,687.50	-\$4,687.50	-\$4,687.50	-\$4,687.50	-\$4,687.50
Primary Loan Interest Accrued	-\$6,964.67	-\$8,417.52	-\$3,128.65	-\$3,190.91	\$0.00	-\$42.39	\$0.00
Sub Loan Payment	-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95	-\$1,670.95
Sales Net of Fees	\$0.00	\$820,700.00	\$0.00	\$531,600.00	\$0.00	\$90,000.00	\$328,300.00
Primary Loan Payoff	\$0.00	-\$805,924.02	\$0.00	-\$486,233.29	\$0.00	-\$6,358.45	\$0.00
Sub Loan Payoff	\$0.00	\$0.00	\$0.00	-\$35,817.36	\$0.00	-\$77,240.70	-\$231,301.40
Preferred Return to Investors	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$55,513.78
Beginning Cash Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Cash Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,640.14
Beginning Primary Loan Balance	\$1,078,400.64	\$1,282,670.21	\$476,746.18	\$486,233.29	\$0.00	\$6,358.45	\$0.00
Ending Primary Loan Balance	\$1,282,670.21	\$476,746.18	\$486,233.29	\$0.00	\$6,358.45	\$0.00	\$0.00
Beginning Sub Loan Balance	\$345,918.32	\$345,400.43	\$344,880.81	\$344,359.46	\$308,542.11	\$308,542.11	\$231,301.40
Ending Sub Loan Balance	\$345,918.32	\$345,400.43	\$344,880.81	\$308,542.11	\$308,542.11	\$231,301.40	\$0.00

6. Market Study

Calculations Based on Rental Rates

The latest market data for the Twin Cities Metro shows an average retail lease rate of \$20.92¹ per square foot (PSF) and an average office lease rate of \$10.40 PSF.² Local business advocates indicated lease rates of \$13-15 PSF for retail and \$8-10 PSF for office along the West Broadway corridor.³

However, most of the existing building stock is historic or unimproved and would be considered “Class C” space. Hawthorne Crossings, located at 904-1000 West Broadway is a large strip mall retail space built in 1987. According to its property manager, rents there are \$18-20 per square foot after expenses.⁴

If we assume an average rental rate of \$11 PSF, we can create a very rough estimate of the building's sale value.

Rent PSF	\$10.00	\$11.00	\$12.00
- Expenses PSF	\$3.33	\$3.67	\$4.00
Net Operating Incom	\$6.67	\$7.33	\$8.00
÷ Cap Rate	7.00%	7.00%	7.00%
Sale Price PSF	\$95.24	\$104.76	\$114.29
× SF	13,624	13,624	13,624
Total Sale Price	\$1,297,524	\$1,427,276	\$1,557,029

Calculated Land Value

Using the Hennepin County tax records, we were able to prepare the following comparable property data. The West Broadway corridor has had very little market transactions in the last several years, so we must interpolate from the available information.

1 CB Richard Ellis MarketView Minneapolis / St. Paul Retail, Third Quarter 2005. <http://www.cbre.com/>

2 CB Richard Ellis MarketView Minneapolis / St. Paul Office, Third Quarter 2005. <http://www.cbre.com/>

3 Interview with Kari Neathery of the West Broadway Area Coalition, 10/28/2005.

4 Phone conversation with Sherman Associates, 11/29/2005.

<u>Address</u>	<u>Condition</u>	<u>Lot Size</u>	<u>Land Value</u>	<u>Building Value</u>	<u>Total Value</u>	<u>PSF Land</u>
1127 West Broadway	Active	12,100	\$58,300.00	\$91,700.00	\$150,000.00	\$4.82
1013 West Broadway	Historic / Unimproved	6,050	\$29,200.00	\$342,300.00	\$371,500.00	\$4.83
1017 West Broadway	Historic / Unimproved	3,300	\$7,800.00	\$114,000.00	\$121,800.00	\$2.36
1021 West Broadway	Historic / Unimproved	3,300	\$16,000.00	\$134,000.00	\$150,000.00	\$4.85
1100 West Broadway	Historic / Unimproved	6,100			\$277,200.00	
1105 West Broadway	Historic / Unimproved	3,575	\$15,700.00	\$97,300.00	\$113,000.00	\$4.39
1109 West Broadway	Historic / Unimproved	2,420	\$11,700.00	\$66,800.00	\$78,500.00	\$4.83
825 West Broadway	Historic / Unimproved	7,260	\$31,800.00	\$138,200.00	\$170,000.00	\$4.38
901 West Broadway	Historic / Unimproved	6,050			\$320,000.00	
1830 Fremont Ave N	Home	6,776	\$6,900.00	\$102,100.00	\$109,000.00	\$1.02
1814 Fremont Ave N	Multifamily	20,460	\$27,000.00	\$552,000.00	\$579,000.00	\$1.32
2017 Emerson Ave N	Multifamily	6,280	\$16,500.00	\$608,500.00	\$625,000.00	\$2.63
1000 West Broadway	Modern / Renovated	108,900	\$518,000.00	\$1,186,000.00	\$1,704,000.00	\$4.76
904 West Broadway	Modern / Renovated	119,130	\$445,500.00	\$927,100.00	\$1,372,600.00	\$3.74
701 West Broadway	Modern / Renovated	375,309	\$1,538,000.00	\$312,000.00	\$1,850,000.00	\$4.10

Using this information, we find an average land price along West Broadway to be approximately \$4.35 per square foot and an average land price along the residential side streets to be approximately \$1.20 per square foot.

Therefore, we calculate the land values for the parcels in question to be:

<u>Address</u>	<u>Condition</u>	<u>Lot Size</u>	<u>Land Value</u>
1101 West Broadway	Vacant, Untenable	6050	\$26,317.50
1831 Emerson Ave N	Parking Lot	21080	\$25,296.00
1838 Fremont Ave N	Parking Lot	3875	\$4,650.00
1836 Fremont Ave N	Vacant	3875	\$4,650.00
1834 Fremont Ave N	Vacant	6734	\$8,080.80
Total			\$68,994.30

Given that:

- The main structure at 1101 West Broadway is dilapidated and untenable,
 - The City's interest is in restoring rather than replacing the building with new construction, and
 - The City has not collected tax revenues on the site for nearly a decade,
- we are discounting the price of the structure to \$0 so that we can meet the city's design goals and provide tax revenue after acquisition without Tax Increment Financing.

Knowing that the city has tried several times in the past to attract developers to this property and that the property has been vacant for eight years, we are prepared to offer \$50,000 for the five parcels as indicated in the Sources and Uses.

8. Description of Public Benefits

Community benefits

- Maximum renovation of the building
- Building supports modern convenience retail
- Modern health and safety compliance
- Restored exterior as a local landmark on an active node
- Large flexible space in the buildings interior to serve a variety of tenant needs
- New housing elements on Fremont to be developed as affordable housing element with a local agency (assumed 2-3 units / 6-10 bedrooms).

Site related benefits

- Improved parking facility that has 78 (straight) to 110 (angled) parking spaces with clear visibility from tenant windows
- Bicycle parking area to access local transit stops
- Renovation of building grades to provide fully accessible entrances
- Establishment of the prominent entry to the building along Emerson to:
 1. Alleviate crowding at the transit stop adjacent to Broadway.
 2. Utilize 16 ft setback on Emerson for the encouragement of pedestrian street life and seating at ground level retail spaces.
 3. Provide a convenient connection to the renovated building and the improved parking facility

City Economics

- Improve tax base from \$0 to approximately \$1,500,000 across the five parcels
- Improve tax revenue from \$0 to approximately \$60,000 annually across five parcels
- Create job opportunities at retail level, estimated 8 full time equivalents
- Spur revitalization along West Broadway corridor

9. Proposed Timeline

<i>Date</i>	<i>Milestone</i>
11/30/2005	Proposal Submitted
12/15/2005	Submit drawings for bid by contractors
1/15/2006	Receive firm bids from contractors
3/15/2006	Community Groups Recommend to City
5/1/2006	City Appoints Developer
6/1/2006	City and Developer Sign Development Agreement, Closing on Property
7/1/2006	Construction Begins
10/1/2007	Exterior Completed
3/1/2007	Interior Completed, Certificate of Occupancy
9/1/2007	Stabilized (Fully Sold)

10. Consent for Release of Response Data

Attachment 3 Form of Consent for Release of Response Data

Nov. 30, 2005

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: 1101 West Broadway Request for Proposals
Consent for Release of Response Data

Chuck Burdick _____, on behalf of Streetfront Development, LLC, hereby consents to the release of its development proposal in response to the 1101 West Broadway Request for Proposals and waives any claims it may have under Minnesota Statutes Section 13.08 against the City of Minneapolis for making such information public. The foregoing consent and waiver does not extend to financial statements submitted under separate confidential cover.

11. Additional Information

1. Crime Prevention through Environmental Design Memo
2. Supplemental Architectural Drawings and Renderings
3. Letter of Interest from RESOURCE, Inc.

MEMO

From: Tony Paetznick

1101 West Broadway Avenue, Minneapolis
Crime Prevention Through Environmental Design (CPTED) Assessment

This assessment is based on an inspection of the property on Saturday 29 October 2005 at 0900 hours that was limited to the exterior of the building.

The Broadway Avenue facade of the building has several blind spots that should be addressed. These include the right angle jut in the middle of the structure and the 90 degree angle on the northeast corner of the building. As to the first, which creates a hideaway, the retail storefronts should have a uniform setback without any recesses. For the latter, the design should include a 45 degree angle to improve sight visibility around the corner. The recessed doorways leading to the tenant spaces on the western half of the building could also be brought forward to eliminate any potential spots for unwanted persons or property to gather. A bus stop exists at this intersection with a bench already placed for transit users. The redeveloped ground level building front should not provide a ledge or other place for persons waiting for the bus to rest.

The Emerson Avenue facade of the building boasts a large brick wall in the center of the structure that could be subjected to graffiti or other unwanted vandalism. A community mural, perhaps depicting the diversity of the neighborhood or a graphic representation of the building's past based on historical photographs, could occupy this space. The exterior entrance to the staircase should be highlighted. This ideally would be a "celebrated entrance" that would draw users to the building access point. One suggestion would be to extend the step farther out onto the sidewalk area with decorative pavers in a circular formation. Another way to identify this entrance would be through exterior signage, perhaps even a large sign that would extend perpendicular from the building over the doorway. There exists considerable space along the Emerson Avenue sidewalk to support outdoor seating of small tables and chairs to encourage surveillance of street-level activity. Subject to building setback requirements, a low and open wrought iron fence could be implemented to define the public (sidewalk) from the private (café seating) area. Similar to the Broadway side, along Emerson there exist a couple blind spots due to the recessed doorways leading to tenant spaces in the southeast area of the building. These too could be made flush consistent with the remainder of the exterior.

The parking lot to the south in its current state would receive little, if any, natural surveillance from the 1101 Broadway building. First, the wood fence along the alley should be removed to improve visibility. Second, larger window openings on both levels of the building should be installed to provide sight lines to the

parking lot from the interior. Territorial definition of the parking lot is also a concern. By eliminating the fence, the northern parking lot entrance could be eliminated with traffic instead utilizing the alley right of way. Along Emerson Avenue, a green space should be maintained along with landscaping to discourage pedestrians from cutting through the parking lot. Landscaping should not interfere, however, with surveillance from occupants of the former public library building on the east side of Emerson Avenue. The south parking lot entrance could remain with an ornamental detail like brick columns of similar composition to the building materials to reinforce that the parking area is joined with the structure. These would also serve as pedestals for lighting fixtures to illuminate the parking lot entrances and exits. If an onsite runoff water retention pond is required, this could potentially be located along the southern edge of the parking lot to buffer from the neighboring residential property. The few existing trees in the parking lot area have a high-cut canopy of at least six feet to provide visibility to users of this area.

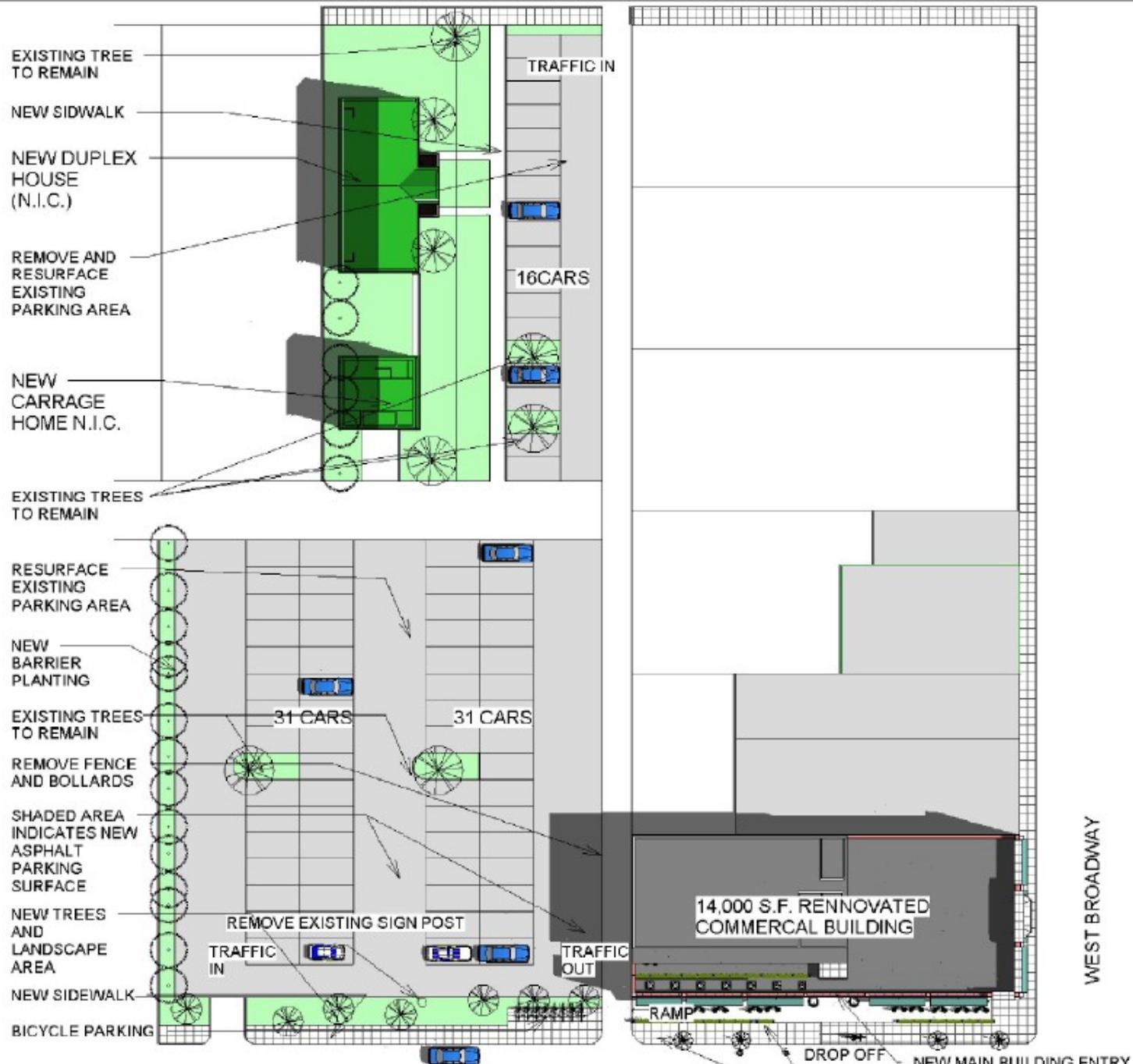
The rear service entrance to the building on the alley is another area of concern. Ideally, persons inside the building would be able to survey the outdoor surroundings before exiting through this doorway. With its close proximity to the southwest corner of the structure, there exists a blind spot on the adjacent property at 1105 Broadway where an individual could be hidden from anyone exiting via the service door. Pending consent from the neighboring property owner, landscape materials consisting of low, thorny shrubs should be considered for the open area to keep persons from loitering in that spot.

Ideally, a follow-up visit to the site during non-daylight hours would be warranted to address lighting and any other potential issues relating to activity level at the site in the darkness. Furthermore, this assessment is based solely on witnessing the exterior of the property. A more thorough recommendation could be provided pending receipt of floor plans for the redevelopment project.

In addition to the aforementioned areas to be addressed as the property and structure currently exist, some suggestions are also offered for consideration in designing the remodeled building. The installation of canopies/awnings along the retail facades of the building would provide an historical look to the building while at the same time offer a way to discreetly install wall-mounted lighting to illuminate the sidewalks along the Broadway and Emerson facades. Requiring tenants to maintain a minimum percentage of open area in the retail storefronts would help to ensure two-way surveillance of both interior and exterior activities from each perspective. Bringing more attention to the Emerson Avenue side of the building as the “front” side of the structure would potentially reduce illegitimate users of the property who may pass by on Broadway Avenue from interfering with the legitimate site users who access by approaching from the rear parking lot.

Additional comments/questions added pursuant to review of preliminary plans posted on the website 2 November 2005:

1. Elimination of 90 degree angle on northeast corner of building: is this structurally feasible? If not, consider open and unobstructed windows.
2. Interior staircase to second level: agree that it should be open for surveillance. Perhaps zones 5 or 6 could have windows looking into this center area? Maybe a skylight above to allow natural light and even rooftop terrace users would be able to see through?
3. Elevator location: could it be placed instead in the center of the building with the staircase turning halfway in its flight?
4. Restroom access: will this be controlled or open to the public?
5. Stairwells on west side: are these intended primarily as emergency exits?
6. Service corridor access: should this be restricted with a doorway from the "public" elevator and restroom vestibule area?
7. Retail entrances along Emerson Avenue: can these be flush or must they be recessed?



①

SITE PLAN

EMERSON AVENUE

1" = 50'-0"

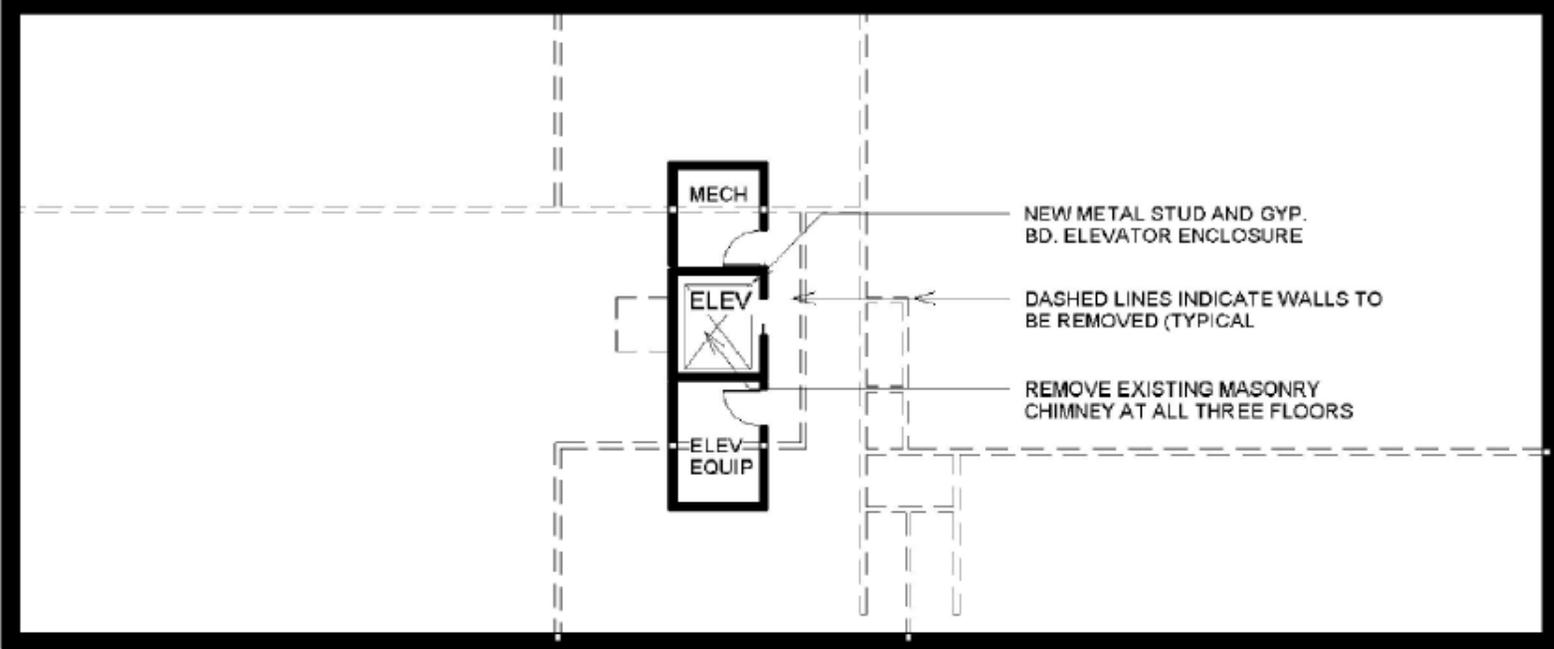
1101 WEST BROADWAY SITE PLAN



ARCHITECTURAL WORKS
VILLARD, INC.
Architects

A1

65'-0"



WEST BROADWAY

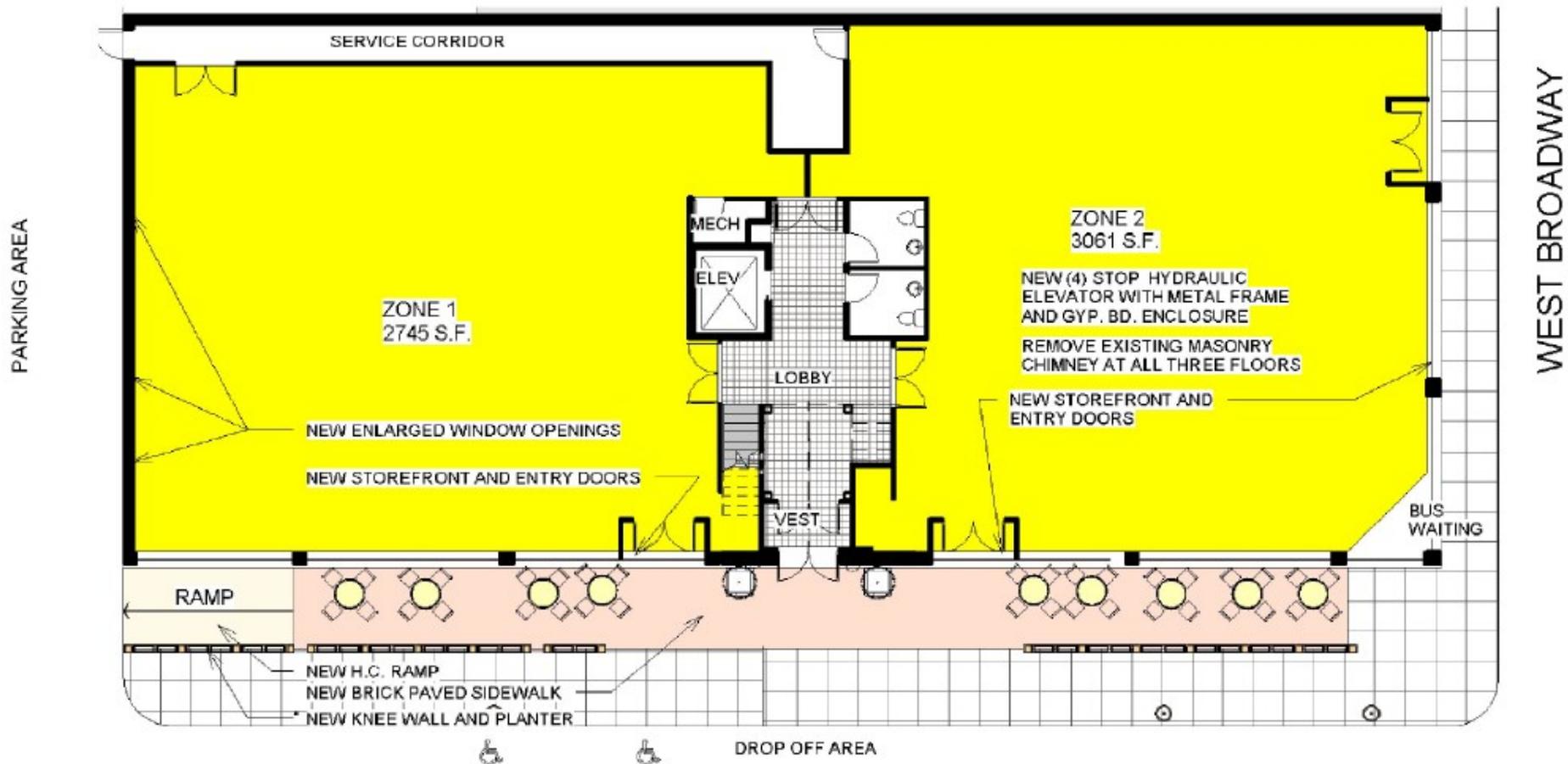
130'-0"

① **BASEMENT LEVEL**
 1/16" = 1'-0"

EMERSON AVE. N



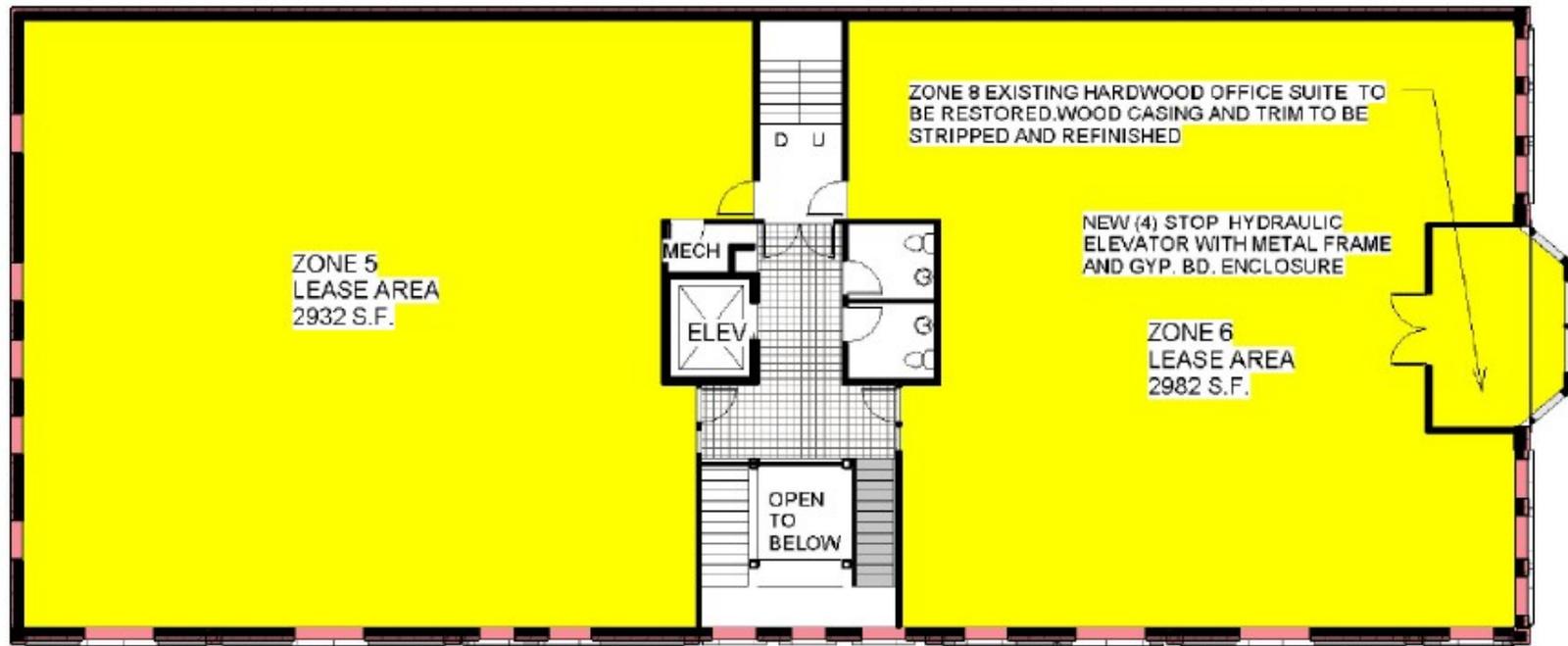
- GENERAL NOTES:
- DEMOLISH ALL EXISTING WALLS TO STRUCTURE
 - ALL STAIRS TO BE NEW METAL PAN STAIRS
 - ALL GROUND LEVEL WINDOWS AND DOORS TO BE REPLACED WITH NEW ALUMN. STOREFRONT
 - ALL NEW INTERIOR WALLS TO BE METAL FRAMED WITH GYP. BD.
 - REMOVE EXISTING FLOOR TO ACCOMODATE NEW ELEVATOR AND STAIR LOCATIONS
 - ALL NEW INTERIOR DOORS TO BE H.M. FRAME WITH SOLID WOOD PANEL



1 GROUND LEVEL
1/16" = 1'-0"

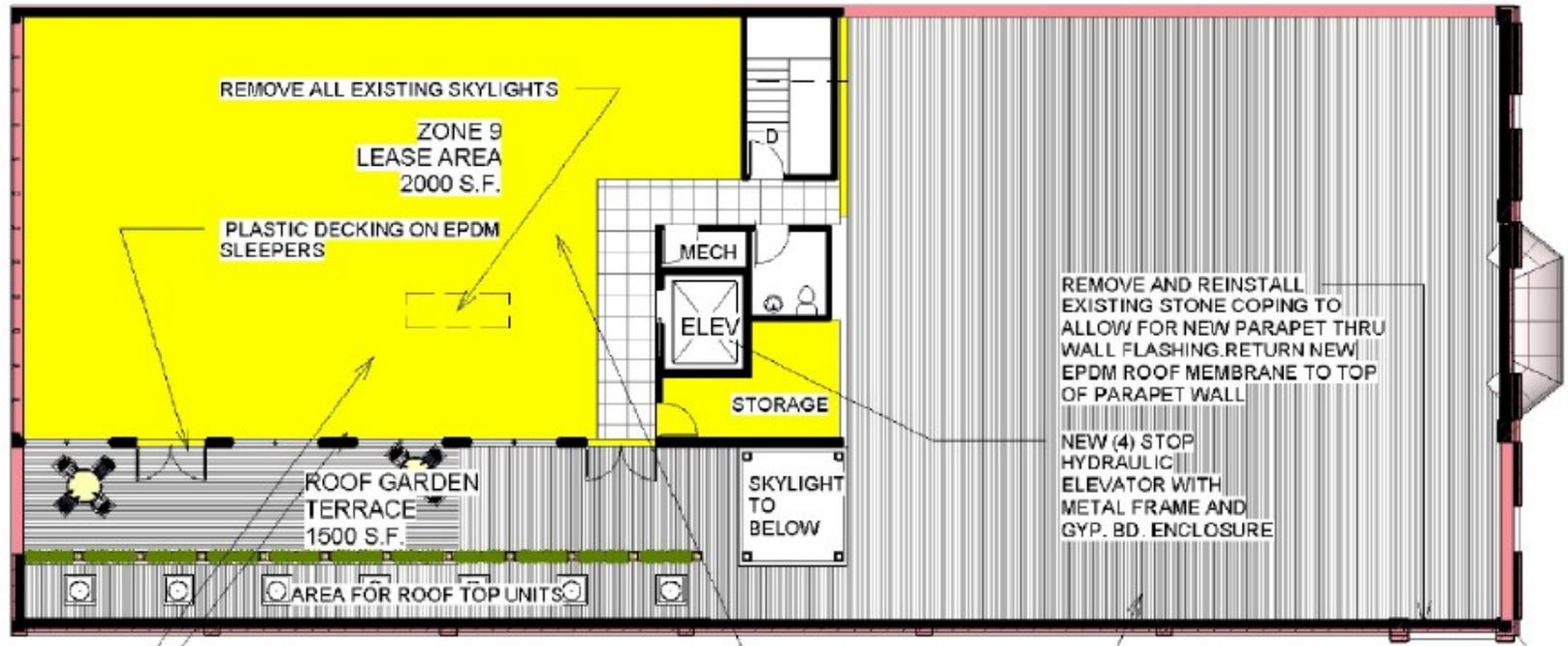
1101 WEST BROADWAY GROUND LEVEL

- GENERAL NOTES:
- DEMOLISH ALL EXISTING WALLS TO STRUCTURE
 - ALL STAIRS TO BE NEW METAL PAN STAIRS
 - ALL UPPER LEVEL WINDOWS TO BE REPLACED WITH NEW ALUMN.
 - ALL NEW INTERIOR WALLS TO BE METAL FRAMED WITH GYP. BD.
 - REMOVE EXISTING FLOOR TO ACCOMODATE NEW ELEVATOR AND STAIR LOCATIONS
 - ALL NEW INTERIOR DOORS TO BE H.M. FRAME WITH SOLID WOOD PANEL
 - REMOVE EXISTING CHIMNEY AT ALL (3) UPPER LEVEL.(O.K. TO REMAIN IN BASEMENT)



① UPPER LEVEL
1/16" = 1'-0"

- GENERAL NOTES:
 -ALL STAIRS TO BE NEW METAL PAN STAIRS
 -ALL NEW INTERIOR WALLS TO BE METAL FRAMED WITH GYP. BD.
 -ALL NEW INTERIOR DOORS TO BE H.M. FRAME WITH SOLID WOOD PANEL
 -ALL WINDOWS TO BE FIXED ALUMINUM



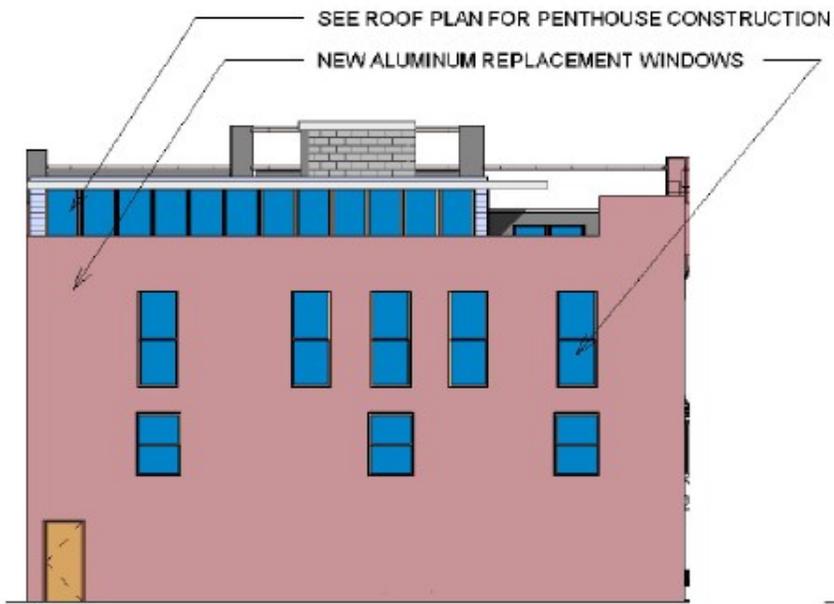
TYPICAL PENTHOUSE WALL:
 -CORRUGATED METAL SIDING OVER SHEATHING
 -6" METAL STUDS
 -6" EXPANDING WATERBASED FOAM INSULATION
 -5/8" GYP. BD.

TYPICAL PENTHOUSE ROOF:
 -EXPOSED FASTENER 29 GA. METAL ROOF
 -10" METAL TRACK JOIST RAFTER FRAMING
 -10" EXPANDING WATERBASED FOAM INSULATION
 -5/8" GYP. BD.

FLOOR SYSTEM TO BE FUURRED WOOD DECK OVER EXISTING ROOF JOIST FRAMING

AREA OF NEW EPDM ROOFING TO INCLUDE AREA BELOW WOOD DECK

① ROOF/ PENTHOUSE LEVEL
 1/16" = 1'-0"



① REAR ELEVATION
1/16" = 1'-0"

SEE ROOF PLAN FOR PENTHOUSE CONSTRUCTION
NEW ALUMINUM REPLACEMENT WINDOWS



② BROADWAY ELEVATION
1/16" = 1'-0"

8" METAL STUD AND 8" FOAM INSULATION
OVER METAL SIGNAGE PANEL
REPAIR AND REPAINT EXISTING SIDING
NEW ALUMINUM REPLACEMENT WINDOWS



③ EMERSON ELEVATION
1/16" = 1'-0"

SEE ROOF PLAN FOR PENTHOUSE CONSTRUCTION
NEW ALUMINUM REPLACEMENT WINDOWS
8" METAL STUD AND 8" FOAM INSULATION
OVER METAL SIGNAGE PANEL

NEW FABRIC AWNINGS (TYP)
NEW ALUMINUM STOREFRONT (TYP)
PLANTER AND KNEEWALL





1101 WEST BROADWAY PERSPECTIVE STREET



ARCHITECTURAL WORKS
VILLARD, INC.
Architects

A7



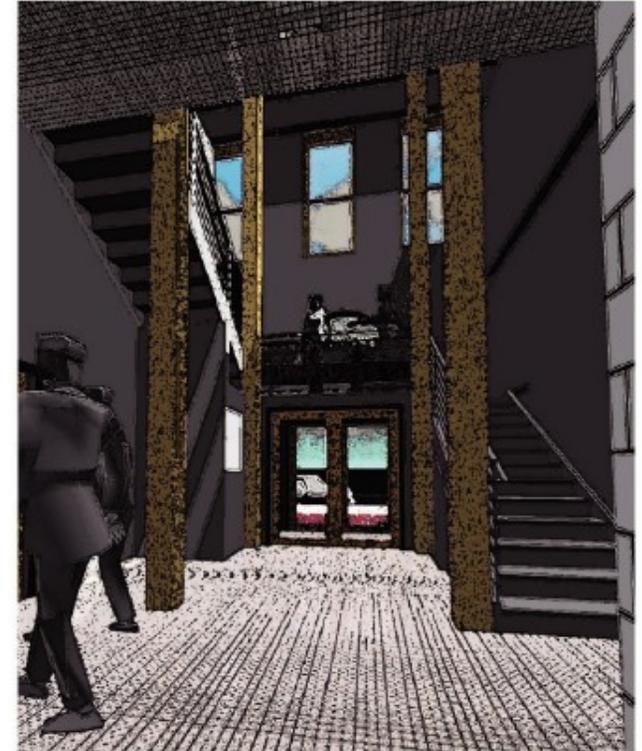
VIEW OF EMERSON ENTRY SIDE



VIEW OF ROOF GARDEN TERRACE



VIEW OF SIDEWALK TRANSITION PLANTER AT OUTDOOR SEATING



VIEW OF STAIR AT LOBBY AREA



VIEW OF OPEN OFFICE AREA



Employment Action Center • Minnesota Resource Center • Recovery Resource Center
Spectrum Community Mental Health

November 29, 2005

Erik Hansen
City of Minneapolis
Community Planning and Economic Development Department
Suite 200, Crown Roller Mill Building
105 Fifth Avenue South
Minneapolis, MN 55401-2534

Dear Mr. Hansen:

RESOURCE is very interested in buying "condo" space from Streetfront Development as part of their proposal to develop property at 1101 West Broadway if they are awarded the contract to redevelop that space. We are interested in 7000 square feet of office and classroom space for our Employment Action Center. The entire second floor plus the "penthouse" space in their proposed plans would meet our needs. We have met with Streetfront Development and have had ongoing discussions with them during their proposal preparation.

RESOURCE was founded in 1960 as a nonprofit human service organization that empowers people to achieve greater personal, social and economic success. Employment Action Center (EAC) is one of the four divisions of RESOURCE. EAC has provided comprehensive employment and training services in north Minneapolis since 1985.

EAC helps people in the community who are unemployed, underemployed or in career transition to find employment. EAC is a resource for individuals who need career counseling, job seeking skills, access to training, job placement, one-to-one support, internet resources, and resources for up-to-date office technology and career training.

We are pleased to write this letter of interest and support for Streetfront Development's proposal for redevelopment of 1101 West Broadway. Please feel free to contact me at 612-752-8815 if you have questions or if I can provide any further information.

Sincerely,

A handwritten signature in blue ink that reads "Betsy McMillan".

Betsy McMillan
Employment Action Center Director
RESOURCE Vice President

www.resource-mn.org

1900 Chicago Ave., Minneapolis, MN 55404 / (612) 752-8000 Fax (612) 752-8001 TDD (612) 752-8019

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