

Broadway Plaza LLP
c/o Phil Greenberg
Broadway Center Associates LLP
P.O. Box 11905
Minneapolis, MN 55411
(612) 529-2222

VIA HAND DELIVERY

1101 West Broadway Redevelopment Proposal
c/o Contract Services
City of Minneapolis, Department of CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

RESPONSE TO THE
1101 West Broadway Avenue
REQUEST FOR PROPOSAL
Issued September 1, 2005

BY

Broadway Plaza LLP
(A to-be-formed Limited Liability Partnership)



Developer:

Philip Greenberg – Managing Partner
Broadway Center Associates LLP
617 West Broadway
Minneapolis, Minnesota 55411
Telephone/Facsimile: 612-529-2222

Co-Developer

Stephen A. Wheeler
President
Real Asset Capital, LLC
20 North Clark Street, Suite 1101
Chicago, Illinois 60601
Telephone: 312-893-5153
Facsimile: 312-928-0820
Email: swheeler@realassetcapital.com



EXECUTIVE SUMMARY

Broadway Center Associates LLP as Lead Developer and Real Asset Capital, LLC as Co-Developer are submitting this response to the 1101 West Broadway Avenue REQUEST FOR PROPOSAL on behalf of Broadway Plaza LLP,(a to-be-formed Limited Liability Partnership). This response meets all and in some cases exceeds the specific requirements set forth in the RFP. Furthermore, the response is supported by an independent market analysis which supports the market viability of the after redevelopment uses.

Broadway Plaza LLP (“Broadway”) brings a unique and highly informed perspective to the redevelopment of the 1101 property. Mr. Greenberg, the Lead Principal, has extensive experience in West Broadway development and business operations having been in business along west Broadway for over 40 years. The redevelopment plan calls for the retention of most if not all of the historic characteristics of the building. It also has attracted businesses which provide needed services and opportunities, including job training and placement, as part of the property’s ongoing operations. These businesses are consistent with the recommended uses for 1101 as noted in community planning work for this specific property.

Broadway has provided two redevelopment scenarios as part of its proposal. These scenarios differ only as to the orientation of specific uses within the building and the buildings relationship to the 1105 structure immediately to the west. Collectively, the plans allow for Broadway to move forward under a development scenario which is without contingencies. Both plans are based upon detailed architectural, engineering and construction partner input to insure its feasibility with respect to design, code requirements and cost. Moreover, this RFP response incorporates over 4 years of effort by Broadway to redevelop this very important parcel.

This submission is also sensitive to and addresses many of the issues which challenge this building and the associated land parcels including accessibility, traffic flow, right-of -ways and easements, security, appearance and design considerations. Broadway has conducted an analysis of the building to determine the feasibility of its designation as an historic building. While Broadway cannot guarantee 1101 receiving such a designation, Broadway is committed to maintaining those elements which are of historical significance through this redevelopment.

Broadway recognizes the importance of satisfying the evaluation criterion set forth in this RFP. We believe that the evaluation criterion is a baseline requirement and that a thoughtful and community supportable development plan must strive to exceed this baseline. Broadway will achieve a greater level of public benefit and project performance through the approach it sets out in this RFP. This includes:

- An experienced and financially strong developer and development team with a history of past performance of similar type and larger scale projects having been completed on time and within budget.
- A development plan which is in compliance with the Minneapolis Zoning Code, comprehensive plan, the redevelopment goals of this document, and other relevant planning documents for the area
- A development plan which retains the historic character of the structure
- A clearly defined development program and project timeline that is implementable
- Market appropriate and financial feasible tenants who are supported by an independent market analysis specifically designed to evaluate west Broadway business capacity and opportunity.

- A project which has already secured all necessary outside private funding
- Extensive public benefits including recapture of all proposed city loans
- A clear and comprehensive response which seeks to address the intent of this project both as stated in the RFP and in the various planning documents for this area.
- A team with previous historical renovation experience.

Broadway is sensitive to and committed to meeting a number of specific community and neighborhood goals. This includes increasing economic opportunities for area residents. The Broadway proposal exceeds the requirements for minority and local hiring. Broadway will utilize existing Disadvantaged Business Enterprise (“DBE”) sub contractors, suppliers and labor for not less than 30% of the overall projected expenditures. Broadway will provide an affirmative action plan within 30 days of the notification of award for the RFP. Broadway will work with area community organizations in the development of its affirmative action plan. The Broadway General Contractor has experience in working with the city’s Apprenticeship training policy and has implemented projects under this policy successfully.

Broadway will, through this redevelopment, facilitate economic opportunity for businesses and residents that seek such an opportunity without leaving the West Broadway corridor. Broadway will set a standard for redevelopment that the city and the community can use as a model for future redevelopment. Broadway is completing this application in a manner which complements other redevelopment activity along the avenue.

The uses proposed for 1101 assist in specific community development goals in the area of transportation, job training and community service availability. Broadway feels it has put forth a proposal which has the greatest amount of community and city benefits possible given the constraints and limitations of the property and the surrounding uses.

As the Project Developer, Broadway has a long standing commitment, history and belief in the viability and importance of West Broadway, its residents its businesses and its future. In this respect Broadway may be unique in that its redevelopment of 1101 constitutes the continued commitment to the community by some whom have remained unwavering in that commitment. This is opposed to parties simply seeking opportunistic development without a commitment to the community and its residents. It is as part of its continued commitment to West Broadway that we present the redevelopment plan presented herein.

Section 1

Cover Page

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1101 West Broadway Avenue
REQUEST FOR PROPOSAL
Issued September 1, 2005
BY



Lead Developer:

Philip Greenberg – Managing Partner
Broadway Center Associates LLP
617 West Broadway
Minneapolis, Minnesota 55411
Telephone/Facsimile: 612-529-2222

Email:

Developer's legal Status : Limited Liability Partnership
Federal Tax ID Number: 86-0478912
State ID Number: 3648664

Philip Greenberg

Co-Developer:

Stephen A. Wheeler
President
Real Asset Capital, LLC
20 North Clark Street, Suite 1101
Chicago, Illinois 60601
Telephone: 312-893-5153
Facsimile: 312-928-0820

Email: swheeler@realassetcapital.com

Developer's legal Status: Limited Liability Company
Federal Tax ID Number: 73-1685046
State ID Number: Applied for

Stephen A. Wheeler

Section 2

Project Description

SECTION 2. - Project Description

1101 West Broadway (“1101”) will be renovated to retain most of the historic and unique exterior elements while reconfiguring the internal building to meet current code requirements. The redevelopment will retain 100% of the first floor space and provide adequate access and subdivision of the space for new tenancy. The second floor will be retained with some modifications including the creation of an atrium at the rear of the building and creation of a new code compliant stairway and elevator. The lower level will be improved to address moisture infiltration, building systems (Plumbing, HVAC, and Electrical) and some minimal structural items related to the installation of the elevator. Approximately 50% of the basement area will be leaseable space with the primary uses being storage related.

A. Building Program

The building will be configured to provide for between 5 and 9 commercial spaces. The spaces will range in size from 500 square feet for a potential bus waiting area, a 2-3,500 square foot restaurant space with outdoor patio and a 5,000 square foot beauty school. The first floor spaces can be divided in to 1,000 – 1,500 square foot spaces which can be combined and customized to the tenants needs. The total leaseable square footage will be approximately 15,000 square feet including lower level space

Each unit will be individually conditioned for heat and cooling to provide for tenant controlled comfort. Each unit will be finished to a pre-build out condition to allow for tenant specific improvements immediately prior to move in. Each space will include an in unit ADA accessible washroom with common area ADA accessible restrooms available on each floor. Schematic floor plans and layouts are included as an appendix to this submittal.

The interior walls will be stud wall construction with a minimum one hour fire rating between each respective space. Additional fireproofing will be provided in areas adjacent to the restaurant kitchen area. Interior finishes will all be commercially appropriate with respect to flooring, wall coverings, ceiling finishes, washrooms, doors, door hardware and miscellaneous items. The building will have a sprinkler system with additional fire protection related to the restaurant uses. A detailed narrative specification follows immediately within this section.

The redevelopment site plan provides for the creation of 80–100 parking spaces and a service drive for rear access to all buildings along the south side of the 1100 block of west Broadway. A portion of the alley would be vacated at the rear of the 1101 building to accommodate outdoor dining space and the creation of a greenway running along the northern edge of the parking lot. The parking lot can meet the City of Minneapolis requirements for green space through a series of medians and green spaces designed to reduce overall impervious surface area and enhance the appearance of the site. A reduction in overall parking capacity would be necessary for this to be achieved. Two parking lot plans have been provided in this submission. Broadway is committed to working with the city and community to finalize design approach.

Building construction will be performed in one phase. Site work will be completed as separate phases do to seasonality and anticipated timeline for approvals of right of ways. The project will commence within 120 days of execution of final agreements with the city. It is anticipated, based upon city approval processes and the timeline allocated within this RFP, that project construction will begin in 2006. A detailed timeline is included in Section 8 of this response.

While Broadway does not propose to develop additional structures as part of this initial proposal, we acknowledge that as the marketplace matures, more intense use may be supportive of community needs and market forces. We are supportive of future development of the parking lots to further benefit the city and community through this redevelopment.

B. Project Contingencies

The Broadway redevelopment plan for 1101 is subject only to municipal approvals for the building use plan and can be implemented without contingencies. The timeline would provide for the building to be in service no later than fall 2007. This assumes 9 months for application award, transfer of ownership and completion of zoning and building department approvals.

The Broadway redevelopment plan provides for two alternative development scenarios for 1101. Scenario "A" provides for the orientation of the restaurant use toward the west. In order to facilitate that plan, Broadway has contacted the owner of the 1105 property to seek an option on that property. Under this scenario, a pedestrian plaza would be created along the western elevation. This plaza would provide for outdoor seating for the restaurant as well as outdoor space and exterior circulation to the parking. Plan A allows for the maximum retention of the primary facades (North and East) by creating a secondary business entrance along the west elevation. The west "Plaza" area would be a private space and would be consistent with the urban design recommendations as set forth in this RFP and other community planning work.

Scenario "B" provides for the primary facades to be retained as the only entrances to the building. Plan B orients the restaurant use toward the south with the entrances along the east and west elevations. This plan will not provide for a pedestrian plaza as the sidewalk depth along Emerson is insufficient to allow such a use.

In both plans, site greening and accessibility are addressed through a combination of street trees, site improvements to the building and parking areas. Both provide accessible routes to the building and parking lot. The site design for the parking also provides accessible spaces along the Fremont entrance to improve access for the other businesses along the 1100 west block of Broadway.

C. Use Program

Broadway's 1101 redevelopment plan will provide commercial space for a series of businesses which address community needs and improve the viability of other uses along the street. Broadway has, through pre-leasing/marketing efforts, identified the following uses and applicable square footages based upon prior and or conditional commitments for use of the space:

- Beauty School and Salon 5,000 square feet
- Full service Sit down Restaurant 3,500 square feet
- Coffee shop 1,200 square feet
- Convenience Store 1,300 square feet
- Hardware Store (inventory storage) 3,000 square feet

Broadway has identified specific tenants for over 60% of the leaseable square footage. The leases will run on average for a period of 3 years with 2 year renewable options at the end of the initial lease period. The interior design anticipates alternate uses in future tears and is designed to accommodate varied tenancies through only minor changes

Tenant rents will range from \$12 per square feet to \$20 per square foot triple net based upon the size of the space and lease term. Lower level rents will run between \$4-6 per square foot depending on the lease term. The average lease price per square foot will be approximately \$15 based upon the preliminary lease commitments obtained by Broadway. Detailed outlines of lease costs are included in Section 5 of this application.

D. Preliminary Floor Plans

The preliminary schematic floor plans included with this application reflect the accessibility and some code specific improvements for the building. Uses which have been identified through our pre-leasing efforts are shown only for illustration purposes. The design of the space allows for the accommodation of future tenants while maintaining the historic characteristics and design integrity of the spaces. The floor plans meet all applicable accessibility requirements. The floor plans can be found on the pages immediately following this narrative.

E. Elevations

Broadway will retain most of the historic elements of this building through this renovation. In addition, exterior lighting and plantings will be done in such a manner as to be reflective and complementary to the buildings historic character and design. An elevation drawing for the building follows this section.

Date: November 23, 2005

Project: 1101 Broadway
MDA #043-134

RE: Draft – Building Narrative Construction Scope

To: Stephen Wheeler

From: John Stark

1101 Broadway

Coordinate all work the Minneapolis HPC and other historic agencies involved
Perform an existing building survey
Meet all local and State building Codes and Ordinances

Site plan

Remove existing organic material
Grade site for drainage and approximately 1,200 CF of storm water retainage
New base and bituminous paving
New driveway curb cuts, sidewalk patching, pedestrian curb cuts
Landscape grass, trees, and shrubs
Site lighting
Decorative metal fence
Brick dumpster enclosure
Modified utilities if required
Pervious patio paving system

Demolition

Remove non historical trim and infill on exterior of building
Remove storefront windows and doors and second floor windows
Remove existing built up roofing and wet insulation in roof joist space
Remove interior non load bearing walls
Remove existing masonry infill for replication of historic storefront openings

Building Exterior

Chemically clean exterior masonry
Tuckpoint exterior masonry as required
Patch, stabilize, or repair bulging and shifted wall areas
Repair lintels, parapets
Repair existing chimney
Install new wood clad insulated doublehung second floor windows matching existing profiles
Install new first floor storefront system closely matching historic photos
Rebuild the Broadway and Emerson first floor storefronts to more closely match the historic photos
Provide accessible entries at designated locations reworking the interior framing and providing ramps per code

Remove, insulate and cover the existing basement windows with a historically appropriate detail

Roof

Replace existing roof deck as required
Replace existing roof with EPDM membrane system and added insulation
Extend membrane roof up parapet and cover with metal flashing, flash and replace parapet wall caps
Rebuild or replace the four skylights to match existing
Provide a new roof hatch and ships ladder access
Provide additional interior roof drainage and overflow scuppers

Foundation walls

Determine source of water problems and minimize water penetration through walls
Tuckpoint and repair existing exterior walls as required
Provide an interior waterproofing system complete with interior drain tile and sumps

Interiors

Repair decayed, cracked or broken floor and roof joists
Modify structural framing as required for new openings
Provide a 3 stop holeless hydraulic elevator in new a rated shaft
Rebuild the existing stairs to the second story
Infill existing abandoned basement stair openings
Provide new interior stairs to all floors as indicated
Rebuild the existing basement stair to meet code from the exterior entry
New one hour interior gypsum board walls with sound batt insulation
Add insulation to any new exterior furred walls
Reuse or replicate existing interior door and window trim
New floor finishes, reusing existing wood floors whenever possible
Allowance for new accessible restrooms within tenant spaces
Restore existing tin ceiling on the first floor or replicate as appropriate
Provide new suspended ceilings all other areas

Mechanical

Design/build new HVAC system
New fire sprinkler system and service for the entire building

Electrical

Design/build new electrical system
Provide interior lighting appropriate to historical character of the building
Provide exterior lighting appropriate to historical character of the building for safety, security and with respect to the neighborhood for nighttime lighting levels
Security system with motion detectors and door monitors, including an electric strike and call system for the second floor stair exterior doorway

Tenant Improvements

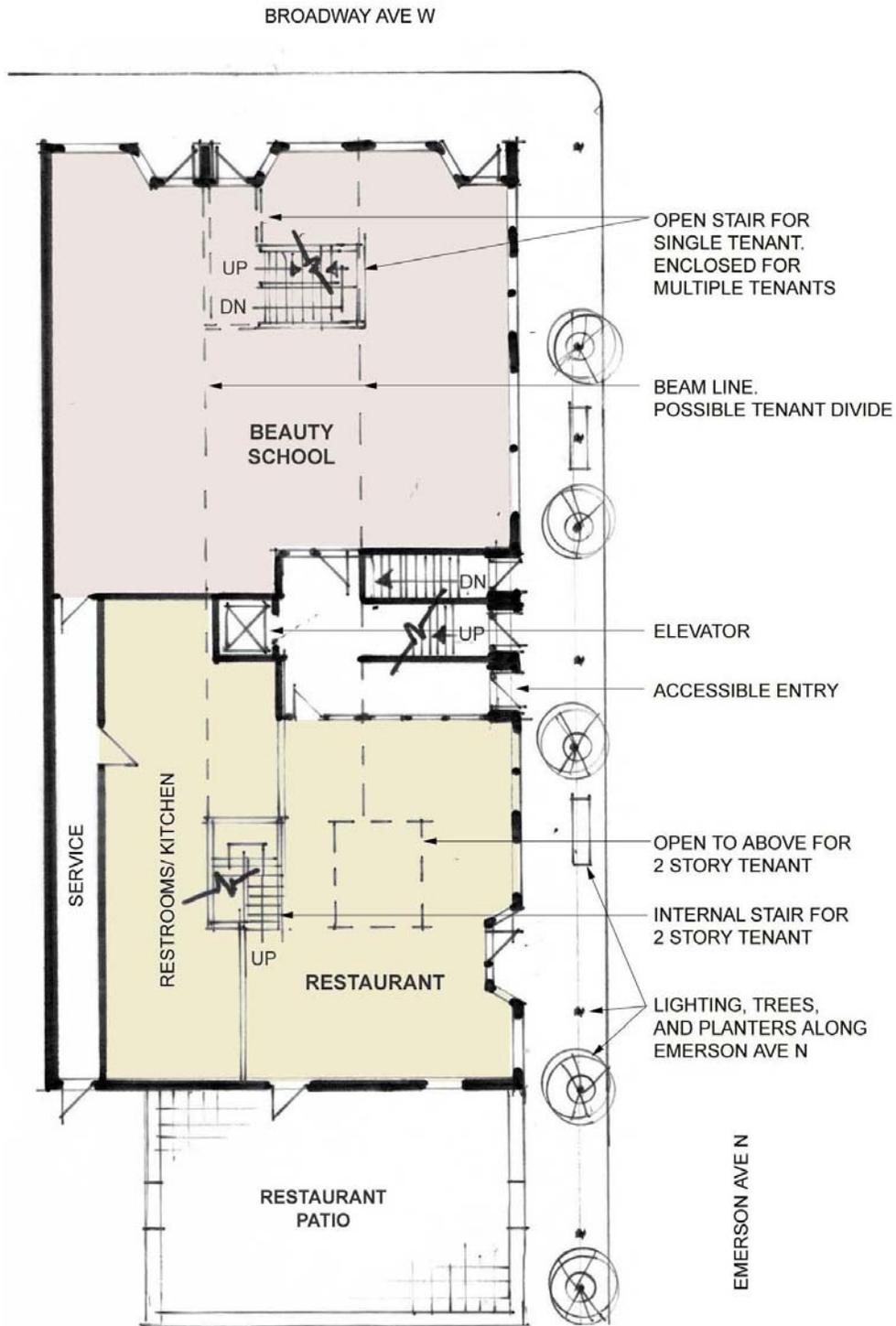
Provide new health department approved kitchen for the restaurant space

END

cc: Phil Greenburg
Joe Montgomery
Charles Liddy

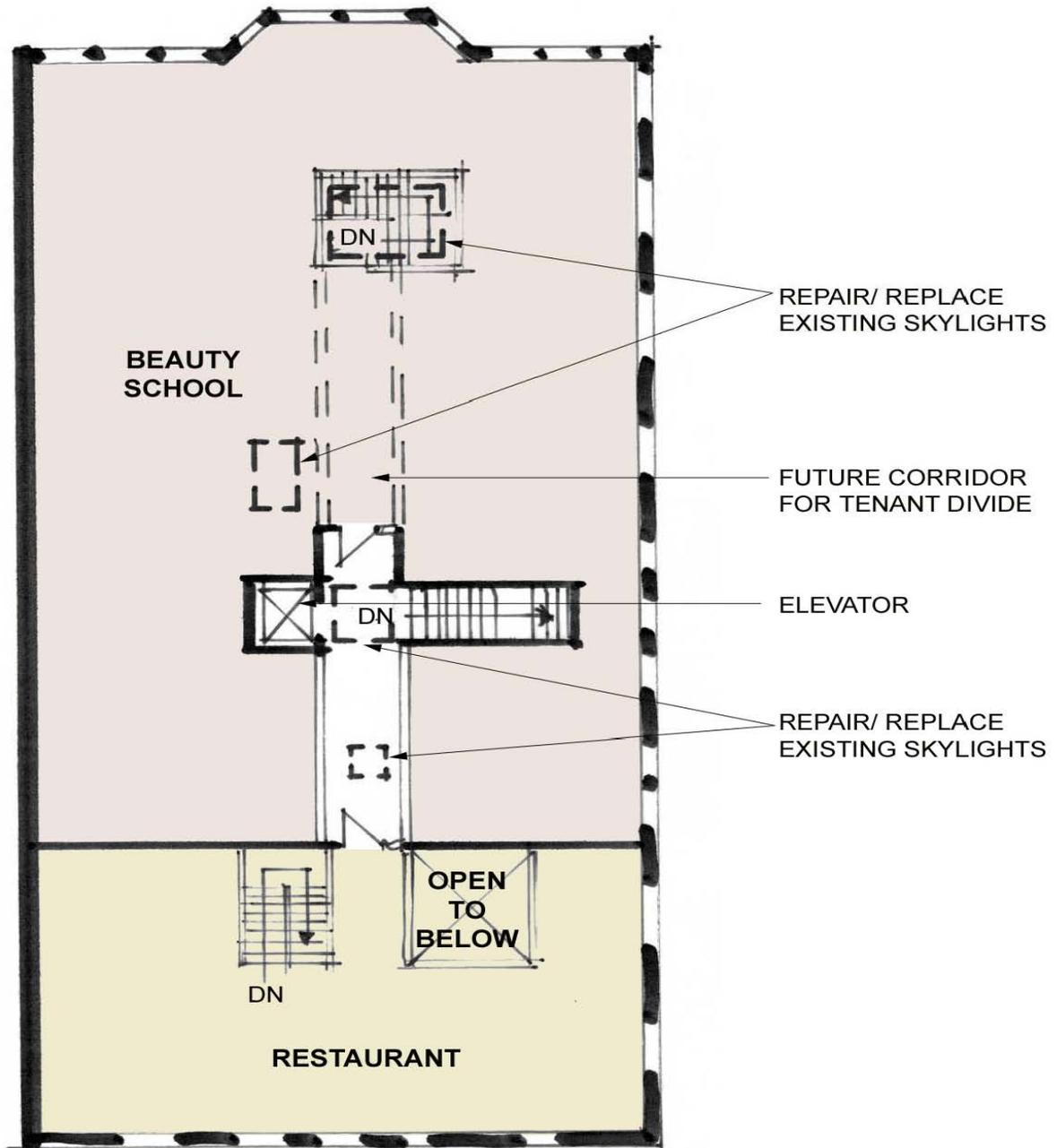
Section 2. – Project Description

B. Preliminary Schematic Floor Plan – 1st Floor



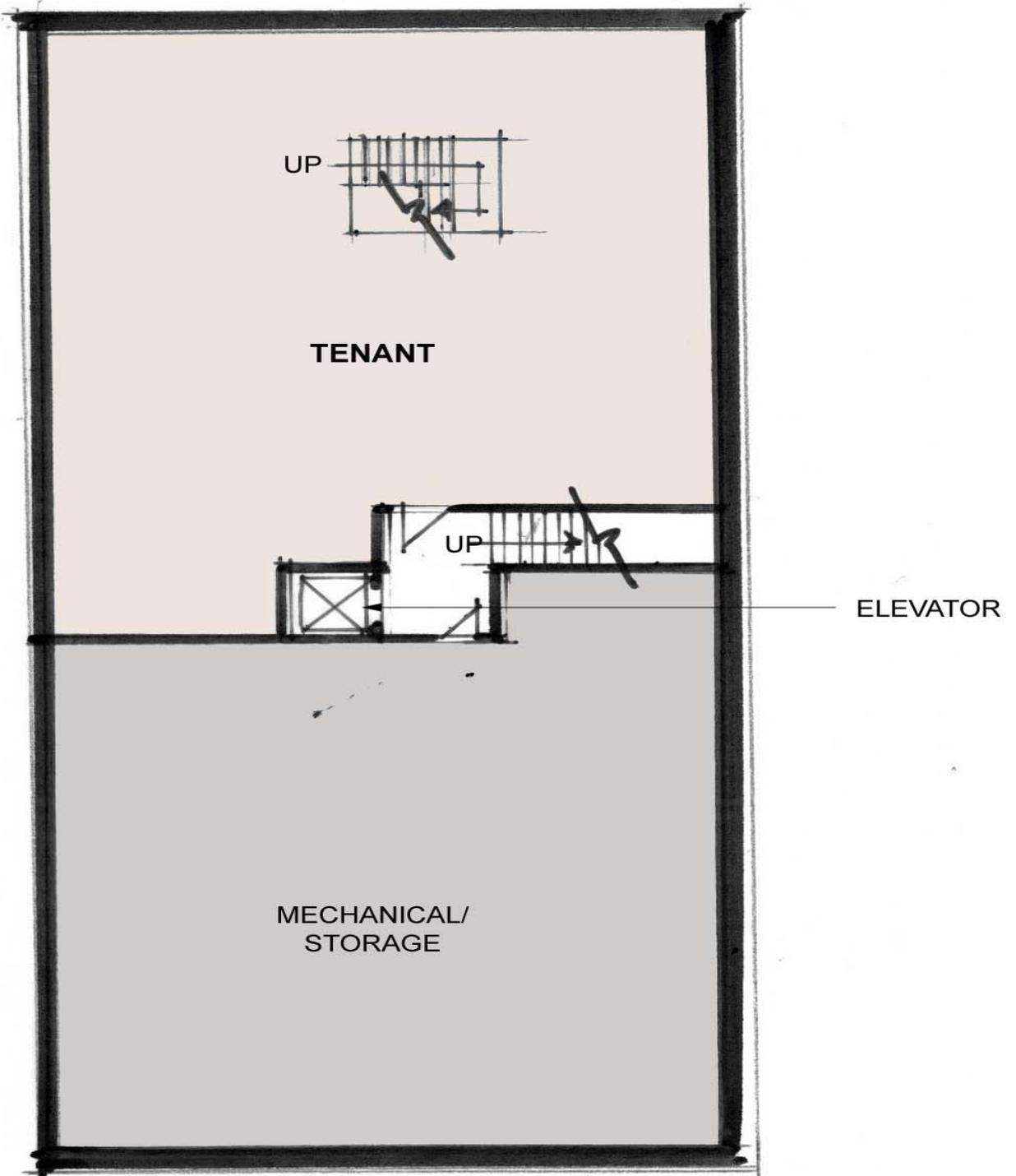
Section 2. – Project Description

B. Preliminary Schematic Floor Plan – 2nd Floor



Section 2. – Project Description

B. Preliminary Schematic Floor Plan – Basement



Section 2 – Project Description
C. - Elevation



Section 2. – Project Description
 D. Site Plan Option A



1 SITE PLAN - ALTERNATE OPTION
 A010b 1" = 40'-0"

1101 West Broadway Redevelopment Proposal
 Minneapolis, MN

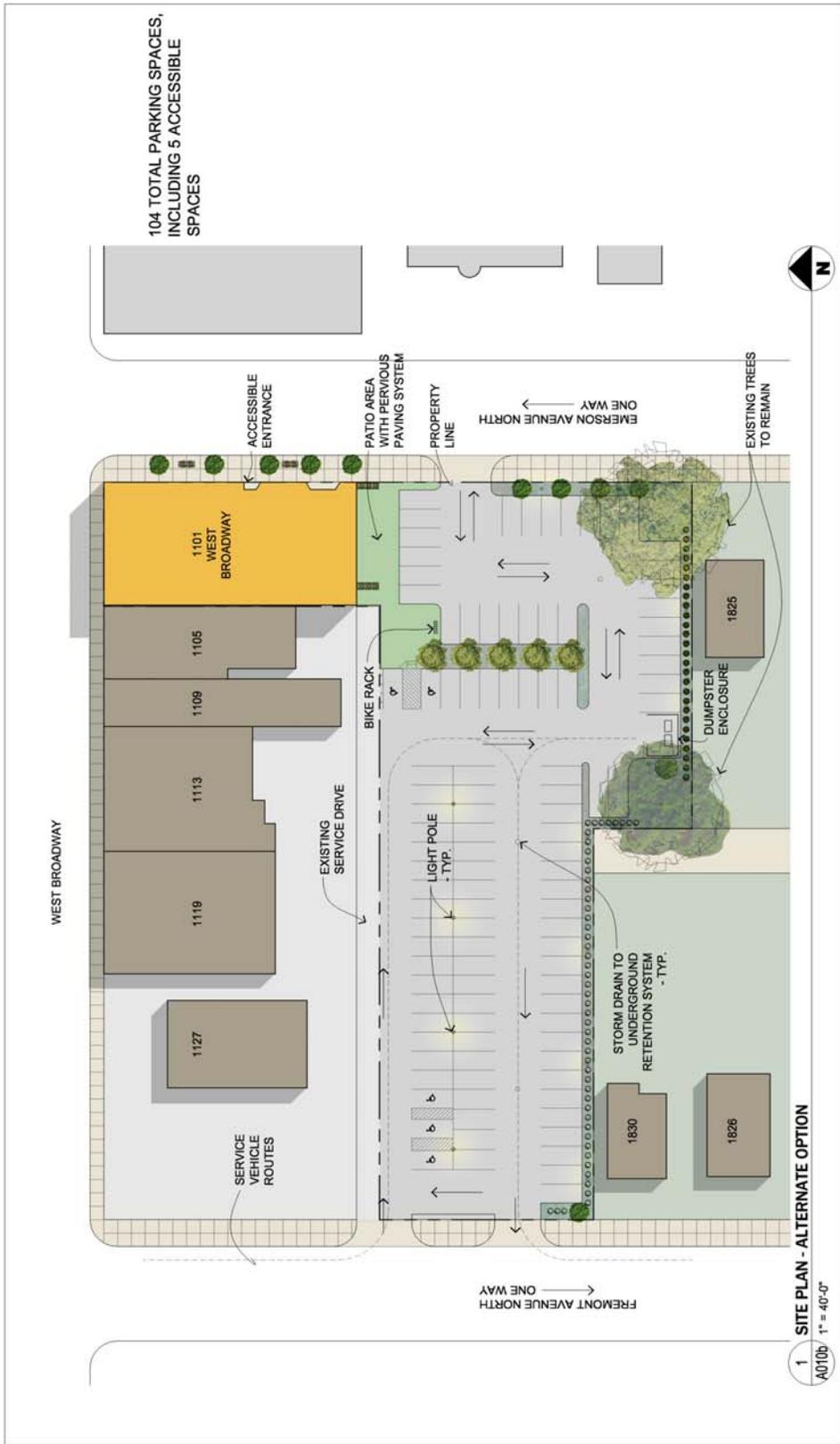
1101 West Broadway
 ALTERNATE OPTION

A010b
 DRAWING NUMBER

DATE: 30 November 2005
 DRAWN: [Name]
 CHECKED: [Name]

122 North Third Street Suite 104
 Minneapolis MN 55401-1187
 www.millerdunwiddie.com
 P 612-337-0000 F 612-337-0001

Section 2. – Project Description
 D. Site Plan Option B



miller dunwiddie
 ARCHITECTURE

123 North Third Street Suite 104
 Minneapolis MN 55401-1487
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 P 612-337-0000 F 612-337-0031

PROJECT: 1101 West Broadway Redevelopment Proposal
 Minneapolis, MN

REVISION	DATE	DESCRIPTION

CONTRACT NO. 043-124
 DATE: 30 November 2005
 DRAWING NO. A010b
 SHEET NO. 1

DATE: 30 November 2005
 DRAWING NO. A010b
 SHEET NO. 1

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Section 3

Project Team

Section 3. – Project Team

The Broadway team has extensive experience in the development of retail buildings, development along West Broadway and the rehabilitation and restoration of historic buildings. The team features one of Minneapolis' most accomplished and established architectural firms, an experienced Minneapolis based commercial contractor and an exceptional team of professionals in their respective areas. Many of the team members have worked together on previous projects of a similar nature but generally much larger in size and complex in scope. This project will be the first time that all of the parties have worked together on a single project.

The following list sets out the responsibilities of the respective firms as it relates to the 1101 redevelopment. Firm resumes which include applicable experience, are included in this section. The firms represented herein and their roles in the project are:

Broadway Center Associates LLP	Lead developer
Real Asset Capital, LLC	Co-Developer\ Equity Investor
Royal Bank of Canada – Dain Rauscher*	Mortgage banker and Underwriter
Faegre and Benson*	Bond Counsel and Minnesota Counsel
Joseph Abrahamson	Real Estate Counsel
Morcon Construction*	General Contractor
Miller Dunwiddie*	Design Architect
Chuck Liddy	Historical Consultant

(* Denotes twin city based companies)

Broadway Center Associates LLP – Lead Developer

Broadway will direct the overall project development including the marketing, leasing and operation of the facility. Broadway has invested over 4 years of work in the analysis, underwriting and design of the redevelopment program of the 1101 property. Broadway is responsible for the overall project organization and management including the retention and management of all the participating companies.

Real Asset Capital, LLC – Co- Developer

Real Asset Capital will handle aspects of project planning, design, financing and structuring. RAC also works directly with debt and equity providers with respect to the project financing. RAC will work directly with community, city, county and public entity staff and elected officials on community issues and concerns relative to the transaction. RAC also provides analysis of market conditions for both real estate and finance related issues.

RBC Dain Rauscher

Dain Rauscher, through Frank Fallon, its Managing Director for the Minneapolis office, will handle bond placement, underwriting, origination and sales for the financing.

Faegre and Benson

Faegre, through Senior Partner Stephen Rosholt is the lead counsel for bond matters and directs the ownership entity as lead counsel on all state law matters including providing legal opinions and review of all contractual agreements.

Joseph Abrahamson

Mr. Abrahamson will handle the real estate and all contractual agreements for the acquisition and redevelopment of the 1101 development project.

Morcon Construction

Morcon will work directly with Broadway and Miller Dunwiddie to formulate the final project budget and development scope. Morcon will be responsible for the overall coordination of the project's design and construction activities. They will participate directly in pre-construction activities to ensure that the project design, budget and schedule goals are accomplished. This includes conducting necessary meetings between the owners, architect and subcontractors. Morcon is also responsible for overall field activities including safety and quality control.

Miller Dunwiddie

Miller Dunwiddie will be both the design and inspecting architects for the 1101 project. They coordinate the collaborative input between the client, consultants and contractor to create the building and site design for the 1101 redevelopment. Miller Dunwiddie will also oversee the historical analysis and pre-submissions for determination the possible historical designation of the structure.

Prior Project Team Experience

Please find below a list of representative projects for the project team members. Additional information and or projects are available and can be provided if needed or desired. Project information has not been provided for the professional corporations but can be provided upon request.

Broadway Center Associates LLP – Lead Developer

Project:	Broadway Shopping Center
Activities:	Developer/Owner/Manager
Project Size:	\$4.0 Million dollars
Funding Sources:	City of Minneapolis Tax Exempt Bonds
Year:	1985
Status:	Completed

Description: Broadway Center Associates worked as the developer/owner and manager for the Broadway Shopping center. The project was one of the early urban renewal projects in Minneapolis and replaced a series of deteriorated structures with a new 62,000 square foot shopping center that is operating successfully to this day

Reference: City of Minneapolis

Project: Dinkydale Arcade
Activities: Acquisition/Renovation/Management
Project Size: 18,000 Square feet/ \$1,000,000.00
Funding: Private
Year: 1971
Status: Completed

Description: The conversion and rehabilitation of a 68 unit hotel in to a thriving shopping arcade in the Dinkytown neighborhood of Minneapolis. The project, which shares many similarities with the 1101 project, was honored with a CUE award in 1972

Reference: Steve Miller – Johnson West and Company 651-227-9431

Real Asset Capital, LLC – Co- Developer

Project: Briarlane Apartments – Grand Rapids, Michigan
Activities: Financing, Acquisition and Redevelopment
Project Size: \$ 5,600,000.00
Funding: Fannie Mae Tier 3 DUS Loan, Private equity
Year: 2004
Status: Completed
Description: Acquisition through debt restructure of a Fannie Mae Tier II loan to acquire through a Tenant in Common (“TIC”) ownership structure. Included the underwriting and completion of \$300,000 in capital improvements over the initial 12 months of ownership. RAC raised over \$2.6 million dollars in private equity to complete the acquisition. RAC owns the property through a subordinate entity within a TIC structure.

Reference: Jack Kennedy
Chrisken Real Estate Investment Trust
312-454-1626 x 1010

Project: Mandela Transit Village – Oakland, California
Activities: Acquisition, Underwriting, Financing and Development
Project Size: Approximately \$400,000,000.00
Funding: HUD Empowerment zone grant, Tax exempts bonds, Private equity, Conventional bank loan, taxable bonds,
Year: 1999 - Present
Description: Acquisition, financing, underwriting and due diligence for a \$400 million dollar mixed use mixed income development adjacent to the 7th Street Bay Area Rapid Transit station in the West Oakland neighborhood of Oakland, California. Responsibilities include the negotiation, securing of equity and underwriting for initial acquisition and subsequent redevelopment.

Reference: Jabari Herbert
Alliance for West Oakland Development
510-385-9714

Morcon Construction

Project: The Grand Hotel
Activities: General Construction and Construction Management
Project Size: 240,000 sq feet/ \$17,000,000.00
Funding: Private financing
Year: 2000-2001
Status: Completed



Description: Complete gut and remodel of historic building. Originally built in 1912 to house the Minneapolis Athletic Club, this historic building was transformed into the region's second four-star hotel. The 240,000 sf building was completely gutted for its transformation into the upscale 140-room hotel. Morcon worked with the Secret Service in designing the Presidential Suite to ensure necessary security for the Grand Hotel's highest-level guests. Finishes included marbles, granites, cherry woods, custom carpets, etched glass and custom hardware. Morcon received a Finalist Award in the Best In Real Estate Redevelopment for this project.

Reference: Dave Pertl & Jeff Wirth
Wirth Companies

Project: Pacific Flats
Activities: Renovation: Structural re-stabilization, tuck pointing, new windows, tenant build-outs
Project Size: 32.536 square feet/ \$2 Million
Funding: Private Financing
Year: June 2004 – October 2004
Status: Completed



Description: Built in 1865, Pacific Flats may be the oldest standing building in downtown Minneapolis. This renovation and remodeling project included structural stabilization, masonry restoration, rebuilding of existing walls including load bearing walls, replacement of floor joists, new windows, doors, and roof. A new elevator and steel stairways were installed to accommodate a planned second floor beauty school. Retail, office and classroom spaces comprised the rest of the buildout.

Reference: Mina Adsit
Adsit Architecture & Planning

Miller Dunwiddie

Project: Jackson Lofts
Activities: Architectural Design of an historic mixed use building
Project Size: \$3,000,000.00
Funding Sources: Private sources
Year: 2005-2006
Status: Under construction – Completion in 2006



Description: Construction has begun on this mixed-use commercial and residential project in historic downtown Anoka. The basement and first floor are being renovated to provide accessibility, common restrooms, and improved services access for the commercial spaces. The second floor, part of which had collapsed into the basement, is being converted into condominium apartments. Construction for the \$3,000,000 project is scheduled to be complete in 2006.

Reference: Duane Stroman - Equity Syndicate, LLC
Phone: 763-369-3131

Project: River Front Center
Activities: Design and Historic Preservation services
Project Size: \$6,000,000.00
Funding Sources: Historic Tax credit, City Financing, Private equity, Conventional debt
Year: 1987
Status: Completed



Description: Miller Dunwiddie provided overall design and preservation services for Riverfront Centre, which is a full block of mixed-use development on Red Wing's Main Street that links the Central Business District with the City's Levee Park along the Mississippi River. The development is the result of a unique Public/Private collaboration that included the rehabilitation of eleven historic buildings into a first floor retail mall with the upper floors as the corporate offices of the Red Wing Shoe Company.

Reference: **Brian Peterson, City Planner,**
City of Red Wing, Minnesota 651-388-6734

Summary of development Team Qualifications

1. Experience in working together.
The development team members are working together for the first time on this project. Many of the parties have been working on this project for the past several years and have worked together on previous projects.

2. Entity’s experience in developing similar projects including location, type of development, proposer’s role(s), cost of project, funding sources, status of project, and information about any continued financial or operating interest in each.
See representative project information provided above

3. Include specific previous relevant experience with public entities, including reference contact information. The City may ask for supporting documentation substantiating claims of previous experience.
See representative projects and the reference contacts provided above

4. Pending Litigation for the proposer or to which any principals of the proposer have been a party.
None known as of this date

5. Identify Key Principals
*Broadway Center Associates, LLP - Philip Greenberg
Real Asset Capital, LLC - Stephen Wheeler
Miller Dunwiddie - Chuck Liddy
Morcon - Joe Montgomery*

6. Holding Company Legal structure Specify whether the development team is or intends to form a corporation, a general or limited partnership, a joint venture or other type of business association to carry out the proposed development.
The holding company is a to-be-formed limited liability partnership which will have as its sole partner’s subsidiaries or affiliates of Broadway Center Associates, LLP and Real Asset Capital, LLC.

7. Two years of financial statements to be submitted confidentially to the CPED Director under separate cover.
The to-be-formed entity has no prior operations or financial statements. To the extent required or requested, they will be provided under separate cover to CPED

8. Affidavits stating Design consultants on the team must be licensed in the State of Minnesota and contractors must be licensed to work in the City of Minneapolis
Affidavit is enclosed following this section

Section 4

Capital Pro Forma

Section 4. - Capital Pro-Forma

The following pages contain detailed Capital Pro-formas for this redevelopment. The pro-formas reflect the costs and equity contributions based upon the property being retained with its historic character. The preliminary work to determine its eligibility has been undertaken and the costs associated with such a designation reflected in the respective costs.

A. Detailed sources and uses of funds

The source and use provided reflects the total project cost broken down by development cost category. A secondary schedule which shows greater detail of specific line items is attached as a sub schedule to the source and use provided.

B. Financing Status

The construction and permanent loan funding will be provided through Empowerment zone bonds done in conjunction with the acquisition and redevelopment of the Broadway Shopping Center. The bonds will be a tax exempt floating rate issue, fully credit enhanced by a bank Letter of Credit. The equity provided through the city funding requested will provide the necessary loan to value ratio such that additional collateral guarantees will not be required for the 1101 portion of the bonds. Commitments for that financing have been received and are included with this package. The balance of the financing will be in the form of developer equity and City loans/and grants which are indicated within this RFP response. Broadway will provide any additional documentation with respect to its financing that the city might need upon request.

C. Public Assistance Request

Broadway is requesting \$700,000 in assistance in the form of subordinate cash flow loans and \$350,000 in Empowerment zone grants for the development of the 1101 West Broadway building. The amount requested represents less than 25% of the total project cost. Broadway is providing approximately \$475,000.00 in equity towards this redevelopment. Of the public funds requested, 30% is being used to provide public improvements in the way of shared parking, accessible walkways, and lighting and green space improvements. The amount requested would be recaptured by the City in the form of tax revenues alone in less than 10 years. The specific forms of assistance are:

- \$350,000 in empowerment zone grant funds to contribute towards the rehabilitation of the property
- \$100,000 in a subordinate note towards the purchase of the building
- \$650,000 in the form of a Second mortgage towards the rehabilitation of the property.

It is projected that real estate values for the surrounding properties will increase by at least 15% by 2010, providing additional tax revenues which will offset the public financing for this project. Broadway recognizes that potential real estate tax expenses would be significant to the commercial tenants and would work with the city and/or county to structure a mechanism (TIF, credit assistance etc) to help reduce that burden until the businesses can become stabilized.

Section 5

20 Year Operating pro forma

Section 5 - 20 Year Operating pro forma

Attached find a detailed 20 year operating pro-forma for the property. The property will be operated on a “triple net basis” with all operating expenses passed through to the tenants. As such all escalation in costs are incurred by the tenants. The leases will be done on a three year basis with a two year renewal. Leases will provide for a 3% escalation starting in year 4. Building operating expense increases are projected at 2% per year.

The cash on cash and Internal Rate of return calculations are based upon a project refinancing in year 20 to establish the period for the IRR calculation. The Cash on cash return is based upon the total contributions of equity and public financing support as it is being considered as “equity” since the loans are anticipated to be cash flow notes.

The IRR and cash-on-cash calculations are done using an RAC investment application. While it adheres to generally accepted accounting principles, we recognize that it may yield slightly different values based upon our treatment of certain items. We are prepared to personally review all financial information such that the information is transparent to all parties whom will review this RFP submission.

Section 6

Market Study

Section 6. - Market study

Broadway's redevelopment and projected uses are supported by an Independent market study issued in November 2005 by Bryant Woods. Mr. Woods was engaged by Real Asset Capital, LLC to perform a preliminary market assessment for retail supply and demand for the West Broadway corridor as part of Real Asset Capital's acquisition of the Broadway Shopping Center. That study shows that the neighborhoods surrounding the West Broadway Corridor can support retail uses in excess of those currently located along the corridor. The study shows an under supply of certain uses which have been incorporated within this project. The executive summary which indicates this has been submitted as a part of this application.

Section 7

Public and Community Benefits

Section 7. - Public and Community Benefits (Previously Section 8)

Based upon independent projections, the redevelopment will generate, once stabilized between \$75,000 and \$110,000 annually in new tax revenues, over 35 new permanent full and part time jobs and career and job training for approximately 20-30 individuals annually. The redevelopment will benefit community resident through improving transportation linkages and developing a significant corner along the Broadway corridor which is currently vacant and boarded up. Broadway is committed to facilitating local and community based businesses' and residents' ability to benefit from the redevelopment. This will be accomplished through a number of initiatives including job training and placement linkages. These initiatives include the following:

- Future leases requiring not less than 30% local hiring threshold
- Not less than 25% of all renovation activities contracted through disadvantaged business enterprises (MBE/WBE)
- A job training and placement facility as a key tenant and hiring commitments of not less than 30% of the overall workforce being community residents.
- Leasing of 15,000 square feet of currently vacant commercial space
- Increased job training opportunity for the nearly 8,000 unemployed living within 1 mile of the property
- Provision of safe and accessible shared community parking to help serve the entire district
- Improved lighting along Broadway, Emerson and Fremont aimed at improving overall public safety
- Investment of over \$450,000 in private equity in the 1101 building

Community and Neighborhood Participation

Broadway is committed to working with the community as it redevelops the 1101 property. Broadway has met with and or provided information to representatives of a number of community based organizations and stake holders including Northway Community Trust, Northside Residents Redevelopment Council, West Broadway Area Coalition, and West Broadway Business Association. The redevelopment will be consistent with and supportive of the recommendations found within the neighborhood plans for Jordan, Near North and Hawthorne all which approximately border this development. The project has been directly influenced by community recommendations for the building and business uses. The building will look to incorporate most if not all of the following uses:

- Coffee Shop
- Sit-Down Restaurant
- Neighborhood oriented/scale retail
- Staggered hours of use for tenants
- Landscaping of parking
- Community Information Kiosk (Inside Bus station)
- Outdoor Seating
- Green Roof

The leasing efforts will continue to include a focus on specific community recommendations including the possible attraction of a dry cleaners, Credit Union and florist.

Exceeding Evaluation Criteria

The RFP sets forth eight specific evaluation criteria for any respective submission. We believe that the 1101 Broadway Redevelopment proposal meets all of the evaluation criteria and addresses community priorities identified in prior city/community planning processes. In addition the Broadway 1101 proposal provides a number of additional benefits. These include:

- Providing a second Catalytic Project along west Broadway which provides clear positive economic benefits to the community and the city as a whole
- Improving the economic viability and accessibility to west Broadway businesses through the creation of shared community parking which is both accessible, neighborhood friendly, and safe
- Improve the value of surrounding businesses by invigorating a key node with a use which has 7 day a week 16 hour per day activity
- A developer which has a long standing commitment, history and belief in the viability and importance of West Broadway ,its residents and business and its future
- Increasing property values for surrounding retail and residential property and increasing tax revenues by virtue of the property value increases
- Marketing of the community and the corridor to new businesses that might look to occupy 1101 as part of Broadway's ongoing marketing of the property

Our redevelopment plan will also create between 80 and 100 new accessible parking spaces which will largely be utilized by the community and other businesses along the corridor. Site improvements will include detention drains, increasing green space, and addressing safety issues presented by the poorly lighted and vacant properties.

Section 8

Project Timeline

Section 8 – Project Timeline

The project timeline anticipates site control by Broadway no later than September of 2007. This would occur concurrently with obtaining all zoning and necessary approvals to start construction. The key dates and tasks are outlined below.

1101 West Broadway Detailed Project Timeline

<u>Task</u>	<u>Completed by</u>
RFP Submittal	November 30, 2005
Community Presentation	January 2006
RFP Award	March 2006
Begin planning/permit approvals	May 2006
Completion of agreements	July 2006
Acquisition completed	September 2006
Construction commencement	December 2006
Building Construction completed	June 2007
Site work begins	June 2007
Project completion	September 2007
100% Occupancy	November 2007

Section 9

Executed Consent for Release of Response Data Forms

Section 9 – Executed Consent for Release of Response Data Forms

Form of Consent for Release of Response Data

November 29, 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

Broadway Associates LLP, on behalf of Broadway Plaza LLP, 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.](#)

Philip Greenberg

Managing Partner

By: Broadway Associates LLP, as Lead
Developer of Broadway Plaza LLP, a to
be formed LLP

Section 10

Miscellaneous Data