



June 10, 2016

City of Minneapolis – CPED
Request for Proposals for 205 Park Avenue South Parcel
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

RE: RFP Application for 205 Park Avenue South Parcel

Sherman Associates, Inc. is pleased to submit its Application to the City of Minneapolis Planning and Economic Development office for the 205 Park Avenue South Parcel Request for Proposals dated April 15, 2016.

In addition to meeting CPED's goal of "Maximizing the site's development potential and contributing to the vibrancy of the Mills District...", we are excited to offer a proposal that will bring more high-quality design, construction and amenities to the Mills District and Minneapolis as a whole. Our proposal will develop a 115-unit apartment building with 80% of the units being market-rate and 20% affordable for households with incomes at 60% of the area median income or below (approximately 97,606 SF); 4 for-sale townhomes (approximately 7,904 SF); a partnership with Kim Bartmann to deliver a bakery/coffee shop (approximately 1,521 SF); an "every day" restaurant/art gallery in partnership with Soo Visual Arts Center (approximately 4,782 SF); a Bank of America ATM location (approximately 597 SF); a highly-requested police substation (approximately 500 SF); and a public pet relief area.

The enclosed materials demonstrate our experience and ability to meet the City's priorities for the site – including using Washington Avenue, Park Avenue and 2nd Street frontages; building setbacks; and streetscaping. Sherman Associates has a long history of success in developing urban mixed-use projects.

Key strengths to our team include:

- Demonstrated ability to secure, underwrite and close complex financing sources.
- Understanding the importance of providing high-quality urban design to our projects. Sherman Associates is noted for its thoughtful and award-winning projects that feature high-quality design, which shape a vibrant public realm of active streetscapes and parks.
- Decades of experience completing projects on-time and on-budget.

Sherman Associates and its development partners have extensive experience in collaborating with cities and completing complex, desirable redevelopment projects such as we are proposing here.

We are excited to again partner with the City of Minneapolis.

Thank you for the opportunity to apply. We look forward to continuing to collaborate with you on this important redevelopment. Please do not hesitate to contact me with any questions on our proposal.

Sincerely,

SHERMAN ASSOCIATES, INC.

A handwritten signature in blue ink, appearing to read "George E. Sherman", written over a light blue horizontal line.

George E. Sherman
President



June 10, 2016

City of Minneapolis- CPED

Request for Proposals for: 205 Park Avenue Parcel
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

Submitted By:

Sherman Associates Development LLC
233 Park Avenue
Suite 201
Minneapolis, MN 55415

Developer's Legal Status:

Minnesota Limited Liability Company

Federal ID Number:

41-1994348

State ID Number:

2608021

Contact:

George Sherman
President and Chief Manager
Office: 612.332.3000
gsherman@sherman-associates.com

Authorized Corporate Officer:

George E. Sherman
President and Chief Manager



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1. Description of Project

Project Description

Renderings

Site Plans

Bartmann Restaurants Concept Vision

Description of Development

Sherman Associates has a core commitment and unique ability to create impactful developments that lead to the revitalization of neighborhoods and communities. This commitment and ability has driven the successful development of several complex projects throughout Minneapolis and in East Town.

Sherman is excited to propose a transformative mixed-use project for the site with distinct, yet integrated, uses for the development of the 205 Park Avenue South Parcel with the vision to promote residential diversity and stimulate street level activity. Each of the uses envisioned; mixed income housing, for sale townhomes, restaurant space, coffee shop/bakery, commercial bank, police substation and public dog park, will add to the vibrancy of the neighborhood, respond uniquely to demand, and capitalize on market conditions. The design, construction and amenities will be high-quality and build upon the other landmark developments within the City of Minneapolis.

Our proposed project will cost approximately \$35,932,762 with a total gross square footage of approximately 200,526 square feet. We are assuming a land purchase price of \$3,246,840 (details of assumed land purchase is in Capital Proforma Section).

Components of the Development

Mixed Income Apartment Homes: 97,606 square feet, 115 apartment homes on levels 2 through 6. Twenty percent (20%) of the apartment homes will be dedicated as affordable housing for household incomes of 60% AMI or below (details of affordable housing below). The units themselves will include fully furnished kitchens (range/oven, refrigerator/freezer, dishwasher and microwave), ample natural light, in-unit washer and dryers, stainless steel appliances and quartz countertops. There will be two levels of underground, heated parking, providing approximately 130 parking spots for the residents. The apartment homes will also include amenities to allow the building to be competitive in the vast marketplace. These amenities include: 6th floor club room and amenity deck with spectacular downtown views, first floor fitness center, club room, and patio.

For Sale Townhomes: 7,904 square feet, 4 two-level townhomes of approximately 1,900 square feet on two levels. These walk up townhomes on Park Avenue South will include two dedicated heated parking spaces, and will have access to the amenities of the mixed-income apartment building.

Kim Bartmann Restaurant 1: 4,782 square feet, first level restaurant on Washington and Park Avenue South operated by highly regarded restaurateur, Kim Bartmann. This restaurant will provide breakfast, lunch and dinner in a casual eating environment. To foster street level activation, a large patio on the corner of Washington Avenue and Park Avenue South will be incorporated into the dining experience. The kitchen will also serve as the bakery for the restaurant on 2nd Street South.



Kim Bartmann Restaurant Bakery 2: 1,521 square feet, first level bakery/coffee shop on the corner of Park Ave South and 2nd Street South. To echo the loading dock streetscape of Mills City Museum, a loading dock patio space will be integrated into the design on 2nd street and will serve as an outdoor patio for the bakery/coffee shop.

Bank of America ATM: 597 square feet, first level ATM on Washington Ave South. This ATM will be open 24 hours a day and will further promote street level activity.

Police Substation: 500 square feet, first level Police Substation on 2nd Street South. After discussion with numerous residents of the Mills District and support from DMNA, Sherman Associates plans to provide a Police Substation for the Mills District.

Pet Relief Area (open to the public): Sherman Associates initiated preliminary discussions with the Minneapolis urban off-leash management entity, Dog Grounds, to partner on a public pet relief area at 205 Park. Sherman Associates envisions a dog park lining the municipal ramp, funded and co-managed by Sherman Associates in partnership with Dog Grounds. This tremendously needed asset will help manage the escalating pet waste concern within the Mills District.



This proposal includes benefits that only Sherman is qualified to provide:

- 1. Sherman's developments revitalize neighborhoods and communities.** Sherman Associates' projects have long term positive impacts and become lasting community assets.
- 2. Sherman is a developer, owner, and operator.** Sherman develops for long term ownership. Our financial strategy is based on an extended long-term investment and continued re-investment. We are not a merchant developer; we are a stakeholder in the community.
- 3. Sherman is focused on providing diversity of housing.** Sherman's innovative offering of mixed income housing coupled with for-sale housing allows the city to achieve a more diverse cultural mix that is rich in contrasting values and augments the sustainable growth of downtown.
- 4. Kim Bartmann is a leader and innovator in the restaurant industry.** Her restaurant concepts will provide distinctive offerings that will generate an entirely new dining experience; and will be an amenity for the residents, workers and visitors to East Town.
- 5. Sherman Associates has proven its enduring commitment to East Town** through the active engagement in the neighborhood for 16 years and via more recent developments including the Encore, Zenith, the aloft Hotel, and the Old Spaghetti Factory Building; with the future development of Thresher Hotel and East End to begin construction in 2016. This dedication to the neighborhood is further bolstered through the incorporation of for sale townhomes, police substation and a public pet relief area.



Project Overview

Sherman Associates' vision for the proposed project is to create a transit-oriented residential mixed-use development located in downtown Minneapolis within the historic Mills District Neighborhood. The proposed redevelopment, replacing an existing surface parking lot, will be a true mixed-use development with housing, public use, restaurant and retail uses. The project will extend the active services along 2nd Street, enhancing a livable and pedestrian-friendly neighborhood. The site is located within walking distance to downtown and has immediate access points to bus routes, bike lanes and sidewalks. The project will include 91 market-rate apartment units, 23 affordable housing units for households with incomes of 60%AMI or below. Four for-sale townhomes, approximately 7,400 square feet (SF) of retail and restaurant space and 138 enclosed parking stalls.

The building will offer various unit types for its diverse tenant profile tailored to all demographics in search of urban living. Unit types will include studio/alcove units, 1-bedroom units, and 2-bedroom units. This variety in housing types will help to accommodate households of all different kinds. The abundance of resident amenities will include a pet spa and bike lounge, a hotel-like lobby/leasing center and Wi-Fi coffee lounge, fitness center, club room, resort-style courtyard with outdoor grilling stations, and sky deck located on the 6th level with unencumbered views of the surrounding area. The building will offer its residents on-site management, indoor parking, and private storage lockers. On-site parking stalls will total 138, which is code compliant, and all parking stalls will be enclosed within the building footprint.

Building Design

A tremendous amount of thought and research around the goals of the city and neighborhood were considered while designing and defining the project. The overall design situates a 6-story residential building within the existing block and is respectful to its residential neighbors in terms of height, massing, ground-level circulation and landscaping. It is important that the proposed building relate to the character of the downtown area while also respecting the Mills District's historic traditions. Drawing from the existing context, the building materials, scale and articulation of elements work to reinforce a sense of place. As a mixed-use building, the development has a responsibility to enhance the retail activity on the street, while creating a livable, engaged residential community above.

The building design takes architectural cues from the historic mill buildings on 2nd Street as well as the newer residential developments in the area. The building will be constructed utilizing five levels of wood-framed construction over a ground level concrete structure. Exterior materials will consist of brick, metal panel, composite siding and glass. Windows will be expansive, allowing plenty of daylight into the dwelling units and retail bays. Exterior facades will feature a simple system of recessed and hung balconies that allow residents to take advantage of private outdoor space. On the sixth floor, the building will provide an outdoor deck for residents to gather and enjoy exterior amenities and views of the Minneapolis skyline.



This project will support the residents' sustainable living experience by integrating components of LEED and incorporating energy-efficient appliances, low-flow water fixtures, LED lighting, low-VOC paints and building-wide recycling practices. The building will be designed to incorporate assemblies that ensure the highest quality acoustical performance between units and floor assemblies. The proposed building amenities will help to foster a positive social atmosphere for residents and visitors. The development features expansive amenities that we typically see in larger projects located in major metropolitan cities around the country.

Streetscape and Public Realm

The redevelopment will dramatically improve the current site conditions. Beyond the multiple uses, the building will have a handsome exterior and site design that will provide a warm and welcoming pedestrian experience. The building will be positioned to visually define the street edge while keeping all parking below grade. The project will incorporate attractive, high-quality native landscaping, lighting and exterior signage. Street furnishings and bike racks will be located adjacent to the residential and retail entrances along 2nd Street, Park Avenue and Washington Avenue.





205 PARK AVENUE
06.10.16

STREET PERSPECTIVE FROM
WASHINGTON & PARK AVENUE



205 PARK AVENUE
06.10.16

STREET PERSPECTIVE FROM
2ND STREET & PARK AVENUE



205 PARK AVENUE
06.10.16

3D MASSING - AERIAL VIEW



205 PARK AVENUE
06.10.16

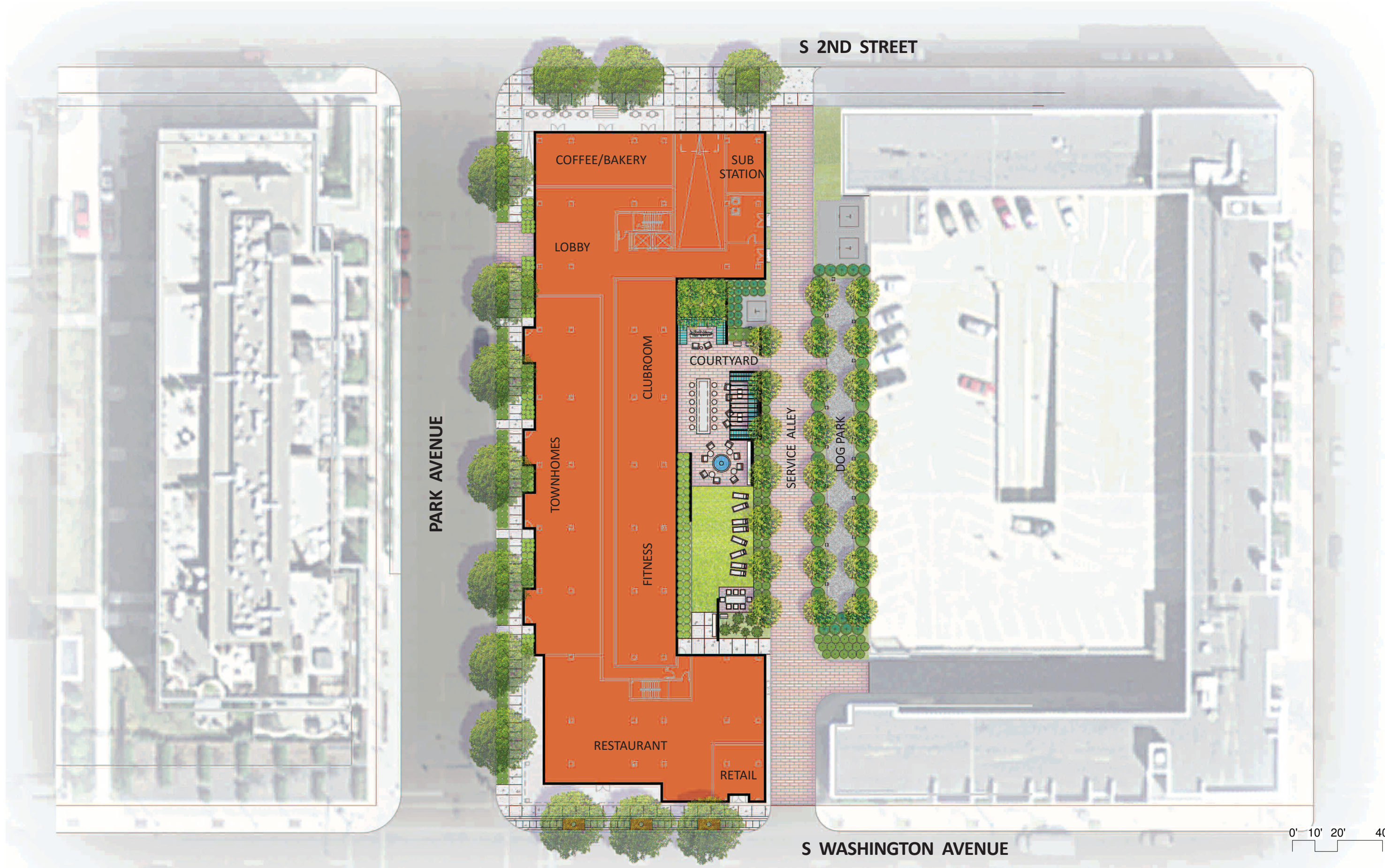
3D MASSING - AERIAL VIEW

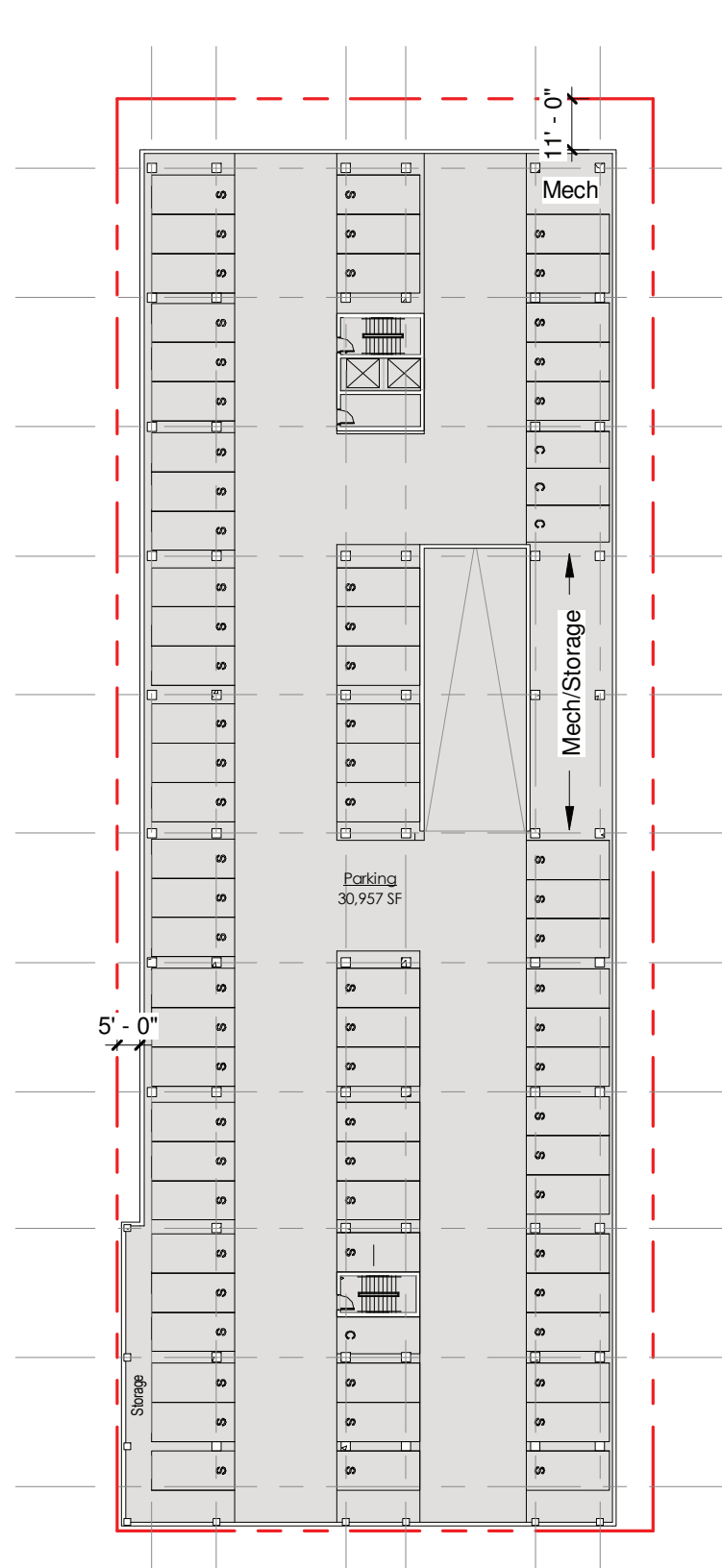


205 PARK AVENUE
06.10.16

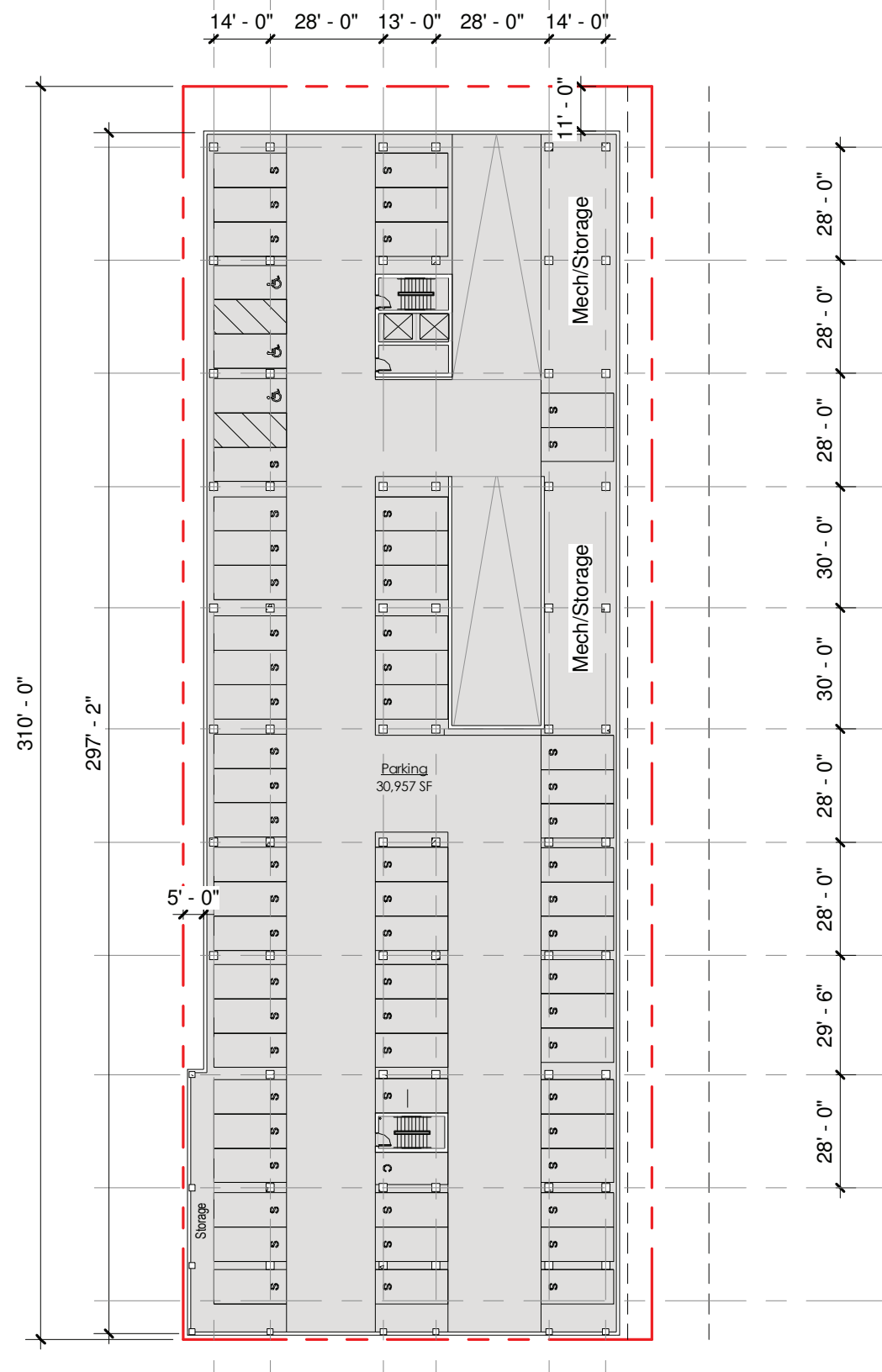
PERSPECTIVE VIEW FROM THE
SERVICE ALLEY, LOOKING NORTH



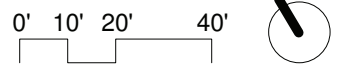


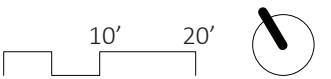
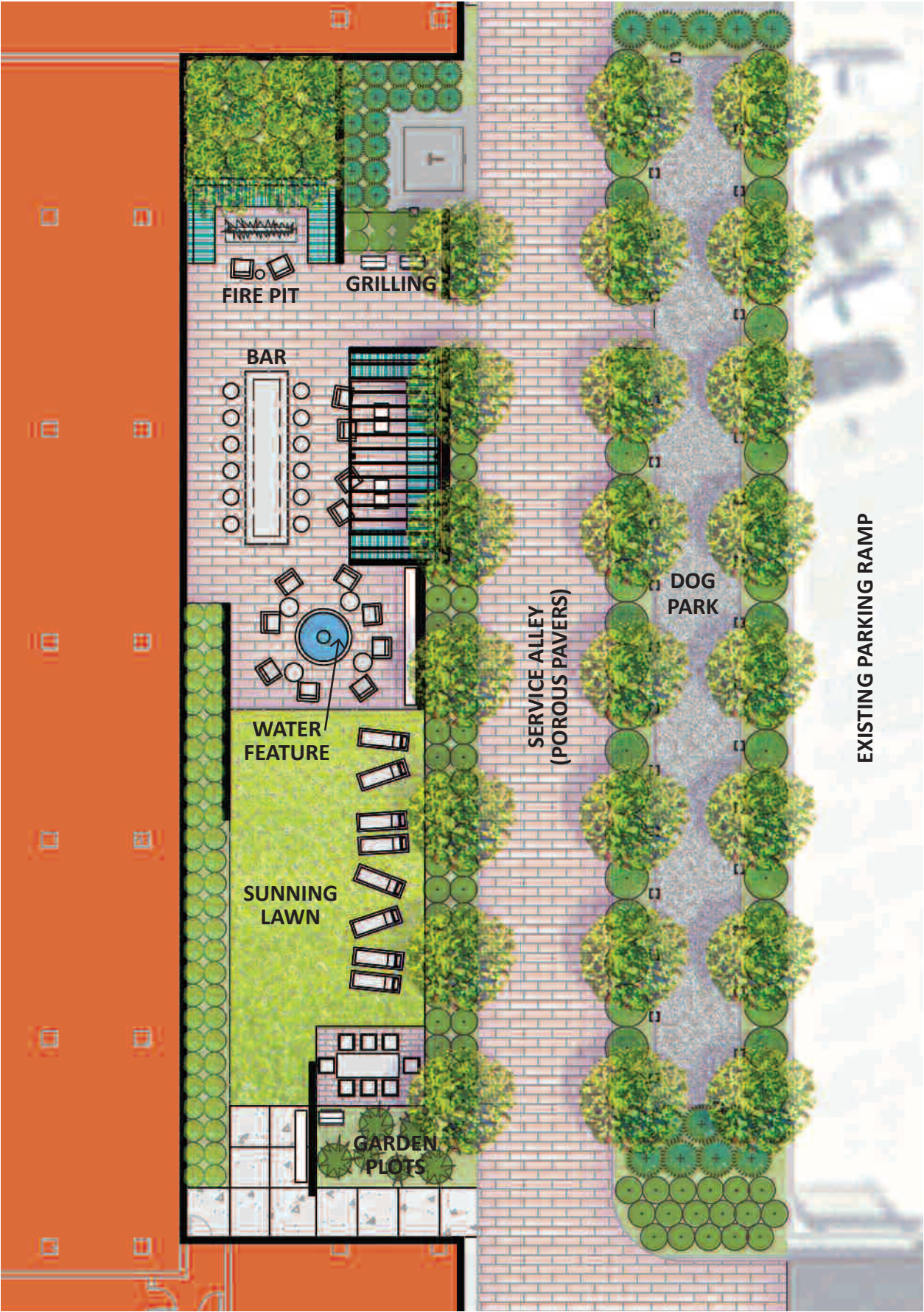


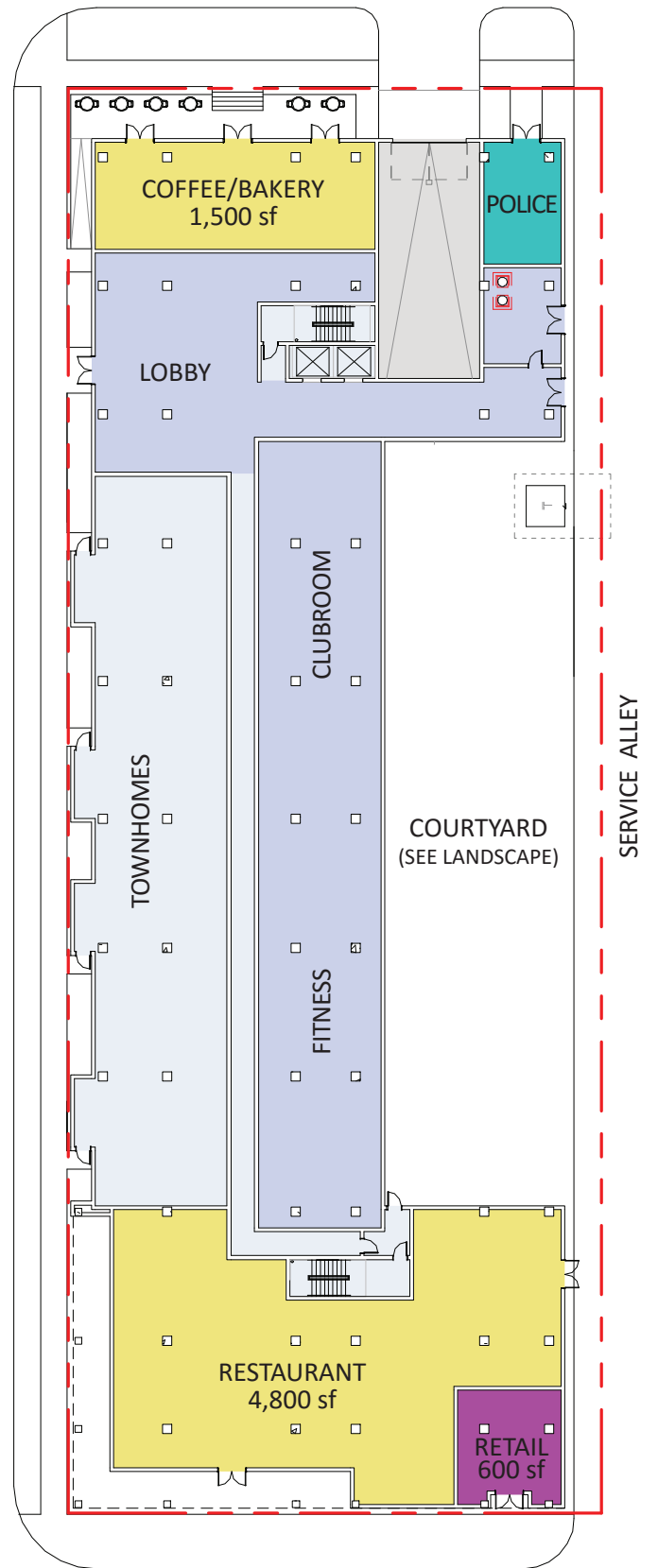
LOWER LEVEL P2 PLAN



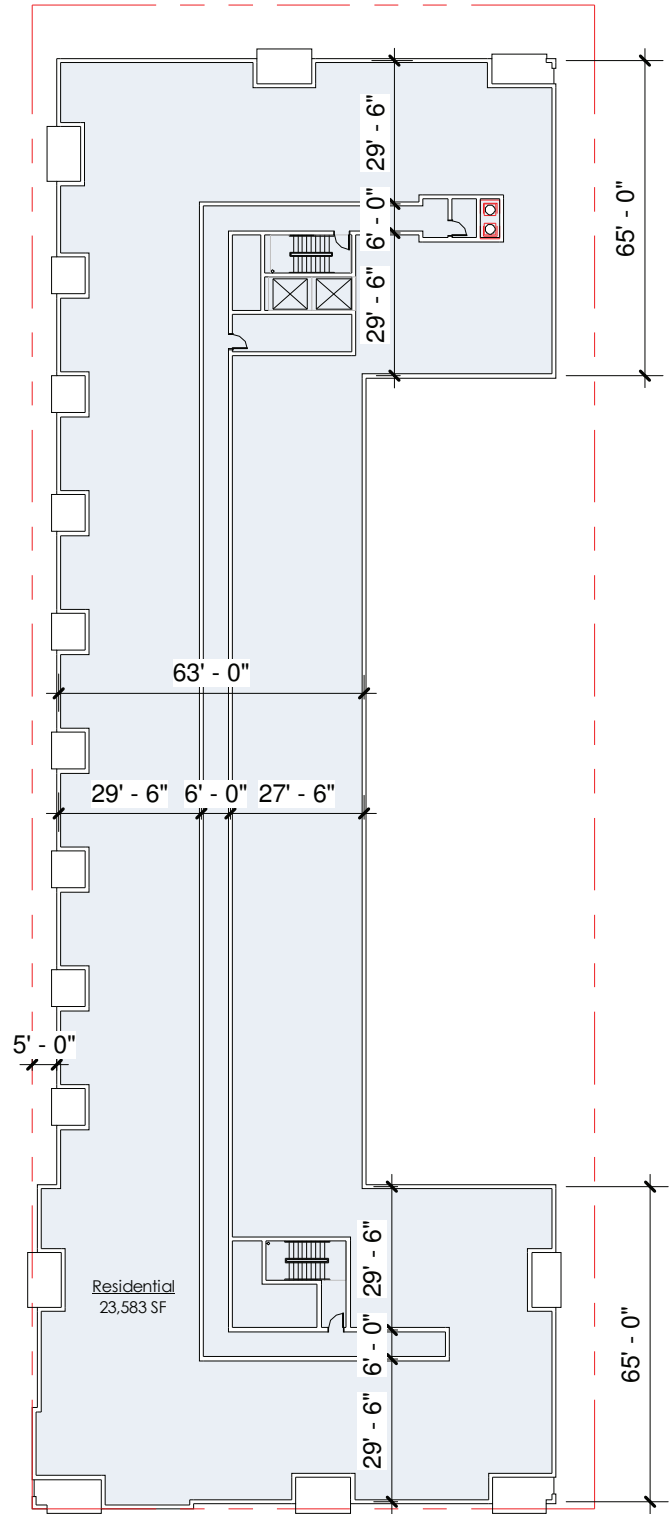
LOWER LEVEL P1 PLAN



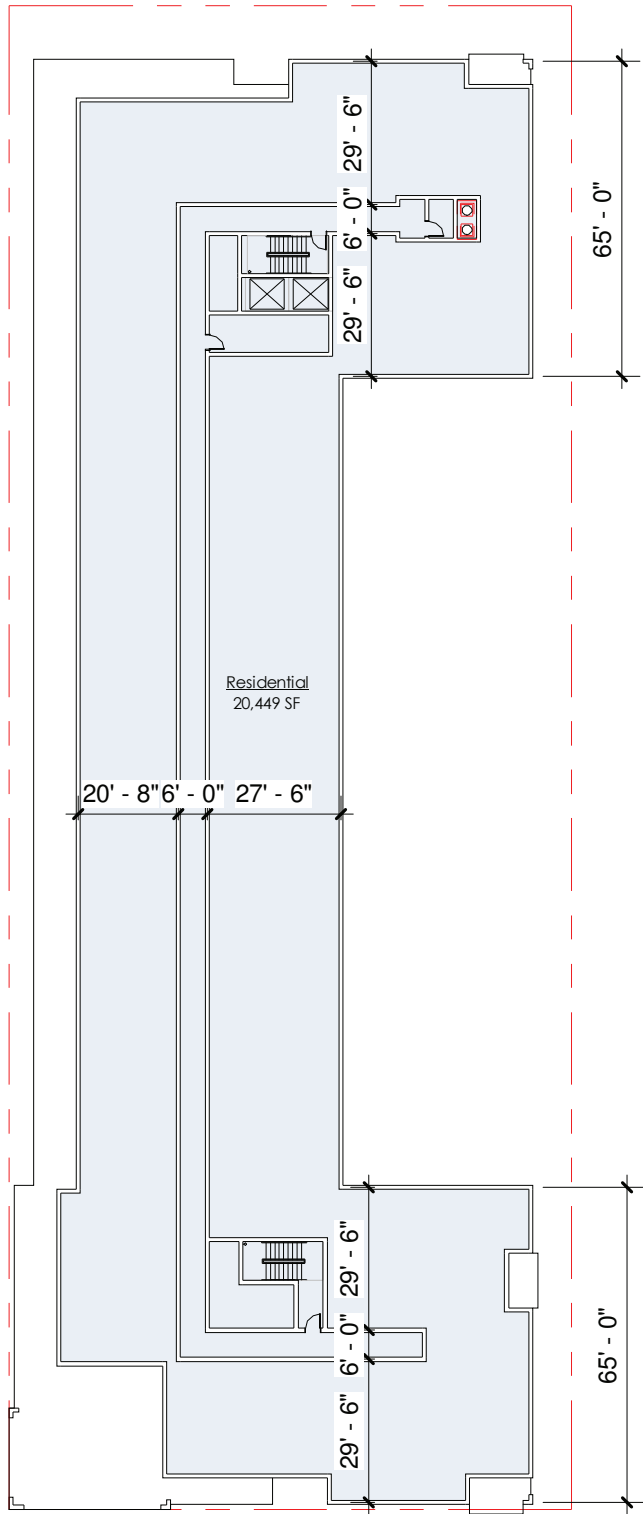




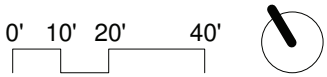
FIRST FLOOR PLAN



SECOND - FIFTH FLOOR PLANS



SIXTH FLOOR PLAN



Bartmann Restaurants Concept Vision

BARTMANN r e s t a u r a n t s



feed people good food.



Mill District All-Day Place

The neighborhood at 205 Park is growing rapidly on multiple fronts; cultural attractions, homes, apartments, and places to shop and dine. One thing that the neighborhood seems lacking in is a true all-day neighborhood spot for breakfast, lunch, and dinner—a place for people to have an everyday, healthy, affordable meal—which for now we're calling the Mill District All-Day Place.

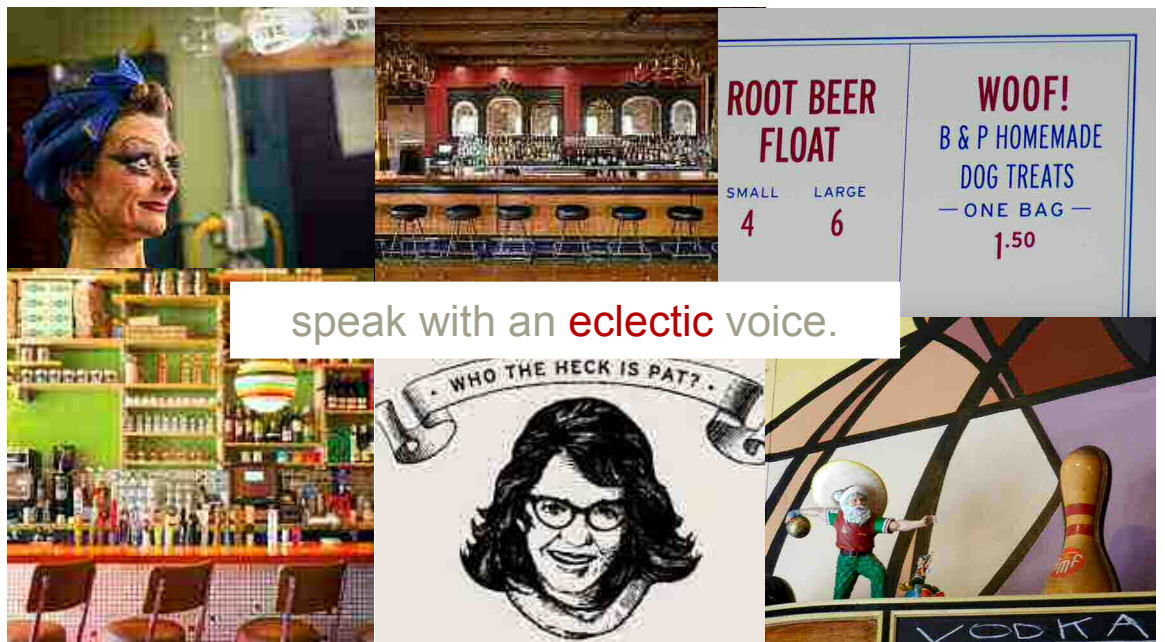
Kim Bartmann has been creating neighborhood restaurants for 25 years now, and is excited to propose a project for this neighborhood. Back in the day, there were a few more art galleries up and down Washington, and this inspired us to consider a place designed to showcase art. We will be partnering with local arts organizations to curate shows. "Soo Visual Arts Center has had the opportunity to partner on several different projects with Kim Bartmann and her





welcome **diversity**

restaurants over the years. One of the most innovative and successful partnerships was our 2 year project of SooLocal, storefront gallery and art space adjacent to Pat's Tap on Nicollet and 35th. Through Kim's generosity, we were able to expand our visual art exhibitions, collaborate with other organizations, and reach a new audience in the Lyndale neighborhood. Some of the organizations we partnered with were Free Arts Mn, Paper Darts, Artists in Storefronts, the City of Minneapolis, and Minneapolis College of Art and Design. We look forward to this new opportunity to collaborate with Kim again in Downtown Minneapolis." - Carolyn Payne, Executive Director, Soo Visual Arts Center



speak with an **eclectic** voice.



We'll have high ceilings and places to showcase both framed art and sculpture. There will be some walls in the dining room that move, so the floor space and seating arrangements might change depending on shows; this will also allow the restaurant to be flexible for art openings or other gatherings. The space will be filled with light in the daytime and lit to showcase the art in the evenings. There will be patio space on both Park and Washington.

Like all of Bartmann's restaurants, the menu will be seasonal, eclectic, and will feature sustainably & locally produced ingredients as much as possible.

FLOUR POWER

A coffee shop with cold-pressed juice, pastries, and quick meals inspired by the resurgence of heirloom and perennial wheat, and artisanal millers. We'll explore both decadent and healthy snacks using these local products. The menu will include soups, grab-and-go items, and seasonal inspirations.



Conclusion

The 205 Park Avenue South development proposed by Sherman Associates will make a major impact on the Mills District, East Town and Minneapolis. The project provides:

- Award winning architecture anticipated to become an icon for the neighborhood and City
- \$40 million estimated in new private investment
- 100+ currently estimated construction related jobs
- 32 full time and 66 part-time restaurant related jobs
- Affordable housing with 20% of the apartments available for households with incomes of 60% AMI or below
- Four for-sale townhomes to reflect Park Avenue Lofts and the requests of the neighborhood.
- Kim Bartmann will craft an “every day” dining establishment mixed with a local art gallery concept primed to be a premier venue for the neighborhood and City
- \$1,300,000 in estimated new tax revenues per year
- Sustainable green energy efficient design
- Long term ownership and demonstrated commitment to the neighborhood and the City
- Elimination of a surface parking lot
- Approximately 130 new and diverse residents to the neighborhood with benefits that will disseminate to existing business and promote new ones
- Provision of a long and often requested police substation
- New pet relief area for the use by the whole community that will abet the curtailment of the escalating pet waste issue

