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Wednesday, January 27, 2021

Glen Markegard  
Brian Hansen  
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City of Bloomington  
1800 W. Old Shakopee Road  
Bloomington, MN 55431-3027

RE: Aire Apartments

Subject: DRC Pre-Application Meeting 2/2/21

Glen, Brian & Mike,  
Below is summary of the project to date that we would like to meet and discuss with you at the next DRC meeting on 2/2/21.

**1) Aire Apartments Narrative & Phasing**

The redevelopment of the Crown Plaza hotel in the Aire Apartment building is a redevelopment of an underutilized & underperforming Hotel into a much-needed affordable housing option. The proposed project will be redeveloped in two phases: 1) the apartment units will be completed in 2021; 2) the retail redevelopment in the main floor is expected to happen in 2022 after the apartment building is fully occupied.

**a. Phase 1**

Adaptive re-use repositioning of the existing 14 story 430 room Crown Plaza Aire Hotel and Suites to serve the south metro apartment community. The existing structure is uniquely situated to convert to approximately 323 Micro, Studio, 1BR and 2BR apartments. New and existing amenities such as an indoor swimming pool, fitness area, coffee bar, rooftop social deck with fire pits and grill stations are provided. The hotel's central meeting and banquet space will be repositioned as flexible shared workspace, multiple tenant/guest lounges, a game area and media/screen casting. The Aircraft Grill (full bar and restaurant) remains.

**b. Phase 2**

Adaptive re-use repositioning of the existing ground level kitchen and service functions of the hotel to reorient outward energizing the American Boulevard and 34th Avenue intersection with 9500sf of new retail and provide a pedestrian link connecting the resident population to the adjacent light rail station.

**c. OHO incentives and FDP flexibility being requested.**

The redevelopment of the Crown Plaza hotel in the Aire Apartment building is a redevelopment of an underutilized & underperforming Hotel into a much-needed affordable housing option. The redevelopment will create 323 multi-family rentals; 30 of these units (9%) will be affordable to those at 50% AMI or below, 30 of these units (9%) will be affordable to those at 60% AMI or below. In addition, many of the remaining unrestricted units will be at 61% to 100% AMI rents which are also needed in the area. The Opportunity Housing Ordinance requires that 30 affordable housing units are needed to comply. The requested OHO incentives are needed to accomplish this redevelopment as such we are planning to double the number of affordable units provided to show public benefit to justify the additional flexibility requested.

We are currently requesting no financial assistance in addition to the allowed OHO incentives but depending on the phase 2 uses for the retail a request could happen as part of that approval.

The incentives and flexibility we plan to request will be parking stall reduction, enclosed parking space reduction, minimum unit size and storage space reduction. We do not have exact calculation of each incentive amount needed but will have prior to submission of an application. As discussed with staff because of the transit-oriented nature of the site and the parking study being updated, we will be asking for some flexibility over and above the OHO current criteria.

2) Project Team

- a. Kaeding Management Group
  - i. Carl Kaeding
  - ii. Brody Nordland
- b. Reprise Design
  - i. Brian Johnson
- c. Turn-Key Associates
  - i. Tom Duffy
- d. Steven Scott Management
  - i. Brenda Hvambal
- e. Ron Clark Construction
  - i. Mike Waldo
  - ii. Mike Roebuck

- 3) Project Construction Schedule
  - a. Phase 1: Hotel conversion
    - i. Start 5/2021
    - ii. Complete 12/2021
  - b. Phase 2: Retail
    - i. Start 2022
- 4) Proposed City Schedule
  - a. 2021.02.02 Pre-Application DRC
  - b. 2021.02.17 Application submittal
  - c. 2021.03.02 Post Application DRC
  - d. 2021.03.25 Planning Commission Mtg
  - e. 2021.04.05 City Council Mtg
- 5) Parking Study Update (Alliant)
  - a. In progress
- 6) Plans uploaded to website for discussion
  - a. Building Floor Plans & Unit Plans (Reprise Design)
  - b. Unit Counts
  - c. Phase 2 site plan (Alliant Engineering & Reprise Design)
- 7) Items for discussion:
  - a. Planning
    - i. Requirements for application
      - 1. Major Revision to Preliminary Development Plan
      - 2. Opportunity Housing Plan
    - ii. Parking Requirements
    - iii. Party Room Space/Restaurant Space
    - iv. City Fees
    - v. Other

We look forward to meeting with you and the rest of the staff to discuss the project in more detail. Please let me know if you need any other information prior to next week's meeting.

Aire Apartments  
Project Team