

**ATTACHMENT TO APPLICATION FOR INTERIM USE APPLICATION SUBMITTED BY PWA
RIVERVIEW OFFICE TOWER, L.P.
3601 American Blvd E Bloomington, MN 55425**

Riverview Interim Use Permit Proposal

Overview

PWA Riverview Office Tower, LP, owner of 8009 34th Avenue South (the “Owner”) seeks to be placed on the agenda for the upcoming Development Review Committee meeting to discuss the Owner’s desire to obtain an Interim Use Permit to authorize the operation of a Remote Airport Parking Facility (Park-n-Ride) use from the Owner’s existing facility.

By way of background, the property is located within the High Intensity Mixed Use District (HX-Rⁱ) and includes an approximately 250,000 square foot office tower (“Riverview Office Tower”) and a multi-level parking ramp structure containing 1,264 parking stalls. Of those parking stalls, 300 are leased to the adjoining hotel and 100 are leased to the 2 Apple Tree facility (2 Apple Tree also maintains 181 spaces in a dedicated surface parking lot). The Riverview Office Tower occupancy is currently approximately 70%.

Per existing tenant leases, 566 spaces are required to satisfy lease obligations for the non-exclusive use by the Riverview Office Tower tenants. The building’s anchor tenant occupying 70,404 r.s.f recently vacated its entire space in connection with a corporate restructuring strategy. The 70,404 r.s.f lease expires March 31, 2022 and accounts for 283 of the 566 spaces required to satisfy tenant non-exclusive parking rights under existing leases. Currently one (1) floor accounting for 15,000 r.s.f. of the 70,404 r.s.f has been subleased and utilizes 60 of the 283 spaces allocated to the 70,404 r.s.f premises. Current allocation of the parking ramp spaces is as follows:

Ramp parking spaces	1264
Hotel	300
2 Apple Tree	100
Riverview Office Tower	<u>566</u> (Non-Exclusive tenant use of which 223 are allocated to leased but vacated space)
Total Allocated Parking	966
Excess Spaces	298

Owner acknowledges that HX-R zoning requires one (1) space per 285 feet of gross building area or 877 spaces. Notwithstanding the zoning requirement, the reality of the current and future parking needs for the Riverview Office Tower leaves significant excess capacity based on an anticipated usage for a minimum the next five (5) year period. On March 31, 2022 the referenced 70,404 r.s.f lease will expire significantly reducing the Riverview Office Tower current 70% occupancy level to 40%. Given the difficult office leasing environment, Owner does not anticipate the current 70% occupancy level will be again reached until mid-calendar year 2023. Even at 70% occupancy, based on historical leasing parking requirements (which are greater than current parking demands by prospective tenants) at a minimum 298 spaces will remain available to accommodate the proposed 250 space Airport Parking Facility.

The Airport Parking Facility use will be totally controlled by Owner with the assistance of a third-party manager. By retaining control Owner will have the flexibility to modify parking allocations if necessary in connection with Riverview Office Tower operations. If tenant parking needs increase and create congestion within the ramp, Owner can immediately reduce Airport Parking Facility allocations. Currently, there is no question that the parking ramp is underutilized. Daily parking counts pre COVID reflected approximately 800 regular daytime users. COVID-19 has significantly impacted occupancy of the Riverview Office Tower and usage of the parking ramp. The hybrid work environment has and will continue to impact the occupancy rate and utilization of the ramp by employees of tenants occupying the Riverview Office Tower. Even as the occupancy rate rises post COVID on-site work by tenant employees will be reduced as the remote work concept continues to gain acceptance. The hybrid work environment, in combination with the increased focus on public transportation which is convenient to Riverview Office Tower, has and will result in the underutilization of the garage. The proposed use will allow Owner to maximize use of the historically underutilized parking ramp.

The additional revenue generated from the Airport Parking Facility use will be utilized to maintain the ramp as well as assist with maintaining a high-quality commercial office complex. The additional revenue generated from the ramp is critical to Owner's plans to continue renovations of the ramp as well as mitigating the impact of losing a 70,000 r.s.f. tenant in 2022. In 2020 structural repairs valued at approximately \$1,000,000 were completed on the ramp. The work included structurally restoring all deteriorated concrete on the roof level of the ramp, associated pedestrian bridges and the stairs for the roof level only. Work also included restoration of all failed caulking and caulking of joints to a leak free condition. A surface membrane will be installed, and the surface coated this summer. The intent is to continue with similar repairs on the

remaining levels, and the anticipated revenues from the operation of the proposed Airport Parking Facility will provide the resources necessary to complete these repairs.

The subject property is uniquely situated to allow the Airport Parking Facility use. It is located approximately five minutes from the airport and accessed from major roadways with easy ingress and egress to the facility causing no disruption to adjoining developments and not burdening local traffic patterns. As other adjoining developments are proposing to eliminate and/or reduce existing Remote Airport Parking facilities, the proposed use of an existing, underutilized parking structure to accommodate the demand for this parking provides a reasonable alternative without impacting valuable ground for future development.

Operations

Operation of the ramp (see attached survey and isometric garage plan – note isometric plan shading unrelated to the current application) and the Airport Parking Facility will function as follows:

East Entrance: Entry to the Airport Parking Facility will be limited to the east entrance of the ramp accessed from Appletree Square Road. The east ramp entrance will only provide access to level C and a portion of level B. The proposed 250 spaces for the Airport Parking Facility will be located on the level C and a portion of level B.

West Entrance: The west entry will remain dedicated for hotel and office users and only provide access to and from levels D, L, & E accounting for approximately 630 spaces. Temporary barriers will be installed on level C to separate levels A, B, & C from levels D, L, & E.

South Entrance: Level A and the remaining portion of level B (approximately 380 spaces) will be accessed from the south entrance of the ramp and available for the Two Appletree lease users (100 spaces) and the Riverview Office Tower tenants. A barrier will be placed on level B to separate the Airport Parking Facility area.

Airport Parking Facility Operations

Once Airport Parking Facility customers park in the lower levels, they will take the parking garage elevator to the Riverview Office Tower lobby level, where they will have the ability to wait in the Riverview Office Tower building lobby to be picked up by shuttle vans. The Riverview Office Tower building lobby will be staffed 24/7 and the ramp monitored 24/7 via cameras as well as weekend and daytime intermittent security patrols

The access to the ramp would be fully automated through PARCS (Parking Access Revenue Control System) and all patrons would be required to pull a ticket, use their credit card as a ticket or use their assigned access pass for access. As an added customer service feature, there will be a remote call center tied to each access lane to address any access problems or questions that patrons may have. Signage and wayfinding would be installed throughout the interior of the facility for patrons to easily identify how to navigate the facility and access the shuttle service. The Park-n-Ride would operate 24/7 and would be comprised of 5 shuttles in total to start the operation. During peak hours 3-4 shuttles would be operational, rounding a loop from the front drive of the office building and MSP terminals 1 & 2 picking up patrons. During off peak times (overnight), 2 shuttles would be operational, rounding a loop from the front drive of the office building and MSP terminals 1 & 2 picking up patrons.

There would be a total of ~25-30 team members to include an overall Operations Manager, Marketing Manager, Supervisors, shuttle drivers and valets. The Operations Manager would be supported by the Director of Operations located in Minneapolis and Regional Office support staff and Regional Vice President for the parking operating company based out of Minneapolis.

ⁱ There is also a Planned Development Overlay District, but only the uses allowed in the underlying district are permitted in the Overlay District.