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June 17, 2020

Glen Markegard
Planning Director
City of Bloomington
1800 W. Old Shakopee Road
Bloomington, MN 55431

Re: **Revised** – Park 'N Fly Interim Use Permit Applications: 3700 and 3750 American
Boulevard East
Our File #41,912-00

Dear Mr. Markegard:

This firm represents Rosa Development Company, LLLP ("Rosa Development") with regard to the approval of revisions to conditions related Interim Use Permits (IUP) for remote airport parking on the surface parking lot at 3700 American Boulevard East and the structured parking facility located at 3750 American Boulevard East (together the "Property"). Please accept this letter and the attached materials as formal application ("Application") to amend both IUPs to extend the start of construction and the IUPs for one additional year due to the COVID-19 global pandemic ("COVID").

BACKGROUND

Delay due to COVID

Over the last year, Rosa Development has obtained approval from the City of a multifamily project that will add 183 new housing units, including 37 affordable units to the City's South Loop district. The project has been hailed by decision makers for its many amenities, design and consistency with the City's Opportunity Housing Ordinance.

Throughout the development process, Rosa Development has relied on the revenues from its Remote Parking operations to fund the significant cost of development. Investors in Rosa development have forgone regular distributions to fund these costs.

In early March, Governor Walz and other Governors around the country began closing businesses, limiting travel and ordering state residents to stay at home due to COVID. See: <https://www.marketplace.org/2020/04/17/air-travel-is-almost-completely-grounded-due-to-covid-19-as-these-6-charts-show/> As a result, business and leisure travel all but stopped. Operations at Park N' Fly decreased by over 90 percent and have not returned significantly even

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as the restrictions on travel have been lifted. At this point, no one can predict when business will return to normal.

Further, financing for new projects is highly constrained due to the uncertainty created by COVID. Interest rates and equity contributions are higher for projects considering financing under these conditions, which threatens the construction of the Rosa Apartments, a project that was already looking at tight margins for investors due to the amenities and affordable housing included within the project.

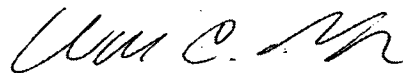
Consequently, Rosa Development has indicated that it will push construction of the Project from fall of 2020 to spring of 2021. As a result, it is necessary to amend the milestone conditions for the Project. In addition, modification of the term of the IUPs to add an additional year is prudent given that parking revenues have funded development activities to date.

Request

With this application, Rosa Development has submitted updated milestones for redevelopment of a portion of the Property for the Rosa Apartments project that push construction back one year. In addition, we are requesting extension of the IUPs for both 3700 and 3750 American Boulevard E. for one year to July 1, 2025. In the meantime, our client remains committed to commencing construction of the Rosa Apartments project in 2021.

Please let me know if you have any questions.

Sincerely,



William C. Griffith, for
Larkin Hoffman

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Enclosures

cc: Kristin Muir (w/enclosures)
Julie Kimble (w/enclosures)

PROJECT MILESTONES

Milestone	Description	Due
Identify Phase I Project Site	Applicant will submit to the City the approximate boundaries of a three to four acre development site within the Property.	August 1, 2019
Amend Alternative Urban Areawide Review (AUAR)	Applicant and City will amend existing AUAR as needed to include the Project within the AUAR.	Concurrent with the City's five year AUAR update due in 2022
Concept Master Plan	Applicant will submit a concept master plan for entire site including 3700 American Blvd and 3750 American Blvd that identifies the proposed major uses, the development square footage projected, phasing, public and private infrastructure and location of structured parking.	October 31, 2019
Project Pro Forma	Applicant will submit a development proforma for the Phase I Project that identifies sources and uses of public and private funds and the need for public support of the Project.	October 31, 2019
Application for Public Financial Assistance	If public financial assistance is desired, Applicant will submit to the City, Port Authority and/or the Housing and Redevelopment Authority, as applicable, a written request for tax increment financing or other public subsidies requested for the Phase I Project.	December 31, 2019
Revised Preliminary and Final Development Plans	Applicant will submit to the City a complete application for major revision to Preliminary Development Plans for the Property and Final	December 31, 2019

	Development Plans for the Phase I Project.	
Preliminary and Final Plat	Applicant will submit an application for preliminary and final plat to subdivide the Property into parcels for phased development of the Project and for continued use of the remnant Property for remote airport parking in the interim or some other approved use. The application may be accompanied by a platting variance request to defer park dedication for future development phases.	March 31, 2020
Building Permit	Applicant will submit a complete application for a building permit for the Phase I Project.	June 1, 2020 <u>2021</u>
Construction Start	Applicant will commence construction of the Phase I Project.	September 1, 2020 <u>2021</u>
Development Concept Plan: Phase II	Applicant will submit a development concept plan for Phase II with projected uses, development scheduled, projected cost and support requirements from the City.	July 1, 2022 <u>2023</u>