



Larkin Hoffman

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June 10, 2021

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

Re: Park 'N Fly Interim Use Permit Application: 3700 American Boulevard East
Our File No. 41,912-00

Dear Mr. Markegard:

This firm represents Rosa Development Company, LLLP ("Rosa Development") with regard to this application to revise the condition related to commencement of construction of the apartment project development by Rosa Development (the "Project") at 3700 American Boulevard East (the "Property"). Please accept this letter and the attached materials as our client's formal request to extend the start of construction for one additional year due to the COVID-19 global pandemic ("COVID") and its impact on commodity prices and the supply and delivery of building materials. In addition, we are requesting the final plat and development plan approval also be extended for one year.

BACKGROUND

Construction Materials Pricing and Shortages

Over the last year, Rosa Development has worked diligently to finalize its entitlements, construction plans and to apply for a building permit for the Project. This work has included review of the final plat, title work, sidewalk and bikeway easements, and an application to vacate existing easements. In fact, Rosa Development was prepared to break ground next month on the Project, a multifamily development of 183 new housing units, including 37 affordable on a three-acre parcel of the Property.

As you know, the global pandemic has disrupted the supply chain for everything from furniture and fixtures to building materials, lumber and steel. This disruption and increasing demand has led to massive price volatility, particularly on lumber, which has dramatically increased in price. Increases and delays threaten the Project proforma which was considered tight a year ago. Even

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if the project could absorb these prices increases, there is no guarantee that the supply will be sufficient to build in this construction season.

I have included a couple of links to recent news articles that highlight the problem.

<https://www.wsj.com/articles/lumber-prices-are-through-the-roof-punishing-apartment-builders-11621944001>

<https://www.kare11.com/article/news/local/kare11-sunrise/lumber-prices-city-builders-mills/89-63194e6d-fbb1-4e94-a70e-da954777276f>

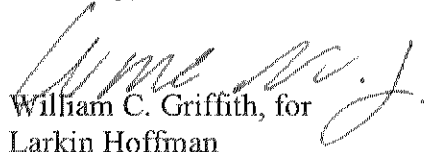
Consequently, Rosa Development has decided it must move the start of construction of the Project from 2021 to 2022. As a result, it is necessary to amend the milestone condition for commencement of construction from September 1, 2021 to September 1, 2022.

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 the final plat and development plan approval also be extended for one year. In the meantime, our client remains committed to commencing construction of the Project in 2022.

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, 2021
Construction Start	Applicant will commence construction of the Phase I Project.	September 1, 2022 2021
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, 2023