

WWW.RYANCOMPANIES.COM

RYAN COMPANIES US, INC.
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Minneapolis, MN 55403-2012

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August 11, 2014

City of Edina
4801 West 50th Street
Edina, MN, 55424
Attention: Bill Neuendorf, Economic Development Manager

**Re: GrandView Phase I Redevelopment
Request for Interest for Development Partner**

Dear Bill:

I am writing on behalf of Ryan Companies US, Inc. and The Excelsior Group LLC. As a development team, we have been reviewing the RFI issued in June for Phase I of the GrandView redevelopment area, and considering how best to respond.

The area is compelling to us because we believe it has the potential to redevelop as a unique hub for the City and community. In addition, as a development team, we have been delivering projects that in our view are excellent examples of “catalyst” redevelopment. Among those projects are Downtown East (1.4M square feet of office, residential and retail in downtown Minneapolis), 222 Hennepin (580,000 square feet of retail and residential in Minneapolis), and The Vintage (480,000 square feet of retail and residential in St. Paul). Project summaries have been included with this letter.

We are sending a letter rather than an RFI response because, after much discussion, we are struggling with the limited scope of the proposed RFI area. We see the Phase I area as a catalyst for the redevelopment of adjacent properties, as you do. But over a series of projects that to us resemble GrandView in scale and complexity, we have learned that the success of phased redevelopments almost always depends on securing ownership or development rights to future phases at the outset of the process. Absent that control, our experience is that plans hover over properties without becoming real, or broad visions are (unhappily) scaled back to fit the limited areas under control.

In this case, we have seen some of the visioning work done by the Cunningham Group over the years, and think it does a great job indicating the unique mix of community, residential and commercial space the broader area could support. Without a clear pathway to future phases, however, we believe Phase I would likely redevelop as traditional medical and/or residential space over structured parking, with little community or “catalyst” space. And we’re concerned that without such “catalyst” space, Phase I would become relatively isolated, and fail to advance the overall goal of redeveloping the broader area.

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As stated earlier, we find the project area compelling. It's central to a unique community, and under-utilized. At the same time, we don't think we can advance the goals set in the RFI unless or until the City owns or has secured development rights to additional property in the proposed redevelopment area. We've learned how hard it can be to secure it later, and how long the odds are of success if the task is delegated to private parties. Please feel free to call either one of us with questions, and know that we find the overall vision for GrandView exciting.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Schoening". The signature is fluid and cursive, with a large loop at the end.

Mark Schoening
Senior Vice President
Ryan Companies US, Inc.
612-492-4442
mark.schoening@ryancompanies.com

A handwritten signature in blue ink, appearing to read "Chris Culp". The signature is cursive and somewhat stylized.

Chris Culp
Principal
The Excelsior Group LLC
612.-353-3304
chris.culp@excelsiorllc.com

THE VINTAGE ON SELBY

"We didn't turn away a single meeting. When the neighbors wanted to discuss concerns, we showed up ready to work toward solutions. The success of this project is a direct result of that collaboration."

— Tony Barranco, Vice President of Development, Ryan Companies US, Inc.



THE VINTAGE ON SELBY
SELBY AND SNELLING
SAINT PAUL, MN

TYPE OF PROJECT
Multi-family, Retail, Mixed-use

REFERENCE
Chris Culp, President
The Excelsior Group
11455 Viking Drive, Suite 350
Eden Prairie, MN 55344
612-353-3304

ARCHITECT
ESG Architects

RYAN'S RESPONSIBILITY
Development
Architecture & Engineering
Construction
Capital Markets

SIZE
420,000 SF
2.5 Acres

PROJECTED CONSTRUCTION PERIOD
15 Months

PROJECTED COMPLETION DATE
November 2015

SMOOTHING THE WAY FOR A COMPLEX URBAN DEVELOPMENT THROUGH STRONG NEIGHBORHOOD ENGAGEMENT

When Associated Bank purchased another bank in the heart of one of Saint Paul's most eclectic commercial and residential districts, they got a bank building plus several adjacent parcels that had been long underused. Associated enlisted Ryan Companies to support them in the development process. The vision: a brand new bank, a vibrant retail tenant, and attractive housing.

We knew that neighboring businesses and homeowners would be affected by a project of this magnitude so we engaged them early on, attending meetings before planning had even begun. This early engagement gave us a sense for preferences and hot-button issues and led to the healthy collaboration that is a cornerstone of this project. We incorporated many of the stakeholders' ideas, adding features like sidewalk setbacks as well as height setbacks that let the building mesh aesthetically with surrounding structures, and we addressed parking and traffic issues. We attended 30 meetings, carefully balancing the needs of the neighbors with those of the project while working closely with the City of Saint Paul.

Phase I of the project, a 15,000-SF, two-story bank branch for Associated, is now underway. Phase II, a 39,000-SF Whole Foods Market in a five-story complex featuring 208 market-rate housing units is due to break ground later this year.

DOWNTOWN EAST

"Before ground is even broken on the stadium, we have a proposal that spurs development in Downtown East in an area that is truly underutilized." - Former Minneapolis Mayor, R.T. Rybak



DOWNTOWN EAST DEVELOPMENT MINNEAPOLIS, MN 55415

TYPE OF PROJECT
Multi-Family
Mixed-Use
Retail

REFERENCE
Rick Collins
Tony Barranco
Ryan Companies US, Inc.
50 South Tenth Street, Suite 300
Minneapolis, MN 55403

ARCHITECT
Ryan Companies US, Inc.

RYAN'S RESPONSIBILITY
Development
Architecture & Engineering
Construction

SIZE
163,737 SF, 193 units

CONSTRUCTION PERIOD
14 Months

DATE COMPLETED
June 2016

PARTNERING TO TRANSFORM A NEIGHBORHOOD Ryan Companies is excited about the opportunity to partner with the City of Minneapolis in another game-changing development. This project will act as a catalyst for continued redevelopment in the Downtown East neighborhood.

Downtown East is a mixed-use development containing 1.2 Million SF of office space in two 17-story office buildings, 24,000 SF of retail space, nearly 200 residential units and skyway connection to the downtown core and new Vikings stadium.

The project will be fronted by a nearly two-block urban park/plaza that serves as the "front yard" to the new stadium and to the residents and office workers nearby. The development offers a "24/7" year-round community with easy access to light rail and bus transit.

Downtown East will serve as the connective tissue linking the downtown core to the Stadium, the University of Minnesota, the Mills District and the Elliott Park neighborhood.

222 HENNEPIN

"We're extremely excited to expand our offering of natural and organic products to an even greater customer base."

— Michael Bashaw, President, Midwest Region, Whole Foods Market

222 HENNEPIN
222 HENNEPIN AVENUE
MINNEAPOLIS, MN 55401

TYPE OF PROJECT

Mixed-Use, Retail,
Multi-family Residential
LEED Silver Certified for
Mid-rise Residential

REFERENCE

Chris Culp
The Excelsior Group
11455 Viking Drive, Suite 350
Eden Prairie, MN 55344
612-353-3304

Mark Schoening
Tony Barranco
Ryan Companies US, Inc.
50 South Tenth Street, Suite 300
Minneapolis, MN 55403
612-492-4000

ARCHITECT

Ryan Companies US, Inc.
– Architect-of-Record

Humphreys & Partners Architects, L.P.
– Design Architect

RYAN'S RESPONSIBILITY

Development
Architecture & Engineering
Design-Build Construction
Capital Markets

SIZE

580,000 SF, 286 units

CONSTRUCTION PERIOD

18 Months

DATE COMPLETED

August 2013

AWARDS

2013 Best in Real Estate,
Best Overall, Mixed-Use Urban
Presented by Minneapolis/St. Paul
Business Journal

2013 Best In American Living Awards
(BALA), Silver Award for On the
Boards, Multifamily
Presented by National Association
of Home Builders (NAHB)

Pacific Coast Builders Conference
(PCBC) 2013 Golden Nugget Award,
Best On-the Boards Mixed Use Project



WWW.222HENNEPIN.COM

A SIGNATURE DEVELOPMENT FOR DOWNTOWN MINNEAPOLIS The 222 Hennepin project is a great example of urban infill development and is evidence of Ryan's ability to get deals done where others have failed. The 580,000 square foot mixed-use project features 286 luxury apartments with spectacular river and downtown views and a Whole Foods Market – the first in downtown Minneapolis and a welcome addition to this long vacant space.

Ryan Companies co-developed the project with The Excelsior Group, specialists in multi-family development and property management. Ryan is also the architect-of-record and design-builder for the project, which will occupy a full city block at the corner of Hennepin and Washington Avenues. The corner is one of the most prominent downtown, and development challenges had kept it vacant for more than five years.

Project amenities include a fourth-floor terrace with an outdoor pool, bocce ball area, fire pit, dog walk, enclosed party room, and state-of-the-art fitness center. The terrace affords spectacular views of the downtown Minneapolis skyline. The construction of the project prioritizes sustainable building practices by cleaning up a contaminated site while incorporating an existing 300-stall parking structure, effectively wrapping the new project around the parking core and re-using it.

This project achieved Leadership in Energy and Environmental Design (LEED) Silver Certification for Mid-rise Residential.