DEVELOPMENT PROPOSAL

LOOPolis is about completion, connectivity, and community. It's about transforming an undeveloped expanse at the edge of downtown into a vibrant, mixed-use neighborhood; a sea of parking lots into a model of walkability and bike-ability; a region with no identity into a lively community pulsing with young families, young professionals, and still-young retirees. It's about honoring past visions for a complete downtown, for a continuous greenway circling the city, for new centers of opportunity for families, businesses, and college graduates, while envisioning anew and closing the loop on what Downtown Minneapolis could become.

Central to our vision is a desire to complete the urban core.

- Over 10 years we would add 2,800 residential units, a mix of one-, two-, and three-bedroom apartments and condominiums geared mainly toward young families and working professionals, with an aim to bring all-hours activity to downtown.
- Ground-level retail, including a mid-sized supermarket, would further support street life.
- A 7-acre public plaza adjacent to the stadium would serve as the centerpiece of LOOPolis, its sloping pavilion featuring sledding in the winter, grass sliding in the summer, and festivals year-round.
- New class-A office space – 900,000 square feet by 2023 – would balance the mix of uses and reinforce that Downtown West is an extension of, rather than an addendum to, the urban core.

LOOPolis also builds and supports natural connections by creating proper links between neighborhoods.

- South 5th Street, featuring a new concert hall at the Minneapolis Armory and a 200-room hotel across the street, will provide a gateway from the Central Business District to the new Vikings stadium.
- Portland Avenue, with widened sidewalks and an extra bike lane, will serve as a green boulevard from Elliot Park to the Mill District, and connect to the Grand Round, Minneapolis' ambitious continuous greenway plan.
- A 300,000-square-foot workforce center and 75,000-square-foot recreation center, both on Chicago Avenue, will draw visitors from across the region, including the University of Minnesota, leveraging connections that will strengthen with the opening of the Green Line LRT.

In all that it does, LOOPolis aims to build community.

- It does so by embracing a mixture of uses (residential, office, retail, hotel, recreational, medical, and government), a mixture of income levels (high, middle, and low), and a mixture of activities (cycling, dining, concerts, and sporting events).
- It welcomes new families with pocket parks and a new school, and a new array of public goods.
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FINANCIAL PLAN

LOOPolis is a market-driven investment – fueled by growing demand for walkable, vibrant downtowns and 21st-century workspaces. But it is also an opportunity to think big, to create – through public-private collaboration – a complete urban neighborhood that advances green living, housing affordability, and economic opportunity. Our finance plan addresses both.

To start, over 70% of the LOOPolis plan – measured by floor area and budget – is financed exclusively by private equity and debt. This begins with Owners 1 and 2, whose income-producing property – valued at $140 million – builds the foundation for an initial debt raise of over $230 million at project commencement. Phase I (2015-18) welcomes 700 market-rate and luxury apartments and condos, 300,000 square feet of class A office space, a 3,000-seat concert hall, and a 200-room, four-star hotel two blocks from the new Vikings stadium. Condo sales totaling $100 million – combined with $100 million in equity contributions from pension funds and other institutional investors, and a subsequent debt raise of $285 million – enables Phases II (2019-20) and III (2021-24), bringing online an additional 1,000 units of market and luxury housing, 550,000 square feet of office space, 180,000 square feet of retail, and a 75,000-square-foot sports and recreation center.

Simultaneously, LOOPolis will deliver an array of public goods. While partially funded by proceeds from Phases I and II, and vital to our vision, these additions require outside support:

- **Plaza.** To finance a 7-acre, $105-million public plaza, we will seek $65 million in Tax Increment Financing based on $83 million in incremental tax revenue created over 10 years. We will solicit $30 million in private donations from individuals and corporate partners such as Target and the Vikings. Equity-holders will contribute the remaining $10 million, and transfer all future rights, including $3 million in annual retail revenue, to a nonprofit entity to support operations and improvements.
- **Affordable Housing.** Central to our vision for LOOPolis is diversity. To meet that vision, our development includes over 900 apartments affordable to families making less than 60% of Area Median Income. These units are eligible for $25 million in Low Income Housing Tax Credits but require $61 million in gap financing from HUD’s HOME program and Minnesota housing funds.
- **Public School.** To construct a 900-seat elementary school to serve the growing LOOPolis community, we will seek below-market construction financing through the City’s Revenue Bond Program. Owners will retire the loan upon sale of the development.
- **Workforce Center.** Similarly, we will seek a below-market, 30-year loan to construct and operate a 300,000-square-foot workforce-training center. By 2023, rental income will be sufficient to support debt payments.

Despite public givebacks, the LOOPolis development boasts a 14.4% unleveraged return over a 10-year hold, sufficient to justify the risk associated with speculative development. It is also sufficient to persuade Owners 1 and 2 to forfeit otherwise safe revenue from their combined properties. Absent new development, those parcels net 12% under the best case, making LOOPolis a better deal for our principal investors as well.