

February 19, 2016

RE: St. Mary's Holiday Inn & Suites

It is with great regret to announce that Brutger Equities, Inc. will not be moving forward with the development of the St. Mary's Holiday Inn & Suites. The proposed 225 room full service hotel was to be located at the corner of 2nd St S.W. and 13th Ave S.W. across from Saint Marys Hospital. Brutger Equities, Inc., and its design team worked very hard to design a quality project that met the goals and vision of the DMC Development Plan as well as the 2nd Street Corridor Study. Unfortunately, the effort to gain approval of the proposed design has caused delays and added costs that have made the development economically unfeasible.

As proposed in its final form, the project included 225 guest rooms, including 31 extended stay units, 2,000 square feet retail space, 3 townhomes and a 320 stall underground parking ramp including 115 stalls available for public parking. Working with the guidance of the City and the Mayo Clinic, the component of the proposed subway system would have included a connection to St. Mary's Hospital and has always been intended to be part of a proposed subway system. This system as proposed by the City of Rochester and endorsed by the Mayo Clinic would have connected nearly 600 hotel rooms and potentially connected to future redevelopment along 14th St S.W.

Developer Larry Brutger stated, "We had been working hard with the City Administration and the DMC/EDA to achieve a workable program to bring the project and subway system to fruition. We have appreciated the hard work and assistance of the City Administration as well as the DMC/EDA staff. We were initially very excited to be one of the first projects to attempt to request Tax Increment Financing under the enhanced authority of the DMCC. We understood our project TIF request fell well within the guidelines of the DMC Capital Investment Plan of Public infrastructure Projects in the DMC Development Plan. However, without a clearer path and realistic timeline for DMC/EDA approval to allow our project to move ahead, we regrettably must withdraw our application at this time."