

Request for Proposals

Sale of Land at Lowry & Penn Avenues, Minneapolis, MN



Prepared by:

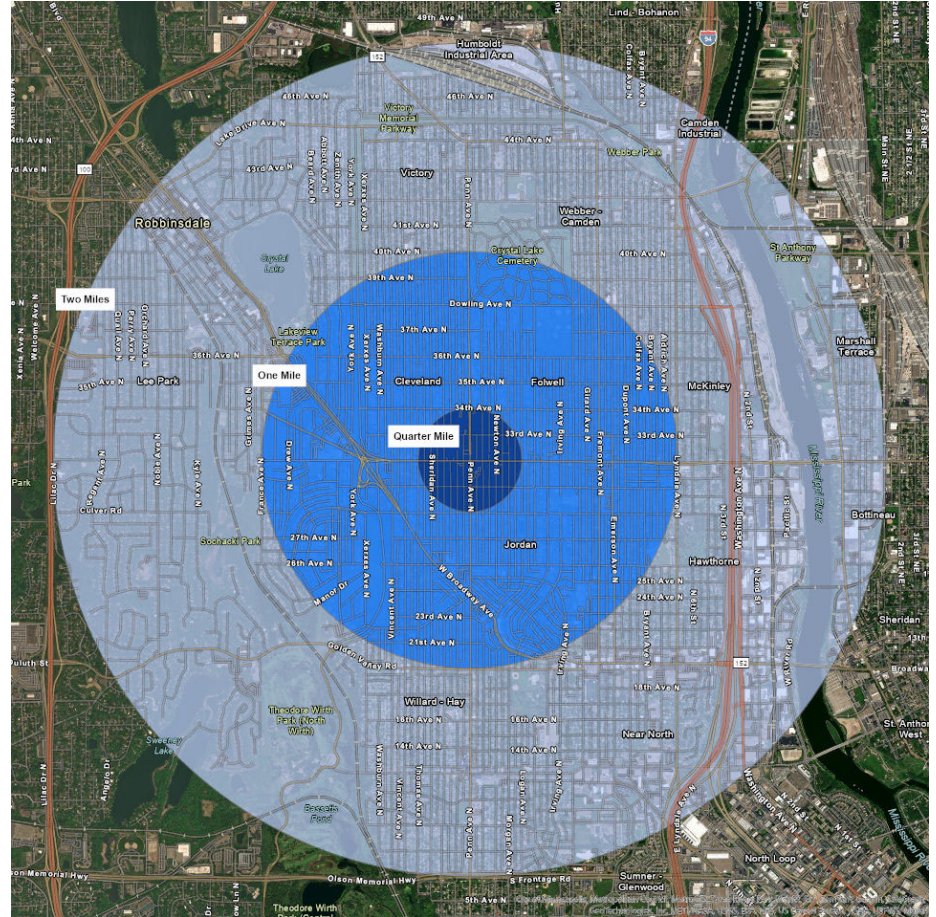


HENNEPIN COUNTY
MINNESOTA

Introduction

The City of Minneapolis (City) and the Hennepin County Housing and Redevelopment Authority (HCHRA) on behalf of Hennepin County (County) are seeking development proposals for vacant, City- and County-owned property within the Cleveland and Folwell Neighborhoods on the City's north side. Located at the northern half of the Lowry Avenue N and Penn Avenue N intersection, the development area is approximately 0.5 miles from Bottineau Avenue, 0.5 miles to North Memorial Hospital, 1.5 miles to the Dowling interchange of I-94, and 3 miles to downtown Minneapolis. Lowry Avenue connects the City of Robbinsdale to Minneapolis' Northeast side, and Penn Avenue is a main connection point through the North Minneapolis community, running from I-394 to connect to Brooklyn Boulevard and the greater northwest suburban Hennepin County.

Proposals must be submitted to the RFP SharePoint folder on **January 31, 2025, before 4:00 p.m.**



Development Areas

Three land parcels, plus an area of excess former right of way owned by Hennepin County, together with four land parcels owned by the City of Minneapolis create three development areas (each a “Development Area”). Each Development Area may be sold and developed separately or developed jointly by one developer.

Hennepin County intends to convey its property in Development Areas 1 and 2 to the HCHRA, which will in turn convey the properties to the selected developer or developers. Hennepin County intends to convey its property in Development Area 3 to the HCHRA which will in turn convey the property to the City of Minneapolis, which will in turn convey the properties to the selected developer.



Area Snapshot:

- 9,000 households live within one mile of the redevelopment area.
- 10,000 average daily trips occur along Penn Avenue
- 7,400 – 11,000 average daily trips occur along Lowry
- 135 average daily bus pick up and 213 average daily drop offs at Penn and Lowry Stations

Development Area 1:

Comprised of one Hennepin County-owned parcel, 3200 Queen Avenue N, Development Area 1 is located at the northeastern corner of Queen Avenue N and Lowry Avenue and is approximately 7,750 square feet in area. The abutting property to the north is a 14-unit apartment building owned by Watt Global Investment LLC.

Property ID	Address	Lot Size (SF)	Zoning	Built Form	Fair Market Value	Owner
0802924140204	3200 Queen Ave N	7,753	CM2	Corridor 4	\$100,800	HC



Development Area 2:

Comprised of one Hennepin County-owned parcel, 3211 Penn Avenue N, Development Area 2 is located at the northwestern corner of Penn Avenue N and Lowry Avenue and is approximately 10,200 square feet in area. The abutting property to the north is currently a liquor store owned by JP & KB O'Connell Revocable Trust.

Property ID	Address	Lot Size (SF)	Zoning	Built Form	Fair Market Value	Owner
0802924140205	3211 Penn Ave N	10,201	CM2	Corridor 4	\$132,600	HC



Development Area 3:

The remaining five parcels and excess Hennepin County right of way are located east of Penn Avenue and make up Development Area 3. The five parcels fronting Penn Avenue total approximately 31,000 square feet in area, and the abutting property to the north is an 11-unit apartment building owned by Penn Group LLLP. The excess right of way is near the corner of northwest corner of Oliver Avenue N and Lowry is approximately 5,000 square feet in area and abutted to the north by a single-family home. There is an opportunity to use the excess right of way as an amenity to, or in service of, the development along Penn Avenue (e.g. community garden space, stormwater management, etc.); parking lot development will not be allowed.

Property ID	Address	Lot Size (SF)	Zoning	Built Form	Fair Market Value	Owner
0902924230224	3206 Penn Ave N	10,462	CM2	Corridor 4	\$135,100	HC
0902924230019	3212 Penn Ave N	5,082	CM2	Corridor 4	\$65,700	MPLS
0902924230020	3218 Penn Ave N	5,141	CM2	Corridor 4	\$65,700	MPLS
0902924230021	3222 Penn Ave N	5,230	CM2	Corridor 4	\$65,700	MPLS
0902924230022	3226 Penn Ave N	5,082	CM2	Corridor 4	\$65,700	MPLS



Development Priorities

The following are the City’s, County’s, and HCHRA’s development priorities for the three development areas. Proposers will be asked to include a narrative and planning documentation as to how they are meeting these priorities as part of their submittal package.

1	<p>Mixed-use, residential, or commercial development</p> <ul style="list-style-type: none"> • Preference for retail with ground floor community-serving retail uses that expand the mix of businesses at the Penn-Lowry intersection and surrounding area and/or active first floor uses; • Commercial projects with no housing component should be at least two stories in height. • Proposals that include residential components, whether rental or homeownership, must be in conformance with the City of Minneapolis’s Unified Housing Policy. (See Attachment 1.)
2	<p>For housing projects, affordability that exceeds the minimum requirements established by Minneapolis’ Unified Housing Policy will be prioritized. (See Attachment 1.)</p>
3	<p>Pedestrian- and transit-oriented design elements. Project design should consider:</p> <ul style="list-style-type: none"> • The public space-private development interface; • Increasing density along the Penn Avenue transit corridor; • Compact and efficient use of land; and • Pedestrian friendly urban design that encourages transit usage, walking, bicycling, and access for people with physical disabilities.
4	<p>Design elements, such as a high percentage of transparency for the street-level facade, street-level entrances, balconies, exterior lighting and minimizing surface parking lots and access points.</p>
5	<p>The inclusion of development-serving amenities, such as underground parking, outdoor bicycle racks and indoor bicycle parking, plazas, green spaces, play areas, public art, etc.</p>
6	<p>Sustainable design elements, such as geothermal heating and/or cooling, a green roof, solar and/or wind source power, passive house design, storm water management with bio retention, tree box filters, permeable pavers and native plant landscaping design. LEED (or Green Communities, for housing proposals) Certification is encouraged.</p>
7	<p>Building design should consider north and east building elevations as they abut established residential neighborhoods. New buildings should be integrated into the existing neighborhood and not a feel like a “wall” separating established neighbors from the new development.</p>

Property Ownership Status & Conditional Processes

The properties identified in this RFP as County-owned property or County-owned excess (former) right of way are currently owned by Hennepin County (“County-owned Property”). Upon selecting and awarding proposals, the Hennepin County Board intends to pursue a transfer of the County-owned properties to the Hennepin County Housing and Redevelopment Authority (HCHRA). If the transfer is approved, the HCHRA will complete the anticipated sale for Development Areas 1 and 2, subject to the requirements and restrictions set forth in Minn. Stat. Chapter 469 (the HRA Act). Further, if the transfer is approved the HCHRA will convey the property in Development Area 3 to the City, and the City will complete the anticipated sale. All awards that include County-owned Property are contingent upon approval and completion of such transfer from the Hennepin County to the HCHRA.

The properties identified in this RFP that are owned by the City (“City-owned Property”) are subject to disposition by the City Council and Mayor subject to a public hearing. The City-owned Property will be conveyed subject to the HRA Act and will be subject standard City disposition policies, including reversionary rights in favor of the City.

Relevant City & County Planning Documents

The Site is subject to the policies in:

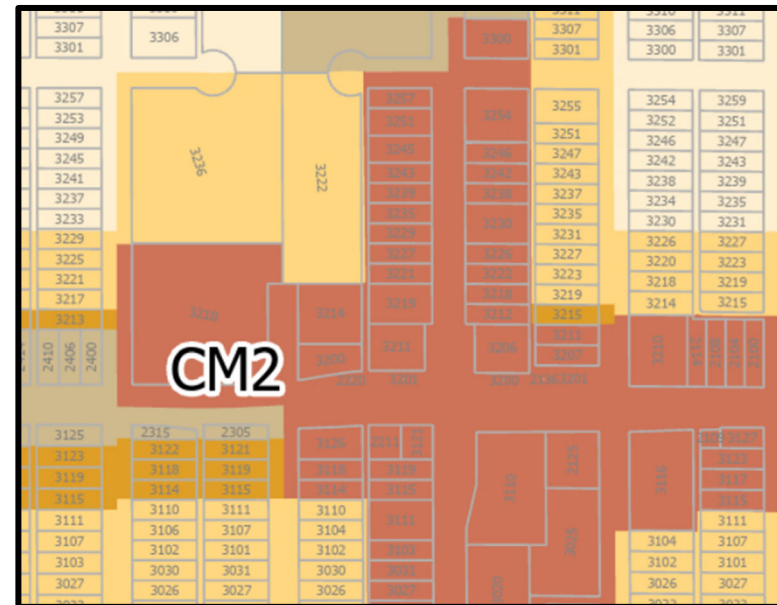
- [Minneapolis 2040 Plan](#): Under the City’s Comprehensive Plan, the development sites have a future land use designation as Mixed Use Corridor and a Built Form designation of Corridor 4. See Attachments [2](#) and [3](#) for a summary of these requirements.

2040 Comprehensive Plan – Future Land Use & Built Form Guidance	
Future Land Use Guidance	
Mixed Use Corridor	Corridor Mixed Use serves a larger market area than Neighborhood Mixed Use and may have multiple competing uses of the same type. Commercial zoning is appropriate, mixed-use, multi-story development is encouraged, and contiguous expansion of commercial zoning is allowed.
Built Form Guidance	
Corridor 4	New and remodeled buildings in the Corridor 4 district should reflect a variety of building types on both small and moderate-sized lots, including on combined lots. Building heights should be 1 to 4 stories. Requests to exceed 4 stories will be evaluated on the basis of whether or not a taller building is a reasonable means for further achieving Comprehensive Plan goals.

- [Penn Avenue Vision and Implementation Framework](#)(2016): This document is intended to guide decision-making and future investments in multimodal transportation, land use, economic development, housing and placemaking. It was developed by Hennepin County, Metro Transit, and the City.
- [Lowry Avenue Strategic Plan \(2010\)](#): The County-owned properties identified in this RFP were declared excess or surplus by Hennepin County in 2010. The properties are currently the subject of a redevelopment project as defined by Minn. Stat. Chapter 469.

Development Area Zoning Information

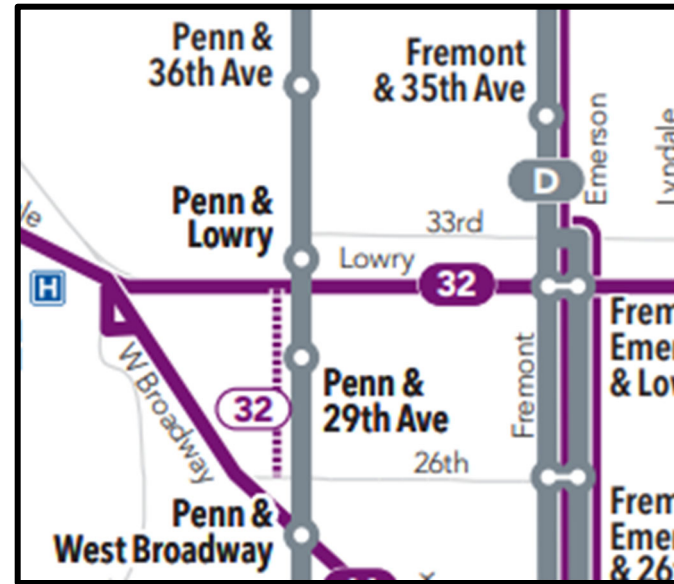
All parcels in Development Areas 1, 2, and 3 are zoned CM2 Corridor Mixed Use. This district allows small-, moderate-, and large-scale commercial uses. Mixed-use, multi-story development is encouraged. For more information on what uses are allowed in this district, consult the [use table](#) in the City’s zoning code (Chapter 545, Section 545.100).



Transit Service

The Lowry and Penn area is well served by Metro Transit.

- C Line, a Bus Rapid Transit (BRT) line operates north and south via Penn Avenue. The route runs from Downtown Minneapolis to Brooklyn Center.
- D Line BRT is within walking distance of the development areas. The line runs from the Brooklyn Park Transit Center to the Mall of America through downtown Minneapolis.
- Route 32 is an intercity bus route that runs between Robbinsdale and Roseville.



Environmental Conditions/As-Is Sale

Hennepin County retained Pinnacle Engineering in 2016 to complete a Phase I environmental site assessment (ESA) on all of the redevelopment parcels, and a Phase 2 ESA on the County-owned parcels as [Attachment 4](#). Respondents to the RFP should review this information in detail prior to submitting a redevelopment proposal.

The City and the HCHRA will sell properties “as-is.” It is the developer(s)’ responsibility to identify, correct, and pay for all costs associated with any environmental remediation related to the redevelopment of the sites. If a proposal requires environmental remediation of any portion of the property the developer(s) may request that the City, subject to City Council approval, sponsor a pollution remediation grant application. Being selected as the developer of the properties addressed in this RFP in no way guarantees funding environmental assessment, planning, and/or cleanup.

Public Financial Assistance

The City, County, HCHRA, and other public entities offer financial assistance programs for the development of affordable housing, commercial redevelopment, transit-oriented development, and brownfields cleanup. These are highly competitive processes and use of public financial assistance may trigger other requirements on the project, such as prevailing wage and underutilized business goals. [Attachment 5](#) provides a list of programs that support real estate development activities. Being selected as the developer of the properties addressed in this RFP in no way guarantees funding via other financial assistance programs.

Proposers are encouraged to consider applying to the Hennepin County Coordinated Request for Proposals and/or the Transit Oriented Communities Program Request for Applications in 2025. More information can be found here:

- [Coordinated affordable housing development RFP | Hennepin County](#)
- [Transit Oriented Development \(hennepin.us\)](#)

Community Engagement

The City of Minneapolis has established a citizen participation process for development projects impacting neighborhoods and values advice/input from the public obtained through this process. There are two neighborhood groups officially designated to provide input on responses to this RFP. Penn Avenue is the boundary between the two neighborhoods.

- East side of Penn: [Folwell Neighborhood Organization](#). The organization can be contacted via email at info@folwell.org or via telephone at 612-643-1686.
- West side of Penn: Cleveland Neighborhood Association. The organization can be contacted via email at info@clevelandneighborhood.org or via telephone at 612-588-1155.

Project Teams

The City and County encourage the creation of project teams that include emerging developers and businesses, organizations, and/or individuals with established connections to the Lowry and Penn project area or greater North Minneapolis community. Those who have participated in the City's DTAP program or other developer readiness programs are encouraged to submit proposals.

Proposal Contents

Proposals must include the following information.	
1	Cover page that includes the Developer’s contact information
2	Offer price for Development Area
3	<p>Project Description</p> <ul style="list-style-type: none"> a. Describe how the project works to achieve the development priorities as well as public benefits that will result from the development. This could include elements such as the number and types of housing units, the creation and/or retention of jobs (including the estimated number, full vs. part-time, and wage levels), the provision of retail goods and services, the incorporation of public art and/or cultural elements, etc. b. Details related to the size and square footage of specific building components, amount and type of parking spaces, anticipated materials and design/style concept, circulation patterns, proposed public realm improvements, loading/service provisions, etc. c. <u>Housing proposals</u>: Provide tentative information about the bedroom compositions, sale prices and/or rents, affordable housing income levels to be served (if the proposal includes affordable housing) amenities/services to be included. d. <u>Commercial proposals</u>: Describe the anticipated types of tenants and expected prices and/or rents and if any affordable commercial spaces will be provided. e. <u>Mixed-use proposals</u>: Describe elements from c and d above.
4	Market study, letters of intent from commercial tenants, or other information documenting the residential and/or commercial demand for the proposed development.
5	<p>Identification of the entities that will be involved and the roles they will play (e.g., developer, architect, building owner, property manager, professional consultant, tenant).</p> <ul style="list-style-type: none"> a. Design consultants on the team must be licensed in the State of Minnesota and contractors must be licensed to work in the City of Minneapolis b. Submission must include a certification that identified team members meet these requirements.

6	Description of the Development team’s experience in implementing similar projects (e.g. location, type and scale of development, experience working with public entities, etc.) and history, if any, working within the North Minneapolis community. Supporting documentation substantiating claims of previous experience may be requested.
7	Summary of any lawsuits or judgements to which the proposer or any principals of the proposer have been a party.
8	Two years of financial statements, which may be submitted confidentially to the CPED Director under separate cover.
9	Proposed timeframe for the development, including identification of any conditions that must be met before full funding is achieved and the proposal can become a reality. The schedule should include the time needed to obtain financing, complete design and secure permits and approvals, prepare the site, start and complete construction, and start and complete occupancy. Also identify anticipated planning and/or zoning approvals that will be required (i.e. rezoning, alley or street vacations, conditional use permits, variances, etc.)
10	<p>Project Proforma</p> <p><i>a. Affordable housing proposals:</i> Submit a completed Minnesota Multifamily Rental Housing Common Application (Attachment 6) available on the City’s RFP website. Ownership or rental multifamily residential development must be in conformance with the City of Minneapolis’s Unified Housing Policy. This policy establishes minimum affordability and design requirements for City-owned land sold for residential development. For rental housing, at least 20% of the units must be affordable to and occupied by households earning 60% or less of the Area Median Income (AMI) for at least 30 years. For ownership development, at least 10% of the units shall be affordable to and occupied by households earning 80% or less of AMI for 30 years (Attachment 1).</p> <p><i>b. All other proposals:</i> Submit development proforma that 15-year operating cash flow analysis.</p>
11	Executed “Consent for Release of Response Data” form (Exhibit B). <i>Proposals that do not include this form shall be considered incomplete, which is grounds for rejection of the entire proposal.</i>
12	Any other information that would help City and/or County staff understand and evaluate the development proposal.

The contents of the proposal and any clarification to the contents submitted by the successful proposer may become part of the contractual obligation and be incorporated by reference into the redevelopment contract between the selected developer and the City. Developers responding to this RFP are not required to provide a deposit on the land with their proposals. Earnest money (or good faith deposit) is expected from the selected developers. Amounts and terms will be negotiated as part of the purchase agreement.

RFP Pre-Proposal Meeting and Inquiries

A virtual RFP informational meeting will be held on December 12, 2024, from 5:00 to 6:00 PM to answer prospective proposers' questions.

Please email Jamie Radel at Jamie.radel@minneapolismn.gov to RSVP your attendance to the virtual meeting. You will receive a link to the Microsoft Teams meeting as confirmation.

If unable to attend the Questions regarding the RFP Pre-Proposal Meeting, potential proposers should direct questions via email to the following City and/or County staff representative:

Jamie Radel, Senior Project Coordinator
Email: jamie.radel@minneapolismn.gov

Ryan Kelley, Community Development Manager
Email: ryan.kelley@hennepin.us

All questions are due no later than December 16, 2024. The department contact person is the only individual who can be contacted about the project by proposers before the proposal deadline. The department contact cannot vary the terms of the RFP. All questions and corresponding answers will be posted on the City's RFP website by December 19, 2024.

Submission Deadline

Proposals are due no later than **January 31, 2025, by 4:00 PM**. Late submissions will not be accepted.

Proposal Submission

Proposals will be submitted electronically via SharePoint. Submit a request via [this online form](#) to be granted access.

To request SharePoint permission, applicants must include:

- Project name and contact information
- Email addresses for each team member that will need access to the application folder

A project folder will be created for all required RFP materials to be uploaded and submitted. If you are submitting for more than one of the development sites, you will need a submission for each of the development site.

Access to the folder will end at the proposal deadline, **January 31, 2025, at 4:00 p.m.**

Evaluation Criteria

In reviewing potential development concepts, the following criteria are among those that will be considered:	
1	The extent to which the proposal adheres to and/or compliments the development priorities in this RFP.
2	The extent to which the proposed development complies with the City’s Comprehensive Plan, the Lowry Strategic Plan and other relevant planning documents for the area as outlined above as well as the City’s zoning code.
3	The proposed project timeline
4	The market and financial feasibility of the project
5	Consistency with the City’s Unified Housing Policy (for housing proposals)
6	The experience and the financial and organizational capacity of the developer in successfully planning and completing development projects of similar type and scale, on time and within budget.
7	Composition of the project team includes emerging developers and/or individuals, organizations, or businesses with connections to the project area or greater North Minneapolis community.
8	The extent to which the proposal helps to diversify the housing market in north Minneapolis and/or brings jobs and desirable commercial/retail businesses to the community.
The City and HCHRA may, at their discretion, expand or reduce the criteria upon which final recommendations to legislative bodies are based.	

Review/Selection Process

Staff from the City, County, and HCHRA will review proposals received by the submission deadline. Proposers may be requested to present their proposals at a meeting attended by the review committee, surrounding neighborhood organizations and interested community members. The review process will likely take approximately 60-90 days to complete. The review committee will make a recommendation as to the projects(s) that best meets the evaluation criteria.

Development Areas 1 & 2

For projects selected in Development Areas 1 & 2, on Hennepin County-owned properties, the Hennepin County Housing and Redevelopment Authority will consider the Committee recommendation for the land sale. If the selected proposal requires additional public investment, staff will determine what types of further analysis, underwriting and/or other processes are required. Unless further analysis indicates that the selected proposal is infeasible, staff will negotiate the terms of the proposed land sale during this period. Please note that selection under this RFP does not convey rights to City, County, or HCHRA financial assistance. The selected development team will need to apply separately to any respective funding programs.

Entitlements for the project will be under the jurisdiction of the City of Minneapolis.

Development Area 3

The Committee recommendation will be considered by the CPED Director and the HCHRA and then forwarded to the City Council for official action. If the proposal is approved, it is anticipated that the County will transfer its property within Development Area 3 to the City who will then negotiate the terms of the redevelopment directly with the developer.

If the City Council approves a development proposal that does not require any public investment, City staff negotiate with the selected developer on the terms of the proposed land sale. If the selected proposal requires additional public investment, staff will determine what types of further analysis, underwriting and/or other processes are required. Unless further analysis indicates that the selected proposal is infeasible, staff will negotiate the terms of the proposed transaction during this period. Please note that selection under this RFP does not convey rights to City or County financial assistance. The selected development team will need to apply separately to any other respective programs.

Once the HCHRA authorizes conveyance of its parcels to the City, redevelopment contract terms between the developer and the City will be negotiated, and any further analysis completed, City staff will return to the City Council for a land sale public hearing and consideration of approval of the land sale and related terms.

Anticipated RFP Timing

The following is an anticipated project timeline, however the actual timing for the selected project will depend on the type and scope of the development.

Timeline*	
RFP released	November 26
RFP information meeting	December 12
Proposal questions due	December 16
Proposal questions posted online	December 19
Proposals due	January 31
Selection recommendation to City Council/Hennepin County	April 2025 (tentative)

**Proposers may be asked to make presentations to neighborhood organizations*

It is expected that a redevelopment contract be executed with the selected proposer within 60 to 90 days of City Council or Hennepin County approval of the land sale and redevelopment terms. Once the City Council approves the land sale and redevelopment terms and a redevelopment contract is executed, the developer will work to finalize the designs, secure all City entitlements, and close on the project financing within 18 months of execution of the redevelopment contract. Please note, neither the City nor HCHRA will close on the land sale or transfer the land until such time that the developer has secured all necessary financing for the project and is ready to start construction.

Data Practices Notification

Under the Minnesota Government Data Practices Act (GDPA), Minnesota Statutes Ch. 13, public disclosure of RFP response data prior to execution of a contract is restricted. To meet the City’s citizen participation goals, the City requires each proposer to execute and submit a “Consent for Release of Response Data” form as attached to the Development Proposal Information Form. Failure to submit the “Consent for Release of Response Data” will be grounds for rejection of the entire proposal as unresponsive.

Notwithstanding the foregoing, if a proposer wishes to claim data submitted in response to this RFP is not public under the GDPA, the proposer may submit such information under separate cover along with a legal opinion outlining the argument as to why said materials are not public for the City to consider before responding to a GDPA request. The City will only hold such information as nonpublic if the City agrees with the proposer’s legal opinion.

Rights Reserved

The RFP does not commit the City and/or Hennepin County or the HCHRA to sell property or to pay any costs incurred in the preparation of a proposal in response to this request. The City and Hennepin County reserve the right to accept or reject any or all proposals received as a result of this RFP, to not accept the highest offer, or to negotiate with all qualified proposers, to use any or all proposers ideas and/or approaches presented, or to cancel in part or in its entirety this RFP, if it is in the best interest of the City and/or Hennepin County to do so. The anticipated conveyance process among the entities outlined in this RFP may be modified. The City and/or Hennepin County may require the entities selected to participate in negotiations to submit any fiscal, technical, or other revisions to their proposals that may result from negotiations.

Proposer's Costs

The City, County, and HCHRA shall not be responsible for any costs incurred by Proposer in connection with this RFP. Proposer shall bear all costs associated with proposal preparation, submission, and attendance at interviews, or any other activity associated with this RFP or otherwise.

Proposer's Ideas

The City, County, and HCHRA reserve the right to use any or all ideas, concepts, or other information provided in any proposals. Selection or rejection of the proposal does not affect this right.

Collusion

If the City, County, or HCHRA determines that collusion has occurred among Proposers, none of the proposals of the participants involved in the collusion shall be considered. The City and/or County's determination shall be final.

Conflict of Interest

The Proposer affirms that to the best of its knowledge the submission of its proposal, or any resulting contract, does not present an actual or perceived conflict of interest. The Proposer agrees that should any actual or perceived conflict of interest become known, it will immediately notify the City, County, and HCHRA and will advise whether it will or will not avoid, mitigate, or neutralize the conflict of interest.

The City and/or County or HCHRA may make reasonable efforts to avoid, mitigate, or neutralize a conflict of interest by a Proposer. To avoid a conflict of interest by a Proposer, the City and/or County or HCHRA may utilize methods including disqualifying a Proposer from eligibility for a contract award or cancelling the contract if the conflict is discovered after a contract has been issued. The City and/or County or HCHRA may, at its sole and absolute discretion, waive any conflict of interest.

List of Attachments

Attachment 1: [City of Minneapolis Unified Housing Policy](#)

Attachment 2: [Land Use Handbook](#)

Attachment 3: [Built Form Overlay District Handbook](#)

Attachment 4: [Environmental Reports](#)

Attachment 5: [List of Financial Resources](#)

Attachment 6: [Minnesota Housing Workbook](#)