

**REQUEST FOR REDEVELOPMENT PROPOSALS
FOR CITY-OWNED REAL PROPERTY AT
2313 13th AVENUE SOUTH**

Released: Friday, March 20, 2015



**SUBMISSION DEADLINE:
Thursday, April 23, 2015, 4:00 pm**

Issued by:



**City of Minneapolis – Community Planning and Economic
Development**

105 Fifth Avenue South, Suite 200
Minneapolis, Minnesota 55401 www.ci.minneapolis.mn.us/cped

Contact Mark Garner at mark.garner@minneapolismn.gov
for issues specific to this RFP

TABLE OF CONTENTS

INTRODUCTION.....	3
PROPERTY DESCRIPTION AND BACKGROUND	4
REDEVELOPMENT GOALS	5
ENVIRONMENTAL CONDITIONS.....	8
LAND PRICE	8
PROPOSAL DEADLINE AND SUBMISSION REQUIREMENTS.....	8
RFP INQUIRIES.....	9
PROPOSAL CONTENTS	10
EVALUATION CRITERIA	13
Citizen Participation.....	14
Review/Selection Process	14
TIMING.....	15
CITY CONTRACTING REQUIREMENTS.....	15
LIST OF EXHIBITS.....	17
FORM OF CONSENT FOR RELEASE OF RESPONSE DATA.....	18

INTRODUCTION

The City of Minneapolis (“City”) is seeking proposals for the acquisition and redevelopment of a vacant City-owned development property located at 2313 13th Avenue South. The parcel is 37,621 square feet (.82 acres). The irregularly shaped parcel is located at the NE corner of 24th Street and 13th Avenue South in the Ventura Village neighborhood in south Minneapolis.

Only proposals for new property development that are consistent with the City’s development goals for this property will be considered. The City does not sell property for speculative purposes. Conveyance of the City property occurs only when the proposed project has secured City Council approval, project financing and land use approvals.

The City’s has three primary development goals for the property:

- 1. Develop a commercial, institutional or public land use that complies with the zoning requirements in high density office residence (OR2) zoning districts.**
- 2. Serve the local community and promote equitable development by reducing disparities in available jobs, job training, commercial or human services.**
- 3. Implement and Promote Sustainable Development.**

The City of Minneapolis will consider complete and responsive development proposals that are consistent with the development goals for this property.

Site Facts

- Address: 2313 13th Avenue South, Minneapolis, MN 55404
- Property ID#: 35-029-24-12-0244
- Acreage of Site: .82 acres
- Sq. Ft. of Site: 37,621
- Zoning: OR2 (High Density Office Residence District)
- Current Land Use: Vacant Land
- Market value: \$184,960 (\$5.00 per square foot)
- Ward: Sixth Ward, Council Member Abdi Warsame
- Neighborhood: Ventura Village

Proposals are due in City offices at 105 5th Avenue South, Suite 200, Minneapolis no later than 4:00 p.m. local time on Thursday, April 23, 2015.

Project staff will hold an optional pre-proposal meeting on Tuesday, March 31, 2015 at 1:00 p.m. at the CPED offices in the Crown Roller Mill Building to discuss the RFP and answer questions (105 Fifth Avenue South, Suite 200, Minneapolis).

Aerial Photo of Site Location
(North is at top of photo)



PROPERTY DESCRIPTION AND BACKGROUND

2313 13th Avenue South is a vacant City-owned development property located at the NE corner of 24th Street and 13th Avenue South, in Ward 6 in the Ventura Village Neighborhood. The parcel is 37,621 square feet (.82 acres), and is irregularly-shaped. A survey of the parcel is available on the CPED RFP webpage under Business Development at www.minneapolismn.gov/cped/rfp/index.htm

The subject property is located in an area designated in the Minneapolis Plan for Sustainable Growth as an Urban Neighborhood. Because of its location close to downtown, and to Franklin and Bloomington Avenues, the surrounding area includes a cluster of more intensive neighborhood-serving non-residential uses; including the Waite House, the Minnesota Indian Women's Resource Center and the American Indian Health Board; as well as lower density uses such as the 24th Street Community Gardens, single family houses, townhomes, and supportive housing.

2313 13th Avenue South is the last remaining undeveloped site from a larger two-block land assembly completed by the City of Minneapolis between 1991 and 1994 that included the former Lutheran Deaconess Hospital campus as well as several adjacent vacant and blighted single-family properties. The parcels are located in the Model City project area and CDBG funds were utilized to acquire and demolish properties and remediate blight. Other properties from the former campus have been subdivided, sold and renovated or redeveloped during the past two decades.

Between 2003 and 2009, there were several unsuccessful attempts to construct housing on the property. Since that time, the subject property has not been actively marketed for sale by the City, and there had been no market interest expressed in this property. However, recently the City has received serious inquiries about the sale and development of this property and is issuing this request for proposals to create a competitive development solicitation process and secure the most beneficial redevelopment that is consistent with the City's property development goals.

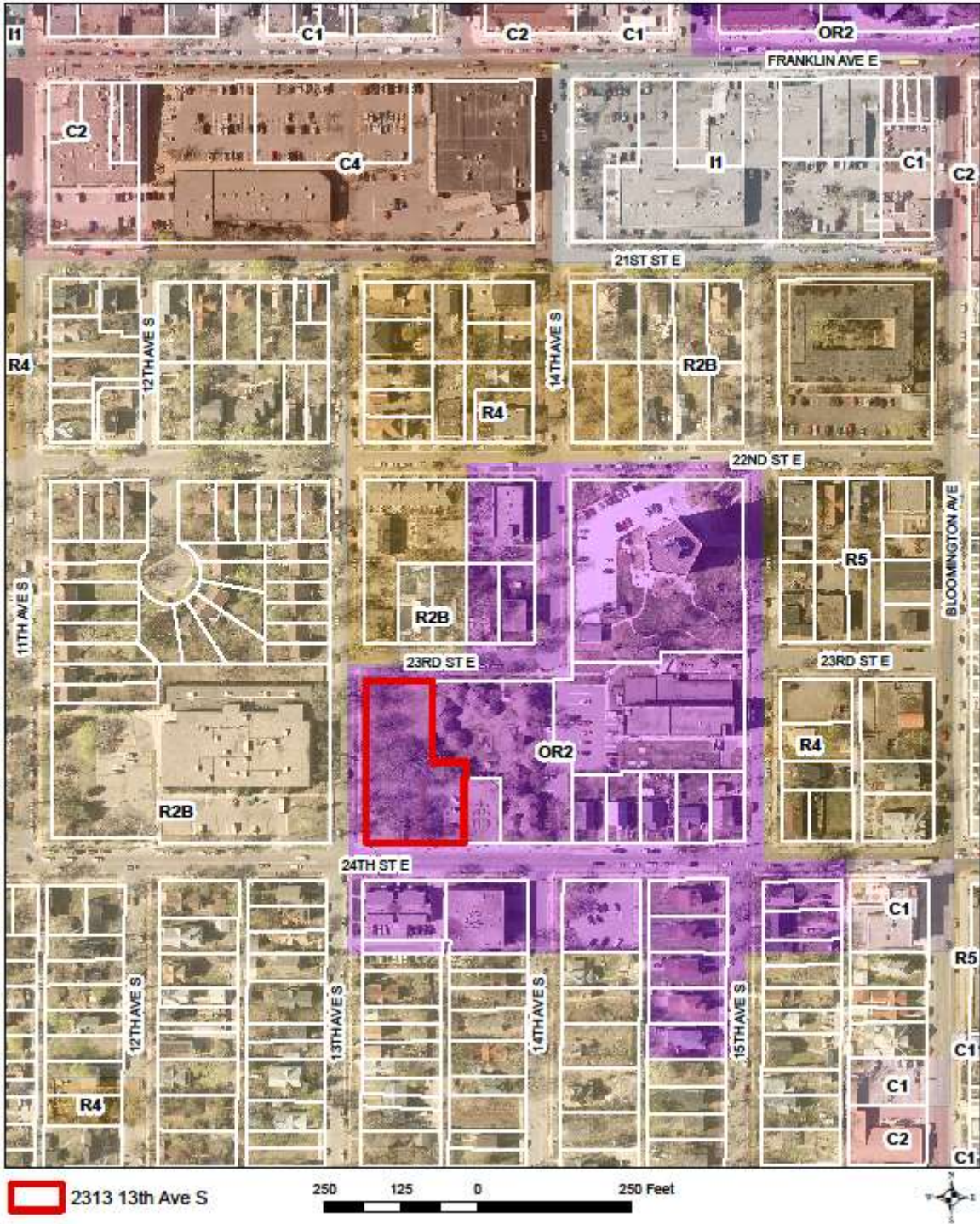
The subject property is zoned OR2 which is the High Density Office Residence District (see the attached map). This zoning district is established to promote a mixed-use environment that may include office buildings, community service uses, and moderate to high-density dwellings, as well as limited small-scale retail spaces in mixed-use buildings to serve the immediate surrounding neighborhood. The district is intended to serve as a transition between higher density uses and the surrounding low or moderate density residential neighborhoods. **Responsive proposals to this RFP must be consistent with both the existing OR2 zoning and the City's specific redevelopment goals for this property.**

REDEVELOPMENT GOALS

The City of Minneapolis will consider all complete and responsive proposals that are consistent with the development goals for this property. Proposals may be submitted by for-profit or non-profit proposers and their development teams for economically viable development that can be either owner-user or investment property, for either single tenant or multi-tenant use.

ZONING MAP

2313 13th Ave S



There are three primary redevelopment goals for this property.

1. Develop a commercial, institutional or public land use that complies with the zoning requirements in OR2 zoning districts.

Responsive proposals will be development projects that are permitted commercial, institutional or public land uses in high density office residence zoning districts (OR2), as defined in the Minneapolis zoning code. Land uses, building scale and site plans should be consistent with the development standards for that zoning district, including restrictions on the size and number of retail uses.

2. Serve the local community and promote equitable development by reducing disparities in available jobs, job training, commercial or human services.

The City of Minneapolis is committed to citywide economic opportunity and social equity, and has adopted City goals and strategies that promote these outcomes. These City goals and strategic directions are available at:

<http://www.ci.minneapolis.mn.us/citygoals/>

According to a recently released report by the Metropolitan Council entitled “Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region,” the subject property is located in a racially concentrated area of poverty, where there are inadequate opportunities for equitable access to employment and business opportunities, human services, youth and adult job and entrepreneurship training, or commercial services.

Proposals that serve existing neighborhood residents and promote comprehensive and equitable community development by reducing equity gaps in available jobs or human services; and providing jobs, job training, and/or needed human or commercial services will receive preference.

3. Implement and Promote Sustainable Development.

The City of Minneapolis is committed to sustainable development and environmental health. Within this commitment, the City has adopted 26 indicators and a Climate Action Plan to address citywide sustainability. Competitive proposals will maximize the incorporation of elements that address the City’s overall goals for sustainability.

Sustainability Indicators -

<http://www.ci.minneapolis.mn.us/sustainability/indicators/index.htm>

Climate Action Plan –

<http://www.ci.minneapolis.mn.us/sustainability/climate/index.htm>

Proposers should describe how their development project and building use promotes environmental sustainability in areas such as construction techniques and building materials, site design and stormwater management, efficient building systems and energy use, and proposed commercial or human service uses occurring on-site.

ENVIRONMENTAL CONDITIONS

The City has a Phase I Environmental Assessment, dated August 15, 2014, which was prepared by Terracon Consultants, Inc. The Phase 1 Environmental Assessment is available on the City RFP webpage for this development solicitation. There are no known geo-technical reports completed for this site. The developer selected for the project will be provided an opportunity to conduct additional environmental testing under a Right of Entry Agreement with the City.

LAND PRICE

The review appraisal for the parcel was updated in December, 2014 and established the fair market value of the property as \$184,960 (\$5.00 per square foot) if sold for a neighborhood services reuse that is consistent with the OR2 zoning.

Submittals must include an offer price, which will be one of multiple criteria for evaluating proposals. It is the City's policy to sell redevelopment property at its fair market value. Write-downs from that value are considered public financial assistance and may trigger other requirements for the project. Offers that require a write-down are discouraged. The City expects full and complete payment for purchase of the Site by the selected developer at the time of closing.

PROPOSAL DEADLINE AND SUBMISSION REQUIREMENTS

Proposers must submit copies of their proposals as follows:

One (1) unbound copy

One (1) electronic version in PDF format on a CD or USB Drive, including Excel files for project financial information as described below.

Proposals must be on standard 8 ½" by 11" paper. All supporting documentation must be on paper no larger than 11" by 17".

Proposals and supporting documentation must be submitted in a sealed envelope labeled **“2313 13th Avenue South Redevelopment Proposal.”**

E-mailed or telefaxed proposals will not be accepted. Proposers may choose to provide additional copies if and when invited to do so for presentation purposes. Submissions will not be returned.

Proposals shall be delivered to the City on or before:

4:00 p.m. (local time) Thursday, April 23, 2015

Proposals shall be delivered to:

**Mark Garner, Senior Project Coordinator
City of Minneapolis, Department of CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401**

Proposals received after the deadline will not be accepted. It is neither CPED’s responsibility nor practice to acknowledge receipt of any proposal. It is the proposer’s responsibility to assure that a proposal is received in a timely manner.

RFP INQUIRIES

Prospective proposers may only direct questions in writing to the department contact person:

Mark Garner, Senior Project Coordinator
City of Minneapolis, Department of CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401
Email: mark.garner@minneapolismn.gov

Project staff will hold an optional pre-proposal meeting on Tuesday, March 31, 2015 at 1:00 p.m. at the CPED offices in the Crown Roller Mill Building to discuss the RFP and answer questions (105 Fifth Avenue South, Suite 200, Minneapolis).

A summary of the meeting will be posted on the CPED RFP webpage under Business Development at www.minneapolismn.gov/cped/rfp/index.htm

All additional questions are due in writing no later than **Monday, April 6, 2015 at 4:00 p.m.** Questions will be answered in writing and posted on the CPED web site by Friday, April 10, 2015. Proposers are encouraged to monitor the CPED RFP webpage for this solicitation.

The department contact person is the only individual who can be contacted about the RFP by proposers before the proposal deadline. The department contact cannot vary the terms of the RFP.

PROPOSAL CONTENTS

Proposals must include the following information to be deemed complete and responsive and must be in the following order and with corresponding section numbering (all proposals must include page numbers). Select items below must be presented in special format as noted. **Proposals deemed incomplete and/or non-responsive will not be considered.**

Proposals for this site will be accepted from for-profit or non-profit entities and development teams; for projects that are either owner-user or investment properties; and for either single-tenant or multi-tenant uses that are generally consistent with the site zoning. Proposal contents should be complete and reflect the specific ownership, financing and funding sources, and land use features of the proposed project.

The information being requested by this RFP is necessary for the City to adequately evaluate your proposal. Failure to supply the requested information may result in rejection of your proposal. The City is not responsible for the costs incurred by proposers or their subcontractors in connection with this RFP process, including, but not limited to costs associated with preparing a proposal or associated with participating in any presentations or negotiations related to this RFP.

- 1. A cover page that includes the following information:**
 - a. Proposer's name and mailing address
 - b. Proposer's current legal status: corporation, partnership, sole proprietor, non-profit, etc.
 - c. Federal ID number or Social Security number
 - d. State ID number
 - e. Contact person's name, title, phone number and e-mail address
 - f. Signature of authorized corporate officer for each entity proposing as a partnership or team

- 2. A complete description of the proposed redevelopment including narrative, preliminary schematic plans and elevations** (e.g., size of building and square footage of specific components, nature of improvements, number of parking spaces, development plan, anticipated materials and design style, "green")

building features and techniques, circulation patterns, loading/service provisions) to be built on the site. If applicable, information should be included about the anticipated type of tenants expected and rents.

3. An **identification of the entities** that will be involved, including the following information:
 - a. A description of the roles they will play (e.g., developer, architect, building owner, property manager, tenant, professional consultant).
 - b. A summary of the development team's past experience in working together.
 - c. A description of the entity's experience in developing similar projects, including location, type of development, proposer's role(s), cost of project, funding sources, status of project, and information about any continued financial or operating interest in each.
 - d. Include specific previous relevant experience with public entities, including reference contact information. The City may ask for supporting documentation substantiating claims of previous experience.
 - e. Summarize any lawsuits to which the proposer or any principals of the proposer have been a party.
 - f. Identify the principal person who will speak for the development team and any other key participants who will be involved in negotiating the project terms.
 - g. Specify whether the development team is or intends to form a corporation, a general or limited partnership, a joint venture or other type of business association to carry out the proposed development.
 - h. The proposer must also provide two years of financial statements, which may be submitted confidentially to the CPED Director under separate cover.
 - i. 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. The submission must include a certification that identified team members meet these requirements.
 - j. Identify any other business or property holdings in the greater Phillips Community (area bounded on the north by I-94, on the west by I-35, on the South by Lake Street and on the east by Hiawatha Avenue) and participation in any businesses, business partnerships, or community-based partnerships in this area.

4. A **development budget** showing the detailed sources and uses of all funds (including debt, equity and other funding sources) to acquire and redevelop the site (including any tenant improvements). Include the offer price for the land. Insure that the capital pro forma breaks out project costs to indicate all developer and professional fees. Information as to the status of securing those funds should be included, and inclusion of a conditional financing commitment is strongly

encouraged. If the capital budget includes significant public or foundation grants, describe the project's proposed capital campaign and provide evidence of previous success with grantors. Clearly indicate any public funding assistance to be requested. If the project includes multiple uses, the development budget should be broken down by the component uses (commercial, office, etc.). **Please provide one electronic and editable copy of the development budget and pro forma including all underlying assumptions and equations in .xls format.**

5. An **operating pro forma** of at least 10 years for the building operation, including the assumptions underlying the income and expense projections. Clearly indicate assumptions, when applicable, for operating expenses, growth rates, debt service, capital and operating reserves, taxes, rental rates, and vacancy rates. If the project includes multiple uses, the operating pro forma should be broken down by the component uses. If appropriate, also show the cash-on-cash return, internal rate of return, and available cash flow. If the project operating budget relies upon income derived from program revenues, public or foundation grants, provide evidence of previous successful revenue raising and funding experience. Detailed pro formas in a format acceptable to CPED will be required during the negotiation of a redevelopment agreement. **Please provide one electronic and editable copy of the pro forma including all underlying assumptions and equations in .xls format.**
6. A **market study, letters of intent from tenants, documentation of local demand for social or human services**, or other information documenting the demand for the proposed space.
7. A **description of how the proposed project meets each of the three development goals identified for this property**. Also include a description of the additional public benefits that will result from the development, such as the jobs created or retained (including the estimated number, type and wage levels), the provision of retail goods, commercial or human services, etc. This should include an estimate of the taxable value upon completion and annual real estate taxes.
8. A **proposed timeframe** for the development, including identification of any conditions that must be met before 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 and/or lease-up.
9. **An executed "Consent for Release of Response Data" form** (Attachment 1). Proposals that do not include an executed "Consent for Release of Response Data" form shall be considered incomplete which will be grounds for rejection of the entire proposal.

10. Any **other information** that would help City staff understand and evaluate the concept.

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.

Development teams/developers responding to this RFP are not required to provide a deposit on the land with their proposals. However, the development team whose proposal is ultimately selected by the City Council must make the required deposit of 10% of the Purchase Price at the time that the land sale is approved. This good faith deposit will be held by the City until the project is complete.

EVALUATION CRITERIA

In reviewing potential development concepts, the following criteria are among those that will be considered:

1. The experience and the financial and organizational capacity of the developer and development team in successfully planning and completing development projects of similar type and scale.
2. The extent to which the proposed development is in compliance with the Minneapolis Zoning Code, comprehensive plan, and other relevant planning documents for the area.
3. The extent to which the project achieves the three development goals identified for this property.
4. Quality of proposed development, including site plan and building design.
5. The extent to which the project can move forward on the proposed timetable.
6. The market and financial feasibility of the project.
7. The anticipated ability of the project to secure necessary private or public funds.
8. The public benefits that would be provided by the project, including the proposed land price.
9. Overall quality of the submission.

The City may, in its sole discretion, expand or reduce the criteria upon which it bases its final decisions regarding selection of the development team or developer for this site.

Citizen Participation

The City of Minneapolis has established a citizen participation process for development projects impacting neighborhoods and values input from the public obtained through this process. The neighborhood group officially designated to provide input on responses to this RFP is the Ventura Village Neighborhood Association. Proposers may be required to attend a community meeting to discuss their proposed project. Additional information on a presentation, location, and participation will come after the submission date. All responsive proposers that wish to be considered for development rights must be present and deliver a professional presentation on their proposal if there is a community meeting.

Under the Minnesota Government Data Practices Act, Minnesota Statutes Ch. 13, public disclosure of RFP response data prior to execution of a contract is restricted. In order 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 this RFP as Attachment 1. 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 proposers are being asked to provide financial statements as part of the RFP response, proposers may submit such financial statements under separate cover and it will be treated consistent with the Minnesota Government Data Practices Act.

Review/Selection Process

A committee comprised of City staff will review proposals received by the due date that are deemed complete and responsive. Input and comment also will be sought from the Ventura Village Neighborhood Association. This review will occur in April and May 2015, with City Council action to select the preferred developer and award exclusive development rights expected in late June or early July 2015.

If the City Council selects a development proposal, staff will proceed to negotiate with the selected developer the terms of the proposed land sale and redevelopment agreement, while the developer pursues their project financing commitments and design development. Once redevelopment contract terms have been negotiated and project feasibility is confirmed, staff will return to the City Council for a land sale public hearing and consideration by City Council of the approval of the land sale and related terms.

The City reserves the right to reject any or all proposals or parts of proposals, to negotiate modifications of proposals submitted, and to negotiate specific work

elements with a proposer into a project of lesser or greater magnitude than described in this RFP or the proposer's reply.

TIMING

It is the City's desire that developer is identified as soon as possible and that construction of the selected project would commence within about 18 months.

Following is the anticipated timeline (subject to change):

Pre-proposal meeting at CPED offices	Tuesday, March 31, 2015, 1:00 p.m.
RFP Questions due:	Monday, April 6, 2015, 4:00 p.m.
Submission deadline for proposals:	Thursday, April 23, 2015, 4:00 p.m.
Review/evaluation of proposals and neighborhood review:	April to May 2015
Recommendation prepared for City Council Community Development & Regulatory Services Committee on the selected developer:	June 2015
Final action by City Council on Developer Selection:	June or July 2015
Land Sale and Business Term Authorization from City Council:	TBD
Land Sale Closing and Start of Construction:	TBD - Fall 2016

CITY CONTRACTING REQUIREMENTS

The selected developer will be required to enter into a redevelopment contract with the City that will contain standard City requirements such as insurance and indemnification and provisions to ensure redevelopment of the Property, e.g., construction and financing plan approval prior to commencement of construction, transfer and encumbrance limitations prior to completion, and reversionary rights. Other requirements vary depending upon the type of development and the source and amount of public investment, if any.

The following list is not exhaustive. Proposers unfamiliar with these standard requirements are urged to seek further information from City staff.

1. Equal opportunity (affirmative action and nondiscrimination). If the project receives public financial assistance over \$50,000, the selected developer will be required to submit a written affirmative action plan to the City's Department of Civil Rights for the development project. During the performance of the development contract, the selected developer also will be required to comply and cause its contractors to comply with applicable provisions of Chapters 139 and 141 (Title 7, Civil Rights), Minneapolis Code of Ordinances, and other applicable federal, state and local regulations, statutes and ordinances pertaining to civil rights and nondiscrimination.
2. Job Linkage. The Job Linkage Program links economic development with employment. The purpose of the program is to insure increased employment opportunities for Minneapolis residents. All commercial/industrial development projects whose primary purpose is job creation or retention must establish and report on certain workforce goals for five years.
3. Prevailing Wage Policy. If the City provides assistance to the developer as defined in the City's Prevailing Wage Policy, the developer must covenant and agree to cause its general contractor to comply with the wage and hour standards issued by the United States Secretary of Labor pursuant to the Davis Bacon Act, 40 U.S.C. Sections 276a to 276a-5, as amended, and the Contract Work Hours and Safety Standards Act, 40 U.S.C. Sections 327-333.
4. Small and Underutilized Business Program. Development projects that receive public financial assistance over \$100,000 must comply with Chapter 423 of the Minneapolis Code of Ordinances, which requires "good faith efforts" to meet goals for the use of businesses owned by women and minorities in construction and professional services. A list of certified businesses can be obtained by contacting the Small and Underutilized Business Program at 612-673-3076 or at www.mnucp.metc.state.mn.us.
5. Apprenticeships. If the City provides assistance to the developer as defined in the City's Registered Apprenticeship Training Program Policy, the developer must covenant and agree to cause its general contractor and any subcontractors with a construction contract over \$50,000 to provide evidence of participation in an apprenticeship training program registered with the state.
6. Minnesota Business Subsidy Act. Depending upon the level and purpose of public assistance that may be received, provisions of the Minnesota Business Subsidy Act, Minnesota Statutes, sections 116J.993-116J.995, and/or the City's Living Wage Ordinance, Minneapolis Code of Ordinances, chapter 38, may also apply to the project. Should these requirements apply, they will be incorporated into a business subsidy agreement.

LIST OF EXHIBITS

Exhibits and any further information to be posted will be available for download from Minneapolis Department of Community Planning and Economic Development (CPED) RFP webpage under Business Development:

www.minneapolismn.gov/cped/rfp/index.htm

Property Survey

Phase 1 Environmental Site Assessment by Terracon Consultants, Inc., dated August 15, 2014

Extract from Minneapolis Zoning Code for OR2 High Density Office Residential Zoning Districts

Attachment 1

Form of Consent for Release of Response Data

_____, 2015

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: 2313 13th Avenue South Request for Proposals

Consent for Release of Response Data

_____, on behalf of

_____, hereby consents to the release

of its development proposal submitted in response to the Request for Proposals for 2313 13th Avenue South and waives any claims it may have under Minnesota Statutes Section 13.08 against the City of Minneapolis for making such information public.

The foregoing consent and waiver does not extend to financial statements submitted under separate confidential cover, which shall be treated by the City consistent with Minnesota Statutes, Section 13.591.

