

# REQUEST FOR PROPOSALS



## Redevelopment of 3601 East 44<sup>th</sup> Street (Snelling Yards)

On behalf of the City of Minneapolis (“City”), the Department of Community Planning and Economic Development (CPED) is seeking development proposals for the redevelopment of an assembled site currently owned by the City, known as the Snelling Yards Development Site. The site is located one block east of the 46<sup>th</sup> Street LRT Station and Hiawatha Avenue, between 44<sup>th</sup> Street East and 45<sup>th</sup> Street East. The site is bounded by 45<sup>th</sup> Street, the Canadian Pacific Railroad Tracks, 44<sup>th</sup> Street and Snelling Avenue. The site has excellent transit from the Blue line and the A Line. The A Line, or Snelling Bus Rapid Transit (BRT) will be opening this summer and will provide a new and improved bus service to the area. The site is also within walking distance to Minnehaha Falls Park.



Interest in Transit Oriented Development (TOD) along the Blue line is increasing. Development is underway or proposed within the Transit Station Areas of Franklin, Lake Street, 38<sup>th</sup> Street, and 54<sup>th</sup> Street. Low rental housing vacancy rates, especially among units with 3+ bedrooms, suggest strong market demand for units in Transit Station Areas.

The site has been used by the City’s Public Works Department for vehicle maintenance and storage, since the 1930s. Public Works has transferred its remaining functions on the site to the new Hiawatha Maintenance Facility, which now makes the site eligible for redevelopment. Safety Signs of Minnesota is currently leasing a portion of the site on a short-term basis, but otherwise the site is vacant. There are a number of existing buildings on the site which would require demolition as part of the development program.

The single-family homes located on Snelling Avenue are privately owned and are not part of this Request for Proposals.

The site has been subject to City and Neighborhood-led planning work, which is reviewed in more detail below. The site is zoned R5 with a Pedestrian Overlay (PO) district, permitting multi-family residential development.

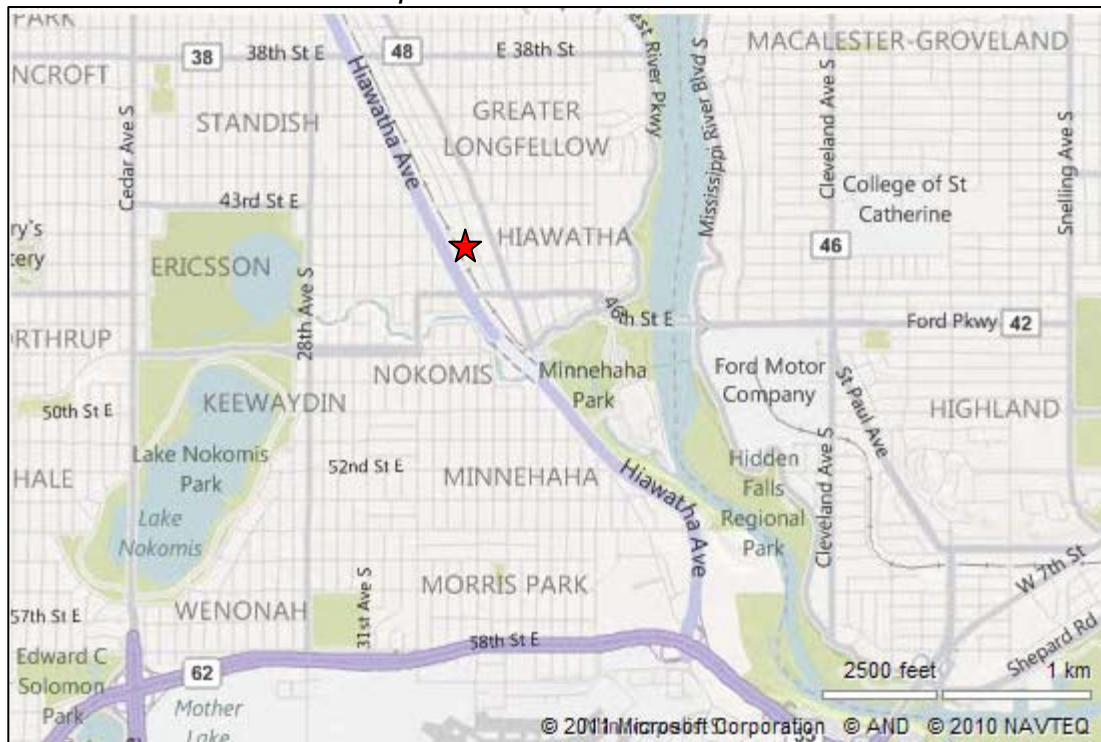
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The asking price for the Site is \$3,610,000 (approximately \$25.19/square foot), based on an appraisal from March 2016. Offer prices will be one of multiple criteria for evaluating proposals. It is City policy to sell property at its fair reuse value; the CPED appraiser will review any selected proposal(s)

### Site Facts

- The Site is a partially-vacant lot of 3.29 acres or 143,337 square feet in size
- The Site is located between Snelling Avenue and the Canadian Pacific Railroad tracks, between 44<sup>th</sup> Street East and 45<sup>th</sup> Street East
- The parcel ID number is 07-028-23-34-0121
- The Site is located in the [Longfellow Community](#)

### Site location within Minneapolis



### Planning and Policy Considerations

There are multiple topics with the redevelopment of the site that respondents should consider when developing their proposals.

### Planning and Zoning

[The Minneapolis Plan for Sustainable Growth](#) (2011)

Transit Station Area, which writes into City policy commonly-identified characteristics of transit-oriented development: high-density housing near the station, a mix of uses to minimize auto dependence, and pedestrian-friendly infrastructure.

Urban Neighborhood, a primarily residential future land use category. Most areas within this designation do not support substantial redevelopment, except sites such as Snelling Yards that are identified in small area plans for land use change.

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[46th and Hiawatha Station Area Master Plan](#) (2001) – This is the City-adopted small area plan for the 46<sup>th</sup> Street LRT station area, providing conceptual-level guidance. It provides land use and transportation recommendations, urban design guidelines, and development standards for commercial and residential development in the station area. The plan identifies specific properties with redevelopment potential and community support for land use change. This was among the first station area plans conducted prior to the opening of the Hiawatha line, helping to introduce transit-oriented development concepts and guidelines to the neighborhood, city, and region. Many of the concepts introduced by this and other early plans have been adopted into citywide development policies and regulations. The plan offers the following specific guidance for the Snelling Yards site:

- Shows a mix of housing types (apartments and townhomes)
- Includes active green space on the site.

The Station Area Plan also highlights the importance of improving the pedestrian experience through public infrastructure investments and careful site design for land development. Environmental sustainability is a central theme of the plan.

[46th and Hiawatha Transit Oriented Development Strategy](#) – This is an implementation study focused on specific strategies for achieving the vision laid out in the 46th and Hiawatha Station Area Master Plan. It provides conceptual site plans for key redevelopment sites, including the Snelling Yards site, as well as infrastructure cost estimates and conceptual designs in order to inform a coordinated, phased approach to redevelopment of the station area. The strategy was developed through a community engagement process and the final document has been posted to the City's web site. A sketch of the preferred concept for the Snelling Yards site is below:



*Conceptual plan of the Snelling Yards site prepared by Olsson Associates*

### Zoning

The site is zoned R5, a multifamily residential district, as well as PO Pedestrian Oriented Overlay District. The current zoning was established to be consistent with City land use policy and will accommodate the development goals of this request for proposals. No zoning change is expected or necessary for the site.

## Environmental

The property will be sold “as-is” and it will be the developer’s responsibility to correct and pay for all costs associated with soil problems. A Phase I and Phase II analysis have been conducted on the site, which have identified only minor environmental contamination (link to reports). If a proposal requires environmental remediation of the site, the City, subject to City Council approval, will sponsor a future pollution grant application upon the developer’s request. The developer will be responsible for all costs associated with the grant application. Any potential proposer may reasonably conduct its own environmental testing of the property by contacting the department contact person, entering into a Right of Entry Agreement with the City and providing the requisite insurance coverage.

## Public Financial Assistance

While the selected project is not required to have an affordable component, the City does offer a number of [assistance programs](#) for the development of affordable ownership and rental housing. Projects may also qualify for other types of non-City public financial assistance such as grants for [brownfields remediation](#). City staff managing the RFP process can help to identify City programs and other financing tools for specific types of redevelopment. Note that the use of public financial assistance, including write-downs on the market value of property, may trigger other requirements on the project.

## Development Objectives

- A. *Maximization of the Site’s development potential.* The site is zoned R5 and PO, which allows for multi-family residential development. Proposals should maximize the site’s buildable potential and support the City’s goals related to growth.
- B. *Implementation of Transit Oriented Development in the 46<sup>th</sup> Street LRT Station Area.* The selected development proposal will be sensitive to existing development, while taking advantage of the site’s proximity to the 46<sup>th</sup> Street LRT Station through features that support transit access and use, including:
  - a. A well-designed system of pedestrian circulation and access
  - b. Structured parking at ratios consistent with reduced demand near an LRT station
  - c. Provisions for car and bicycle sharing and the placement of parking below ground.
  - d. Housing density sufficient to support transit ridership and provision of high-quality shared site amenities
  - e. Context-sensitive site design that includes multiple building massings, with the tallest buildings located on the west side of the property adjacent to the future greenway corridor, stepped back top floors, and first floor units with street level unit entry. Neighbors to the north should be provided some space and privacy from this development. High quality materials on the exterior should help match the fabric of the surrounding neighborhood.
  - f. Innovative environmental sustainability features

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- g. Attention to the adjacent rail road right of way which is planned as a north/south green corridor for pedestrian/bike circulation and storm water management.
- C. *Creation of a new green space within the site.* The Station Area Master Plan includes a new green space on the Snelling Yards site. Development of the site will be subject to the new Park Dedication ordinance ([Minneapolis Code of Ordinances Title 22, Chapter 598, Article V](#)), and the nature of this new green space will be negotiated with the City and Park Board as the development moves forward. The size of the green space should be maximized on the site. The Station Area Master Plan also describes a possible future north-south greenway along the railroad tracks; the proposed development should include a link to this possible future greenway.
- D. *Development of new housing for the neighborhood.* The City of Minneapolis is seeking development proposals for the Snelling Yards site that help diversify the mix of new transit-accessible housing in the 46<sup>th</sup> and Hiawatha Transit Oriented Development Strategy. Preference will be given to proposals that introduce new ownership and/or mixed-income housing to the area. Partnerships are strongly encouraged to accomplish this goal. Development should provide lifecycle housing options including large family units (units with 3 or more bedrooms), senior housing, and/or a range of housing types.
- E. *Development that demonstrates high standards for environmental sustainability.* The selected development proposal will promote environmental sustainability through low impact development features such as landscape preservation, soil amendment, swales, rain gardens, bioretention basins, treebox filters, permeable pavement/pavers, cisterns, rainwater reuse, underground stormwater storage, green roofs, community gardens, and solar panels.
- G. *Development with a diverse owner/partnership model.* The City of Minneapolis will give preference to proposals with a development ownership/partnership model that promotes the City's goal of creating 'One Minneapolis' while also addressing the City's core value of 'Equity'.

## Proposal Submission Deadline

Proposals are due in City offices no later than 4:00 p.m. local time, **July 1, 2016** and should be addressed to:

Minneapolis Community Planning & Economic Development  
Jimmy Loyd, Senior Project Coordinator  
105 Fifth Avenue South, Suite 200  
Minneapolis, MN 55401

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

## Proposal Contents

Proposers must submit copies of their proposals as follows: one unbound copy, and nine (9) bound copies and one electronic version Microsoft Office compatible or in PDF format on CD. Proposals must be on standard 8 ½" by 11" paper. All supporting documentation must be on paper no larger than 8 ½" by 14". Proposals and supporting documentation must be submitted in a sealed envelope or boxed container labeled "Snelling Yards Redevelopment Proposal". Telefaxed proposals will not be accepted.

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Proposers may choose to provide additional sets if and when invited to do so for presentation purposes. Submissions will not be returned. Developers are requested to submit proposals that do not exceed twenty (20) facing pages of information (ten pages double-sided) excluding optional folder, binder, or covers. Text must be in font size no smaller than 11 points and 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). The information being requested through 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 contractors 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. Proposals deemed incomplete and/or non-responsive will not be considered.

Any and all submitted proposals must include the following information and materials:

A cover page expressing the developer's desire to submit the proposal and includes the following information:

- Developer's name and mailing address
- Contact person's name, title, phone number, fax number and e-mail address
- Reference the development site as the Snelling Yards Redevelopment Site
- Signature of authorized corporate officer for each entity proposing as a partnership or team. Developer's current legal status: corporation, partnership, sole proprietor, etc. and supporting evidence/documentation; and
- Federal tax ID number or Social Security number.

In addition to the cover letter, the packet should include the following materials separated by index tabs or dividers including:

Exhibit	Description
A	Completed and Signed Offer to Purchase Property for a Commercial/Industrial or Multifamily/Residential Project (Exhibit B)
B	A description of the public benefits that will result from the development, e.g., the number and types of housing units, the incorporation of public art and/or cultural elements, etc.
C	Market Study or other information documenting the demand for the proposed housing. Reports larger than 50 pages should be delivered by courier or US mail to CPED in hard-copy format on the proposal due date.
D	Completed MHFA Common Application, which can be accessed at: <a href="http://www.mnhousing.gov/wcs/Satellite?c=Page&amp;cid=1358905251684&amp;pagename=External%2FPage%2FEXTStandardLayout">http://www.mnhousing.gov/wcs/Satellite?c=Page&amp;cid=1358905251684&amp;pagename=External%2FPage%2FEXTStandardLayout</a>
E	Form Consent for Release of Response Data (Exhibit C)
F	Documentation of Letter of Interest or Commitment to Finance the proposed development.
G	Complete Set of Design Concept Plans or Renderings (including electronic copies of front elevations and a site plan)
H	Proposed planning and/or zoning approvals (i.e. alley or street vacations, conditional use permits, variances, etc.)

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I	Proposed timeline 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 lease-up and/or sellout.
J	Developer's portfolio of recent similar multi-family housing developments providing details on: project name, location, total development cost, affordability levels, date completed and credentials
K	Proposal Evaluation & Self-Scoring Worksheet (Exhibit E)
L	Minneapolis Department of Human Rights Approved Affirmative Action Plan* (Exhibit D)
M	Completed Request for Small and Underutilized Business Program Goals form which is attached as Exhibit F.

\*If not on file with Minneapolis Department of Civil Rights

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, the City, and MSFA.

Development teams/developers responding to this RFP are not required to provide a good faith 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 – 10% of purchase price – upon execution of the redevelopment contract. The City will hold the deposit until development of the project is complete.

### Inquiries Regarding this Request for Proposal

Prospective responders may only direct questions in writing to the CPED contact person:

Jimmy Loyd  
Minneapolis Community Planning & Economic Development  
105 Fifth Avenue South, Suite 200  
Minneapolis, MN 55401  
Phone: 612.673.5075  
Email: jimmy.loyd@minneapolismn.gov  
Fax: 612.673.5705

All questions are due no later than Friday May 20, 2016. All responses to questions will be addressed on the City's website at: [www.minneapolismn.gov/cped/rfp/index.htm](http://www.minneapolismn.gov/cped/rfp/index.htm) 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. The site may be toured on your own. No appointment is needed to survey the area.

### Proposal Evaluation Criteria

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. Staff will review and rank proposals and make land sale recommendations to the City Council. As any selected development proposal moves forward through City approvals, the Developer will be encouraged to submit their proposals to the appropriate neighborhood group for review. All projects must demonstrate compliance with city and federal requirements.

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In reviewing and evaluating the potential development concepts, the Review Committee will evaluate the proposals based on criteria outlined in the Proposal Evaluation Worksheet attached Exhibit H, which outlines the various criteria that will be evaluated in selecting a successful development proposal.

The City may, in its sole discretion, expand or reduce the evaluation criteria upon which it bases its final decisions regarding selection of the developer for this site. Proposers may self-evaluate their proposal utilizing the self-scoring form attached as Exhibit H and provide relevant comments that justify their designated points in the space provided.

### Citizen Participation

The City of Minneapolis has established a citizen participation process for development projects impacting neighborhoods and values advice and input from the public, obtained through this process. The neighborhood group officially designated to provide input on responses to this RFP is the Longfellow Community Council. 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. The statute may be reviewed by clicking on the link in Exhibit J. 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 is also attached in Exhibit C. 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.

### Timing

It is the City's desire that a redevelopment contract be executed with the selected developer within twelve (12) months of selection and that construction of the proposed development would begin within ninety (90) days thereafter.

The following is the anticipated RFP and development selection timeline:

<b>SNELLING YARDS PROPOSAL SELECTION TIMELINE</b>	
RFP Release Date	April 28, 2016
# Days to Submit Questions	21
Questions due	May 20, 2016
# Days Developers have to Prepare Proposal	64
Proposals Due	July 1, 2016
# Days for Review Committee to review and select proposal	28
Date proposal(s) selected by Review Committee	August 1, 2016
Forward selected proposals to Neighborhood by	September 3, 2016
# of Days for Longfellow to review and comments on proposals	45
Neighborhood Comments to CPED	October 17, 2016
RCA due for CD & RS Committee Meeting (or before)	November 4, 2016
City Council CD & RS Committee Meeting (or before)	November 14, 2016

Redevelopment should be completed by 2019.



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### Review/Selection Process

A review committee has been formed to outline and define this solicitation for development proposals that includes City staff and neighborhood organization representatives. Some or all of the applicants may be requested to present their proposals to the review committee and/or at a neighborhood meeting. It is hoped that this review process will be completed within 21 days of the proposal submission deadline.

The review committee will then make a recommendation on which proposals should be forwarded to the neighborhood for their 45-day review and comment period. The neighborhood organization may then provide their written comments on their preferred proposal which the review committee will take into consideration. The review committee will then make a final decision on which proposal best meets the proposal evaluation criteria. This recommendation will then be forwarded and considered by the CPED Director and then forwarded on to the City Council for action. The review committee reserves the right to reject any and all proposals.

If the City Council concurs with the Review Committee's recommendation on the selected development proposal that does not entail any additional public financial investment, staff will proceed to negotiate with the selected developer the terms of the proposed land sale. If the selected proposal requests 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.

Once redevelopment contract terms have been negotiated and any further analysis completed, staff will return to the City Council for a land sale public hearing and consideration of 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.

### 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, 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. The selected developer 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. *Prevailing Wage Policy*. In accordance with federal Prevailing Wage Policy, the developer must covenant and agree to cause its general contractor to comply with the wage and hour standards

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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. The Davis-Bacon Act requires that all contractors and subcontractors pay prevailing wages as determined by the federal Davis-Bacon wage decision. All contractors and subcontractors subject to the Davis-Bacon Act must provide weekly certified payroll records to the Minneapolis Department of Civil Rights. The signed construction contract that contains the building specifications for the project must contain a copy of the appropriate United States Department of Labor Federal Wage Decision document and the HUD form 4010, Federal Labor Standards Provisions.

The appropriate date for the wage decision shall be the earliest of (i) the date of formal bid opening for either the general contractor (if the general contractor was competitively procured) or for the subcontractor (if the general contractor was not competitively procured) provided the construction contract is awarded within 90 days; (ii) the start of construction; and (iii) the date of the construction contract where complete construction specifications are included, with such wage decision modified and updated as required by federal labor standards.

3. *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](http://www.mnucp.metc.state.mn.us). Proposers must complete and submit Exhibit I Request for SUBP Goals.
4. *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.
5. *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.
6. *Uniform Federal Accessibility Standards.* The development must be in conformance with the Uniform Federal Accessibility Standards as published on April 1, 1988. Developers must describe the accessibility design for people with disabilities of each of the code-required handicapped units, any proposed housing development (e.g., roll in showers), the mix of accessible units in the project and where they are located, and any appropriate safety features for vision- and hearing-impaired people.
7. *Soil Conditions.* The Site will be sold “as is” and it will be the developer’s responsibility to correct and pay for all costs associated with environmental or geotechnical soil problems. Any environmental reports in CPED’s possession regarding the property may be reviewed during normal business hours at the CPED offices by making arrangements with the department contact person. Any potential proposer may also reasonably conduct its own environmental testing of the property

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by contacting the department contact person, entering into a right of entry agreement with the City and providing the requisite insurance coverage.

8. [\*Affordable Housing Policy\*](#). The City's Affordable Housing Policy applies to any residential development (rental or ownership) with ten units or more, or a project with a residential component of 10 or more units, that receives any public financial assistance. Public financial assistance includes the receipt of City-wide resources through the normal, competitive funding processes established by the City, or the receipt of non-City resources that are either passed through the City or requires the City to be a co-applicant.
9. *Rezoning Responsibility*. It is the selected developer's responsibility to undertake and finance any rezoning, variance and use permits necessary for approval of the proposed development.
10. *Utilities*. It is the selected developer's responsibility to identify the locations of and provide for the installation of electricity, gas, water, sewer service and other utilities servicing the site from the public mains to the individual units.
11. *Construction Standards*. Development must meet all Minneapolis City codes, and projects will be reviewed for energy efficiency.
12. *Hold Harmless*. The selected developer shall agree to defend, indemnify and hold the City harmless from any and all claims or lawsuits that may arise from the developer's activities under the provisions of the redevelopment contract, that are attributable to the acts or omissions, including breach of specific contractual duties of the developer or the developer's independent contractors, agents, employees or officers.

**NO LATE PROPOSALS WILL BE ACCEPTED  
EQUAL OPPORTUNITY HOUSING**