

Request for Proposals

for the northeast corner of

Penn-Lowry, North Minneapolis

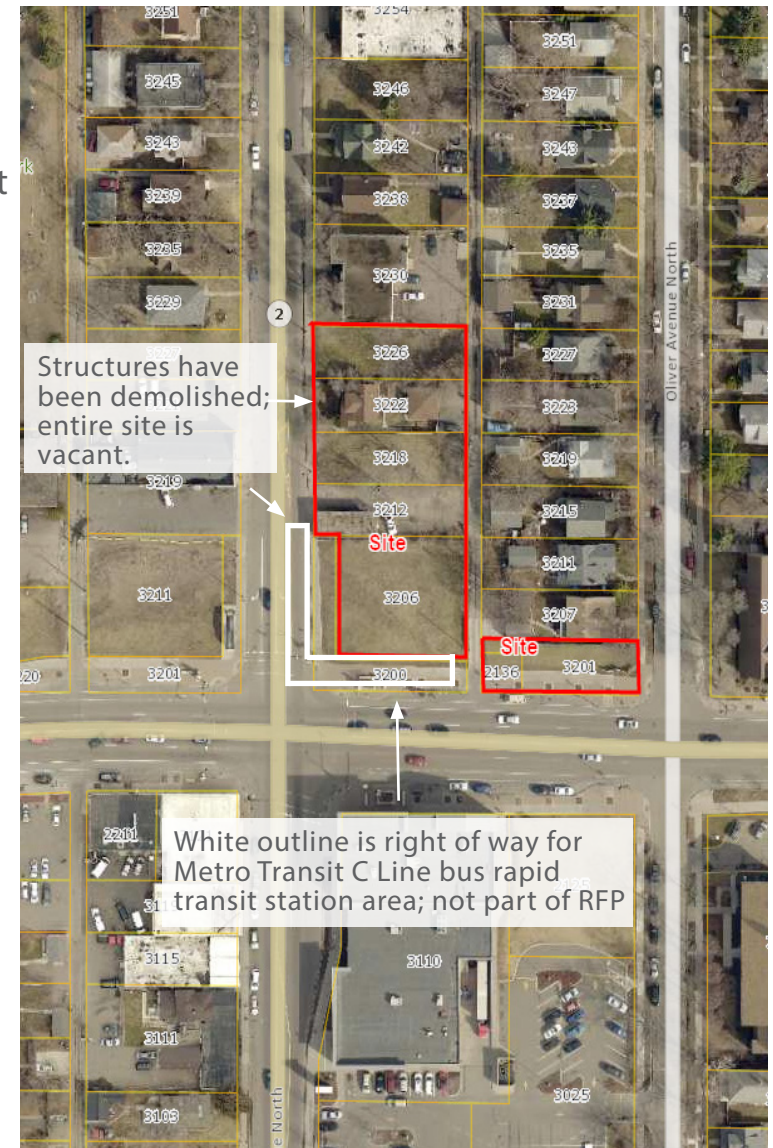


Introduction and Site Summary

The City of Minneapolis (the City) and Hennepin County (the County) are seeking development proposals for certain property located at the northeast corner of the intersection of Penn and Lowry Avenues North in the Folwell neighborhood of north Minneapolis. The Site consists of vacant land owned by the City and County; all structures have been demolished. The Site also borders the Cleveland neighborhood to the west and the Jordan neighborhood to the south. The Site totals approximately 36,391 square feet and includes 7 vacant parcels.

Proposals shall be delivered to the City on or before **4:00 p.m. on Tuesday, January 31, 2017.**

Property ID	Address	Street	Approx. Lot Size (SF)
0902924230022	3226	Penn Ave N	5,082
0902924230021	3222	Penn Ave N	5,230
0902924230020	3218	Penn Ave N	5,141
0902924230019	3212	Penn Ave N	5,082
0902924230224	3206	Penn Ave N	10,462
0902924230015	2136	Lowry Ave N	1,054
0902924230016	3201	Oliver Ave N	4,340
Total			36,391



Estimated Fair Reuse Value

The fair reuse value of the Site is \$6.00 per square foot, or approximately \$218,346 based on the approximate square footage of the Site. A survey will need to be conducted to determine the actual square footage and corresponding purchase price. It is City policy to sell property at its fair reuse value. Based on the environmental condition of the Site discussed later in this RFP, the City, subject to City Council approval, may sponsor brownfield cleanup grant applications upon the developer's request to help pay for contamination cleanup costs. If cleanup costs exceed the amount of brownfield grants received, the City, per its real estate policy, may approve an escrow of up to 100% of the net sale proceeds in order to reimburse the purchaser for soil correction costs. Except for any City approved soil correction allowance described above, the property will be sold "as is."

Public Financial Assistance

The City, County and other public entities offer a number of assistance programs for the development of affordable housing, commercial redevelopment and transit oriented development. Exhibit A of this document contains an overview of these programs. Note that the use of public financial assistance may trigger other requirements on the project.

Development Objectives

The following development objectives for the Site were established by the City and the County with input from the Folwell, Cleveland, and Jordan Neighborhoods:

- Mixed-use OR commercial development

 - Mixed-use housing/commercial projects should include ground floor commercial/retail with housing above
 - Commercial projects with no housing component, should be at least two stories high. The ground floor should include community-serving retail uses that expand the mix of businesses at the Penn-Lowry intersection and surrounding area and complementary uses on the additional floors (i.e. office, professional services, etc.)
- For multifamily residential development, either ownership or rental is appropriate, with an emphasis on unrestricted/market rate units.
- Depending on the type of development, various indoor and outdoor amenities should be included, such as: underground parking, outdoor bicycle racks and indoor bicycle parking, plazas, green spaces, play areas, public art, etc.
- New development should incorporate pedestrian oriented and transit oriented design elements, with a focus on the future C Line Bus Rapid Transit station area and related improvements discussed in this RFP.
- New development should incorporate Crime Prevention Through Environmental Design (CPTED) principles, including large front windows, porches and balconies, exterior lighting and the minimizing of surface parking lots.
- Innovative and sustainable design elements should be incorporated in the building design, such as: geo-thermal heating and/or cooling, green roof design, wind source power, storm water management with bio retention, tree box filters, permeable pavers and native plant landscaping design. LEED Certification is encouraged for larger mixed-use projects.
- New development at this location should also pay special attention to the north and east building elevations as they face established residential neighborhoods. New buildings should not feel like a “wall” separating established neighbors from the new development.

Neighborhood Amenities

The Penn-Lowry intersection and surrounding community includes a multitude of restaurants, retail and service-oriented businesses, parks, schools and other neighborhood amenities.

<p>Restaurants, Grocery Stores, and Retail</p>	<p>The Lowry Café Banana Blossom restaurant Tooties on Lowry bar & restaurant ALDI grocery store Get Happy Oriental Food Good Deal Oriental Foods Union Liquors Subway Family Dollar North End Hardware New Rules Communal Marketplace</p>
<p>Neighborhood Services</p>	<p>New Horizon Academy Childcare Center Doc's Gym Fighting Chance Boxing Club Brian D's Old School barbershop All Washed Up Laundry Post office</p>
<p>Schools, Library, Churches, Parks and Greenspaces</p>	<p>Lucy Craft Laney Elementary School North Regional Library Christ English Lutheran Church Parkway United Church of Christ Spirit & Truth Worship Cleveland Park Victory Memorial Drive Theodore Wirth Parkway/Park</p>



The Lowry Cafe



New Horizon Academy Childcare Center

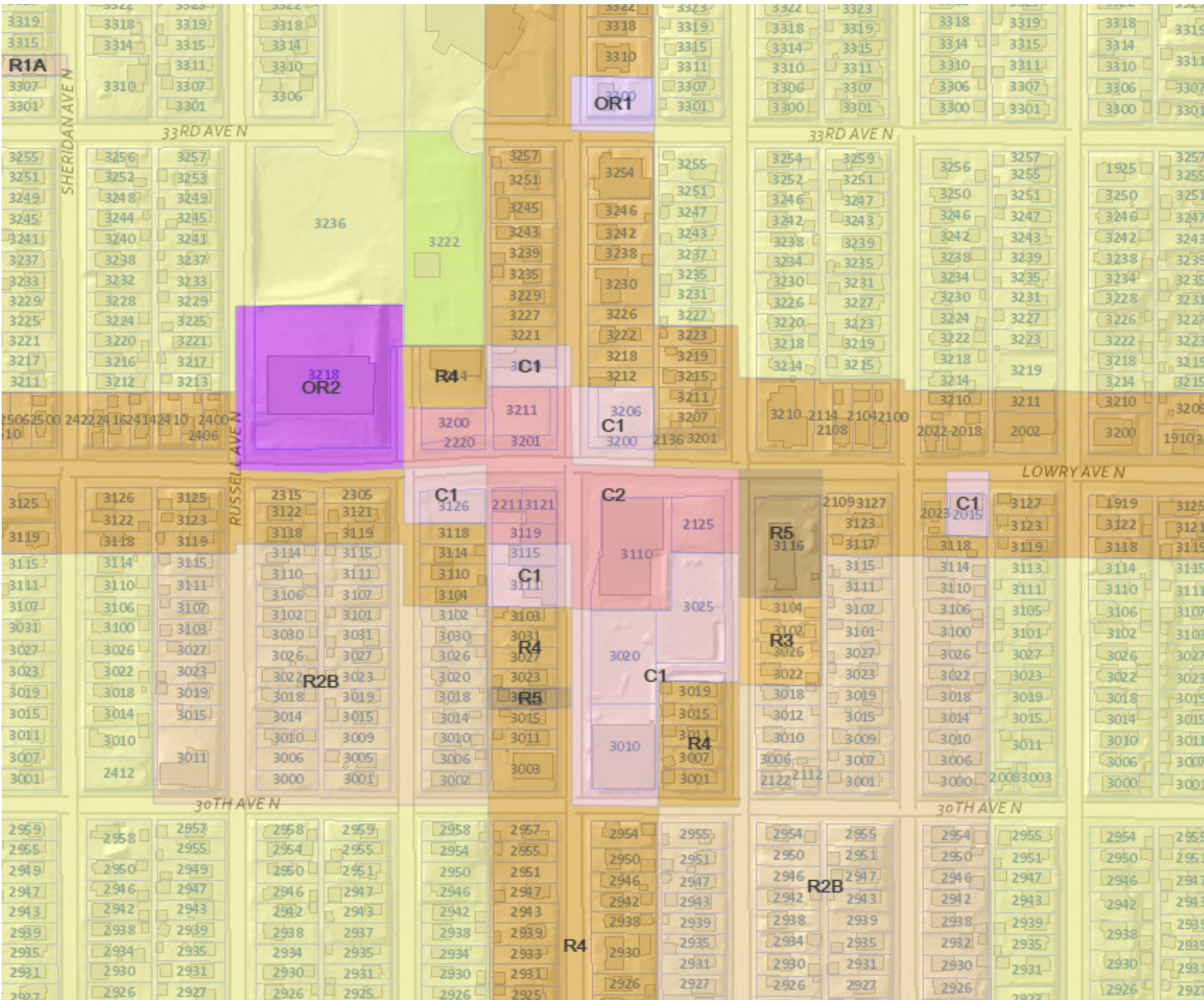
Zoning Information

The 3206 Penn Ave N parcel is zoned C1 Neighborhood Commercial District, while the remaining parcels at the Site are zoned R4 Multiple Family District. Given the redevelopment goals for this Site, the parcels currently zoned R4 would likely need to be rezoned to commercial, which would allow for both housing and commercial development. The developer will be responsible for rezoning the Site as necessary. Below are summaries of the various zoning categories that exist at the Penn-Lowry intersection today.

C1 Neighborhood Commercial District	R4 Multiple-family District	C2 Neighborhood Corridor Commercial District
<p>The C1 Neighborhood Commercial District is established to provide a convenient shopping environment of small scale retail sales and commercial services that are compatible with adjacent residential uses. In addition to commercial uses, residential uses, institutional and public uses, parking facilities, limited production and processing and public services and utilities are allowed.</p>	<p>The R4 Multiple-family District is established to provide an environment of predominantly medium density apartments and congregate living arrangements, single-family and two-family dwellings and cluster developments, on lots with a minimum of five thousand (5,000) square feet of lot area and at least one thousand two hundred fifty (1,250) square feet of lot area per dwelling unit. In addition to residential uses, institutional and public uses and public services and utilities may be allowed.</p>	<p>The C2 Neighborhood Corridor Commercial District is established to provide an environment of retail sales and commercial services that are larger in scale than allowed in the C1 District. In addition to commercial uses, residential uses, institutional and public uses, parking facilities, limited production and processing and public services and utilities are allowed.</p>

More information regarding the type of uses allowed in the various zoning districts can be found online in the City's code of ordinances [here](#).

Zoning Map



Relevant City Planning Documents

The Site is subject to the policies in the [Minneapolis Plan for Sustainable Growth](#) (the City’s comprehensive plan) and the [Lowry Avenue Strategic Plan](#). Hennepin County, Metro Transit and the City also recently completed a [Vision and Implementation Framework](#) as part of the Penn Ave Community Works project. This document is intended to guide decision-making and future investments in multimodal transportation, land use, economic development, housing and placemaking. Respondents to the RFP should review these plans when preparing a proposal. The Penn-Lowry intersection is identified in the City’s planning documents as a neighborhood commercial node.

	Description	Density Range (est.)
Neighborhood commercial node	Generally provide retail or service uses on at least three corners of an intersection. Serve the surrounding neighborhood, with a limited number of businesses serving a larger area. Mix of uses occurs within and among structures.	High density (50-120 dwelling units/acre), transitioning down to medium density in surrounding areas.

Additionally, the Lowry Avenue Strategic Plan sets several objectives for the overall Lowry Avenue corridor:

- Establishes Penn-Lowry as one of two neighborhood commercial nodes on the corridor as the areas to guide new commercial development to create robust commercial destinations
- Calls for medium-density along Lowry and the connecting north-south Community Corridors, with higher density at transit intersections
- Encourages connections to existing parks
- New development in commercial areas is encouraged to be mixed-use
- New development should be at least two-stories

Specific development objectives for the Penn-Lowry intersection identified in these plans have been incorporated into the development objectives of this RFP.

Metro Transit C Line

A Bus Rapid Transit (BRT) line, known as the [C Line](#), has been approved to substantially replace the current Route 19 that runs on Penn Avenue, adjacent to the Site. Construction of C Line stations and surrounding intersection improvements are scheduled for 2018 with operations beginning in 2019, contingent upon the project receiving full funding..Part of the C Line project work will include road reconstruction of Penn Ave N, between West Broadway Ave and Lowry Ave N. Development proposals should complement and promote use of the upcoming BRT line. Transit oriented development should:

- Enhance transit usage
- Increase density along transit corridors
- Reinforce both the community and the transit system
- Exhibit a compact and efficient use of available space, rather than auto-oriented sprawl
- Contain a diversity and mix of uses with daily conveniences and transit at the center
- Support pedestrian-friendly physical design that encourages walking, bicycling and access for people with physical disabilities

Additional transit oriented development information can be found on Metro Transit's TOD website [here](#). Thirty percent (30%) designs for the intersection work, including Penn/Lowry can be viewed [here](#).

Environmental Information

A Phase I and Phase II were recently completed by Pinnacle Engineering; both reports are available on the City's RFP web site [here](#). Respondents to the RFP should review this information in detail prior to submitting a redevelopment proposal.

3206 Penn Avenue North was used as a gas station from 1930 to 1977 and a beverage and coal supply business from 1935 to 1947. Underground storage tanks have been removed. The parcel is listed by the Minnesota Pollution Control Agency (MPCA) as a LUST site with Leak ID number 16743. **Development of this parcel will need to address existing impacted soil/soil vapor conditions as required by current remediation standards/MPCA regulations.**

City and County engineering staff have prepared an estimate of the potential cleanup costs assuming construction of a 6,000 square foot building footprint with full basement. The estimate assumes excavation and disposal of 2,600 tons of contaminated soil and installation of a vapor barrier and passive vent system. Actual site remediation costs will depend on the type and size/scope of development.

Depending on the actual remediation costs the project may be eligible to receive brownfield remediation grants. Grant applications for environmental remediation projects are periodically solicited by Minnesota's Department of Employment and Economic Development (DEED), the Metropolitan Council, and Hennepin County. The City works with potential applicants to review proposed projects and submit to the grantors the applications that reflect the best combination of development potential, consistency with City and neighborhood plans, job and/or affordable housing creation, and sustainable construction practices. More information about the brownfield grant programs can be found [here](#).

Environmental Information Continued

The costs shown in the table below represent an estimate for one potential project, and should not be relied upon when developing a proposal for this RFP. The actual remediation costs will depend on the specific project being proposed.

Preliminary Environmental Cost Estimate (For Discussion Purposes)		3206 Penn Avenue North Minneapolis, Minnesota		
Description	Estimated Quantity	Unit	Unit Price	Total Cost
1. DRAP Preparation and Pre-Construction Engineering		1 lump sum		\$5,000
2. Excavate, load, haul and dispose of contaminated soil for building construction	2,600	tons	\$35.00	\$91,000
3. Vap or Barrier and Passive Vent System Installation	6,000	Sq. Feet	\$4.00	\$24,000
4. Environmental Monitoring, testing and documentation		1 lump sum		\$25,000
5. MPCAPB Program Fees		1 lump sum		5,000
			Subtotal	\$150,000
			20% Contingency	\$30,000
			Preliminary Environmental Cost Estimate	\$180,000

Assumptions

1. The proposed site structure footprint will be approximately 6,000 square feet and will include a full basement.
2. The quantity of contaminated soil requiring excavation for development will be approximately 1,700 cubic yards (2,560 tons).
3. Contaminated soils excavated for development will require off-site disposition at a permitted off-site facility.
4. No construction-related or permanent dewatering will be required.

Proposal Contents

Proposals must include the following

1. A cover page that includes the Developer's contact information
2. A description of the proposed redevelopment, including a narrative, schematic plans and elevations. Include detail 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. For housing proposals, include tentative information about the bedroom compositions, sale prices and/or rents, and amenities/services to be included. Commercial proposals should include the anticipated types of tenants expected.
3. A description of the public benefits that will result from the development, e.g., 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. This should also include an estimate of the taxable value upon completion.
4. Offer Price
5. A market study, letters of intent from commercial tenants or other information documenting the residential and/or commercial demand for the proposed development. An identification of the entities that will be involved and the roles they will play (e.g., developer, architect, building owner, property manager, tenant, professional consultant)
6.
 - 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. The submission must include a certification that identified team members meet these requirements.
7. A description of the Development team's experience in developing similar projects (e.g. location, type and scale of development, experience working with public entities, etc.) The City may ask for supporting documentation substantiating claims of previous experience.
8. Summarize any lawsuits to which the proposer or any principals of the proposer have been a party.
9. The proposer must provide two years of financial statements, which may be submitted confidentially to the CPED Director under separate cover.
10. A 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.)
11. For affordable housing proposals: include a completed Minnesota Multifamily Rental Housing Common Application available on the City's RFP website, [here](#).
12. For projects that do not include an affordable housing component submit a development pro forma and a 15-year operating pro forma. Templates for these items can be found in the Minnesota Multifamily Rental Housing Common Application referenced above.
13. An executed "Consent for Release of Response Data" form (Exhibit B) Proposals that do not include this form shall be considered incomplete which will be grounds for rejection of the entire proposal.
14. Any other information that would help City and 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. However, the developer whose proposal is ultimately selected by the City Council must make a good faith deposit equal to 10% of the purchase price of the property at the time of redevelopment contract execution. The good faith deposit will not be applied to the purchase price, but will be held by the City as security for completion of the project. The good faith deposit will not be applied to the purchase price, but will be held by the City as security for completion of the project.

Proposal Deadline

Proposals shall be delivered to the City on or before **4:00 p.m. on Tuesday, January 31, 2017.**

To: City of Minneapolis – CPED

Penn-Lowry RFP

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 responder's responsibility to assure that a proposal is received in a timely manner.

Proposal Submission

Proposers must submit copies of their proposals as follows:

A. One unbound copy

B. Five bound copies

C. One electronic version in Microsoft compatible or PDF format on USB flash drive or 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 labeled "Penn-Lowry RFP."
- Proposers may choose to provide additional sets if and when invited to do so for presentation purposes. Submissions will not be returned.

RFP Pre-proposal Meeting and Inquiries

An optional RFP informational meeting will be held on:

Tuesday, November 15, 2016 from 6:00 to 8:00 PM at the North Regional Library located at 1315 N Lowry Ave, Minneapolis, MN 55411.

Please email Casey Dzieweczynski at casey.dzieweczynski@minneapolismn.gov to RSVP your attendance at the Pre-Proposal Informational Meeting.

Questions regarding the RFP should be directed via email to the following City or County staff representative:

Casey Dzieweczynski, Senior Project Coordinator
Email: casey.dzieweczynski@minneapolismn.gov

Kelly Hoffman-Orth, Development Program Manager
Kelly.Hoffman-Orth@hennepin.us

All questions are due no later than Thursday, December 1, 2016. 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 [here](#) by Thursday, December 8, 2016.

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 objectives and guidelines in this RFP
2. The extent to which the proposed development complies with the Minneapolis Zoning Code, the City's comprehensive plan, the Lowry Strategic Plan and other relevant planning documents for the area as outlined above
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. 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 may, in its sole discretion, expand or reduce the criteria upon which it bases its final decisions regarding selection of the developer for this parcel.

Review/Selection Process

A committee that includes City and County staff and a representative from Metro Transit will review proposals received by the due date. **Some or all of the 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 days to complete.

The review committee will then make a recommendation as to the developer that best meets the evaluation criteria. The recommendation will be considered by the CPED Director and Hennepin County Housing and Redevelopment Authority (HRA) and then forwarded to the City Council for official action. If the proposal is approved it is anticipated that the County will transfer its portion of the Site 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 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 the Hennepin County HRA authorizes conveyance of its parcels to the City and redevelopment contract terms between the developer and the City have been 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.

The City and County reserve 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.

Anticipated Timing

It is expected that a redevelopment contract be executed with the selected proposer within 60 days of City Council 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 9 months of execution of the redevelopment contract. The City will not close on the land sale until the project has secured all necessary financing and is ready to start construction. 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.

1.	RFP released	November 1, 2016
2.	RFP information meeting	November 15, 2016
3.	Proposal questions due	December 1, 2016
4.	Proposal questions posted online	December 8, 2016
5.	Proposals due	January 31, 2017
6.	Selection committee reviews proposals	February 2017
7.	Community review and developer presentations	March 2017
8.	City Council awards exclusive negotiating rights to selected developer	April 2017
9.	City and developer negotiate redevelopment terms	May 2017
10.	City Council approves land sale and redevelopment terms	June 2017
11.	City and developer execute redevelopment contract	August 2017
12.	Developer pre-closing activities (e.g. finalize designs, secure City entitlements, close on financing)	Late 2017 – 2018
13.	City and developer close on land sale, construction begins	2018

Citizen Participation

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. The neighborhood group officially designated to provide input on responses to this RFP is the Folwell Neighborhood Organization. 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. 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 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.

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 closing, 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.

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.

Prevailing Wage Policy

If the project receives public financial assistance, then the selected developer may be required to covenant and agree that it will 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.

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.

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 [here](#).

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.

Uniform Federal Accessibility Standards

The development must be in conformance with the Americans with Disabilities Act of 1990, and the ADA Amendments Act of 2008, the Fair Housing Act and 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.

City Contracting Requirements

Soil Conditions

Except for any City approved soil correction allowance escrow of the purchase price, 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 by contacting the department contact person, entering into a right of entry agreement with the City and providing the requisite insurance coverage.

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.

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.

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.

Construction Standards

Development must meet all Minneapolis City codes, and projects will be reviewed for energy efficiency. Residential development must meet FHA minimum property standards.

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.

“As Is” Sale and Reversionary Rights

The City will convey the property “as is,” with no title warranties and subject to reversionary rights running in favor of the City. In the event that subsequent to conveyance of the Property and prior to receipt by the Developer of a Certificate of Completion, the Developer defaults in the terms of the Redevelopment Contract, the City will have certain rights to re-acquire the property. In order to facilitate the obtaining of funds necessary for construction of the Minimum Improvements, the City agrees that it will enter into a reasonable agreement of subordination of the City’s interest in the Property to the interests of the holder of such a mortgage, provided that the City determines, in its reasonable judgment, that the interests of the City under the land sale remain adequately protected.

Exhibit A

Potential Development Resources

This form can be downloaded from the City's RFP website [here](#).

	Funding Source	Program Name	Program Description and Eligible Uses	Amount	Additional Terms
Business Loans	City of Minneapolis	2% Percent Loan	Small business loans for building improvements, equipment	Up to \$75,000	2% interest, up to 10 year maturity, requires private lender match financing at least equal to City's loan
	City of Minneapolis	Alternative Financing Loan	Small business loans for building improvements or equipment, Islamic-law compliant structure	Up to \$75,000	2% rate of return, up to 10 year maturity, requires private lender match financing at least equal to City's loan
	City of Minneapolis	Business Development Fund Loan	Small business loans for building improvements and equipment	Up to \$75,000	market interest rate, up to 10 year maturity, credits for local hiring up to 50% of original loan amount, requires private lender match financing at least equal to City's loan
	City of Minneapolis	Grow North Loan	Business loans for significant capital investments. Business must be located in North Minneapolis, and create/retain 40 jobs to receive max. loan amount	up to \$200,000	3% - 4% interest rate, up to 20 year maturity, credits for hiring North Mpls residents up to 100% of original loan amount.
Housing Programs	City of Minneapolis	Affordable Housing Trust Fund	Funds are used to provide gap financing (the difference between conventional financing and project costs) for affordable and mixed-income rental housing production and preservation projects.	Up to \$25,000 per affordable unit (50% AMI in non-impacted areas of the City, 60% AMI in impacted areas) or 15% of the total development costs, whichever is less	approx. 1% simple interest, repayment of all principal and interest deferred until maturity of first mortgage
	City of Minneapolis	Housing Revenue Bonds	Funds used for affordable and mixed-income rental housing for families and seniors. Entitlement Housing Revenue Bonds come with an automatic 4% tax credit allocation	No cap per project on entitlement bonds or 501(c)(3) bonds; allocation per project must meet 50% test. City receives approx. \$49M entitlement annually to finance multiple projects	up to 40 year maturity
	Hennepin County	Affordable Housing Incentive Fund	Financial assistance provided to support creation or preservation of long-term affordable housing	\$2,700,000 available in 2016/17. Award sizes vary.	1-3% interest; 30 year affordability requirement.
	Private Investor	Low Income Housing Tax Credits	Provides a reduction in owners and investors tax liability for new construction, rehabilitation or acquisition of existing buildings that offer affordable housing.	4% tax credits generally provide up to 30% equity for affordable housing projects, while 9% tax credits provide up to 70% equity	7 year compliance period and various other federal requirements

	Funding Source	Program Name	Program Description and Eligible Uses	Amount	Additional Terms
Commercial/Industrial Real Estate Development Financing	City of Minneapolis	Bank Qualified Bank Direct (BQ) Tax Exempt Bonds	Financing for larger real estate development for non-profit user	\$500,000 - \$10 million	below-market rates for eligible tax-exempt projects, 10-30 years
	City of Minneapolis	Great Streets Façade Matching Grants	Grants for façade improvements including windows, doors, signage, awnings, lighting, murals	up to \$7,500	requires private match of at least 1:1; program administered through local business associations
	City of Minneapolis	Great Streets Gap Financing Loan	Commercial real estate loans for catalytic commercial corridor and station area projects	\$100,000 - \$500,000	3% - 4% interest, up to 30 year maturity; requires subordinate mortgage on property
	City of Minneapolis	Revenue Bonds (taxable and tax exempt)	Financing for commercial/industrial real estate development or large equipment investments	\$1 - \$100 million	market interest rate for taxable projects or below-market interest rate for tax exempt, 10-30 year maturity
	City of Minneapolis	Tax Increment Financing	Financing provided through incremental increase in property taxes resulting from significant commercial/industrial development	\$300,000 and up, depending on revenue generated	up to 25 years (15 more common)
	Hennepin County	Hennepin County Transit Oriented Development funds	Funding to real estate development and infrastructure projects on transit lines that will enhance transit usage	\$50,000 - \$1 million	Funding may be awarded as a grant or a loan. Loan terms will be negotiated with awardee.
	Hennepin County	Penn Avenue Community Works	Gap funding for development at key commercial nodes in the Penn Avenue corridor	to be determined	negotiable terms
	Met Council	Livable Communities Demonstration Account Grants	Grants for land assembly and public infrastructure for development projects that maximize benefits of regional infrastructure	\$100,000 - \$800,000	grants
	MN DEED	Minnesota Investment Fund Loan	Loans to businesses where there is significant job creation; eligible business activity includes manufacturing, warehouse, distribution, information technology, finance, insurance, or professional or technical services	up to \$1 million	below-market interest rate; up to 20 year term; portion/all of loan may be forgivable depending on jobs created and wages
	MN DEED	Minnesota Job Creation Fund	Rebates for businesses where there is significant job creation; eligible business types include manufacturing, warehouse, distribution and some information technology operations	up to \$1 million	5% rebate for real property improvements where business invests at least \$500,000; annual rebates based on job creation outcomes
	MN DEED	Redevelopment Grant	Grants to pay for land acquisition, demolition, infrastructure improvements, soil stabilization, ponding or other environmental infrastructure and adaptive reuse of buildings at sites where a subsequent redevelopment will occur.	\$50,000 - \$900,000	grant, multi-year reporting on development, tax base and job growth outcomes
	MN DEED/Hennepin County/Met Council	Brownfield Remediation Grants	Grants to investigate and clean up environmental contamination as part of a real estate development project	\$20,000 - \$900,000	grant, 5 year reporting on development, tax base and job growth outcomes
Private Investor	New Markets Tax Credits	Real estate development financing for projects in economically distressed communities; equity provided by private investors and community development entities	\$500,000 - \$20 million; tax credits generally provide up to 20% equity for the project	7 year compliance period and various other federal requirements	

Exhibit B

Consent for Release of Response Data

_____, 2016

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

_____, on behalf of _____, hereby consents to the release of its development proposal in response to the Penn-Lowry Request for Proposals 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 information submitted under separate confidential cover with a legal opinion asserting the confidentiality being claimed, which may be public data, but shall be treated by the City consistent with Minnesota Statutes Section 13.591.