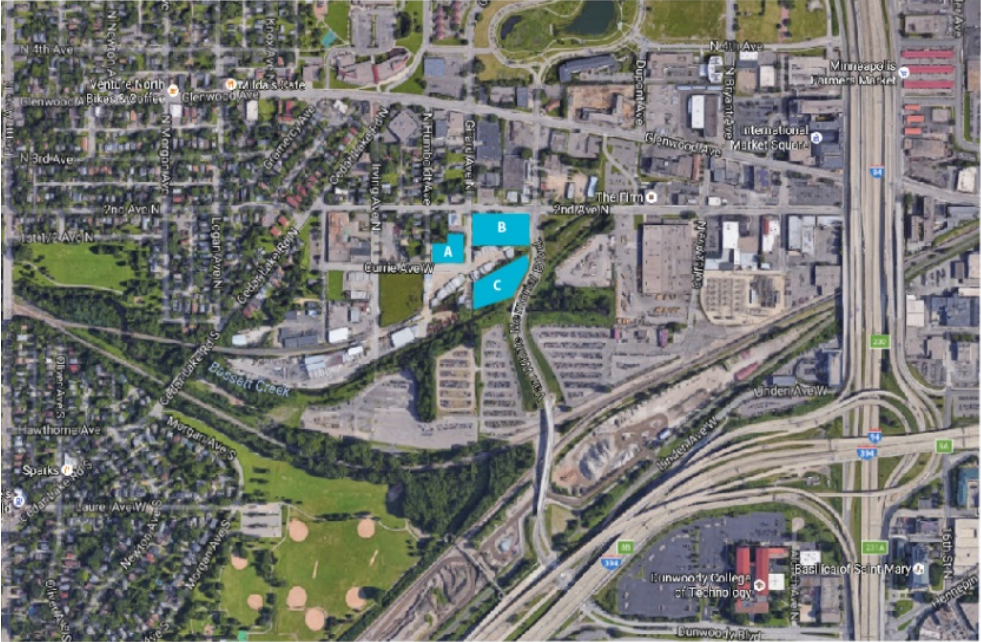


REQUEST FOR PROPOSALS



Van White and 2nd Ave N parcels
Proposals Due: January 12, 2017



INTRODUCTION

The City of Minneapolis (“City”) is seeking development proposals for certain property owned by the City located in the Bassett Creek Valley area just west of downtown Minneapolis. The City has three parcels of land near the intersection of Van White Memorial Boulevard and 2nd Ave N. Proposers can choose to offer to purchase one, two or all three parcels which range in size from 31,859 to 61,350 square feet.

Some of the major development objectives include:

1. Commercial, office, and creative/ “maker” uses are welcome.
2. Create employment opportunities, including living wage jobs.
3. Increase the property tax base.
4. New development should provide high-intensity of jobs and/or housing on the site and transit oriented development to capitalize on the Light Rail Transit and Arterial Bus Rapid Transit investments in the area.

Proposals are due in City offices no later than 4:00 p.m. local time **Thursday, January 12, 2017**. City expects to proceed to select developer(s), execute redevelopment agreement(s), and sell the property later in 2017.

SITE DETAILS

The Van White and 2nd Ave North parcels offer several unique attributes. The parcels are in close proximity to downtown Minneapolis, including the growing North Loop neighborhood, and offer great views of the downtown skyline. Bassett Creek itself runs along the southern edge of the southernmost parcel.

The three parcels are:

- Parcel A: 205 Girard Ave N, 210 & 214 Humboldt Ave N (PIDs: 21-029-24-43-0066, 21-029-24-43-0067, 21-029-24-43-0095) totaling 31,859 square feet.
- Parcel B: 1207 (portion), 1215, 1221 2nd Ave N (PIDs: 21-029-24-43-0013, 21-029-24-43-0088, 21-029-24-43-0089 (portion)) totaling 53,677 square feet.
- Parcel C: West portion of 1129 2nd Ave N (PID: portion of 21-029-24-43-0096) totaling 61,350 square feet with approximately 54,000 useable square feet due to existing easements along the western and southern edges, including along Bassett Creek.

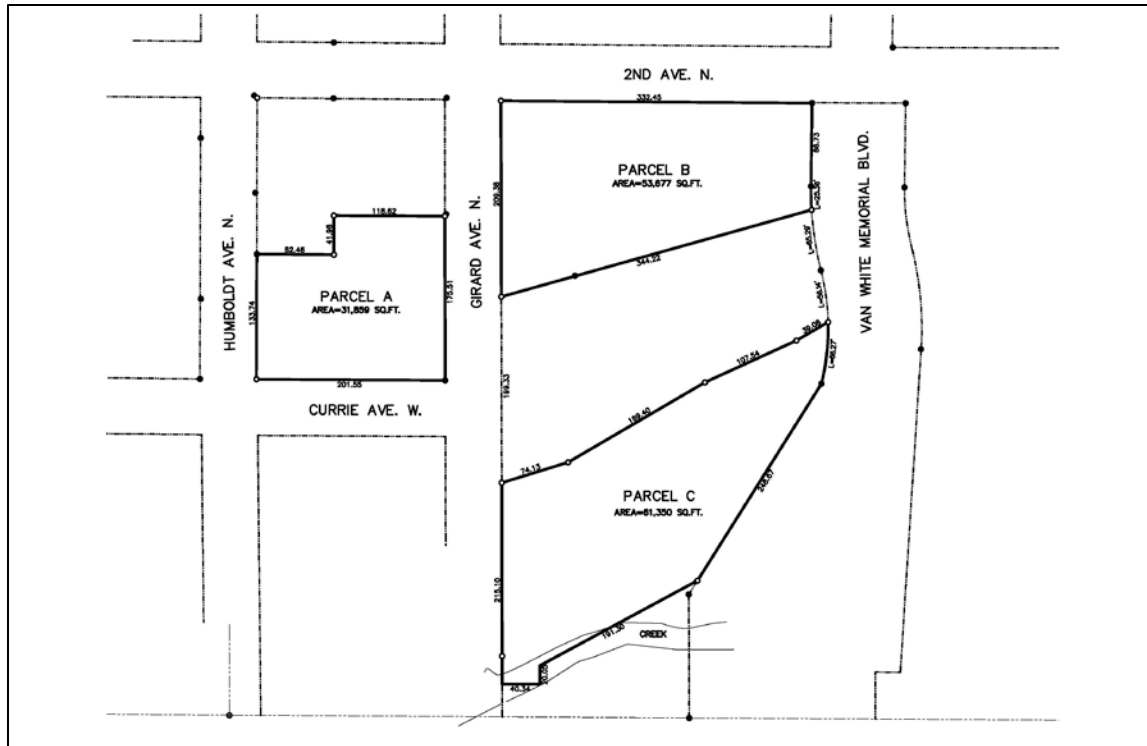


Exhibit A provides surveys of the three parcels and their legal descriptions.

The three parcels are located in a historically industrial area just south of Glenwood Avenue and west of Van White Memorial Boulevard. Van White Memorial Boulevard is a new north-south parkway-style roadway extending from Plymouth Ave North to Dunwoody Boulevard at I-394 providing a direct connection between North and South Minneapolis. Most of the parcels offered in this RFP are “surplus” properties acquired as part of the right-of-way for the Van White Memorial Boulevard project.

The buildings on Parcel B will be demolished and the site cleared by mid- December. The other parcels are already cleared. Property between Parcels B and C is owned by the Soo Line/Canadian Pacific Rail, and it is willing to discuss sale of this parcel (contact David Drach of CP Rail at david_drach@cpr.ca or 612-904-6147). Other nearby uses include some residential but are largely industrial and include an Xcel electrical substation, a commercial paper recycler, and the Minneapolis Public Schools’ bus storage and maintenance facility.

The parcels are within one half mile of stations planned for both the Southwest (Bassett Creek Valley station on the Green Line extension) and Bottineau (Van White station on the Blue Line extension) light rail lines. Met Transit is also actively studying shifting the Penn Avenue bus rapid transit route to serve Glenwood when the Bottineau LRT line is operational.

The City of Minneapolis operates an impound facility south of Bassett Creek on both sides of Van White Memorial Boulevard. Plans are underway now to reduce and improve the impound facility in 2017, so that all impounded vehicles will be stored east of Van White. This move would allow the western area to be available for redevelopment, except for a small area to be reserved for short term use during peak snow emergency and street sweep times.

PLANNING AND ZONING

The [Bassett Creek Valley Master Plan](#) advocates redevelopment of this outmoded industrial landscape into more than three thousand housing units and 2.5 million square feet of commercial space along with the restoration of Bassett Creek.

The Master Plan was adopted by the Minneapolis City Council in January 2007 after a community-led effort. The Bassett Creek Valley Redevelopment Oversight Committee (ROC) was established by the City Council in 2000 and includes representatives from the Harrison and Bryn Mawr neighborhoods including business owners and residents and City Council Member and Mayoral appointments. ROC directed the development of the Master Plan and will have a continuing role in implementing the plan.

The parcels are currently zoned R-5 Multi-family which allows for medium to high-density residential uses. However, the vision under consideration now, one that has already solicited community engagement and support, is to move to a mix of uses, including commercial and retail, in this area. Mixed use development could occur vertically within a parcel or across different parcels. The Van White Station Area Plan for the Bottineau LRT line, which will be brought to the Minneapolis Planning Commission and City Council by Spring 2017, will include this new approach for the area. See **Exhibit B** for the proposed changes and new land use vision for the blocks south of Glenwood and west of Van White in the Bassett Creek Valley.

The existing R5 zoning district allows for four story buildings and additional height through a conditional use permit. The new land use vision will also support density and four-story height in this area.

GEOTECHNICAL/ENVIRONMENTAL

This area is located in the historical floodplain of Bassett Creek. The parcels are located on a buried valley that was formed by glacial meltwaters and filled over time with sands, silts, and clays. When Minneapolis was established, Bassett Creek meandered with tributary streams, spring-fed ponds, marshes, floodplain forests and meadows. Early in the 1900's, the creek was routed underground and this major wetland was filled in and served as home to immigrant housing, rail lines, and industrial uses.

A summary engineering report recommended approaches to address both the environmental contamination and poor structural soils on the three sites (see **Exhibit C-1**). A summary report from the Hennepin County Environmental Data Access Tool website is **Exhibit C-2**. Copies of the more detailed geotechnical and environmental reports completed to date on the three sites are available for review [here](#). A Phase 2 for Parcels A and B is planned, funded and will be completed by late February 2017 (a work plan for this study is **Exhibit C-3**). The City expects to fund, via a Met Council PILOT grant, the preparation of Response Action Plans (RAPs) in coordination with the selected developer for Parcels A and B in 2017.

The City intends to work with developers to provide a buffer parallel to Bassett Creek. This protection will generally follow the sewer easement on the southern portion of Parcel C (as shown in Exhibit A).

VALUATION

It is City policy to sell development property at a price based on an appraisal. In addition, since most of the parcels offered in this RFP are "surplus" properties acquired as part of the right-of-way for the Van White Memorial Boulevard project, sale of the properties must be at "fair market value" and is subject to review by the Minnesota Department of Transportation.

An appraisal of the parcels examined the fair market value for various commercial and residential development scenarios. For commercial development, the fair market value of Parcel A was \$8 per square foot and for Parcels B and C \$9.50 per square foot assuming environmentally clean sites. The environmental conditions of the parcels are discussed later in this RFP. To achieve an environmentally clean site, 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."

For residential projects, the appraisal provided a range of prices from \$10-\$16 per square foot depending on the density of housing units in a project. However there will likely be substantially greater soil remediation costs to clean the parcels to residential standards. As stated above, 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."

DEVELOPMENT OBJECTIVES

The following development objectives for the parcels were established by the City with input from the Bassett Creek Valley Redevelopment Oversight Committee (ROC) and the Harrison Neighborhood.

1. Commercial, office, and creative/ "maker" uses are welcome.
2. Create employment opportunities, including living wage jobs and options for career pathway employment and jobs for youth.
3. Increase the property tax base.
4. New development should provide a high-intensity of jobs and/or housing on the site and transit oriented development to capitalize on the Light Rail Transit and Arterial Bus Rapid Transit investments in the area.
5. New development should incorporate Crime Prevention Through Environmental Design (CPTED) principles, including large front windows, exterior lighting and the minimizing of surface parking lots.
6. Innovative and sustainable design elements incorporated in the building design are encouraged, including multimodal access.
7. For multifamily residential development, either ownership or rental is appropriate, with an emphasis on unrestricted/market rate units.
8. Development should be designed to interact and front on public streets. Further, development proposals that are built up to the street frontages and that also front on the Bassett Creek open space, with parking behind buildings rather than along the creek, are encouraged. Parcel size and configuration as well as site condition may make it difficult to have building walls along all public streets and the Bassett Creek greenspace, but creative designs that minimize parking and maximize active uses along the street frontages and creek are preferred.

EVALUATION CRITERIA

In reviewing potential development concepts, the City will use the following criteria:

1. The extent to which the proposal adheres to and/or fulfills the development objectives and guidelines in this RFP.
2. The extent to which the proposal helps to bring jobs and desirable commercial/retail businesses to the community or diversify the housing market in north Minneapolis.
3. The market and financial feasibility of the project.
4. 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.
5. The purchase price for the land.
6. The proposed project timeline.
7. Consistency with the City's [Unified Housing Policy](#) (for housing proposals).
8. Quality of proposed development (e.g. building design and structural components.)
9. The public benefits that would be provided by the project.

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.

PUBLIC FINANCIAL ASSISTANCE

The City, County, and other public entities offer a number of financial assistance programs for the development of commercial redevelopment, affordable housing, and transit oriented development. **Exhibit D** of this document contains an overview of the various programs that may be sought by the developer to assist the project. City staff managing the RFP process can help to identify 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.

PROPOSAL DEADLINE

Proposals shall be delivered to the City on or before: **4:00 p.m. on Thursday January 12, 2017**

To:

Beth Grosen
Minneapolis Community Planning & Economic Development
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.

Proposers must submit copies of their proposals as follows:

- one unbound copy,
- four bound copies and
- one electronic version in Microsoft compatible or PDF format on USB flash drive or CD.

A one page schematic design with the addresses clearly labeled must be provided in an electronic version in PDF format for the purpose of neighborhood and design review. 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 "Van White & 2nd Ave RFP." Proposers may choose to provide additional sets if and when invited to do so for presentation purposes. Email proposals will not be accepted. **Submissions will not be returned.**

RFP INQUIRIES

A pre-proposal information meeting for potential responders will be held on December 8, 2016 from 10:00 am to 11:00 am in at the offices of the Minneapolis Department of Community Planning & Economic Development, 105 Fifth Avenue South, Suite 200.

Prospective responders may direct questions by email only to the department contact person:

Beth Grosen, beth.grosen@minneapolismn.gov

All questions are due no later than December 15, 2016. All questions and corresponding answers will be posted on the RFP website by December 22, 2016.

PROPOSAL CONTENTS

Proposals must include the following:

1. A cover page that includes the developer's complete contact information.
2. A complete narrative description of the proposed redevelopment to be built on the parcel(s). Include information about the anticipated type of commercial users/tenants expected and, if housing, the type of affordable or market rental rates.
3. A description of how the proposal meets the development goals identified for this property, and other public benefits that will result from the development, e.g., the creation and/or retention of jobs (including the estimated number, full vs. part-time, and wage levels), tax base enhancement, the number and types of housing units, the provision of retail goods and services, the incorporation of public art and/or cultural elements, etc. This should include an estimate of the taxable value upon completion.
4. Identification of which City-owned parcels (A, B, and/or C) are required and the proposed purchase price.
5. A market study, letters of intent from commercial tenants, or other information documenting the demand for the proposed development.
6. 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)
7. 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
8. 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.
9. Summarize any lawsuits to which the proposer or any principals of the proposer have been a party.
10. The proposer must provide two years of financial statements, which may be submitted confidentially to the CPED Director under separate cover.
11. 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 parcel(s), start and complete construction, and start and complete occupancy.

12. Plans, elevations and site plan(s)
13. Any proposed planning and/or zoning approvals (i.e. rezoning, alley or street vacations, conditional use permits, variances, etc.)
14. Capital pro forma showing the sources and uses of funds (debt, equity and other) to acquire the parcel(s) and construct the development(s) (including any tenant improvements). Capital pro forma must include the proposed purchase price. Information on the status of securing those funds should also be included, and inclusion of a conditional financing commitment is strongly encouraged. If the project includes multiple uses, the capital pro forma should be broken down for the component uses. (See Exhibit D)
15. An executed "Consent for Release of Response Data" form (see Exhibit E). 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.
16. Any other information that would help City 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 fair reuse value of the property at the time of redevelopment contract execution.

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 Harrison Neighborhood Organization. The Bassett Creek Valley Redevelopment Oversight Committee (ROC) will also provide input on RFP responses.

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.

REVIEW/SELECTION PROCESS

A committee that includes City staff will review proposals received by the due date that are deemed complete and responsive. **Some or all of the proposers will likely be requested to present their proposals at a meeting attended by the review committee and surrounding neighborhood and**

business organizations and other interested community members. The review process will likely take approximately 60 days to complete following the proposal submission deadline.

The review committee will then make a recommendation as to the developer(s) that best meet the evaluation criteria. The recommendation will be considered by the CPED Director and then forwarded to the City Council for official action.

If the City Council selects a development proposal, City staff will proceed to negotiate with the selected developer the terms of the proposed land sale through a redevelopment contract. Once redevelopment contract terms have been negotiated, 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.

TIMING

Once the City Council approves the land sale and redevelopment terms and redevelopment contract(s) is executed, the developer(s) will work to finalize the designs, secure all City entitlements and close on the project financing. The City will not close on land sales until the project has secured all necessary financing and is ready to start construction. The following is an anticipated project timeline:

1. RFP released	November 16, 2016
2. RFP information meeting	December 8, 2016
3. Proposal questions due	December 15, 2016
4. Proposal questions posted online	December 22, 2016
5. Proposals due	January 12, 2017
6. Selection committee reviews proposals	Late January, 2017
7. Community review and developer presentations	February 2017
8. City Council awards exclusive negotiating rights to selected developer(s)	March 2017
9. City and developer negotiate redevelopment terms	April 2017
10. City Council approves land sale and redevelopment terms	May 2017
11. Preparing/submitting Response Action Plan (RAP)	May-June 2017
12. City and developer execute redevelopment contract	June 2017
13. Developer pre-closing activities (e.g. finalize designs, secure City entitlements, close on financing)	balance of 2017
14. City and developer close on land sale	Late fall 2017
15. Environmental clean- up and construction begins	Early 2018

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.

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*. If the project receives public financial assistance and the developer is contracting to complete 8 or more units, then, the selected developer will 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.
3. 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 as 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.
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. *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 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.
13. *Business Subsidy Act/Living Wage Ordinance.* If the selected developer receives financial assistance from the City, the State of Minnesota Business Subsidy Act, Minn. Stat. §§ 116J.993-994, and the City's Living Wage Ordinance, Minneapolis Code of Ordinances Chapter 38, may apply.