



**Request for City Council Committee Action**  
**From the Department of Community Planning & Economic Development**

**Date:** December 13, 2005

**To:** Council Member Lisa Goodman, Community Development  
Cmte

**Prepared by:** Ann Calvert, Principal Project Coordinator, Phone 612-673-5023

**Presenter in Committee:** Ann Calvert, Principal Project Coordinator

**Approved by:** Chuck Lutz, Deputy CPED Director \_\_\_\_\_  
Mike Christenson, Director, \_\_\_\_\_  
Economic Policy & Development

**Subject:** Riverfront East Parcel Request for Proposals

**RECOMMENDATION:** Authorize staff to distribute a request for proposals for development of the Riverfront East Parcel in generally the form attached herein.

**Previous Directives:** On November 22, 2002, the City Council authorized the execution of a redevelopment contract with the Guthrie Theater that provided for the provision of certain employee parking for the Guthrie Theater on the East Parcel. The acquisition of the property now included in the East Parcel was approved by the MCDA Board of Commissioners and completed in 1987, 1991 and 1994.

**Financial Impact** (Check those that apply)

No financial impact - or - Action is within current department budget.

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action uses increased revenue for Capital appropriation increase

**Community Impact** (Summarize below)

**Ward:** Ward 2 (will be Ward 7 in 2006)

**Neighborhood Notification:** The Downtown Minneapolis Neighborhood Association and Industry Square Project Committee are aware of the pending RFP and have appointed representatives to the RFP review committee.

**City Goals:** Depending upon the proposal eventually selected, development of the Riverfront East Parcel may achieve City goals related to economic development, housing and/or the provision of amenities.

**Comprehensive Plan:** Proposals will be required to comply.

**Zoning Code:** Proposals will be required to comply.

**Living Wage/Job Linkage:** Proposals will be required to comply.

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**Background/Supporting Information**

The property now known as the “Riverfront East Parcel” is owned by the City as part of the CPED (previously, MCDA) land inventory. The parcel is bounded by West River Parkway, 11<sup>th</sup> Avenue South, Second Street South and vacated Tenth Avenue South (see maps in attached Request for Proposals). The current parcel was assembled for redevelopment through a number of acquisitions over a period of several years.

The East Parcel is the last CPED-owned parcel with frontage along West River Parkway. Although it has certain development complications (e.g., site pollution, the presence of electrical transmission facilities and an agreement to provide parking for the Guthrie Theater for seven years), it has strong development potential and staff has received a number of inquiries about the parcel’s availability.

Staff proposes to distribute a Request for Proposals (RFP) to solicit development proposals for the site that would comply with the parcel’s C3A zoning and the *Historic Mills District Plan*, as updated, as well as work within the development complexities presented by the parking commitment and electrical transmission line easements. A draft of this RFP has been prepared (see attached) with the input of a committee comprised of City and Park Board staff, neighborhood representatives and a Guthrie Theater representative. This same committee will review the proposals received and then make a recommendation to the CPED Director. The anticipated schedule will result in a recommended development proposal being submitted to the City Council for its consideration in April of 2006.

AC759A

**REQUEST FOR DEVELOPMENT  
PROPOSALS FOR  
RIVERFRONT EAST PARCEL  
LOCATED AT  
11<sup>th</sup> AVENUE AND SECOND STREET S.  
MINNEAPOLIS, MINNESOTA**

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**DRAFT -- November 22, 2005**

## **INTRODUCTION**

The City of Minneapolis (“City”) is seeking preliminary development proposals for certain property owned by the City and located at 11<sup>th</sup> Avenue and Second Street South. The City’s development goals for the property are set forth below.

## **SITE FACTS**

### Location, size and current improvements

The Riverfront East Parcel is located in the rapidly developing Mill Quarter portion of the Minneapolis Riverfront District in downtown Minneapolis and is the last City-owned development parcel with frontage on the West River Parkway. The site is approximately 5.6 acres in size and is bounded by West River Parkway on the northeast, 11<sup>th</sup> Avenue South on the southeast and Second Street South on the southwest and includes vacated Tenth Avenue South on the northwest. (Henceforth the Mississippi River shall be considered nominal north). The site is generally flat (with elevations of about 82X feet above sea level) and is currently improved with a surface parking lot, an Xcel Energy transmission line and tower and a stormwater retention pond. Exhibit B-1 and B-2 show the site location and Exhibit C is an annotated site survey.

### Zoning and applicable plans

The site is zoned C3A (Community Activity Center District) and there are no plans for any re-zoning. This zoning category is intended to provide for the development of major urban activity and entertainment centers with neighborhood scale retail sales and services. In addition to entertainment and commercial uses, this category also allows residential uses, institutional and public uses, parking facilities, limited production and processing, and public services and utilities. The site is affected by a number of zoning overlay districts. The entire site is within the Downtown Height (DH) overlay, the Downtown Parking overlay (DP) and the Mississippi River Critical Area overlay districts. The portion of the site near West River Parkway that is within 300 feet of the River is within the Shoreland overlay district (--) (not on the plate map, but within the technical description in 551.450). Information about this zoning (Title 20 of the Minneapolis Code of Ordinances) may be found at

[library.municode.com/mcc/home.htm?infobase=11490&doc\\_method=cleardoc](http://library.municode.com/mcc/home.htm?infobase=11490&doc_method=cleardoc).

The parcel also is subject to the policies in the City’s comprehensive plan (*The Minneapolis Plan*) and specifically, *Minneapolis Downtown 2010: Extending the Vision into the 21<sup>st</sup> Century*. The parcel is further subject to the policies in the City’s adopted small area plan, the *Historic Mills District Plan* and the *Update to the Historic Mills District Plan* (which may be viewed at

[www.ci.minneapolis.mn.us/cped/update\\_historic\\_mills.asp](http://www.ci.minneapolis.mn.us/cped/update_historic_mills.asp)).

### Surrounding uses/development

As noted, the Riverfront East Parcel is located within the rapidly developing and exciting Minneapolis Riverfront District. The parcel fronts West River Parkway, which is part of the Great River Road and the Grand Rounds National Scenic Byway. Across the parkway from the parcel are the Mississippi River and the trails and open space that are part of the Central Mississippi Regional Park. Amenities along the river include the nearby Mill Ruins Park and the signature Stone Arch Bridge. Adjacent to the parcel on the northwest is the site of the Guthrie Theater now under construction and scheduled to open in early summer of 2006. The Guthrie complex will include three theaters (totaling about 2,050 seats), a restaurant, classrooms and public space. The bulk of the theater is located between the Chicago Avenue Mall and Ninth Avenue, with the area between Ninth and Tenth avenues to be landscaped as open space and held for future expansion or complementary development.

Across 11<sup>th</sup> Avenue to the east is a business park that includes the recently-constructed River Parkway Place and American Red Cross buildings. The blocks to the south between Washington and Second Street are being developed with mixed-use residential developments. Other amenities in the vicinity include the Mill City Museum, Open Book and Milwaukee Depot hotel complex, with construction of the new MacPhail Center expected soon. For more information on the redevelopment of the Minneapolis Riverfront District, visit [www.ci.minneapolis.mn.us/cped/riverfront\\_central.asp](http://www.ci.minneapolis.mn.us/cped/riverfront_central.asp). For more information on attractions in the Minneapolis Riverfront District, visit [www.minneapolisriverfrontdistrict.com](http://www.minneapolisriverfrontdistrict.com).

The parcel has excellent access to Washington Avenue South, I-35W and I-94 and is within walking distance to the Downtown East LRT station.

### Xcel easements

The property has two existing easements that benefit Northern States Power Company (doing business as Xcel Energy). One easement allows the existing electrical transmission tower near the West River Parkway and the other easement allows an underground transmission line that goes from that tower through the parcel to Second Street South. Both of these easements should be assumed to remain, as the cost and complexity of relocating these important electrical facilities would be prohibitive. The location of the easements is shown on the attached survey, and copies of the easements, as amended, are available for review at the Minneapolis CPED Contracting section at the address shown on page 8 below.

The area over the underground transmission line may be improved with landscaping and other surface improvements, but cannot be improved with a building or certain other structures. The selected proposer will be expected to work with Xcel Energy to determine what, if any, changes can be made within the easement areas or to the fencing and other security measures at the base of the transmission tower to reflect and complement the proposed new use.

The City makes no assurances as to whether or not these power lines present any potential health impacts to persons using the parcel, and the redevelopment agreement between the City and selected developer will provide that the developer will indemnify, defend and hold the City harmless from any action related to the existence of the power lines.

Parties desiring additional information about the technical implications of these two easements may contact Ed Trapp at Xcel Energy, (612) 330-6956.

#### Potential Electrical Sub-station

Xcel Energy has expressed a need for an additional electrical sub-station in the vicinity within the next ten years, and the presence of the existing electrical transmission facilities makes this site a potential location. While a free-standing sub-station would not be acceptable to the City, a proposal that incorporates a sub-station along with other development would be considered. Interested parties may get further information about the potential electrical sub-station from Dan Pfeiffer at Xcel Energy, (612) 630-4384.

#### Guthrie parking agreement

The portion of the parcel shown in blue on Exhibit C is subject to a parking agreement with the Guthrie Theater Foundation. This agreement provides that the area shown will be devoted to exclusive use for Guthrie employee parking for a period of seven years after the Guthrie moves to the site in early 2006. The revenue from the Guthrie will be \$40 per space per month in the initial year, with inflation each year thereafter at a rate equal to the inflation in monthly 24-hour reserved parking rates in the City parking system. Proposals must accommodate this parking through: a) phasing that does not develop this portion of the site until the end of the parking agreement, b) provision of structured parking to replace this surface parking, or c) other alternatives (which could include provision of parking on an alternate site acceptable to the Guthrie).

#### Geotechnical/Environmental

The portion of the site previously occupied by General Mills Elevator #3 (shown on Exhibit C as Lots 1, 2, part of 9 and part of 10, Block 117, Town of Minneapolis) was backfilled with clean, compacted fill after the elevator was demolished in 1998. Much of the rest of the site was previously used for rail operations and the soil has been impacted by that industrial past. The testing that was completed to date in association with the archaeological excavations noted below indicated the fill on the site contains large amounts of debris and has been contaminated. In addition, excavations on the adjacent Guthrie site have indicated the presence of a layer of "clinker"-impacted material (a petroleum-related by-product of the rail uses on the site) that may extend onto the East Parcel.

Copies of the testing reports completed to date are available for review in the Minneapolis CPED Contracting section at the address shown on page 8 below.

### Historical

The St. Anthony Falls Historic District is immediately adjacent to the parcel on the other side of vacated Tenth Avenue, but none of the parcel is located within the historic district. Archaeological research that was done on the parcel in 2001 determined that, while there are various foundations and artifacts remaining under the site, none are considered historically significant by the State Historic Preservation Office (see Exhibit D). The parcel did play an interesting role in the city's history, though, so proposers are encouraged to consider ways to interpret that history within the development.

### Mined space

The area in which the Riverfront East Parcel is located is geologically suited for development in the sandstone layer that underlies the limestone bedrock. In order to preserve that possibility, the City has been reserving ownership of the parcels in this area below elevation 790 feet (USCGS 1929 M.S.L. Adj.) above sea level and intends to do the same with the Riverfront East Parcel. The City will grant restrictive covenants to assure that any future mined space development does not negatively impact surface development.

The City may elect to reserve an access point easement for right of entry to future mined space along the riverfront; the location and size of said easement to be determined in discussions with the selected developer.

## **ESTIMATED FAIR REUSE VALUE OR ASKING PRICE**

An estimated fair reuse value of the site has not been determined. The price for this parcel will be based upon a Fair Market Value to be established after completion of an independent fee appraisal. The Fair Market Value to be established for the parcel will reflect the impact of the easements and parking agreement.

## **DEVELOPMENT GOALS**

### Land Uses

The following land uses are considered opportunities for redevelopment of this site and should be considered within the parameters set forth in this RFP:

#### Primary land uses

- Park/recreational amenity
- Cultural attraction/amenity
- Residential
- Mixed use residential with office and/or retail, in which the commercial use(s) clearly take advantage of the riverfront location
- Artists' live/work/retail space

### Secondary land use

- Electrical substations are conditional uses in the C3A districts. Given the high-profile of this site along the Central Riverfront and the unique challenge and opportunity that comes with the transmission tower and utility easement, an electrical sub-station could be considered for the East Parcel as a secondary use along with one or more other primary uses.

All uses are subject to the approved plans, policies and regulations of the City of Minneapolis.

The following land uses will not be allowed on this parcel:

- Industrial
- Office that is not part of a mixed-use development with residential
- Stand-alone retail that is not part of a mixed-use development with residential and/or park open space and recreational uses.
- Stand-alone parking facilities will not be allowed as a primary use.

### Additional information about potential land uses:

*Park space and recreational uses:* Development on the East Parcel should be compatible with the City's desire to create stronger links that connect the Mississippi River to the Downtown Street grid. Development on the East Parcel must be compatible with the City's desire to reinforce and enhance the string of green/pedestrian spaces along the West River Parkway and throughout the Mills District. The City particularly encourages green spaces that are designed to be open and accessible to the public.

*Commercial uses:* Washington Avenue South is designated by adopted City plans as the appropriate location for retail uses in this part of the city. Limited retail uses will be considered for this site only if they specifically contribute to the City's goals for enhancing connection to, and experience of, the central riverfront. Retail uses must be located on 11<sup>th</sup> Avenue South, at the node of Second Street South and 11<sup>th</sup> Avenue South or with a relationship to West River Parkway. Otherwise, retail uses are not appropriate along Second Street South.

Limited commercial office uses will be considered only if they are an integral part of a mixed use project.

*Cultural attraction/amenity:* In keeping with the adopted small area plan, cultural attractions and amenities are allowed and encouraged in this location so long as they are designed and built in a way that complements integration between the new facility and the emerging neighborhood around it.

*Residential Uses:* Either ownership or rental housing (or a combination of the two) is possible for the East Parcel. Proposers should refer to pages 15 - 16 for information about the City's Affordable Housing Policy.

### Site access and circulation

Vehicular access to and from the site will be allowed only along Second Street South and 11<sup>th</sup> Avenue.

Sidewalks and boulevards with street trees must be provided along West River Parkway, 11<sup>th</sup> Avenue South and Second Street South frontages to complement the existing walk along Second Street. The City-standard “acorn” fixture must be used along the Second Street South and 11<sup>th</sup> Avenue South frontages, as well as along vacated Tenth Avenue, if that is chosen as the location for the bike and ped paths.

In addition to the sidewalk along 11<sup>th</sup> Avenue, all proposals must include pedestrian and bike access from Second Street South to West River Parkway somewhere else within the parcel. This must include separate pedestrian and bike paths with adequate lighting. These paths will be constructed and maintained by the selected developer, with an appropriate public access easement to be granted to the City by the selected developer. A recommended location for this second access route would be within vacated Tenth Avenue South, but the City is open to other creative alternatives, including paths over the Xcel Energy easement area.

### Design guidelines

The existing zoning allows building heights on most of the site up to six stories or 84 feet, whichever is less. The Shoreland Overlay zoning limits heights on the portion of the site within 300 feet of the River to 2 ½ stories or 35 feet, whichever is less. Greater heights may be allowed pursuant to a Conditional Use Permit. Note: Heights of up to 112 feet were considered appropriate on this site under the *Update to the Historic Mill District Plan*, and this will be taken into consideration relative to any Conditional Use Permit request for an increase in height.

In accordance with the *Update to the Historic Mills District Plan*, new development shall align with the setback of the Guthrie Theater on the Second Street South frontage and be set back:

- 10 feet from the property line along the 11<sup>th</sup> Avenue frontage, and
- 35 feet from the property line along the West River Parkway frontage.

*Parking:* Required parking for all uses on the site must be integrated into the design of the project in structured parking that is either below-ground, above-ground, or in some combination thereof. Surface parking on this site is not permitted under zoning, except the continuation of the Guthrie parking area for the duration of the seven year agreement. In keeping with the adopted policies in the small area plan and the build-out of recent development in the Mills District, it is desired that all above-ground parking be “lined” by active uses that face the surrounding streets to screen any above-grade parking structures from public view from the adjacent streets/parkways and the western side of the 10<sup>th</sup> Avenue South corridor. Given the challenge of providing structured parking in the center of a site that is bisected by a utility easement, proposals that utilize a credible shared parking solution in structured parking facilities for nearby projects will be considered, but cannot be guaranteed approval. Shared parking solutions that intend to use nearby surface parking lots will not be considered.

*Street design:* Street trees and “acorn” pedestrian light fixtures must be included on the Second Street and 11<sup>th</sup> Avenue site frontages, with street trees (without pedestrian light fixtures) also to be included along West River Parkway.

*Sustainable Design, Stormwater Management and Rooftop Gardens:* Proposals should give consideration to incorporating design elements that will: a) allow any structures to achieve L.E.E.D certification, and b) reduce the quantity of and improve the quality of stormwater from the parcel. Strong consideration also should be given to including rooftop gardens and green spaces, particularly on top of the lower level building elements in the project. The City encourages that such roofscapes be designed to be used by residents and workers in the neighborhood.

*Grade-separated connections:* In accordance with the adopted small area plan, skyways are not permitted from this site or block to other buildings or downtown blocks. However, given the unique circumstances of the utility easement running through this site, a skyway that is built to connect buildings *within* the site will be considered if it is acceptable to Xcel Energy.

*Park space:* Any park space or plaza proposed shall be designed to facilitate and encourage active or passive use by the general public for circulation, seating, gathering or activity space and shall be fully accessible to the general public at all times of the day and year. Beyond what is required to secure the electrical transmission tower, no other enclosures or gates will be permitted.

The design and placement of public plazas and park space shall maximize natural surveillance and visibility, facilitate pedestrian access and circulation, and maximize penetration of sunlight to the plaza and where possible to surrounding streets. Such spaces shall include architectural features, landscape features, street furniture, and interpretive features and/or public art. Park and plaza space shall be designed to enhance the form, scale and materials of existing structures on the site and in surrounding development.

All public art is subject to the guidelines and requirements of the Minneapolis Arts Commission, and all interpretive features will be coordinated with the St. Anthony Falls Heritage Board.

## **PROPOSAL SUBMISSION**

Proposers must submit copies of their proposals as follows: one unbound copy, 15 bound copies and one electronic version in Microsoft compatible or PDF format on diskette or CD. Proposals must be on standard 8 ½” by 11” paper. All supporting documentation must be on paper no larger than 11” by 17”. Proposals and supporting documentation must be submitted in a sealed envelope labeled “Riverfront East Parcel Development.” Telefaxed proposals will not be accepted. Proposers may choose to provide additional sets if and when invited to do so for presentation purposes. Submissions will not be returned.

Proposals shall be delivered to the City on or before:  
February 23, 2006  
4:00 p.m.

To:

**Contract Services  
City of Minneapolis Department of CPED  
105 Fifth Avenue South, Suite 200  
Minneapolis, MN 55401**

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

### **RFP INQUIRIES**

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

Ann Calvert  
Minneapolis CPED Department  
105 Fifth Avenue South  
Minneapolis, MN 55402  
Email: [ann.calvert@ci.minneapolis.mn.us](mailto:ann.calvert@ci.minneapolis.mn.us)  
Fax: (612) 673-5023

All questions are due no later than February 1, 2006. Questions will be answered in writing and posted on the CPED Web site. ([www.ci.minneapolis.mn.us/cped](http://www.ci.minneapolis.mn.us/cped)) 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.

### **PROPOSAL CONTENTS**

Proposals must include the following:

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

2. A **description (narrative, preliminary schematic plans and elevations sufficient to indicate massing and style) of the proposed development** (e.g., preliminary size of building and square footage of specific components, nature of improvements, number of parking spaces, anticipated materials and design style, circulation patterns, loading/service provisions) to be built on the site. If the development is proposed to be phased, the narrative should clearly define the components and timing of each phase and indicate the nature of the conditions upon which construction of subsequent phases would be based. If residential development is proposed, the proposal should include preliminary information about the bedroom compositions, rents and/or sales prices and amenities/services included. If commercial development is proposed, information should be included about the anticipated type of tenants expected. If the proposed development is primarily for public benefit (e.g. programmed open space), the proposal should include a detailed site plan showing the proposed public amenities.

3. An **identification of the entities** that will be involved in the development, a description of the roles they will play (e.g., developer, architect, building owner, property manager, tenant, professional consultant) and a summary of the team's past experience in working together. A description of each of the entities' experience in developing similar projects must be included, including location, type of development, proposer's role(s), cost of project, funding sources, status of project, and information about any continued financial or operating interest in each. Include specific previous relevant experience with public entities, including reference contact information. The City may ask for supporting documentation substantiating claims of previous experience. Summarize any lawsuits to which the responder or any principals of the responder have been a party. Identify the principal person who will speak for the development team and any other key participants who will be involved in negotiating the project terms. Specify whether the development entity is or intends to form a corporation, a general or limited partnership, a joint venture or other type of business association to carry out the proposed development. The developer must also provide two years of financial statements, which may be submitted confidentially to the CPED director under separate cover. Design consultants on the team must be licensed in the State of Minnesota and contractors must be licensed to work in the City of Minneapolis; the submission must include a certification that identified team members meet these requirements.

4. A preliminary **capital pro forma** showing the sources and uses of funds (debt, equity and other) to acquire the parcel and construct the development (including any tenant improvements). Clearly indicate any public assistance to be requested (and, if so, please see the information contained in this RFP on Affordable Housing, the Public Financial Assistance Fee and other provisions that are triggered by the provision of public assistance). If the project includes multiple uses, the capital pro forma should be broken down for the component uses (commercial, housing, etc.).

5. For rental projects, a preliminary **operating pro forma** of at least 20 years for the building operation, including the assumptions underlying the income and expense projections. Also show the Cash-on-Cash Return and Internal Rate of Return. If the project includes multiple uses, the operating pro forma should be broken down for the component uses. Detailed pro formas (separate commercial vs. housing) in a format acceptable to CPED will be required during the negotiation of a redevelopment agreement.
6. Any available information as to the expected **market** for the proposed space.
7. A **description of the public benefits** that will result from the development, e.g., the number and types of housing units, the creation or retention of jobs (including the estimated number, type and wage levels), tax base enhancement, the provision of retail goods and services, the provision of programmed open space, etc. This should include an estimate of the taxable value upon completion and annual real estate taxes.
8. A **proposed timeframe** for the development, including identification of any conditions that must be met before the proposal can become a reality. The schedule should include the time needed to obtain financing, complete design and secure permits and approvals, prepare the site, start and complete construction, and start and complete lease-up and/or sellout.
9. An **executed “Consent for Release of Response Data” form** (Exhibit A). Proposals that do not include an executed “Consent for Release of Response Data” form shall be considered incomplete which will be grounds for rejection of the entire proposal.
10. Any **other information** that would help City staff understand and evaluate the concept.

The City reserves the right to request more detailed information in one or more of the above categories from one or more developers before a final selection is made, and the City will require additional information from the selected developer prior to the land sale. 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 good faith deposit on the land with their proposals. However, the developer whose proposal is ultimately selected by the City Council must make the required deposit at the time of selection.

## **EVALUATION CRITERIA**

The review of proposals will be based on five evaluation criteria that are divided into two general categories (i.e. “Physical Development Proposal” and “Developer Qualifications/Financial Proposal”). In order to qualify for evaluation under these criteria, proposals must be complete and include all of the information outlined in the “Proposal Contents” section (pages 8 - 10), including an executed “Consent for Release of Response Data” form (Exhibit A).

*The City reserves the right to modify the selection criteria.*

### **Physical Development Proposal Evaluation Criteria**

1. The extent to which the proposal realizes the development potential of this superior riverfront site, fulfills adopted City goals, plans and policies and attains a high level of application to the following planning and design considerations.
  - The proposal complies with the Minneapolis Zoning Code, comprehensive plan, adopted small area plans and design criteria outlined herein.
  - The proposal indicates a strong relationship between uses in the parcel and uses in the surrounding blocks; and
  - The proposal addresses traffic circulation within the parcel, including automotive/truck circulation and pedestrian/bicycle circulation.
  - Given the extraordinary, high-visibility location of this site – a high caliber aesthetic and stylistic design solution is encouraged and expected. In addition to other criteria outlined in this RFP, the selection committee will judge proposals for the quality of aesthetic design solutions through which functional design considerations have been met.
2. The public benefits to be achieved by the proposal (e.g., land proceeds; real estate taxes; provision of affordable housing; provision of public park, recreation, interpretive or cultural amenities; and/or incorporation of sustainable design elements).

### **Developer Experience/Financial Proposal Evaluation Criteria**

3. The experience, qualifications, and the financial and organizational capacity of the developer and the development team in successfully planning and completing development projects of similar type and scale, on time and within budget.
4. The market and financial feasibility of the development and the likelihood of implementation in a timely manner.
  - The nature of private financing interest or commitment;
  - The anticipated ability of the project to secure necessary public and private funds;
  - The schedule for commencement and completion of elements of the proposed mixed-use project; and

- The security to be provided to assure the successful completion and operation of the development.
5. The extent to which the proposal minimizes any need for additional public investments.

### **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 Downtown Minneapolis Neighborhood Association, and input also will be sought from the Industry Square Project Committee. Under the Minnesota Government Data Practices Act, Minnesota Statutes Ch. 13, public disclosure of RFP response data prior to execution of a contract is restricted. In order to meet the City's citizen participation goals, the City requires each proposer to execute and submit a "Consent for Release of Response Data" form as attached to this RFP as Exhibit A. Failure to submit the "Consent for Release of Response Data" will be grounds for rejection of the entire proposal as unresponsive. Notwithstanding the foregoing, if proposers are being asked to provide financial statements as part of the RFP response, proposers may submit such financial statements confidentially under separate cover pursuant to the Minnesota Government Data Practices Act.

### **REVIEW/SELECTION PROCESS**

A committee that will include City and Park Board staff, a Guthrie Theater representative and neighborhood organization representatives will review proposals received by the due date. Input also will be sought from the affected neighborhood organization(s). Some or all of the proposers may be requested to present their proposals to the review committee and/or neighborhood organizations. It is hoped that this review process will be completed by the end of March, 2006.

The review committee will then make a recommendation as to the developer that best meets the evaluation criteria. Additional information may be sought from one or more of the proposers before or after a recommendation and this may affect the overall timeline. This recommendation will be considered by the CPED Director and then forwarded to the City Council for action.

If the City Council selects a development proposal that does not entail any additional public 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. Any proposals requesting public financial assistance will be required to comply with the 2004 Public Financial Assistance Fee Policy (see [www.ci.minneapolis.mn.us/cped/public\\_assistance\\_policy.asp](http://www.ci.minneapolis.mn.us/cped/public_assistance_policy.asp)). 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.**

#### **TIMING**

Following is the anticipated timeline:

Submission deadline for proposals:	February 23, 2006
Review/evaluation of proposals and neighborhood review:	Through March 2006
Recommendation to City Council Community Development Committee on the selected developer:	Early April 2006
Final action by City Council:	Late April 2006

#### **CITY CONTRACTING REQUIREMENTS**

The selected developer will be required to enter into a redevelopment contract with the City and comply with any applicable City requirements. These requirements vary depending upon the type of development and the source and amount of public investment, if any, and may include, without limitation, the payment of prevailing wages for construction, the preparation of affirmative action plans, competitive bidding, compliance with the Small and Underutilized Business Enterprise program or equivalent federal program, and Business Subsidy Act/Living Wage Policy, and reporting requirements for those programs. Some of the standard requirements are further discussed below, but the following list is not exhaustive. Proposers unfamiliar with these standard requirements are urged to seek further information.

1. **Equal opportunity (nondiscrimination and affirmative action)** The selected developer and contractor will be required to submit a written affirmative action plan for the development project and to comply and cause its contractors to comply with applicable provisions of Chapters 139 and 141 (Title 7, Civil Rights), Minneapolis Code of Ordinances, nondiscrimination provisions contained in Chapter 181, Minnesota Statutes, the Americans with Disabilities Act of 1990 (as amended), Section 109 of the Housing and Community Development Act of 1974 (as amended), the Age Discrimination Act of 1975 (as amended) and Executive Order 11246, as amended by Executive Order 12086. The selected developer will be required to agree not to discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, affectional preference, disability or other handicap, age (40 – 70), marital status, or status with regard to public assistance. The selected developer also will be required to take affirmative action to ensure that all employment practices are free of such discrimination. These employment practices include, but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The developer will post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discrimination clause. The selected developer also will be required to, in all solicitations or advertisements for employees placed by or on behalf of the developer, state that it is an equal opportunity or affirmative action employer. CPED will require compliance in demolition, construction and marketing of development projects.

2. The **Job Linkage Program** links economic development with employment. The purpose of the program is to insure increased employment opportunities for Minneapolis residents. All commercial/industrial development projects whose primary purpose is job creation or retention, that receive non-City public development assistance, are required by contract to identify positions that are reserved for Minneapolis residents.

3. The City of Minneapolis **Living Wage Policy** established certain wage and hiring requirements applicable to the owner and tenants of development projects where the primary objective of the project is job creation or retention.

4. In accordance with the City's **Prevailing Wage Policy**, the selected developer covenants and agrees 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 developer shall maintain appropriate payroll documentation for a three-year period after completion of the project.

5. City of Minneapolis regulations require that all development projects that receive public financial assistance in excess of \$100,000 must comply with Chapter 423 of the Ordinance where subcontracting opportunities exist. Such requirements encourage the use of businesses owned by women and minorities in securing construction and professional services, and are applicable to developers and contractors. A list of certified businesses can be obtained by contacting the **Small and Underutilized Businesses** Program at (612) 673-2112 or on the World Wide Web at [www.govcontracts.org](http://www.govcontracts.org).

6. The developer's contractor will be subject to the City's **Apprenticeship Training Policy** for development projects where public financial assistance is provided to the developer/owner.

7. Depending upon the level and purpose of public assistance that may be received, provisions of the Minnesota **Business Subsidy Act** may also apply to the project. Should these requirements apply, they will be incorporated into the development agreement.

8. 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-accessible 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.

9. 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 RFP 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.

Under the Affordable Housing Policy, three options are available:

- 20 percent of the units in the development must be affordable, or
- A comparable number of affordable units must be legally committed by the developer to be built elsewhere in the City, or
- A payment equal to the number of required affordable housing units times \$80,000 must be made into the City's Affordable Housing Fund.

Units are considered affordable if the rent (and/or the combined PITI with utilities) is no more than 30 percent of 50 percent of the Twin Cities Standard Metropolitan Statistical Area monthly household income, by family size. Affordable units must be occupied by households with incomes less than 50 percent of Metropolitan Median Income. Units must be affordable for a minimum of 15 years after completion.

Respondents to this RFP who make a fair market value offer for the parcel for a housing development proposal will not trigger the City's Affordable Housing Policy.

However, the Twin Cities metropolitan area, including the City of Minneapolis, faces an acute shortage of housing that is affordable to people earning 50 percent of the MMI or below, and the City strongly encourages respondents to include an affordable component in all housing proposals. While the City does not have any financial incentives or subsidies specifically allocated for this project, respondents should consider available city, county, metro, state and federal resources for affordable housing.

Once selected, the developer will follow the City's standard competitive RFP processes for available affordable housing funds if those are requested by the developer. The City will also support and assist with applications for federal, state, metro and county funds to create affordable housing on the parcel. If a developer receives City resources or public resources that pass through the City or require the City to be a co-applicant/ sponsor, then the City's Affordable Housing Policy would apply and must be followed. In addition, all requirements associated with public funding sources will have to be met.

10. **Soil Conditions:** 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. 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. If appropriate, the City will work with the selected developer to apply for remediation funds from non-City sources and/or will consider escrowing a portion of the land proceeds to cover extraordinary environmental or geotechnical correction costs.

11. **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.

12. **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.

13. **Construction Standards:** Development must meet FHA minimum property standards and all Minneapolis City codes, and projects will be reviewed for energy efficiency.

14. **Residential Sale and Commercial Sale/ Lease:** The completed units must be advertised and offered publicly and must be sold to the general public.

15. **Hold Harmless:** The Respondent shall agree to defend, indemnify and hold CPED harmless from any and all claims or lawsuits that may arise from the Candidate's activities under the provisions of the development agreement, that are attributable to the acts or omissions, including breach of specific contractual duties of the Respondent or the Respondent's independent contractors, agents, employees or officers.

#### EXHIBITS

- A. Form of Consent for Release of Response Data
- B. Parcel location
- C. Annotated survey
- D. SHPO correspondence

**EXHIBIT A**  
**Form of Consent for Release of Response Data**

\_\_\_\_\_, 20\_\_

City of Minneapolis  
Department of Community Planning and Economic Development  
105 5<sup>th</sup> Avenue S., Suite 200  
Minneapolis, MN 55401

Re: Riverfront East Parcel Request for Proposals  
Consent for Release of Response Data

\_\_\_\_\_, on behalf of  
\_\_\_\_\_, hereby consents to the release of its development proposal in response to the Riverfront East Parcel 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 financial statements submitted under separate confidential cover.

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT B-1  
Riverfront East Parcel Location**

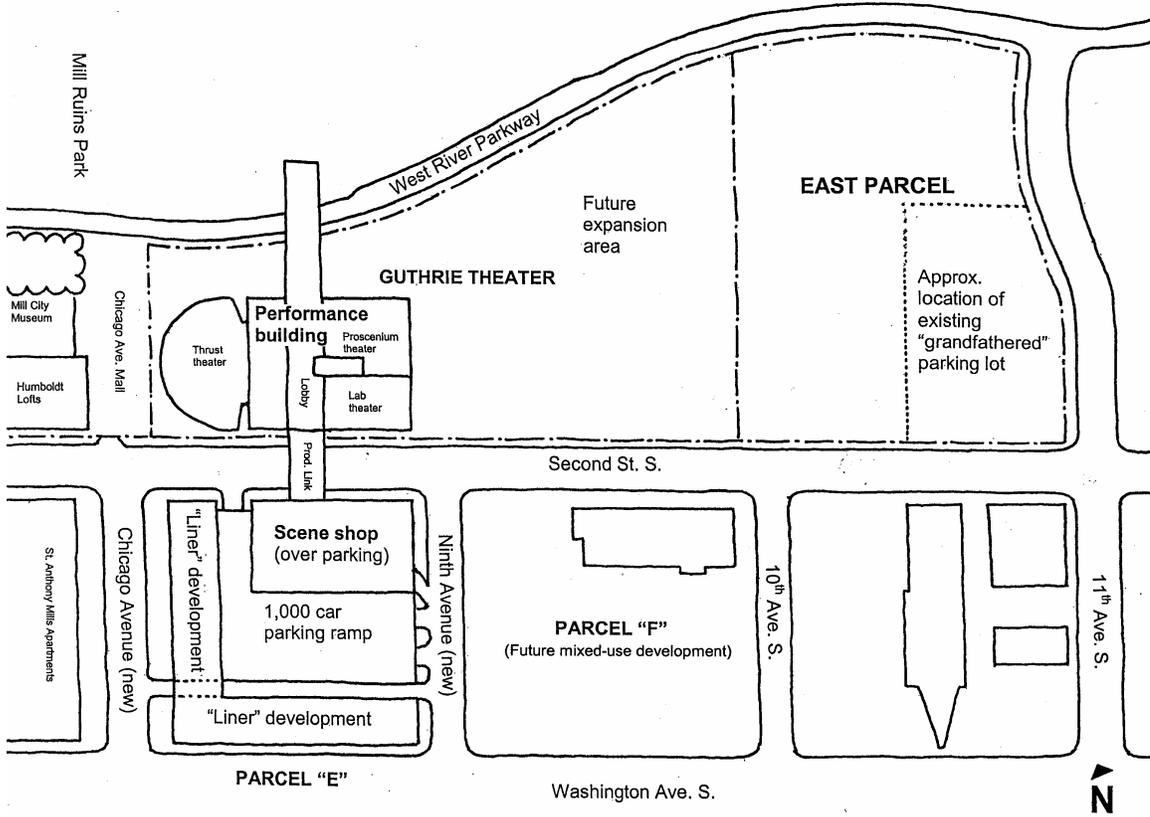


Photo by Bordner Aerials

**EAST PARCEL IN RED**

Minneapolis Riverfront District

# EXHIBIT B-2 Riverfront East Parcel Location





**EXHIBIT D**  
**Communications from State Historic Preservation Office**

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MINNESOTA HISTORICAL SOCIETY  
STATE HISTORIC PRESERVATION OFFICE

October 8, 2001

Ms. Ann Calvert  
MCDA  
Crown Roller Mill, Suite 200  
105 5<sup>th</sup> Avenue S  
Minneapolis, MN 55401-2534

RE: Proposed New Guthrie Theatre  
Minneapolis, Hennepin County  
SHPO Number: 2001-0477

Dear Ms. Calvert:

You contacted us in November of 2000 regarding planning issues related to the proposed construction of the new Guthrie Theatre on the Minneapolis riverfront, in the St. Anthony Falls Historic District

One of the recommendations we made in our response of 30 November 2000 was that an archaeological survey of the site should be completed.

In July of this year, we wrote you with our comments on the initial cultural resource investigations. In that letter, we indicated that two properties needed further evaluation. We also indicated our opinion that four other sites that had been identified did not merit further evaluation.

We have now received and reviewed the report of the additional work on the two sites - the Minneapolis and St. Louis Auxiliary Passenger Depot and the Minneapolis Transfer Locomotive House. Based on the survey results, we conclude that neither site contributes to the St. Anthony Falls District or is individually eligible to the National Register.

We note our earlier (11/30/00) comment that other cultural resource issues, such as the need for a historically compatible design for the new facility, also need to be addressed.

Contact us at 651-296-5462 with questions or concerns.

Sincerely,

Britta L. Bloomberg  
Deputy State Historic Preservation Officer

cc: Greg Mathis, Minneapolis HPC  
Deborah Johnson, St. Anthony Falls Heritage Zone



MINNESOTA HISTORICAL SOCIETY

July 27, 2001

Ms. Ann Calvert  
MCDA  
Crown Roller Mill, Suite 200  
105 5<sup>th</sup> Ave. S  
Minneapolis, MN 55401-2534

Re: Proposed New Guthrie Theatre  
Minneapolis, Hennepin County  
SHPO Number: 2001-0477

Dear Ms. Calvert:

Thank you for the opportunity to review and comment on the above project. It has been reviewed pursuant to the responsibilities given the Minnesota Historical Society by the Minnesota Historic Sites Act and the Minnesota Field Archaeology Act.

We concur with the need for further evaluation of two of the sites that have been identified: the Minneapolis and St. Louis Auxiliary Passenger Depot, and the Minneapolis Transfer Locomotive House.

The Dorsey Bran House, located in the St. Anthony Falls District, lacks integrity and we do not feel that it contributes to the district.

The Washburn Barrel Factory, the Minneapolis Transfer Roundhouse, and the Second Street House/Store Site all fail to meet significance criteria due to lack of materials and or insufficient integrity.

We look forward to reviewing the results of the final evaluations. Contact us at 651-296-5462 with questions or concerns.

Sincerely,

Dennis A. Gimmetstad  
Government Programs & Compliance Officer

cc: Greg Mathis, Minneapolis HPC



MINNESOTA HISTORICAL SOCIETY  
STATE HISTORIC PRESERVATION OFFICE

November 30, 2000

Ms. Ann Calvert  
MCDA  
Crown Roller Mill, Suite 200  
105 5<sup>th</sup> Avenue S  
Minneapolis, MN 55401-2534

RE: Proposed New Guthrie Theatre  
Minneapolis, Hennepin County  
SHPO Number: 2001-0477

Dear Ms. Calvert:

Thank you for consulting with our office regarding the above referenced proposed development.

As you know, this parcel is located within the St. Anthony Falls Historic District, which is listed on the National Register of Historic Places.

You have asked that we assess the need for an archaeological of this parcel, as part of the initial steps in project planning. This letter addresses that issue. As you know, there are other issues, such as the need for a historically compatible design for the new facility, which will also need to be addressed once the overall framework of the review process is established.

Based on our review of the information on the history of the site, we believe that an archaeological survey should be completed. The survey must meet the requirements of the Secretary of the Interior's Standards for Identification and Evaluation, and should include an evaluation of National Register eligibility for any properties that are identified. For your information, we have enclosed a list of consultants who have expressed an interest in undertaking such surveys.

We look forward to working with you as the planning for this project proceeds. Contact us at 651-296-5462 with questions or concerns.

Sincerely,

Dennis A. Gimmestad  
Government Programs and Compliance Officer

Enclosure: List of Consultants

cc: Amy Lucas, Minneapolis HPC  
Deborah Johnson, SAFHB