

1101 West Broadway Pre-Proposal Meeting

October 19, 2005

City of Minneapolis – CPED Offices, 105 Fifth Avenue South

Overview

The city held a pre-proposal conference on October 19 to review the 1101 [West Broadway request for proposals](#). The following is a summary of the conference and the questions asked.

Staff Attendees

Mike Christenson, City of Minneapolis, CPED Economic Development

Erik Hansen, City of Minneapolis, CPED Economic Development

Tom Leighton, City of Minneapolis, CPED Planning

Bernadette Hornig, City of Minneapolis, CPED Housing

Jonathan Palmer, City of Minneapolis, Empowerment Zone

Narin Sihavong, City of Minneapolis, Empowerment Zone

Introduction to the project

The City of Minneapolis has issued a [Request for Proposals](#) for the building at 1101 West Broadway, the adjacent parking lot, and the adjoining parcel along Fremont Avenue. The building is approximately 12,000 square feet, allowing for roughly 6,000 square feet retail space. Proposals for housing within the existing building at 1101 will not be entertained. The RFP includes a community parking requirement of 50 percent of the total parking supply.

The City prepared a floor plan, but not an engineering report, for the building at 1101 West Broadway, on account of the potential for building renovation. A legal survey of the property has been completed and can be obtained by contacting [Erik Hansen](#) at the City of Minneapolis.

The City has prepared a structural survey. The estimated cost of redeveloping the building to a standard that is up to building code is \$835,000, including costs for an elevator; the estimated cost of demolition is \$60,000. Up to \$350,000 in [Empowerment Zone](#) funding is allocated for the project, provided the goals of the Empowerment Zone are met. Funding to assist the developer in the creation of a shared parking lot may become available, pending approval from the City Council during the budget process.

Questions

What level of detail is required for drawing submissions, for example elevations?

Drawings do not have to show construction specifics of the building renovation and a drawing for every side of the building is not needed. Drawings are to represent your

concept for the building. When a developer is selected, more detailed information will be requested. There is a requirement that all drawings be on 11"x17" paper or smaller.

Are there plans available for the transit stops?

West Broadway will be served by a bus rapid transit line, extending from Brooklyn Park to downtown Minneapolis. The transit stops are located on Freemont and at the Hawthorne Crossing shopping center and do not directly impact the RFP property. Metro Transit developed prototype designs for the stops and station areas along the West Broadway corridor. Preliminary plans will be posted shortly to the Bottineau Boulevard Partners website (<http://www.bottineaupartnership.org/>).

There is a change in grade of approximately 18" from the front to the rear of the property, potentially making handicap accessibility from all sides of the building difficult. What is the City's policy on handicap accessibility?

Handicap access needs to be available for each tenant in order to obtain a building permit. If all tenants can be served by the front entrance, access is not required in the rear of the building. It may be possible to construct a ramp in the right of way on the sidewalk. However ADA regulations will prevail and our site plan review and development services process will prevail for access requirements.

Are there a required number of parking spaces?

There are currently 38 parking spaces on the property. The number of parking spaces required depends on the use of the property and is dictated by the City's zoning code. The proposal should provide at least adequate parking for the use prescribed for 1101. The City would like to maximize the number of parking spaces available; however, all proposals will be evaluated comprehensively.

When will remediation of the property be completed?

Remediation, including asbestos abatement and removal of a fuel tank, will begin on October 24 and is scheduled for completion in early December. An asbestos abatement report will be available upon completion.

The fuel oil tank will be removed, but the boilers will stay in place. Lead paint on walls being extracted will be removed, but that remaining will not be remediated.

Would a third story addition be considered?

The addition of third story is not addressed in the RFP. Barriers to adding a third story include:

- an increased parking requirement;
- diminished historical character of the 1101 building (deemed important by the community); and

- questionable ability to obtain approval.

No housing will be considered for the building on 1101, so a third floor use would need a non-residential tenant. Staff discourages proposals that include vertical additions to the 1101 building. However, housing may be proposed for the parking lot areas. A market analysis is recommended for any housing use. The neighborhood has expressed a desire to see residential properties available for ownership.

Did the City of Minneapolis consider acquiring adjacent properties?

The City is not looking at acquiring any adjacent property. The owners of the adjacent property were in attendance at the community meeting and expressed interest in staying at their present location. Proposals including adjacent properties will be entertained if the developer has site control at the time of developer selection. The City will not assist in acquisition.

What is the condition of the plumbing and electric in the building?

It is anticipated that the plumbing and electric will need to be entirely rebuilt. These costs were not included in the renovation estimate of \$835,000 from the structural engineer. Proposals should include these costs in proposals.

Is an elevator required for a second floor office use?

ADA requirements will likely call for an elevator.

Why is there water in the basement?

The room below the former Michael's Apparel (northwest corner of building) floods when for roughly eight months of the year. Staff believes the flooding is attributable to the water table. There is a rainleader that with a whole that creates minor flooding during heavy rains in the basement. Building requirements will require the disconnection of the rainleader, so this should not have an impact on the renovated use.

Is there a City comprehensive plan for West Broadway?

The City of Minneapolis does not currently have a land use plan for West Broadway. CPED Planning will complete a corridor land use plan in 2006. The RFP for 1101 has moved forward without a plan in place since there is an expectation that the redeveloped use of the building would not be inconsistent with the expected use in a planning process.

Would a freestanding structure connecting the building and the parking lot, such as an arbor or trellis, be allowed?

Proposals are evaluated on a case-by-case basis by the public works department. Permanent structures in the right of way require an encroachment permit. Reasonable scenarios should be included in the proposals.

Are trees represented on the legal survey?

No. Copies of the legal survey can be obtained by contacting [Erik Hansen](#) and the City of Minneapolis.

What were the shortcomings of the past RFP proposal processes?

This is the fifth time an RFP has been issued for the property at 1101 West Broadway. Financing has been the main barrier to getting the property redeveloped. Other obstacles included:

- a desire to preserve the building instead of demolish it;
- problems acquiring additional parcels for parking; and
- problems with accessing the rear parking lot from West Broadway.

Is the Public Works Department considering converting Emerson and Fremont to one way streets?

A study is being conducted to consider this option. There is a great deal of uncertainty surrounding this alternative and findings have not yet been produced to support or not support a modification to the traffic flow.

Have any businesses shown interest in renting the space at 1101 West Broadway?

The West Broadway Coalition receives periodic requests from businesses looking to lease space on West Broadway. No specific inquiries have been made regarding the 1101 property, on account of it not being renovated.

A representative from a non-profit, looking for space to lease on West Broadway, was present at the meeting.

Do tenants need to be signed at the time of response?

A concept of the type of space and kind of tenants to be pursued is needed, but not specific tenants. Any information about identified tenants is helpful and should be included in proposals.

To what degree can the redevelopment impact the alley?

Access must be preserved to the rear of all properties. If a proposal does not have a mechanism identified to preserve this access (an easement agreement for example) the

alley must remain. Proposers can look at realigning the alley from the residential portion of the block to separate uses, which could provide a connection between the Fremont and Emerson parcels.

What is the purchase price of the building?

The City is unable to determine the purchase price without knowing the proposed use. The City will be seeking some compensation for the building. Proposers should make an offer on the building.

To what degree does the developer need to provide evidence of financing?

Proposals are encouraged to show the sources of financing as specifically as possible. Developers are not expected to have secured financing at the time of response, but evidence that sources are available, such as a first letter from a bank, are helpful. Previous experience does help support a developers' ability to secure financing.

What conditions and job creation goals need to be met to receive Empowerment Zone funding?

The Empowerment Zone has \$350,000 dedicated to the property at 1101 West Broadway. The primary goals of the Empowerment Zone are to promote:

- economic development (reducing poverty and unemployment);
- housing; and
- safety.

In this case, the Empowerment Zone will look at the ability of the redevelopment to:

- provide jobs;
- positively impact the community;
- draw new investment; and
- work with the neighborhood organization's vision.

Jobs from construction and tenant space will be taken into account. The number of jobs going to residents of the Empowerment Zone is a factor.

The amount of money to be either paid back or forgiven is negotiable. Up to \$2,500 per job can be forgiven. Loans are typically made at four percent for five to ten years. Empowerment Zone money can be used for construction and up to \$50,000 of pre-development costs, including architect fees.

City prevailing wage rules and Small and Underutilized Business Program will apply. Davis-Bacon applies if Empowerment Zone funds are spent in conjunction with other public funds. Davis-Bacon might apply depending on funding sources.

Will an additional survey be conducted after remediation is complete?

No, but a detailed asbestos abatement report, approved by the PCA, will be available after the abatement is complete.

Are there examples of a proposal available?

Responses to an RFP issued for a property at [Penn and Lowry](#) are posted, in full, on the City of Minneapolis' website.

The selection process

The Neighborhood Northside Redevelopment Council will have the opportunity to independently review and comment on proposals deemed responsive to the RFP. NRRC, the Jordan and Hawthorne neighborhoods, along with the West Broadway Area Coalition and the West Broadway Business Association, will have a joint opportunity for comment. Proposers are required to present the concept at a public meeting, no recommendations as to developer selection will be made at this time. A project review committee will be selected and proposals will be ranked using Council approved criteria. When a decision is reached, City Council approval must be obtained to approve developer selection. No final site plan will be presented at this time. The City Staff cannot enter into negotiations with a specific developer until the Council has approved the selection. Upon approval, Staff will enter into negotiations with the selected developer regarding the terms of the redevelopment contract. There will a three to six month deadline for negotiations. Final City Council approval is needed before the City can enter into the redevelopment contract.

If you have additional questions or would like a copy of the legal survey, contact [Erik Hansen](#) at 612-673-5022 or Erik.Hansen@ci.minneapolis.mn.us.