

**REQUEST FOR PROPOSALS FOR PURCHASE AND  
POTENTIAL REDEVELOPMENT OF 824 HENNEPIN AVENUE,  
DOWNTOWN MINNEAPOLIS, MINNESOTA  
(A.K.A.: HENNEPIN STAGES, HEY CITY THEATER, HIRSHFIELD'S PAINT)**



**(Front of building, from Hennepin Avenue)**



**(Rear of building, from alley)**

**City of Minneapolis – Department of Community Planning and Economic Development**

Contact:

Andrea Petersen

105 Fifth Avenue South, Suite 200

Minneapolis, Minnesota 55401

[andrea.petersen@ci.minneapolis.mn.us](mailto:andrea.petersen@ci.minneapolis.mn.us)

<http://www.ci.minneapolis.mn.us/cped/>

## Table of Contents

INTRODUCTION .....	3
BACKGROUND .....	3
SITE FACTS .....	4
LOCATION.....	4
SITE.....	5
IMPROVEMENTS.....	5
USE .....	5
OTHER.....	5
ASKING PRICE.....	7
DEVELOPMENT GOALS .....	7
PROPOSAL DEADLINE.....	9
RFP INQUIRIES .....	9
PRE-PROPOSAL CONFERENCE AND TOUR.....	10
PROPOSAL CONTENTS.....	10
CITIZEN PARTICIPATION.....	13
REVIEW/SELECTION PROCESS.....	13
TIMING.....	14
CITY CONTRACTING REQUIREMENTS.....	14
EXHIBITS.....	18
EXHIBIT A - Form of Consent for Release of Response Data .....	19

## INTRODUCTION

The City of Minneapolis (“City”) is seeking proposals for the purchase and potential redevelopment of a property located at 824 Hennepin Avenue (“Property”), in the heart of the City’s entertainment district in downtown Minneapolis, Minnesota. Although the Property is currently configured with two stages for small venue live theater, it does not need to continue as such in the future. The Property could be purchased “freestanding,” as part of an assemblage for a larger development, or as an adaptive reuse.

The Property’s primary zoning district is the B4S-2 Downtown Service District which is established to provide an environment for a wide range of retail and office activities, high density residential uses and hotels, and supportive goods and services not allowed in the B4 Downtown Commercial District. This designation has a minimum floor area ratio of two (2.0) and a maximum floor area ratio of eight (8.0). As described in the *Downtown East / North Loop Master Plan*, the City’s desired development objectives for the Property include mixed use (office/commercial) and/or entertainment oriented redevelopment with street level retail. This plan calls for medium height of 5 to 13 floors. The Property is subject to existing agreements which are further identified herein under “Site Facts: Other – Title Encumbrances.”

## BACKGROUND

The City’s Department of Community Planning and Economic Development (“CPED”) seeks proposals for the acquisition and redevelopment of the Property.

The City is currently the vendee of a Contract for Deed on the Property. The City will complete its contractual obligations and hold fee title before closing with the selected buyer.

The Property was previously known as Hey City Theater and before that Hirshfield’s Paint and Wallcoverings. Currently named Hennepin Stages, the Property is located in the heart of the Hennepin Theatre District which extends from Fifth Street to Tenth Street along Hennepin Avenue in downtown Minneapolis.



The Hennepin Theatre District is adjacent to the core of the City's Central Business District which has approximately 165,000 employees and is part of the Upper Midwest's most vibrant entertainment/hospitality district with major theater venues, restaurants, clubs, hotels, and parking facilities. Within the entertainment district are three other live stage theaters, the Orpheum, State, and Pantages. The Shubert Theater, is owned by Artspace Projects, Inc., who is undertaking a capital fund drive for the theater's restoration and future operation as a dance-focused venue. Other major entertainment venues within the entertainment district include the Target Center (NBA arena) and Block E, which includes a fifteen screen movie theater. Downtown Minneapolis has more than 30,000 residents and is experiencing growth in the downtown housing market.

The Property was acquired by the City in 1995 and then leased to Hey City Theater for the production of "Tony and Tina's Wedding." At the end of the initial run of that production, the building was renovated to accommodate separate productions on each of the two main floors. The building remains laid out in that manner with a combination of permanent and moveable tables and chairs on each floor.

The City will restrict the following uses from occurring on the Property in the future: check cashing, adult bookstore, disorderly housing and gambling, tattoo parlor, tobacco distribution and sales, drug paraphernalia, pawn brokers, off-sale liquor license and distribution, and sexually oriented uses. These restrictions will be recorded in the deed and run with the land, binding the buyer, its tenants, and their successors and assigns.

The City's lease with the operator of the Hey City Theater was terminated on July 23, 2004. The City authorized an interim management agreement with Historic Theatre Group ("HTG") to manage the theater on a short-term basis while a purchaser, lessee or permanent theater operator was sought. The leasing agreement with HTG expired on June 30, 2007. Currently, the City has an agreement with HTG to assist with renting and managing the theater space.

## **SITE FACTS**

### LOCATION

- Address: 824 Hennepin Avenue, Minneapolis, MN 55403
- Parcel Identification Number: 27-029-24-12-0056
- Ward: 7
- Tract / Block: 44 / 113
- Neighborhood: Downtown West
- Neighborhood website: <http://www.thedmna.org/>
- Minneapolis Neighborhood Profile: <http://www.ci.minneapolis.mn.us/neighborhoods/>

## SITE

- Lot Size: 7,389 sq. ft. (.1696 acres)
- Property perimeter: 456 ft.

## IMPROVEMENTS

- Year Built: 1910
- Stories: 2 + basement
- Building Size: 16,200 sq. ft.
- First Floor Area: 5,400 sq. ft.
- Second Floor Area: 5,400 sq. ft.
- Basement Area: 5,400 sq. ft.
- Finished Basement: 4,050 sq. ft.
- Utilities and Services: Sewer and water, fire main, sprinklers, electricity, gas, security, phone, and internet
- Mechanicals: Four rooftop air handlers (heat and air)
- Roof: Type: Rubber membrane  
Approximate age: over 10 years
- Construction Type (estimate): Limestone foundation with concrete, Concrete Masonry Unit (CMU) and brick
- Parking Lot: 4 spaces and access to Ninth Street (Subject to the Deed Granting Easements)

## USE

- Current Use: Two stages of small venue live theater
- Zoning: B4S-2 Downtown Service District ('99)  
DP Downtown Parking Overlay District
- City of Minneapolis *Downtown East/North Loop Master Plan*: Mixed Use: office/commercial (with ground level retail) at a medium height of 5-13 stories (page 37)
- Historical Significance: Not designated a historical resource

## OTHER

- Environmental Conditions: A Phase I Environmental Site Assessment conducted on 6/12/2006, revealed no recognized environmental conditions. (See [Phase I Environmental Site Assessment](#) - PDF, 6/12/06)  
  
No Phase II testing.

- Legal Description: Premises comprising all of Lot 8 in Block 6, Wells, Sampson, & Bell's Addition to Minneapolis, and part of Lot 5 in Block 6, Hoag & Bell's Addition to Minneapolis, according to recorded plat thereof, and situate in Hennepin County, Minnesota. ([See ALTA Survey PDF, 5/10/2006](#))
- Title Matters: An Old Republic Title Commitment covering ALTA Survey dated February 23, 2006. ([See Alta Title Commitment PDF](#))
- Title Encumbrances: See chart below

Title Encumbrances	Date Filed	Document Number
<a href="#">Deed Granting Easements (PDF)</a>	12/30/1993	6210211
<a href="#">Party Wall Agreement (PDF)</a>	1/3/1946	2336554
Terms and Conditions of Contract for Deed	3/20/1995	6408472
Amendment to Contract for Deed	6/25/2002	7777150
Assignment of Contract for Deed (to City of Minneapolis)		8482240

- Estimated Market Value (2006 City): \$693,400 building + \$626,600 land = \$1,320,000 total
- Annual Taxes: Contact Hennepin County
- Outstanding Special Assessments (as of August 2007): See table below

Annual Special Assessments	Original Assessment	Remaining Balance	Annual Payment	Annual Interest Rate	Remaining Years
Hennepin Avenue Street Lighting and Maintenance Operation	N/A	N/A	\$360.16	N/A	Perpetuity
Downtown Special Services District for Nicollet Mall	N/A	N/A	\$157.89	N/A	Perpetuity
Hennepin Avenue Street Lighting Capital Improvement Assessment	\$4,836.42	\$4,352.78	\$440.89	4.3%	18
Streetscape Assessment	\$40,321.13	\$32,256.92	\$4,017.48	3.8%	12
<b>TOTAL</b>	<b>\$45,157.55</b>	<b>\$36,609.70</b>	<b>\$4,976.42</b>		

- Adjacent Property Owners:
  - NW: ID Stage, LLC  
PID: 27-029-24-12-0057
  - SE: R L Purdy & E P Purdy Trustees  
PID: 27-029-24-12-0054

## ASKING PRICE

The City has not set an Estimated Fair Reuse Value for the Property. Proposers will need to indicate an offer price in the proposal. A Fair Market Value of \$1,100,000 has been established by a City appraiser for the Property with a 20-year entertainment use on the second floor. The City, at its sole discretion, reserves the right to estimate a fair reuse value of the site based on responses to the RFP and the specific proposals submitted. The City reserves the right, in its sole discretion, to dismiss any and all responses.

The Property will be sold as-is and not for speculation purposes. Evidence of a feasible redevelopment plan and full financing is a requirement of sale. The sale will not be seller financed.

## DEVELOPMENT GOALS

The Property is located in the heart of the entertainment district of downtown Minneapolis, Minnesota. The City expects RFP responses to support revitalization of the district and be a catalyst for future economic growth.

Chapter 549 of the City's **Zoning Code** describes the purpose of the Downtown Districts as follows:

The downtown districts are established to provide a range of retail, entertainment, office, employment, institutional and governmental activities of citywide and regional significance. The regulations recognize the unique qualities of downtown as the business and cultural center of the region to attract businesses, workers, shoppers, visitors, tourists, and residents.

Chapter 549 of the Zoning Code can be found on the City's Web site at:

<http://www.municode.com/resources/gateway.asp?pid=11490&sid=23>

The Property's **Primary Zoning District** is the **B4S-2 Downtown Service District** which is established to provide an environment for a wide range of retail and office activities, high density residential uses and hotels, and supportive goods and services not allowed in the B4 Downtown Commercial District. This designation has a minimum floor area ration of two (2) and a maximum of eight (8).

Table 549-1 of the Zoning Code indicates the principle and conditional uses for the B4S-2 designation and is located on the City's Web site at:

<http://www.municode.com/resources/gateway.asp?pid=11490&sid=23>

Note: Theater, indoor is a permitted use.

Chapter Three of ***The Minneapolis Plan***, the City's Comprehensive Plan, discusses downtown Minneapolis as a marketplace growth center. *The Minneapolis Plan* is located on the City's Web site at:

<http://www.ci.minneapolis.mn.us/citywork/planning/planpubs/mplsplan/Chapter3.pdf>

The ***Minneapolis Downtown 2010 Plan: Continuing the Vision into the 21<sup>st</sup> Century*** is the downtown component of the citywide comprehensive plan. It presents a vision of the Downtown Core and, in particular, policies regarding the entertainment district. Entertainment and specialty retail uses should be the primary uses at the street and skyway levels. The entertainment district should be active at the street level, be visually exciting, and encourage pedestrian flow between attractions. All new development should provide uses and street level building designs that contribute to the visual excitement of the area. The *Minneapolis 2010 Plan* is located on the City's Web site at:

<http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf>

The ***Downtown East/North Loop Master Plan's*** primary objective is to encourage renewed interest in living, working, and shopping in downtown Minneapolis through the creation of a high-quality, easy-to-use physical environment, one that enhances the everyday urban experience. The Property is located within the Ninth Precinct of the *Downtown East/North Loop Master Plan*. All new development in this precinct should maintain and enhance the historic character of this district. Street-level retail should be encouraged throughout the district. The recommended land use for core expansion in the *Downtown East/North Loop Master Plan* for the Property block is mixed use – office/commercial and medium (5 to 13 floors) height. The *Downtown East/North Loop Master Plan* is located on the City's Web site at:

<http://www.ci.minneapolis.mn.us/master-plans/downtown-east-north-loop/>

## PROPOSAL DEADLINE

### Proposal submission

Proposers must submit copies of their proposals as follows: one unbound copy, ten 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 "824 Hennepin Avenue Request for Proposals." Faxed 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:

**November 21, 2007**  
**4:00 p.m.**

To: **Andrea Petersen**  
**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:

Andrea Petersen  
Project Coordinator  
105 5<sup>th</sup> Avenue South, Suite 200  
Minneapolis, MN 55401  
[andrea.petersen@ci.minneapolis.mn.us](mailto:andrea.petersen@ci.minneapolis.mn.us)  
Fax # (612) 673-5113

All questions are due no later than **November 7, 2007**. Questions and answers will be posted on the 824 Hennepin Avenue RFP Web site [http://www.ci.minneapolis.mn.us/cped/824\\_hennepin\\_rfp\\_home.asp](http://www.ci.minneapolis.mn.us/cped/824_hennepin_rfp_home.asp). 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.

## PRE-PROPOSAL CONFERENCE AND TOUR

A pre-proposal conference and walk-through tour of the Property will be held on **October 31<sup>st</sup>, 2007 at 11:00 a.m.** in the Property at **824 Hennepin Avenue**. CPED representatives will be available to respond to questions regarding this RFP and the physical facilities. Questions that cannot be answered at the conference will be answered by posting on the 824 Hennepin Avenue RFP Web site shortly thereafter.

## PROPOSAL CONTENTS

Proposals must include the following and be formatted in the following order:

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 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, and the provision of retail goods and services. This should include an estimate of the taxable value upon completion and annual real estate taxes.
  
3. **A term sheet** including proposed price, terms, and conditions.
  
4. **A description of the proposed development** including: a narrative, preliminary schematic plans, elevations (from Hennepin Avenue), size of building and square footage of specific components, nature of improvements, number of parking spaces, anticipated materials and design style, circulation patterns, and 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 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.

5. **An identification of the entities** that will be involved, 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.
6. **A preliminary capital pro forma** showing the detailed sources and uses of funds (debt, equity and other) to acquire the parcel and construct the development (including any tenant improvements). Information as to the status of securing those funds should be included and inclusion of a conditional financing commitment is strongly encouraged. Clearly indicate any public assistance to be requested. If the project includes multiple uses, the capital pro forma should be broken down for the component uses (commercial, housing, etc.).
7. For rental projects, a preliminary **operating pro forma** (Exhibit B) 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.
8. **A market study** or other information documenting the demand for the proposed space.

9. **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.
10. An executed "[Form of 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.
11. **Any other information** that would help City staff understand and evaluate the concept.

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**

In reviewing potential development concepts, the following criteria are among those that will be considered:

1. The public benefits that will be provided by the project
2. The proposed price, terms, and conditions
3. The extent to which the proposed development is in compliance with the Minneapolis Zoning Code, Comprehensive Plan and other relevant planning documents for the area
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 market and financial feasibility of the project
6. The anticipated ability of the project to secure necessary public and private funds
7. The extent to which the project can move forward on a timetable that will coordinate with the other development in the area
8. Overall quality of the submission

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.

## CITIZEN PARTICIPATION

The City of Minneapolis has established a citizen participation process for development projects impacting neighborhoods and values advice/input from the public obtained through this process. The neighborhood group officially designated to provide input on responses to this RFP is the Downtown Minneapolis Neighborhood Association. 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 proposal review committee consisting of City staff and a representative from the neighborhood group will review proposals received by the due date. Some or all of the proposers may be requested to present their proposals to the review committee and/or neighborhood organization. It is hoped that this review process will be completed by January 12, 2008.

The review committee will then make a recommendation as to the proposal that best meets the evaluation criteria. 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 sale. If the selected proposal requests additional public investment, staff will determine what types of further analysis, underwriting and/or other processes are required. Unless further analysis indicates that the selected proposal is not feasible, 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 public hearing and consideration of approval of the 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**

It is the City's desire that a redevelopment contract be executed with the selected proposer by May 1, 2008 and that construction of the project would begin by June 1, 2008.

Following is the anticipated timeline:

Pre-proposal conference and tour (optional):	<u>October 31, 2007</u>
Submission deadline for proposals:	<u>November 21, 2007</u>
Review/evaluation of proposals and neighborhood review: <u>through January, 2008</u>	<u>November, 2007</u>
Recommendation to City Council Community Development Committee on the selected developer:	<u>Jan – Feb, 2008</u>
Final action by City Council:	<u>Feb – March, 2008</u>

## **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. 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). Goals for this project will be established during negotiations with the successful respondent.
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 (see Affordable Housing Policy, Exhibit M).

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.

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.
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

The following exhibits are attached or available for download from the following City of Minneapolis website:

[http://www.ci.minneapolis.mn.us/cped/824\\_hennepin\\_rfp\\_home.asp](http://www.ci.minneapolis.mn.us/cped/824_hennepin_rfp_home.asp).

- A. EXHIBIT A - [Form of Consent for Release of Response Data](#) (Word)
- B. EXHIBIT B – [Required Pro-Forma Format](#) (PDF, 2 pages, 19 KB)
- C. EXHIBIT C – [824 Hennepin Avenue Map](#) (PDF, 1 page, 2.4 MB)

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.  
Minneapolis, MN 55401

Re: 824 Hennepin Avenue 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 824 Hennepin Avenue 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.

Best Regards,

\_\_\_\_\_