

April 15, 2004

SUBJECT: Request for Proposals (RFP) for a Light-Industrial development at 2600 Minnehaha Avenue

Dear Developer or Interested Party:

The City of Minneapolis acting by and through its Department of Community Planning and Economic Development (CPED) is soliciting proposals for development of a light-industrial site at East 26th Street and Minnehaha Avenue to provide living wage employment opportunities. CPED will work with affected neighborhood groups to select a developer based on the criteria contained within this RFP.

Enclosed are a description of the desired development, developer qualification requirements and instructions for the RFP. **All responses to this RFP must be received no later than 4:00 p.m. on June 1, 2004.** Any submittals received after that time will not be considered. Responses to this RFP will be accepted at the following address:

City of Minneapolis - Community Planning and Economic Development
Contract Services Department
Crown Roller Mill, Suite 200
105 Fifth Avenue South
Minneapolis, MN 55401
Attention: Cheryl Groettum

Please direct any questions regarding this Request for Proposals to Erik Hansen, Project Coordinator, at 612-673-5022 or erik.hansen@ci.minneapolis.mn.us.

**Request for Proposals
for
Light-Industrial Development
2600 Minnehaha Avenue
Minneapolis, Minnesota**



Issued by:



City of Minneapolis – Community Planning and Economic Development
105 Fifth Avenue South, Suite 200
Minneapolis, Minnesota 55401
(612) 673-5095
www.ci.minneapolis.mn.us/cped

Contact Erik Hansen (612) 673-5022 for issues specific to this RFP

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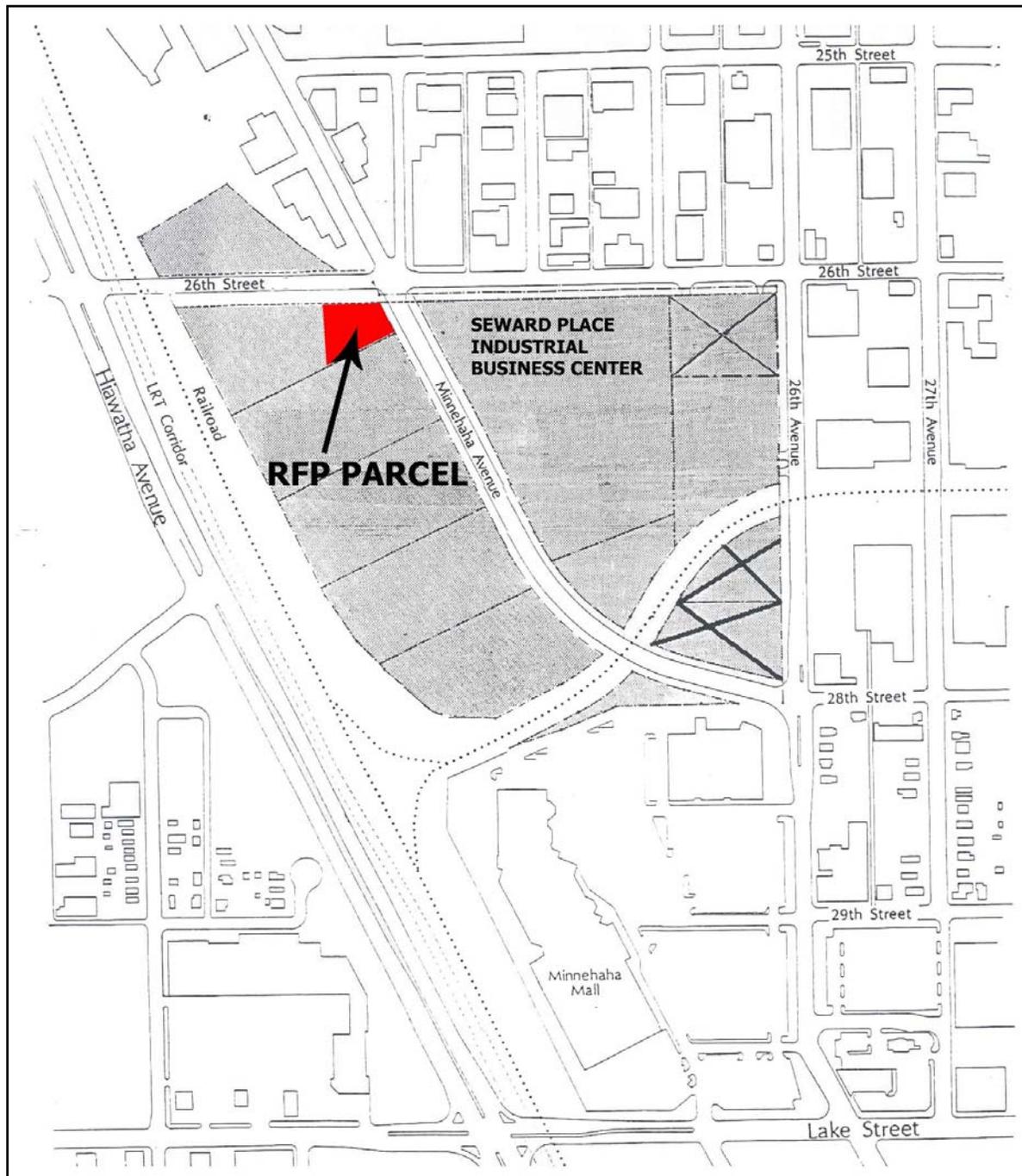
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INTRODUCTION

The Department of Community Planning and Economic Development (CPED) is the housing and economic redevelopment arm of the City of Minneapolis (City), which includes the former Minneapolis Community Development Agency (MCDA). On behalf of the City, CPED hereby issues a Request for Proposals (RFP) for light-industrial development on MCDA owned property at 2600 Minnehaha Avenue.

EXHIBIT 1 – RFP Parcel



The intent of this RFP is to solicit specific development concepts that will further the City's efforts to provide opportunities for living wage employment and to increase the City's light-industrial base. The development at this location should complement the developments that have occurred in the Seward Place Industrial Business Center. In line with these existing developments, all proposals must adhere to the *Seward Place Industrial Business Center Design Guidelines, October 1990* (Design Guidelines). The Design Guidelines are attached to this RFP.

The subject property of this RFP has a prime location in the Seward Place Industrial Business Center. At the southwest corner of the intersection of East 26th Street and Minnehaha Avenue, the property is 66,812 square feet (1.5 acres) with potential access points onto East 26th Street or Minnehaha Avenue.

The City is interested in development that meets or exceeds the goals identified in the Design Guidelines. Those responding to this request should submit proposals that identify an end user that can produce 1.5 living wage jobs for every 1000 square feet of building, with at least a 40 percent Floor Area Ratio, in addition to other design guidelines found in the aforementioned document.

BACKGROUND AND REQUIRED MATERIAL

RFP Property

The parcel is located on the southwest corner of the intersection of East 26th Street and Minnehaha Avenue at 2600 Minnehaha Avenue. The parcel is approximately 66,812 square feet (1.5 acres). This is the final MCDA owned parcel for redevelopment in the Seward Place Industrial Business Center. It is expected that respondents to this RFP will submit proposals that identify light-industrial users similar to the existing uses of other parcels in the Business Center.

Seward Place Industrial Business Center Design Guidelines

Attached to this RFP is a copy of the design guidelines describing the qualities and characteristics that respondents should incorporate into their designs. This document identifies acceptable building design, employment goals, review process, and required documentation. The MCDA produced these design guidelines with the assistance of the community and business stakeholders.

Remediation Needs

Previous predevelopment activities have identified contaminants on this parcel. These contaminants include but may not be limited to petroleum derivative compounds, minor heavy metals and asbestos. CPED staff is prepared to assist the selected respondent to prepare and submit brownfield investigation and/or remediation grant applications to all funding agencies. CPED expects grant application submission for the autumn 2004 funding round. Funding associated with the autumn round is expected to be available in early 2005.

Selection

Respondents to this RFP will be evaluated according to criteria that address the City's goals. One of the primary goals for this property is to maximize living-wage light-industrial employment. Respondent selection is based on the objectives contained in the attached guidelines. Generally, these are related to building design, site plan and ultimate end use. Specifically, evaluations will be based upon the following six (6) factors.

1. Prior experience of the respondent in planning and successfully developing projects of a similar type and scale
2. Demonstrated understanding of the City's development objectives and/or neighborhood plans for the sites, including the criteria listed in the Design Guidelines.
3. Organizational capabilities of the respondent to satisfy all regulatory requirements including, but not limited to, obtaining project approvals and permits for construction
4. Past performance on prior projects of similar size and scope being completed on time and within budget

5. Financial wherewithal of the respondent, including claims against or defaults on the part of the developer or its subsidiaries
6. Overall quality of submission

It is neither CPED's responsibility nor practice to acknowledge receipt of any proposal as a result of the Request for Proposals process. It is the responder's responsibility to assure that a proposal is received in a timely manner.

CPED with the input of the Seward Industrial Business Center Project Review Committee and appropriate neighborhoods will evaluate the proposals. Data practices requirements mandate that RFP responses are not public information. Therefore, respondents to the RFP should provide, for public evaluation, an executive summary of their proposal and a written statement that the executive summary may be shared as a public document.

Design consultants must be professionally licensed in the State of Minnesota. Contractors must be licensed to work in the City of Minneapolis.

Sale Price

This parcel will be sold at the market price. Respondents will provide an offering sale price. Respondents are required to submit an offer to purchase the property (attached to this RFP). CPED reserves the right to negotiate the sale price with the selected respondent.

Required Material

Respondents are required to submit documentation that is consistent with selection process outlined in the Design Guidelines and CPED policy. Specific requirements are outlined in the next section of this document. All submissions are due in the CPED offices listed in this document no later than June 1, 2004 at 4:00 p.m.

GENERAL INSTRUCTIONS

To be considered, respondents must provide ten (10) bound copies and one (1) electronic copy (either on Compact or floppy disk). Each proposal must include page numbering and use standard 8 ½ by 11 inch paper. Each response shall include the following information, in the following order:

- A. A cover page that includes a statement of interest and the following information in the order presented below:
 1. Respondent's legal name and mailing address
 2. Respondent's legal status: corporation, partnership, sole proprietor, etc.
 3. Federal ID number or Social Security Number
 4. State ID number
 5. Contact person
 6. Contact's title
 7. Contact's phone number including area code
 8. Contact's fax number including area code
 9. Contact's e-mail address
 10. Signature of authorized corporate officer for each entity proposing as a partnership or team

- B. A description of respondent's experience with financing and developing a light-industrial development. If the respondent's experience includes any projects completed within the past five years without public financial assistance, at least one such example should be listed.

Information presented about the projects must include the following:

 - Name and location of project
 - Name, address, phone number and e-mail address of a reference who can be contacted for each project
 - Description of project, including:
 - Type of facilities included
 - Total square footage
 - Site conditions (all new construction or demolition and rebuild, etc.)
 - Construction type of facilities (e.g., low, medium, high-rise)
 - Number of phases of project
 - Total duration of all phases
 - Respondent's project team and contact information for each member (financial partners/investors, architects, other major consultants)
 - Cost of project construction and total cost of project.
 - Variance from original project budget
 - Any claims or defaults on the part of the respondent or any of its subsidiaries

- C. Resumes of key personnel assigned to the development team

- D. Statement of current capacity to manage the project

- E. Evidence of financial ability to perform including company financial statements (e.g., balance sheet, operating statements, etc.), bonding capacity and experience with rating agencies or bond credit enhancers in accepting the developer's guarantees
- F. An executed Equal Employment Opportunity/Affirmative Action (EEO/AA) policy statement.
- G. Description of the end user. Including:
 - (1) Description of the business
 - a. Function
 - b. Employment profile
 - c. Growth projections
 - (2) Site requirements/access/parking
 - a. Current and in relation to project growth
 - (3) Schedule of development
 - (4) Primary building features/requirements

H. Development Plan and Program

A Development Plan shall be submitted consisting of the following:

1. Executive Summary

In accordance with Minnesota Data Practices Act, only certain information of each respondent is public. Respondents are asked to provide an executive summary of the proposal **on a separate sheet of paper** describing the project. This executive summary will be used to solicit input from public groups.

2. Narrative

The plan narrative should describe the concept, scope, location, and timing of the proposed development. It should present a rationale for the development's physical design and market feasibility. The narrative shall have a description of the end user and the job generation proposed. If the proposal includes an existing end user identify the number of new jobs and the number of retained jobs. Project information should include building square footage height, parking need (vehicle and bicycle), pedestrian circulation, and compliance with prevailing zoning and building code.

3. Illustration

The development plan shall contain maps sufficient to identify development envisioned for the property, including:

- (1) Site Plan
- (2) Floor plan(s)
- (3) Building elevation
- (4) Landscaping plan

- (5) Lighting and signing plan
- (6) Material and color palette

I. Project Financing

1. Complete **ONE** Offer to Purchase the property (not required to provide additional nine copies or an electronic copy of this item).
2. Provide a preliminary development proforma showing assumed sources and uses of funds. (NOTE: A sample proforma is included in this RFP package as part of the CPED Offer to Purchase documents). Specifically identify the expected equity investment by the respondent and others, and provide evidence of the respondent's capacity to obtain the necessary equity capital and mortgage financing.
3. Describe the type, amount (if known) and assumed terms of city development assistance to implement the proposed project, including tax increment financing (TIF), and provide the rationale for such assistance. If requesting City assistance, please contact the Project Coordinator for an application for public financial assistance and a copy of the City's policies governing such.
4. Describe any proposed methods for the repayment of the public subsidy, or for opportunities for the City to participate in operating revenues, syndication proceeds or residuals.
5. Provide a 20-year preliminary before and after cash flow projection (state the assumptions underlying income projections and include any market analysis used as a basis for those assumptions). This will be viewed as an indication of the thoroughness and realism of the proposal. Detailed proformas, in a format acceptable to CPED, will be required during the negotiation of a redevelopment agreement.
6. The development contract to be negotiated between the selected developer and the City will require adequate guarantees and forms of security to assure that the proposed project is initiated and completed in a timely manner and anticipated tax revenues are generated.

SCHEDULE

- April 15, 2004: RFP issued
- June 1, 2004: RFP response deadline
- July 29, 2004: Evaluations of RFP responses completed and respondent selected
- August 20, 2004: Request to City Council for authorization to negotiate redevelopment contract and authorize land sale.

Late responses will be rejected without consideration. Please mark the outside of your return envelope with “2600 Minnehaha Proposal, Due: June 1, 2004 at 4:00 p.m.”.

The responses shall be delivered to CPED at the address listed below, on or before:

4:00 p.m., June 1, 2004;

City of Minneapolis – Community Planning and Economic Development
Crown Roller Mill, Suite 200
105 Fifth Avenue South
Minneapolis, MN 55401

Attention: Cheryl Groettum