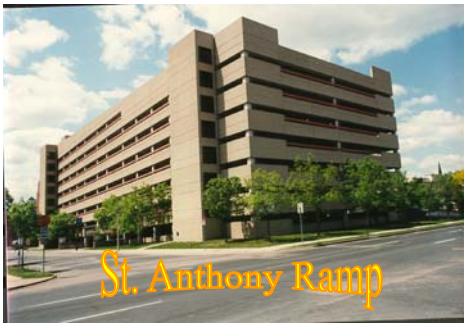
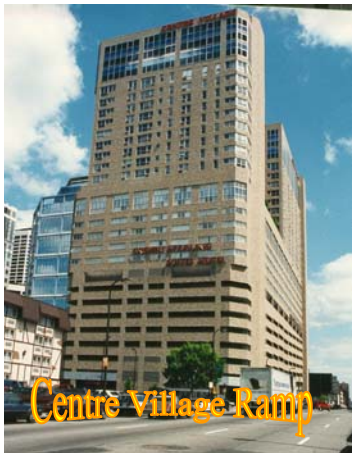
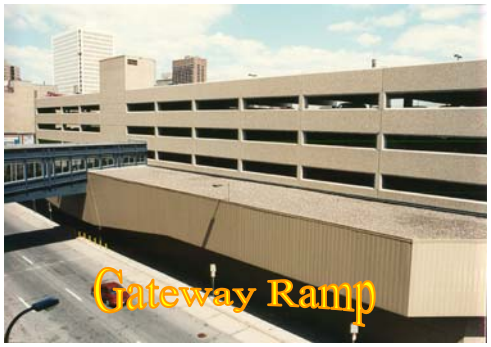
Request for Proposals for Purchase of Municipal Parking Ramps







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1.0 INTRODUCTION AND BACKGROUND

The City of Minneapolis ("City") is seeking proposals for the purchase of one or more of nine municipal parking ramps listed below. The City will entertain proposals for purchase of any one or more of the ramps either to continue as parking and/or as part of a development proposal. Proposals will be evaluated according to the criteria described in this Request for Proposals (RFP).

Parking Ramp / Address / Property ID #	**Parking Spaces**	**Neighborhood / Location**
St. Anthony 210 2nd Ave SE PID#: 2302924130076	901	Marcy-Holmes
Loring 1330 Nicollet Mall PID#: 2702924240178	750	Downtown West / Loring Park
Gateway 400 S. 3rd St PID#: 2302924340051	1,397	Downtown West
Seven Corners 1504 Washington Ave S PID#: 2502924220344	796	Cedar – Riverside
Centre Village 700 5th Ave S PID#: 2602924220090	700 & 485	Downtown West
Courthouse* 333 3rd Ave S PID#: 2302924330876	290	Downtown West
Downtown East 425 Park Ave S PID#: 2602924210099	455	Downtown East / Elliot Park
Riverfront 212 9th Ave S PID#: 2302924430196	987	Downtown East/ Mill District
Mill Quarter 711 2nd St S PID#: 2302924340067	324	Downtown East / Mill District

* Selling leasehold interest <u>only</u>.

In 1999, the City Public Works Department, in conjunction with the Finance Department, explored the viability of selling the entire Municipal Parking System under a number of sale/lease-back options. While market conditions at the time did not appear to support a System sale, this effort opened the question as to the possibility of the sale of individual ramps within the Municipal Parking System.

In 2000, Public Works began to make inquiries as to any private interest in the purchase of municipal ramps. The focus of those inquiries included four ramps – Seven Corners, Loring, St. Anthony, and Centre Village – identified for potential sale under asset criteria such as remaining debt outstanding, applicable operational agreements, financial performance, and relevant laws and restrictions.

In 2003 and 2004 as part of the Parking Fund Workout Plan, the Public Works, Finance and Community Planning and Economic Development (CPED) departments determined that the potential sale of parking ramps would require more critical financial analysis, and thus began to refine sale criteria for the parking ramps. At that time, the initiative to sell parking ramps was placed on hold to allow other Workout Plan initiatives to be further developed.

Recently, market conditions have pointed toward the viability of selling a number of the City's parking ramps. Rather than deal with the sale of ramps on an individual basis, the City chose to comprehensively address any potential sales within a public process that invites proposals on terms most favorable to the City. In early 2006, CPED, Finance and Public Works began to identify parking ramps for potential sale and outline a Request for Proposals (RFP) process. The City identified nine ramps for inclusion in the RFP; in addition to the four parking ramps originally identified in 2000 (described above), the City identified five other ramps for potential sale: Federal Courthouse, Mill Quarter, Riverfront, Downtown East, and Gateway. In April 2006, the Minneapolis City Council authorized the City Departments to issue an RFP for the sale of the nine identified parking ramps within the Municipal Parking System.

2.0 SCHEDULE AND DEADLINE

Pre-proposal conference: Location: Minneapolis Central Library, Pohlad Hall, 300 Nicollet Mall, Minneapolis, MN 55401, 612-630-6000. Proposers are strongly encouraged to attend. Please check the RFP website for any updates or schedule changes: **http://www.ci.minneapolis.mn.us/cped/rfps_home.asp**	August 21, 2006, 1:15 pm
Written Q & A – deadline for submitting questions	September 26, 2006
Written Q & A – all responses posted on CPED website	October 5, 2006
Submission deadline for proposals:	**October 19, 2006 4:00 pm**
Review/evaluation of proposals and neighborhood review	Oct/Nov 2006
Projected Recommendation to City Council Committees	December, 2006
Projected final action by City Council	December, 2006

Proposers should periodically check the RFP website for any changes or updates to this schedule and other relevant information related to the RFP:
http://www.ci.minneapolis.mn.us/cped/rfps_home.asp

3.0 INQUIRIES

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

Emily Stern
Minneapolis CPED Department
105 Fifth Avenue South
Minneapolis, MN 55401
Email: emily.stern@ci.minneapolis.mn.us
Fax: (612) 673-5113

All questions are due no later than September 26, 2006. Questions will be answered in writing and posted on the CPED RFP website:

http://www.ci.minneapolis.mn.us/cped/rfps_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. Proposers should periodically check the RFP website for any updates or schedule changes.

4.0 PARKING RAMP FACILITIES AND SITES

The following pages include brief summary descriptions of the nine ramps/sites offered for sale. The nine parking ramp sites are displayed on a map (see next page). Additional detailed information about each ramp can be found on the City's website for this RFP: http://www.ci.minneapolis.mn.us/cped/rfps_home.asp

There are distinct considerations for each ramp site with respect to continued use(s) as parking and/or redevelopment potential. The ramp/site descriptions on the following pages include recommended planning and land use considerations for each of the sites, which are not intended to be comprehensive. Any future uses for the parking facilities/sites and/or redevelopment plans should be compatible with current applicable zoning and existing plans for the areas where the ramps are located. Information on plans for the various ramp sites can be accessed through the web links provided on the following pages.

No warranty, express or implied is made regarding the adequacy, completeness, legality, reliability or usefulness of the following information.

4.1 Locations of the Nine Parking Ramps

* To view a map of all Parking Facilities in the Minneapolis Municipal Parking System, including the nine ramps in this RFP, use the following link:
http://parking.ci.minneapolis.mn.us/parking_facilities.htm

4.2 St. Anthony Ramp

The St. Anthony Ramp is located in the City's historic Main Street area very near the banks of the Mississippi River. In the early 1980's, this area saw initial redevelopment of commercial and residential uses. In the past few years, this area has experienced a resurgence of commercial activity and new development and will continue to be a commercial and residential hotspot for visitors, residents and employment.

St. Anthony Ramp

- **Location:** 2nd Avenue S.E. and 2nd Street S.E.
- **Size/Type:** 901 spaces above ground; Constructed in 1980
- **Details:**
  - Outstanding Debt = $0;
  - Outstanding Debt per space = $0
  - Tunnel Connected to St. Anthony Main, Tunnel Agreement in effect
  - Snow removal easement
  - 2004 Operating Income (Loss)*: ($260,537) excludes depreciation
  - 2004 Income (Loss) w/ Debt Service: ($260,537)

- **Land Use / Planning Considerations:**
  - The site as-is with existing parking ramp serves critical parking needs of St. Anthony Main businesses and offers additional parking capacity for the area.
  - This could also be a key redevelopment site because of its close proximity to the East Hennepin Activity Center, multiple bus lines, the Riverfront, and St. Anthony Main.
  - Zoning: C2/Neighborhood Corridor Commercial District; MR/Mississippi Critical Area Overlay; PO/Pedestrian-Oriented Overlay District.
  - Applicable Plan: *Master Plan for the Marcy-Holmes Neighborhood* http://www.ci.minneapolis.mn.us/master-plans/marcy-holmes/index.asp

* Operating Income (Loss) excludes depreciation.

4.3 Loring Ramp

The Loring Ramp is located in the heart of both the Convention and Nicollet Mall restaurant areas and is physically connected to the 533-room Hyatt Regency hotel complex, including several four-star dining options. It experiences both heavy daytime and evening use by hotel guests, convention attendees and local restaurant guests. This facility also contains a 30,000 sq. ft Exhibition Hall on street level, which is leased to the Hyatt and is used regularly for events.

Loring Ramp

- **Location:** Nicollet Mall and Grant Street (next to Hyatt Hotel)
- **Size/Type:** 750 spaces above ground; Constructed in 1980
- **Details:**
  - Outstanding Debt = $0
  - Outstanding Debt per space = $0
  - Exhibition Hall on main level
  - Connected to Hyatt Hotel
  - Exhibit Hall and Party Wall Agreements in effect
  - Greenway Athletic Club (tennis courts) on roof of ramp
  - 2004 Operating Income (Loss)*: $1,295,354
  - 2004 Income (Loss) w/ Debt Service: $1,295,351

- **Land Use / Planning Considerations:**
  - Site is near Convention Center and Nicollet Mall retail and entertainment area (Orchestra Hall, Peavey Plaza)
  - Street-level retail or entertainment uses are emphasized in this area.
  - Pedestrian-oriented uses/development are encouraged, as site is part of an identified "pedestrian emphasis zone."
  - Zoning: B4S-1/Downtown Service District; DP/Downtown Parking Overlay District.
  - Applicable Plan: *Minneapolis Downtown 2010* http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf

* Operating Income (Loss) excludes depreciation.

4.4 Gateway Ramp

The Gateway Ramp is located near the heart of downtown's government district and is connected to the downtown core by skyway. The ramp includes a large bus layover and transit area on the street level and convenient freeway access, making this ramp desirable for use by downtown commuters and Metrodome stadium event attendees.

Gateway Ramp

- **Location:** 5th Avenue S. and 3rd Street S.
- **Size/Type:** 1,397 spaces above ground; Constructed in1983
- **Details:**
  - Outstanding Debt = $558
  - Outstanding Debt per space = $0.40
  - Skyway Connected to Haaf ramp, Wells Fargo Op Ctr; Skyway Agreements in effect
  - Ground level leased to MetroTransit for transit operations
  - 2004 Operating Income (Loss)*: $684,102
  - 2004 Income (Loss) w/ Debt Service: $683,941

- **Land Use / Planning Considerations:**
  - This site is located in area identified as an expansion of the Downtown Office Core.
  - A large-scale office development project would be beneficial at this location.
  - Surrounding area includes mainly surface and structured parking.
  - Zoning: B4S-2/Downtown Service District; DP/Downtown Parking Overlay District.
  - Applicable Plans:
    - *Downtown East / North Loop Master Plan* http://www.ci.minneapolis.mn.us/master-plans/downtown-east-north-loop/
    - *Minneapolis Downtown 2010* http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf

* Operating Income (Loss) excludes depreciation.

4.5 Seven Corners Ramp

The Seven Corners Ramp is located near the University of Minnesota, a vibrant entertainment district, 265-room Holiday Inn hotel and the Metrodome. This ramp is heavily utilized by students during the day, and hotel, stadium, restaurant and theater patrons on weekends and evenings. Nearby residential developments also use this ramp for overflow parking, and major freeways are easily accessible.

7 Corners Ramp

- **Location:** Washington Avenue S. and Cedar Avenue S. (next to Holiday Inn)
- **Size/Type:** 796 spaces above ground; Constructed in1983-84
- **Details:**
  - Outstanding Debt = $ 0
  - Outstanding Debt per space =$ 0
  - 2004 Operating Income (Loss)*: $462,501
  - 2004 Income (Loss) w/ Debt Service: $462,501

- **Land Use / Planning Considerations:**
  - The site as-is serves critical parking needs of adjacent hotel and local businesses.
  - A variety of Activity Center uses are encouraged in this area, including medium- to high-density housing, retail and commercial services, entertainment uses, educational campuses, and other large-scale cultural and public facilities.
  - Buildings should have a traditional urban form with significant transit and pedestrian orientation.
  - Zoning: C3A/Community Activity Center District; PO/Pedestrian-Oriented Overlay District.
  - Applicable Plan: *Franklin-Cedar/Riverside Area Master Plan* http://www.ci.minneapolis.mn.us/citywork/light-rail/franklin-cedar-riverside.html

* Operating Income (Loss) excludes depreciation.

4.6 Centre Village Ramp

The Centre Village Ramp is part of a large mixed-use complex near the center of downtown and includes parking for attached 216-room Embassy Suites hotel, residential condominiums and offices. It is skyway-connected to downtown and is also used by commuters and Metrodome event attendees. This ramp includes both underground and above-grade levels and has convenient freeway access.

Centre Village Ramp

- **Location:** 5th Avenue S. and 7th Street S.
- **Size/Type:** 700 spaces above and 485 spaces below ground; Constructed in 1983-84
- **Details:**
  - Outstanding Debt = $93,641
  - Outstanding Debt per space = $78
  - Skyway Connected to 701 building, Lutheran Brotherhood
  - Embassy Suites Hotel & Condominium Parking, Easement, Operations Agreements
  - Tenant Lease Space: employment service, convenience store.
  - Sold air rights over ramp to hotel, condominium and office development.
  - 2004 Operating Income (Loss)*: $163,225
  - 2004 Income (Loss) w/Debt Service: $143,548

- **Land Use / Planning Considerations:**
  - Street-level retail or entertainment uses are encouraged.
  - Potential office or residential use.
  - Zoning: B4-1/Downtown Business District; DP/Downtown Parking Overlay District.
  - Applicable Plan: *Minneapolis Downtown 2010* http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf

* Operating Income (Loss) excludes depreciation.

4.7 Courthouse Ramp

The Courthouse Ramp is located under the Federal Courthouse, and provides parking for visitors to the building as well as downtown commuters. It is connected to downtown by both skyway and tunnel, and offers tempered parking in winter months by closing exterior doors.

Courthouse Ramp

- **Location:** 3rd Avenue S. and 4th Street S.
- **Size/Type:** 290 spaces below ground; Constructed in 1997
- **Details:**
  - Outstanding Debt = $20,134,718
  - Outstanding Debt per space = $69,430
  - U.S. Courthouse constructed above ramp
  - The City leases the ramp from General Services Administration (GSA), subject to a 99-year lease; **the City is selling the leasehold interest only.**
  - The transfer of the lease is subject to GSA approval.
  - Tunnel Connected; Tunnel Agreements.
  - 2004 Operating Income (Loss)*: $65,553
  - 2004 Income (Loss) w/ Debt Service: ($1,708,868)

- **Land Use / Planning Considerations:**
  - Any auxiliary uses should be appropriate complements to government uses.
  - Zoning: B4-2/Downtown Business District; DP/Downtown Parking Overlay District.
  - Applicable Plan: *Minneapolis Downtown 2010* http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf

* Operating Income (Loss) excludes depreciation.

4.8 Downtown East Ramp

The Downtown East Ramp is located across from the Metrodome and directly below the Light Rail station stop and Metrodome plaza complex. It provides daytime parking for nearby Hennepin County Medical Center employees and downtown commuters, and weekend and evening parking for Metrodome events. It offers fully automated, tempered parking.

The ramp site offers a prime development opportunity through the purchase of air rights above the ramp. The ramp foundation pad is designed to support the construction of a 6 - 8 story office building (~240,000 s.f.) with opportunities for ground-floor retail. Any future development at this site would be footsteps away from the LRT station, providing a convenient commute for employees and visitors at this transit-oriented location.

- **Location:** Park Avenue S. between 4th and 5th Street
- **Size/Type:** 455 spaces below ground; Constructed in 2002

DT East Ramp

- **Details:**
  - Outstanding Debt = $15,000,000
  - Outstanding Debt per space = $32,967
  - Light rail station, Public plaza, and provisions for future office above
  - Fully automated facility
  - 2004 Operating Income (Loss)*: ($6,744)
  - 2004 Income (Loss) w/ Debt Service: ($746,930)

* Operating Income (Loss) excludes depreciation.

- **Land Use / Planning Considerations:**
  - Development opportunity for air rights above ramp.
  - Adjacent to light rail station and Metrodome public plaza.
  - Zoning: B4C-2/Downtown Commercial District; DP/Downtown Parking Overlay District.
  - Applicable Plans:
    - *Downtown East / North Loop Master Plan* http://www.ci.minneapolis.mn.us/master-plans/downtown-east-north-loop/
    - *Minneapolis Downtown 2010* http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf

4.9 Riverfront Ramp

The Riverfront Ramp was built to serve the Guthrie Theater as well as downtown commuters. Open less than one year, it is directly across from the Guthrie's new riverfront facility and incorporates support facilities for the theater (Guthrie owns) on the upper level. It is fully automated and also serves Metrodome events. New residential and commercial developments in the area will provide additional parking demand in the near term, with planned residential development "lining" the perimeter of the ramp.

RiverFront Ramp

- **Location:** 2nd Street S. and new 9th Ave S.
- **Size/Type:** 396 spaces below ground, 591 spaces above ground; Opened 11/2005
- **Details:**
  - Outstanding Debt = $33,650,000
  - Outstanding Debt per space = $33,650
  - Maintenance, Operation, Easement Agreements
  - Purchase Option Agreement
  - Liner Housing/Retail Development Agreements
  - Fully automated
  - Air rights sold to Guthrie for construction of Scene shop above ramp
- **Land Use / Planning Considerations:**
  - Maintain structured parking.
  - Liner housing/retail development (planned) will wrap around ramp site.
  - Zoning: C3A/Community Activity Center District; DH/Downtown Height Overlay District; DP/Downtown Parking Overlay District.
  - Applicable Plans:
    - *Update to the Historic Mills District Master Plan* http://www.ci.minneapolis.mn.us/cped/update_historic_mills.asp
    - *Minneapolis Downtown 2010* http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf

4.10 Mill Quarter Ramp

The Mill Quarter Ramp serves the Mill City Museum and new residential and retail development in the area. It is located close to the Metrodome, Guthrie Theatre, and the soon-to-be-constructed MacPhail Center for Music. The ramp offers a convenient walk to downtown business centers as well as riverfront attractions, including the Stone Arch Bridge. It is fully automated and less than one year old.

Mill Quarter Ramp

- **Location:** 2nd Street S and new Chicago Avenue S.
- **Size/Type:** 324 spaces above ground; Opened in 9/2005
- **Details:**
  - Outstanding Debt =$4,250,000
  - Outstanding Debt per space = $13,117
  - Development Agreements pending for 80 spaces
  - Liner housing/retail development
  - Fully automated

Land Use / Planning Considerations:

- Maintain structured parking.
- Liner housing/retail development (under construction) around ramp.
- Zoning: C3A/Community Activity Center District; DH/Downtown Height Overlay District; DP/Downtown Parking Overlay District.
- Applicable Plans:
  - *Update to the Historic Mills District Master Plan* http://www.ci.minneapolis.mn.us/cped/update_historic_mills.asp
  - *Minneapolis Downtown 2010* http://www.ci.minneapolis.mn.us/planning/docs/MinneapolisDowntown2010.pdf

4.11 Other Applicable Plans and Zoning Information

Additional information about current zoning and other applicable plans for the areas around the ramp sites can be accessed through the following web links:

- Detailed zoning information for each ramp location can be found in the Municipal Code of Ordinances (Title 20, Zoning Code):
  http://www.municode.com/resources/gateway.asp?pid=11490&sid=23

- Proposals should be compatible with goals and objectives articulated in the City's 10-year Transportation Action Plan: *Access Minneapolis*. The plan addresses a range of transportation options and issues, including long-range transportation demand analyses, a transit and street operations plan for downtown, and new street design guidelines.
  http://www.ci.minneapolis.mn.us/public-works/trans-plan/index.asp#TopOfPage

- Any future operations and/or proposed redevelopment of the ramp facilities and sites are subject to the comprehensive land use vision and policies outlined in the City's Comprehensive Plan (*The Minneapolis Plan):*
  http://www.ci.minneapolis.mn.us/citywork/planning/planpubs/mplsplan/plan.html

4.12 Due Diligence

Each ramp is subject to various contractual obligations. All information in the City's possession regarding each ramp will be made available to proposers, including contractual obligations, title commitments, structural information, financial statements, etc. These documents and reference material have been catalogued and posted for each ramp in electronic PDF format on the City's RFP website:

http://www.ci.minneapolis.mn.us/cped/rfps_home.asp

These reference materials for the ramps include:

- General Profile (basic ramp information, current parking rates, etc.)
- Site Maps
- Floor Plans
- Financial Statements
- Maintenance Reports
- Environmental Reports
- Title Commitments
- Existing Contractual Obligations and Operating Agreements

Each proposer is responsible for conducting thorough due diligence prior to submitting a proposal. Proposers should review the documents on the RFP website and also periodically check the website for any related updates or schedule changes.

The proposed timetable and written questions-and-answers process set forth on p. 3 are intended to advance this due diligence process for all potential proposers. Because it will be an “as is” sale, each proposer is expected to assume risks inherent in such a sale and to conduct complete due diligence prior to submitting a proposal in making the determination as to risk.

4.13 Estimated Fair Market Value

Estimated fair market values of the parking ramp properties have not been determined at this time. The City shall require an adequate consideration in exchange for the sale of each parking ramp property as determined by the City after receipt of proposals. The Fair Market Value for each ramp shall reflect the impact of existing title conditions (e.g. operating agreements, easements, etc.).

Note: The City has appraisals on four of the parking ramps that were commissioned in 2003. The City is of the opinion that those appraisals are outdated and inadequate for the purposes of evaluating proposals received in response to this RFP. Those appraisals are protected nonpublic data pursuant to Section 13.44, Subd. 3 of the Minnesota Government Data Practices Act and will not be made available to potential proposers.

5.0 PROPOSAL SUBMISSION, CONTENTS AND FEE

5.1 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 "Municipal Parking Ramp Sale." 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:

October 19, 2006
4:00 p.m.

To:

Municipal Parking Ramps RFP
Department of CPED
Attention: Cheryl Groettum
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

Proposals received after the deadline may 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.

5.2 Proposal Contents and Fee

All proposals must include the following Items #1 through #10:

1. A cover page that includes the following information:
   a. Proposer's name and mailing address
   b. Description of proposer, including whether proposer is part of a team (e.g. partners, client-consultants, subcontractors, etc.), and descriptions of proposer's and/or team members' current legal status/relationship (e.g. corporation, partnership, sole proprietor, etc.) and respective roles in the proposed project plans.
   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. Proposers that submit proposals to the City on more than one ramp must clearly indicate in their proposals whether they intend that their proposal(s) be evaluated for each respective ramp separately or only as a single package. Additionally, a proposer may choose to submit a straight purchase offer as well as an alternate development proposal on any one ramp.

3. Proposals must clearly indicate **offered purchase price(s)** for specified ramp(s) and any other relevant conditions or contingencies related to the offer (including those noted in #2 above).

4. **Financial disclosure** of proposer (and team members) is required with proposal submittal, demonstrating capacity for carrying out purchase (and redevelopment, if submitting a development proposal). Proposer and team members must provide copies of audited financial statements for the past three years, along with any other relevant financial information. Financial disclosures may be submitted under separate confidential cover, and are <u>not</u> subject to the accompanying Consent for Release of Response Data (Exhibit G). In the case of a development proposal, additional information and disclosures should be included in the proposal package to demonstrate the experience, qualifications, and the financial and organizational capacity of the developer and the development team in successfully planning and completing development projects of a similar type and scale, on time and within budget.

5. Evidence demonstrating the proposer's/team's **ability to secure acquisition and/or development financing** (e.g. capability of raising debt and equity funds; examples of past related transactions (number, size, etc.)). Inclusion of a conditional financing commitment is encouraged.

6. <u>A **non-refundable** upfront fee of $2,500 will be required from each proposer</u>. Additional deposit(s) may be required if and when a proposal is selected by City Council; such additional deposit(s) will be applied to the sale price at closing.

7. For each ramp property included in the proposal, proposer must identify **anticipated future project plans**, for example:

   - Retain existing ramp and continue parking operations (i.e. stand-alone sale with purchase agreement);
   - Incorporate existing ramp into a future redevelopment project (requires development proposal); or
   - Remove existing ramp and redevelop site (requires development proposal)

8. **Comparable Projects**: Proposer must provide a list of comparable projects (related to #7 above) in which proposer/team members have participated.

9. **References**: Proposer must provide a list of references for the proposer and any team members. These references should describe relevant qualifications and capabilities related to the proposed future project plans as described in #7 and #8 above.

10. An **executed "Consent for Release of Response Data" form** Exhibit G. 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.

Items 11 through 13 apply to proposals that anticipate retaining all or part of the existing <u>Ramp Structures and Parking Operations</u> (including proposals to incorporate existing parking/ramp(s) as part of a development proposal). If submitting a development proposal that proposes complete removal of ramp structure(s), skip to item #14):

11. Provide evidence of **Operations and Maintenance Expertise** (including as parties to operating agreements):

- experience with parking facility maintenance, repair, and operation;
- demonstrated ability to assess and address maintenance and safety/security needs for parking facilities;
- capabilities to successfully operate and maintain parking ramp(s), including routine maintenance, facility management and administration, parking fee management/operations, and parking operations (including safety/security issues).

12. Provide evidence demonstrating ability to undertake necessary **capital improvements** of parking facilities.

13. Provide evidence of compliance history/track record with **City licensing and regulatory requirements** related to parking facilities.

Items 14 through 21 apply to <u>Development Proposals only</u>. The remaining items in this section apply to all proposals that anticipate redevelopment of existing ramp site(s), including proposals that anticipate integrating existing ramp structure(s) into redevelopment project(s) as well as those that propose removal of existing ramp structure(s) for redevelopment purposes.

14. A **description (narrative, preliminary conceptual plans) of a proposed development** 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.

15. 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. Include specific previous relevant experience with public entities, including reference contact information. The City may ask for supporting documentation substantiating claims of previous experience.

16. A preliminary **capital pro forma** with a development budget 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. If the project includes multiple uses, the capital pro forma should be broken down for the component uses (commercial, housing, etc.).

17. 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. Detailed pro formas (separate commercial vs. housing) in a format acceptable to CPED will be required during the negotiation of a redevelopment agreement.

18. A **market study** or other information documenting the demand for the proposed space.

19. 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, etc. This should include an estimate of the taxable value upon completion and annual real estate taxes.

20. 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.

21. Any **other information** that would help City staff understand and evaluate the concept.

The City reserves the right to request more detailed information in any one or more of the above categories from one or more proposer(s) before final selection is made, and the City will require additional information from the selected proposer(s) prior to the land sale.

The contents of the proposal and any clarification to the contents submitted by the successful proposer become part of the contractual obligation and will be incorporated by reference into the redevelopment contract or purchase agreement between the selected purchaser(s) and the City.

6.0 EVALUATION CRITERIA

All proposals will be evaluated according to the Evaluation Criteria described below.

1. **Original Purpose/Sale Criteria** – Each proposal will be evaluated against original and ongoing objectives and contingencies for each ramp, as determined by the City. The major issues that shall be considered include (see Exhibit A for complete descriptions of each item):
    a. Use of proceeds from sale
    b. Financial conditions / financial impacts of sale
    c. Functional conditions/issues
    d. Maintenance conditions/needs
    e. Special conditions (associated contracts, agreements, etc.)
    f. Reuse potential

2. **Financial Offer** – Since the City has not predetermined the fair market value or sale/asking price for each ramp/site, the purchase price(s) offered by a proposer (a requirement for all proposal submittals) will be a key consideration in the City's review and selection process.

3. **Overall Capacity of Proposer/Team** – The experience, qualifications, and the financial and organizational capacity of a proposer/team in successfully planning and executing similar acquisitions and/or development projects, including:
    a. The proposer's/team's ability to secure acquisition and/or development financing.
    b. In the case of a proposed acquisition for continuation of parking operations, the extent to which the proposer/team can demonstrate operations and maintenance expertise and experience with parking facilities, including the ability to undertake both short- and long-term capital improvements.

c. In the case of a proposed development project, the extent to which the developer or development team has successfully planned and completed development projects of similar type and scale, on time and within budget.

4. **Overall Quality of Proposed Use(s) / Project** – The extent to which the proposal realizes the parking/operations and/or development potential of the site and attains a high level of application of operational, planning, and/or design considerations. [For development proposals, refer to Exhibit C (Development Goals) and Exhibit D (Additional Evaluation Criteria for Development Proposals Proposals) for additional guidance and supplemental criteria.]

5. **Ability to Meet City Requirements and Policies** – The ability of the proposer/team to meet City requirements and policies including, but not limited to, those described in the RFP Exhibits.
    - Additional Terms of Sale (Exhibit B)
    - Development Goals (Exhibit C)
    - Additional Evaluation Criteria for Development Proposals (Exhibit D)
    - Citizen Participation (Exhibit E)
    - City Contracting Requirements (Exhibit F)

6. **Proposed Conditions Attached to Offer/Proposal** – Any proposed conditions placed on the offer by the proposer/team will be evaluated according to projected benefits and impacts to the Municipal Parking System and Parking Fund and anticipated community and land use implications.

7.0 REVIEW AND SELECTION PROCESS

A committee that will include City staff will review proposals received by the due date. Input will also be sought from affected neighborhood organization(s). Some or all of the proposers may be requested to present their proposals to the review committee and/or to neighborhood organizations. The City anticipates completing this review process by November 2006.

The review committee will then make recommendations based on its review of the proposals, utilizing the evaluation criteria. These recommendations will be considered by the Public Works, Finance, and CPED Directors and then forwarded to the City Council for action.

If the City Council approves a purchase offer or development proposal that does not entail any additional public investment, staff will proceed to negotiate with the selected proposer the terms of the proposed land sale. If a 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 City's Public Financial Assistance Fee Policy (see

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 any redevelopment contract terms have been negotiated (if applicable) 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.

EXHIBITS

- **A.** Sale Criteria for Parking Facilities
- **B.** Additional Terms of Sale
- **C.** Development Goals
- **D.** Additional Evaluation Criteria for Development Proposals
- **E.** Citizen Participation
- **F.** City Contracting Requirements
- **G.** Form of Consent for Release of Response Data

EXHIBIT A
SALE CRITERIA FOR PARKING FACILITIES

Original Purpose -- The decision to sell parking assets must be based on the review of numerous issues. The first and foremost question is: has the parking asset met the original purpose or is there a continuing or a new need to maintain the asset? This consideration should require evaluation of the original purpose and how that purpose has been met as well as the impact that the asset currently has on the surrounding community. The major issues that must be considered are listed as follows:

1. **Use of Proceeds** –
    a. A determination of how the proceeds received from a sale are spent or reinvested must be made. They should be reinvested in the parking system. This could consist of funding multiple areas of need. Repayment of debt service, contributions to new projects, establishment of funded reserves for the system, addressing deferred maintenance issues and/or implementing new efficiency measures. Each of these areas should be established as a percentage of the sale.
    b. Unless required by state law, City Charter, or other legal requirements, proceeds from the sale of a parking asset should be applied in the following order: costs related to the sale of the asset, retirement or defeasance of City debt related to the asset, retirement or defeasance of other City debt in the parking fund, avoidance of planned debt for other parking capital improvements, and non-Parking Fund costs, if any, as determined by the City Council.

2. **Financial Conditions** –
    a. Financial analysis of proposals should include assessment of the short and long-term financial impact to the project or the development, the Parking System and the City. Is the asset debt free, or are there any special conditions related to defeasing or retiring the bonds? Does the asset demonstrate self-sufficiency after including debt service or depreciation? Does the asset produce a profit? Can the asset on a net present value basis contribute an amount over its remaining life that exceeds the potential sale price? The long-term impact must be addressed as to the effect/stress on the system as well. Tax dollars gained from ownership change (public to private) should be factored into the evaluation. The sale of an asset must be reviewed as to the effect on the parking system as a whole. Does the sale of the asset negatively impact the revenue needs of the system? Is the asset a negative impact to the system in general?
    b. The City's Parking Fund is operating under a workout plan approved by the City Council that is designed to bring the Fund back to financial solvency. The potential sale of parking assets should not worsen the financial condition of the Fund or compromise the projected financial recovery of the Fund

according to the adopted workout plan. Financial issues should include assessment of the short and long-term financial impact to the Parking Fund and the City of the sale of any or all of the assets on the terms proposed. This analysis will consider the outstanding debt, prospects of the asset to perform consistent with the expectations in the adopted workout plan, and other operating and financial factors. The analysis of proposal should also consider any financial implications to the City including property taxes paid by a new private owner, alternative use of the asset for a non-parking purpose, or other considerations based on the proposals, such as any immediate or ongoing financial or business risk that the City may assume under a proposal.

3. **Functional Conditions** -- Functional issues should include the original need of the asset and how has that function been met. It should be determined if the original purpose, i.e. was it part of a developmental project and have the goals of the project been reached. It should be determined if the goals have been modified or if there are new factors that may affect the need or parking requirements of the area. Does the asset continue to fit within Parking Services key service activities? Where is the asset in relation to its useful lifecycle?

4. **Maintenance Conditions** -- Future maintenance of an asset must be determined. Will the asset require significant investment to continue to operate in a safe condition? Both short and long-term issues and requirements must be evaluated. They include the repair and restoration of the structures, replacement of mechanical, electrical, security systems and revenue control systems. The expense of these issues and the impact upon the net usable life of the asset must be considered.

5. **Special Conditions** -- Special condition issues that need review are issues that may require City involvement to facilitate. This could include situations that require the City to act as a coordinator or facilitator, the City's participation in transit or other transportation initiatives such as transit hubs and carpool programs, internal and external skyways, exhibit halls, tunnels, existing agreements, lease space and share operations or services. If no special condition issues exist or are addressable or transferable in a sales agreement, this issue has been resolved.

6. **Reuse Potential** -- What are the intentions of the potential buyers and how would that affect the community or the system? For example, does the buyer want to continue to use the asset for the purpose that it was originally constructed, or is there a desire to change or eliminate the use and the asset.

EXHIBIT B
ADDITIONAL TERMS OF SALE

1. A **non-refundable** upfront fee of $2,500 will be required from each proposer. Additional deposit(s) may be required if and when a proposal is selected by City Council; such additional deposit(s) will be applied to the sale price at closing.

2. Each parking ramp will be sold "as is," subject to existing contractual obligations and encumbrances. Any environmental reports regarding a ramp property within the City's possession will be available for review on the City's website for this RFP: http://www.ci.minneapolis.mn.us/cped/rfps_home.asp Any potential purchaser may also reasonably conduct its own environmental testing of a ramp property by contacting the department contact person, entering into a right of entry agreement with the City, and providing the requisite insurance coverage.

3. Sales exclude any assets of the City that the City deems desirable or necessary to maintain existing City operational or security functions (e.g., computer systems/communications infrastructure, fiber optic networks, stand-alone signage, easements, and other supplies or equipment needed for the City's Parking System operations/security). The City also reserves the right to file any previously unrecorded easements burdening the property.

4. Each purchaser shall agree to defend, indemnify, and hold the City harmless from any and all claims or lawsuits that may arise from purchaser's ownership, acts, or omissions, including breach of contractual obligations assumed by purchaser, related to the respective parking ramp(s).

5. The City will not warrant title but will provide a title commitment in favor of an approved buyer. Title will be transferred by quit claim deed. Cash at closing is required (no seller financing).

6. **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.**

EXHIBIT C
DEVELOPMENT GOALS

Additional consideration will be given to those proposals that include purchasing the ramp as part of a development proposal, subject to the established Evaluation Criteria described on pages 21 - 22. Such proposals will be evaluated in part upon the following:

- The extent to which the proposal realizes the **development potential of the site** and fulfills adopted **City goals, plans and policies**, including addressing the following **planning and design considerations**:
    - The proposal complies with the Minneapolis Zoning Code, comprehensive plan, adopted small area plans and design criteria listed herein.
    - The proposal indicates a strong relationship between uses in the parcel and uses in the surrounding blocks; and
    - The proposal addresses traffic circulation and transit-oriented development considerations.
    - The extent to which functional, aesthetic, and sustainable design considerations are met.

- The extent to which the proposal realizes **public benefits** including, but not limited to, the following: provision of affordable housing; creation or retention of jobs; transit-oriented development components; provision of public park space, recreation, interpretive or cultural amenities; and/or incorporation of sustainable design elements.

EXHIBIT D
ADDITIONAL EVALUATION CRITERIA FOR DEVELOPMENT PROPOSALS

Added consideration will be given to those proposals that include purchasing a ramp as part of a development proposal, which will be evaluated according to the following criteria, in addition to the Evaluation Criteria described on pages 21 - 22.

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

1. The experience, qualifications, and the financial and organizational capacity of the developer and development team in successfully planning and completing development projects of similar type and scale, on time and within budget.
2. 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.
3. The extent to which the project can move forward on a timetable that will coordinate with other development in the area.
4. The market and financial feasibility of the project.
5. The anticipated ability of the project to secure necessary public and private funds.
6. The public benefits that would be provided by the project, including the proposed land price.
7. Overall quality of the submission, including functional, aesthetic, and sustainable design considerations.
8. Review of related previous experience.

The City may, in its sole discretion, expand or reduce the criteria upon which it bases its final decisions regarding selection of proposal(s) for these sites.

EXHIBIT E
CITIZEN PARTICIPATION

The City of Minneapolis has established a citizen participation process development projects impacting neighborhoods and values advice/input from the public obtained through this process. Input will be sought from affected neighborhood groups on viable proposals received in response to this RFP. 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 G. 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.

EXHIBIT F
CITY CONTRACTING REQUIREMENTS
(Applicable for Approved Development Proposals and Associated Redevelopment Contracts only)

In connection with an approved development proposal, 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 Statues, 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 CPED'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 612-673-3012 or on the World Wide Web at www.govcontracts.org.

6. The developer's contractor will be subject to the CPED'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. Proposers can review the City's Affordable Housing Policy through the following link: http://www.ci.minneapolis.mn.us/cped/affordable_housing_resolution.asp

10. **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.

11. **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.

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

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

EXHIBIT G
FORM OF CONSENT FOR RELEASE OF RESPONSE DATA

_____, 20__

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: Municipal Parking Ramps – Request for Proposals
Consent for Release of Response Data

_____, on behalf of _____, hereby consents to the release of its proposal in response to the Municipal Parking Ramps 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 G (Revised)
Form of Consent for Release of Response Data

_____, 20__

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: Municipal Parking Ramps – Request for Proposals
Consent for Release of Response Data

_____, on behalf of _____, hereby consents to the release of its proposal in response to the Municipal Parking Ramps 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, which may be public data, but shall be treated by the City consistent with Minnesota Statutes, Section 13.591.

_____

_____