

2225 E. Lake Street Request for Proposals

Introduction and site description

The City of Minneapolis Department of Community Planning and Economic Development, under contract with the Minneapolis Public Schools, is seeking development proposals for a 6.48-acre site located at 2225 E. Lake Street in south Minneapolis. The site is located between 22nd Avenue on the west and bounded by 31st Street on the south, Lake Street to the North, Hiawatha Avenue to the East and is approximately 282,160 square feet (6.48 acres) of land area. There is one three-story 53,333 square foot school office building on the site and the remainder of the area is paved parking, drive area, and playground.

Lake Street is a County State Aid Highway with an average of 20,000 vehicles per day in front of the site. Hiawatha Avenue is a State Trunk Highway with an average of over 30,000 vehicle trips daily in the area. The Lake Street Station for the Hiawatha Light Rail transit (LRT) line is elevated above Lake Street and is immediately adjacent to this site. The Hiawatha line has over 30,000 riders on an average weekday, with over 2,300 daily rides at the Lake Street Station. See Area Map in Exhibit 1 for an aerial perspective.

The Minneapolis Public School District purchased the site in 1998 for use as a magnet school. It was originally a technical school for Brown Institute. The building is currently providing Adult Basic Education (ABE) and other programming for the Minneapolis schools but this location is considered temporary and will not impact the overall disposition of the property.

The portion of the site east of the 23rd Avenue alignment is presently used as a Park and Ride for the Lake Street Station of the Hiawatha Light Rail line. This arrangement is formalized in a lease agreement with Metro Transit through Feb 28, 2015. The Landlord can cancel the agreement upon providing 90 days notice. The agreement provides 171 parking spaces with an adjusted annual lease payment; the lease payment for March 2010-Feb 2011 is \$17,921.

The area is surrounded by a vibrant, busy Lake Street, residential housing, the Midtown YWCA and the Hiawatha Light Rail Transit. The seasonal Midtown Farmers Market (MFM) has operated on the surface parking lot at the northwest corner of the site since 2003, and currently operates on Saturdays (May-October) and Tuesdays (June-October). There is a strong sentiment in the community for redevelopment to include the creation of a permanent home for the market on the site, in keeping with the recommendations of the adopted Corcoran Midtown Revival Plan.

The site is also located immediately adjacent to the Lake Street Station on the Hiawatha Light Rail Transit line, in addition to multiple bus lines with stops adjacent to or near the site. The nearby Midtown Greenway carries thousands of cyclists per day and is an opportunity for future rail transit terminating at the existing Lake Street LRT station.

These features, combined with the relatively large size of the site and its location in the urban core, make 2225 E Lake Street an excellent fit for high-quality, high-density transit-oriented development. These opportunities enhance the marketability of the site.

A response to this RFP will require significant time and a strong financial commitment from the responder.

Relevant City Plans

The Minneapolis Plan for Sustainable Growth (2009) – The City’s comprehensive plan designates the following for this area:

Transit Station Area, which writes into City policy commonly-identified characteristics of transit-oriented development: high-density housing near the station, a mix of uses to minimize auto dependence, and pedestrian-friendly infrastructure.

Activity Center, which provides policy support for a “mix of uses with a regional draw; high intensity of uses, including employment, commercial, office, and residential uses.”

Major Retail Center, a designation which acknowledges the area’s function as a destination shopping area reliant in part on the automobile, while moving toward redesigning the area to be more pedestrian friendly and transit supportive.

Commercial Corridor, a designation intended to concentrate retail and new mixed-use development along Lake Street across the City, including in the station area.

Hiawatha/Lake Station Area Master Plan (2000) – This is one of two City-adopted small area plans for the station area, providing conceptual-level guidance. It provides land use and transportation recommendations, urban design guidelines, and development standards for commercial and residential development in the station area. The plan offers the following specific guidance for the 2225 East Lake Street site:

- Guided mixed-use in the future land use map
- Recommends development densities of over FAR 3.0 adjacent to LRT station
- Recommends building heights of six stories adjacent to the LRT station
- Language specific to this site: “Retail and commercial office uses are indicated along the south side of Lake Street with direct linkages to LRT. Multi-family residential buildings arrayed along the perimeter of the site stepping down in height towards the 31st Street neighborhood edge. Open space is preserved in the block interior.”

Corcoran Midtown Revival Plan (2002) – This City-adopted plan covers the portion of the Lake Street Station area that falls within the boundaries of the Corcoran neighborhood (west of Hiawatha and south of Lake Street), initiated by the Corcoran Neighborhood Organization and building on the work completed in the Hiawatha/Lake Station Area Master Plan. The plan provides guidance for transit-oriented development along the south side of Lake Street, with a particular emphasis on redevelopment of the school site at 2225 E Lake Street. Proposed public improvements include a shared parking structure adjacent to the YWCA and the “Hi-Lake Loop,” a series of pedestrian-enhanced streets. The plan offers the following specific guidance for the 2225 East Lake Street site:

- Reinforces 2225 East Lake Street as a key TOD redevelopment site
- Affirms desired development densities and building heights outlined in the Hiawatha/Lake Station Area Master Plan
- Advocates for a public market to be incorporated into site
- Suggests a shared parking strategy with the YWCA

Zoning

The site is currently zoned C3A Community Activity Center District with the Pedestrian Oriented (PO) Overlay District. This designation allows a wide variety of land uses consistent with an Activity Center in Minneapolis, including high density residential, retail, office and hotel. The C3A zoning allows for approximately 705 dwelling units; more with density bonuses for structured parking, mixed-use buildings, and affordable housing. The PO District requires a minimum floor area ratio (FAR) of 1.0 and minimum 40% window coverage along the street, among other requirements. Any height anticipated above four stories will require a conditional use permit. The zoning code allows development of a site this size to use the Planned Unit Development (PUD) tool for development review.

Development Objectives/Project Goals

Minneapolis Public Schools, the City of Minneapolis, and the Corcoran Neighborhood Organization seek to achieve the following objectives for the 2225 E. Lake Street Site:

- Transit oriented development consistent with approved land use plans (Corcoran Midtown Revival Plan, Hiawatha/Lake Station Area Master Plan, and The Minneapolis Plan for Sustainable Growth)
- High density residential development as the most predominant land use, including affordable/market rate rental and ownership housing. The proposed development may include independent living senior housing and may also target a specific group such as artists.
- Retail and service business space on ground level adjacent to Lake Street geared to pedestrians.
- Other land uses consistent with a regional transit-oriented activity center and allowed by zoning will be considered.
- Structured ground level and underground parking at ratios consistent with reduced demand adjacent to an LRT station.

- Innovative shared parking facilities/arrangements within and/or beyond the boundaries of the development site.
- Provisions for car and bicycle sharing.
- A high-quality public or quasi-public space (e.g. public square, plaza, or mall) usable for community events and that serves as a permanent location for a farmers market.
- A permanent home for the Minneapolis Public Schools Southside Welcome Center and Adult Basic Education Program as a long-term tenant or condo owner of approximately 35,000 to 40,000 square feet.
- An enhanced pedestrian environment along Lake Street and connections that improve access and way finding to the south elevator tower of the Lake Street LRT station.
- Innovative project elements that enhance the long-term environmental sustainability of the development (See “CNO Sustainability Statement and Performance Goals,” attached).
- Family-friendly amenities such as a playground, on-site daycare, and multi-bedroom housing units.

Midtown Farmers Market

The Midtown Farmers Market (MFM) is a grass roots operation conceived in 2003 by the Corcoran Neighborhood Organization (CNO). They have a no cost lease with the Minneapolis Public Schools. Operating twice per week on the current surface parking lot of 2225 E Lake Street, the market is a vital economic and social link between urban families and the farmers and crafts people of the region and has proven an important community asset at a strategic location adjacent to the Lake Street LRT Station.

Respondents to this request for proposals are strongly encouraged to include a high-quality public or quasi-public space usable for community events and that serves as a permanent location for a farmers market. The Midtown Farmers Market and Corcoran Neighborhood Organization have assembled extensive guidelines and site concepts for integrating a market into mixed-use transit-oriented development on this site. These documents are attached to the RFP.

Environmental

The site is known to have soil and groundwater contamination. Soil characteristics will vary and more specific testing will be needed when development plans are formulated.

Copies of geotechnical and environmental reports completed to date are available for review electronically on the RFP web site.

Eligible Applicants

Applicants may be either for-profit or non-profit developers and may include a partnership of both. Applicants must be proven development entities with at least 10 years of professional experience, demonstrated success in managing large acreage

projects, demonstrated ability to collaborate and partner, and the ability to obtain sufficient financing.

The selected developer should have a history and reputation for developing well designed, well managed, safe, decent, market rate and affordable rental and ownership housing.

Selection Criteria

- Quality and completeness of proposal.
- Demonstrated capability to implement the proposed development plan.
- Financial considerations. Proposals should include a proposed purchase price for the site, noted as a cost per square foot.
- The extent to which the proposed development meets the goals of approved plans and the development objectives outlined in this document, including consideration of land use, housing mix, development intensity, relationship to transit, the pedestrian environment, public spaces and other site amenities, parking facilities and management, and school district facilities.
- Relationship of development to transit and the quality of the strategies proposed to mitigate traffic congestion and parking demand associated with site build-out.
- The extent to which the project maximizes development intensity and increases tax base.
- Demonstrated success in large (acreage) development projects in a timely manner.
- Demonstrated understanding and ability to resolve extraordinary site conditions.
- Commitment and history of working with a local community around development matters including examples of meeting and/or exceeding performance goals.
- Preference will be accorded to proposals that utilize the entire site and employ innovative shared parking strategies with nearby land uses.

Review/Selection Process

Potential development proposals received by the due date will be reviewed by a technical committee made up of CPED staff, who will determine a list of finalists based on the above selection criteria. These finalists will be invited to present their proposals in person to the staff team. Shortly thereafter, the Corcoran Neighborhood Organization (CNO) Land Use and Transportation Committee will host a meeting with the same finalists. CPED will then present a recommendation to the Minneapolis Public School (MPS). The Minneapolis Public Schools Board of Education will make the final decision and enter into an agreement with the preferred developer.

Proposal Contents

Proposals must include the following:

1. A cover page that includes the following information:
 - Developer's name and mailing address

- Developer’s current legal status: corporation, partnership, sole proprietor, etc.
 - Federal ID number or Social Security number
 - State ID number
 - Contact person’s name, title, phone number, fax number and e-mail address
 - Signature of authorized corporate officer for each entity proposing as a partnership or team
2. Letter of Interest
 3. Outline of relevant experience
 4. Ability to meet project goals
 - Compatibility with relevant City Plans and other project goals
 - Define how project positively impacts City
 5. Approach to development issues
 - Mixed use development
 - Opportunities for community engagement
 - Collaboration with public and private partners
 - Connectivity
 - Transit networks and focus on community corridors
 - Higher density
 - Approach to geo-technical and environmental issues
 - Public/private parking strategies and open space enhancements
 - Incorporation of sustainable design and development
 6. Conceptual timeline, written description(narrative) include bedroom compositions, rents and/or sales price, if retail is proposed, information about the anticipated tenants, preliminary site plan and building elevations for proposed development including time needed to obtain financing, secure permits, complete designs, take ownership of property, relocate City services, begin and complete construction and lease up or sell of units.
 7. Timeline, narrative description and conceptual site plan if proposed development is phased.
 8. Development proforma including conceptual sources and uses, financial analysis, and assumptions used.
 9. Proposed purchase price for the site, noted as a cost per square foot
 10. Project team roles and relevant experience
 11. References

Proposal Submission

Proposers must submit copies of their proposals as follows: One unbound copy, 15 bound copies and one electronic version in Microsoft compatible or PDF format on diskette or CD. Proposals must be on standard 8 1/2’ 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 “2225 E. Lake Street” Development 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 1, 2010 at 4:00 P.M.

To:
City of Minneapolis, Department of CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

Any proposals received after the deadline will not be accepted. Failure to supply the requested information may result in rejection of your proposal.

RFP Inquiries

Interested developers may only direct questions in writing to the department contact persons listed below:

Dollie Crowther, CPED Housing 612-673-5263 fax: 612-673-5259
dollie.crowther@ci.minneapolis.mn.us
Paul Mogush, CPED Planning 612-673-2074 fax: 612-673-2728
paul.mogush@ci.minneapolis.mn.us
Beth Grosen, CPED Business 612-673-5002 fax: 612-673-5113
beth.grosen@ci.minneapolis.mn.us

All questions are due no later than October 20, 2010. Questions will be answered in writing and posted on CPED Web site.

Timing

Following is the tentative timeline:

Publish RFP	August 7, 2010
Pre-proposal meeting	Week of September 13, 2010
Proposal deadline	November 1, 2010
Review/evaluation of proposals & neighborhood review	November 2010
Recommendation to MPS	December 2010
MPS Final recommendation	December 2010

Attachments

Respondents to this request for proposals are encouraged to review all of the following documents in detail. Please see the RFP web site for links to these documents.

- [Corcoran Midtown Revival Plan*](#)
- [Hiawatha/Lake Station Area Master Plan](#)
- [The Minneapolis Plan for Sustainable Growth](#)
- [Midtown Farmers Market Project Program Brief*](#)
- [Center for Urban and Regional Affairs \(CURA\) report June 2009: Envisioning a Permanent Home for the Midtown Farmers Market*](#)
 - [CURA Board SWOT Analysis*](#)
 - [CURA Board Case Studies*](#)
 - [CURA Board Alternative Market Typologies*](#)
 - [CURA Board The Market Today*](#)
- [Midtown Farmers Market web page containing project background and designer resources related to the Midtown Farmers Market*](#)
- [Geotechnical report](#)
- [CNO Sustainability Statement and Performance Goals*](#)
- [Minnehaha-Hiawatha Strategic Development Framework \(Hennepin County Community Works\)](#)
- [Letter from Corcoran Neighborhood Organization to Minneapolis Public Schools, including sustainability statement and performance goals*](#)

*Questions regarding Corcoran Neighborhood Organization documents associated with this RFP may be directed to Eric Gustafson, Assistant Director, 612-724-7457.

Exhibit 1: Aerial view

