

REQUEST FOR PROPOSALS

For Purchase and Development
Of real property

Block 1
Liner Parcel and Air Rights Plane
728 South 4th Street
Minneapolis, Minnesota 55415



SUBMISSION DEADLINE – Tuesday, February 4, 2014, 4:00 pm

City of Minneapolis – Community Planning and Economic Development
105 Fifth Avenue South, Suite 200
Minneapolis, Minnesota 55401
www.minneapolismn.gov/cped

Contact Bob Lind at bob.lind@minneapolismn.gov
for issues specific to this RFP

OVERVIEW

The City of Minneapolis seeks development proposals for a Liner Parcel and an Air Rights Plane (together the “Property”) on “Block 1” at 728 South 4th Street in downtown Minneapolis. This block is being developed in conjunction with the Minnesota Sports Facilities Authority’s (MSFA) Multi-Purpose Stadium project directly east of the Property and the Ryan Companies’ mixed use development project directly to the west of the Property. The development goals are to maximize the Property’s development potential and contribute to the vibrancy of this strategic area of the city. The Star Tribune Company currently owns the Block, and the Ryan Companies has a purchase agreement to acquire the Block on behalf of the MSFA, who will be the ultimate owner of the Ramp. The MSFA will convey the Property directly to the developer selected by the City.

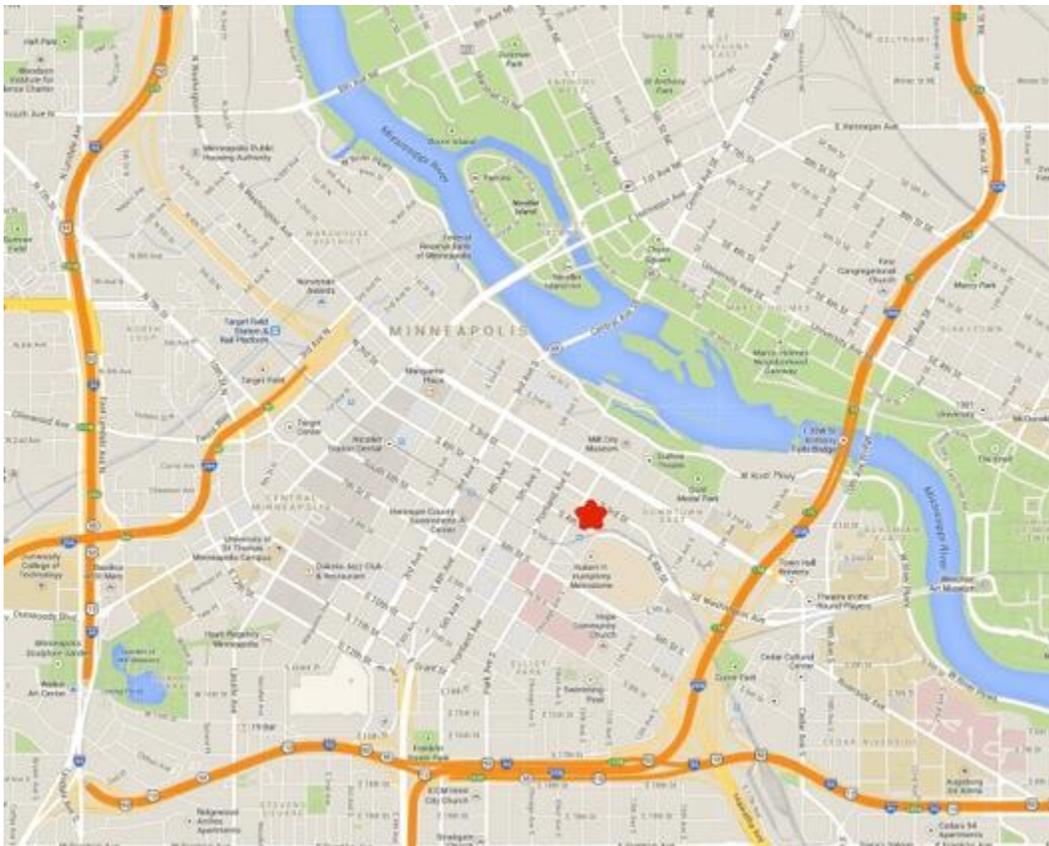


Figure 1. Property Location Map – 728 South 4th Street, Downtown Minneapolis.

Property Location

The Property has an excellent, central location in the Downtown East area, adjacent to the downtown core and the University of Minnesota West Bank Campus, and the Mill District with its open space, trails, and Mississippi Riverfront amenities. The property is directly across 4th Street South from the Downtown East Light Rail Transit (LRT) Station, a major transit hub in the region where numerous transit systems connect. This LRT Station offers a direct connection to the airport and the Mall of America via the

Metro Transit Blue Line and, when the Green Line opens in 2014, it will offer service to the University of Minnesota and downtown Saint Paul. The Property has excellent freeway access just blocks away from I35W (north-south) and I94 (east-west) and access to parking, transit, and the bicycle trail system. The Property is adjacent to a new urban green space that is also being built as a part of the Ryan Companies project. When the MSFA and Ryan projects are complete, the block will be skyway connected to the new Stadium to the east and to the downtown core to the west. The Property will enjoy spectacular views of the downtown core to the west, the river to the north, the stadium to the east, and the new urban green space to the south. Downtown East is changing rapidly and with the combined investment of \$1.4 billion by the Ryan Companies, the MSFA, the Minnesota Vikings, and the City, the Property represents a valuable and strategically located parcel at the center of a new mixed-use urban center that is just beginning to develop.

Development Goals

The City's goals for the Property emphasize maximizing the Property's development potential, contributing to economic growth in the Downtown East area, increasing downtown livability, and leveraging the value of nearby transit infrastructure.

1. **Maximization of the Property's development potential.** The City is interested in development that will maximize residential and commercial density, the number of jobs and/or housing units created, and the Property's contribution to the City tax base. These objectives can be achieved in a number of ways since the zoning and overlay districts that apply to the Property allow for significant density and a wide range of commercial, residential, hotel, and other uses with no parking requirements.
2. **Contribution to the vibrancy of the Downtown East area.** The City is interested in development that will stimulate further growth and investment in the Downtown East area. The Property is a short walk from the downtown office core and the adjacent Mill District is one of the most vibrant areas of the city, combining the riverfront and other natural amenities, cultural resources, educational opportunities, housing, workplaces, and retail services. Proposals should reflect these unique attributes and contribute to this mix of activity by creating a unique place, providing services or experiences, and/or drawing in visitors, employees, and/or residents.
3. **Active ground floor uses.** The City is interested in development that will contribute vibrancy and livability in Downtown East through the inclusion of active ground floor uses and other public amenities such as retail, entertainment, and storefront commercial offices that could benefit and serve residents, employees, and visitors to the complex, to the Stadium, to Downtown East, and to the City.
4. **Leverage the value of nearby transit infrastructure investments:** The City is interested in high density, mixed-use development that will be driven by and will leverage the value of nearby transportation infrastructure. The Property offers

easy access to interstate highways 35W and 94 and the City's bicycle trail system, all just blocks away. Perhaps most important, the Property is directly across the street from the Downtown East Light Rail Transit (LRT) station, a major regional transit hub, that will drive increasing development and investment in the area in the Downtown East area into the future.

DEVELOPMENT CONTEXT - THE RYAN COMPANIES PROJECT

The Ryan Companies' project is located on five blocks in Downtown East (Blocks 1-5, figure 2) roughly bounded by 5th Avenue South on the west to Chicago Avenue on the east, 3rd Street South on the north to 5th Street South on the south, minus the block containing the Downtown East light rail transit station (Block 6, figure 2). Ryan Companies has an agreement to purchase these five blocks from the Star Tribune. Ryan Companies has received City approvals for a \$400 million, mixed-use redevelopment project for these five blocks. The individual components of the Ryan project that are directly relevant to the Property include the following:

- Over one million square feet of office space in two office towers on the two blocks bounded by 3rd and 4th Streets and 5th and Park Avenues (Blocks 2 and 3, figure 2). The office space is expected to be purchased by Wells Fargo.
- Approximately 80 market rate multi-family housing units that will line the south side of the two office towers. These buildings will also contain a total of approximately 8,000 square feet of retail space at the street level.
- The parcels on the north side of the two office towers will contain approximately 200 units of multi-family housing or if market conditions do not support housing, commercial space instead.
- A parking ramp to be owned by the MSFA of approximately 1,600 stalls on Block 1, which is bounded by Chicago and Park Avenues and 3rd and 4th Streets (Block 1, figure 2). The ramp will be open to the general public and provide a certain amount of dedicated stadium parking on game days.
- Skyways connecting the Haaf Ramp to the Block 3 office development, the Block 3 office development to the Block 2 office development, the Block 2 office development to the Block 1 Ramp, and the Block 1 Ramp to the stadium.
- A new downtown green space on the one and two-thirds blocks bounded by 4th and 5th Streets and 5th and Park Avenues for the public and for events occurring in the stadium (Blocks 4-5, figure 2).

(For further detail, see [agenda item #2](#) from the December 10, 2013 Minneapolis City Council Community Development Committee meeting for links to relevant documents including the project term sheet.)

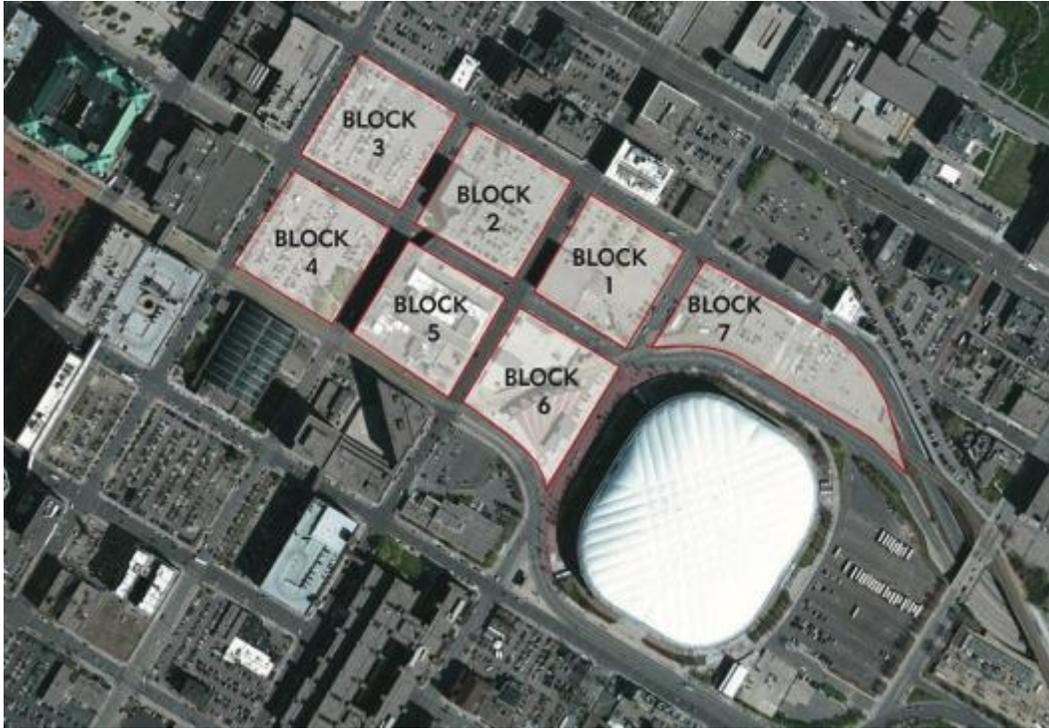


Figure 2. Block 1 is the location of the Parking Ramp and the Property.



Figure 3. Block 1 (starred) shown as a Parking Ramp.. Note that the stadium skyway is not shown.

PROPERTY DESCRIPTION

The Property is a part of and will be subdivided from Block 1, which is bounded by Chicago Avenue on the east, 4th Street South on the south, Park Avenue on the west, and 3rd Street South on the north (see figure 4). Block 1 will be vertically and horizontally subdivided by registered land survey or condominium declaration and plat

into three parcels:

1. The Parking Ramp, to be owned by the MSFA
2. A Liner Parcel along the 4th Street South side of the block, adjacent to the parking ramp
3. An Air Rights Plane above the parking ramp

The City and MSFA will cooperate with the developer to subdivide the Property consistent with the developer's needs.



Figure 4. Block 1 in its current condition.

The Parking Ramp

As a part of an agreement with the MSFA and the City, the MSFA will retain Ryan Companies to construct an approximately six-story, structured, above-ground parking ramp to be owned by the MSFA with at least 1,610 spaces. Ryan plans to complete the ramp by the end of 2015, and has a commitment to provide no fewer than 963 spaces in the ramp by the outside date of July 1, 2016. To meet this schedule, Ryan has begun preliminary design of the ramp and will need to quickly advance the design once the City designates a developer of the Property, expected in early March 2014.

Total capital costs for the parking ramp are estimated to be approximately \$48.9 million. The MSFA will convey directly to the developer selected by the City the Liner Parcel and the Air Rights Plane. ***The Property that is being offered for development in this RFP includes both the Liner Parcel and the Air Rights Plane together.***

The Liner Parcel

The Liner Parcel is located on the Fourth Street side of Block 1 and it will have street frontage along Fourth Street South and Chicago Avenue. The total area of the Liner Parcel is approximately 14,420 square feet or 0.331 acres. The dimensions of the Liner Parcel are approximately 58.5' wide by 246.5' long (see figure 5). Development of the Liner Parcel will require improvements to the Property such as increased foundations and party wall and fire separation systems between the Liner Parcel development and the Parking Ramp, the costs for which will be the responsibility of the developer.

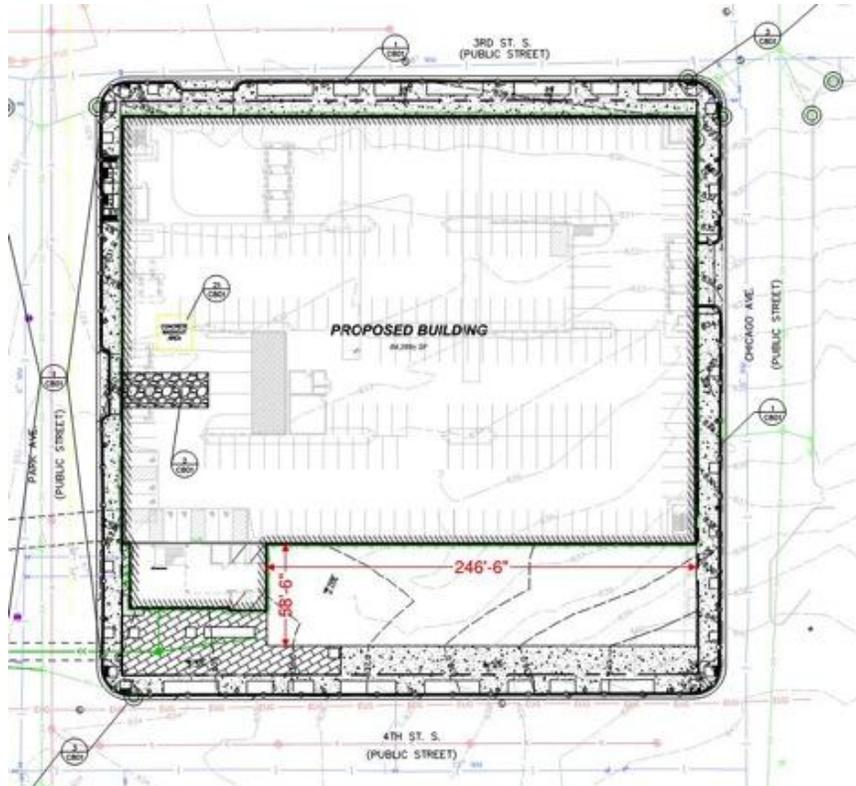


Figure 5. Conceptual site and ground floor plan of the Parking Ramp with the Liner Parcel on the bottom with dimensions in red. This plan is subject to change to reflect the final parking structure arrangement and the locations of ramp and service access.

The Air Rights Plane

The Air Rights Plane will begin on approximately the seventh floor (assuming that no additional parking will be required to support the development of the Property) or one or more floors above the seventh floor if the developer of the Property decides to add an additional parking level or levels that will be owned by the developer. The total area of the Air Rights Plane is approximately 81,378 square feet or 1.87 acres. The dimensions of the Air Rights Plane are approximately 246.6' by 330.0' (see figure 6). The MSFA will seek the right to install, replace, service and maintain communications equipment on the highest level of the Block 1 Ramp and/or the roof of any development on the Air Rights Plane.

Development on the Air Rights Plane will require improvements to the Parking Ramp

such as increased foundations and garage columns, transfer superstructure at the roof of the ramp, shear walls, vertical shafts for building M/E/P systems, vertical extensions of elevator and stair towers, thermal barrier and fire protection system below the future development and above the parking ramp, additional parking to replace lost stalls, and additional level(s) of parking if required by the proposed use. The cost to design and construct those improvements will be the responsibility of the developer. The MSFA, Vikings, Ryan, and the City must agree to any material scope changes to the design of the parking ramp. The parties will want to ensure operational functionality of the ramp and its ingress and egress.



Figure 6. The Air Rights Plane is shown in Red.

DEVELOPMENT CONSIDERATIONS

Ryan Companies Project Term Sheet

The City, Ryan Companies, and the MSFA agreed upon a term sheet which sets forth their rights and responsibilities related to the broader Ryan Downtown East project. A section of the term sheet relevant to the development rights on Block 1 follows. Respondents to this RFP are also encouraged to review the entire term sheet.

20. DEVELOPMENT RIGHTS ON BLOCK 1.

The MSFA is granting to the City the development rights to the Block 1 Air Rights Parcel and the Block 1 Liner Parcel. The City intends to start marketing the development rights as soon as possible. The MSFA will

cooperate in the subdivision and conveyance of the Block 1 Air Rights Parcel and/or Block 1 Liner Parcel to the entity or entities selected by the City. Any costs incurred related to the subdivision will NOT be the responsibility of Ryan. The City and MSFA agree that the City will receive all net proceeds from the sale of the Block 1 Air Rights and/or Block 1 Liner Parcel. The City or the developer of the Block 1 Air Rights Parcel will be responsible for any expenses or fees related to structural or other changes required for support of development on top of the ramp. Such expenses which are the responsibility of the City or developer shall include any additional design expenses incurred by Ryan (above and beyond design expenses expected to be incurred for design of the freestanding Block 1 Ramp, without Block 1 Air Rights or Block 1 Liner Parcel development) at the request of the City to evaluate or prepare the Block 1 Ramp for development of such Block 1 Air Rights Parcel, whether or not such development actually proceeds, and shall be reimbursed to Ryan within thirty (30) days of submittal of an invoice to the City. Any development of the Block 1 Air Rights Parcel or Block 1 Liner Parcel must be coordinated with construction of the Block 1 Ramp, Skyways and Urban Park and cannot delay completion of any of the forgoing improvements or otherwise obstruct access to the foregoing improvements or the DTE Ramp. Ryan retains the right to submit a development proposal to the City in response to its request for proposals.

Planning & Zoning

The Property is zoned B4-N, Downtown Neighborhood District, and is also subject to the DP, Downtown Parking Overlay District. The B4N Downtown Neighborhood District allows office, hotel, retail, residential uses and was established to provide an environment that promotes the development of higher density neighborhoods surrounding the Downtown office core with a variety of goods and services to support Downtown living. The proposal for the Property shall comply with and seek to achieve the goals stated in the Downtown East/North Loop Master Plan and Historic Mills District Master Plan and Update. The Proposal shall also comply with the designated Chicago Commercial Corridor plan from The Minneapolis Plan for Sustainable Growth and in particular should include a ground-floor commercial use on the corner of 4th and Chicago that helps to create a district that is vibrant nights and weekends and not just during the daytime Mondays through Fridays. The Property is located in the Downtown East neighborhood and falls within the Downtown Minneapolis Neighborhood Association ([DMNA](#)). As with all proposed development in the city, final plans are subject to compliance with adopted City policies and ordinances.

Parking and service for the Property

The developer is responsible for providing adequate parking on the Property to serve the Property. Some parking for the Property could be provided in the parking ramp on Block 1. For uses that will not require significant parking, such as a hotel, no additional parking need be developed. Should other uses that require more parking be developed, such as multi-family residential or commercial office, the developer will fund the costs of

developing one or more extra levels of parking on top of the six-level Parking Ramp and will receive revenues from and be responsible for operating the extra levels.

Of the approximately 1,600 parking spaces provided in the parking ramp, 963 spaces will be dedicated to Vikings premium patrons for home games and up to ten (10) additional Vikings event days per year and, if the Vikings (or affiliate with common ownership) own a Major League Soccer (“MLS”) team, parking for premium patrons holding a ticket in the suites or club level of the Stadium on MLS home games (“MLS Patrons”) will be provided in the parking ramp. The balance of the ramp is available for monthly and transient parking on Vikings home game days, event days, and MLS game days and the entire ramp is available for monthly and transient parking for the balance of the year. Any proposed development must preserve access to the parking ramp for Vikings home game days, event days, and MLS game days parking and cannot interfere with the internal operations of the ramp for Vikings home game days, event days, and MLS game days parking.

The parking ramp bears no parking space obligations for the Wells Fargo office tower development.

Land sale and other terms

Submittals must include a price offered for the purchase of the Property; price will be one of the factors considered in evaluation. The sale of the Property will be subject to an appraisal. It is City policy to sell property at its fair reuse value. Write-downs from that value are considered public financial assistance, may trigger other requirements for the project, and are discouraged.

Timing & Costs

The Wells Fargo office towers, green space, and Stadium are all scheduled for delivery by mid-2016. Ryan plans to complete the Block 1 Ramp by the end of 2015, and has a commitment to provide no fewer than 963 spaces in the ramp by the outside date of July 1, 2016. The Property will be available for construction by approximately Q4 2015, once the construction of the ramp is substantially complete.

The developer will be required to fund in advance the supplemental design and construction costs required to make the Property developable and, specifically, capable of supporting development of the Liner Parcel and the Air Rights Plane. These costs will include any additional design expenses incurred by Ryan above and beyond design expenses expected to be incurred for the Block 1 Ramp to evaluate or prepare the Block 1 Ramp for development of the Property, whether or not such development actually proceeds. The following is an approximate outline of when these activities and cash outlays will occur:

- March 2014: Determine final program and concept design for Property
- April 2014: Complete concept design of structural and building systems improvements required to support development of the Property
- July 2014: Complete detailed design of structural and building systems improvements required to support development of the Property

- Q4 2014-Q4 2015: Complete construction of improved ramp
- Q4 2015: Property available for construction

Environmental

The Property will be sold “as-is” and it will be the developer’s responsibility to correct and pay for all costs associated with environmental issues and remediation related to the Property. If a proposal requires environmental remediation of any portion of the Property, the developer may request that the City, subject to City Council approval, sponsor a future pollution grant application. The developer will be responsible for all costs associated with the grant application. After the MSFA closes on the acquisition of Block 1, any potential proposer may reasonably conduct its own environmental testing of the Property by contacting the department contact person, entering into a Right of Entry Agreement with the MSFA and providing the requisite insurance coverage.

Encumbrances

Wells Fargo, Ryan, and MSFA have agreed to place use restrictions on Blocks 1, 2, 3, the residential portion of Block 4, the Stadium itself, and Block 6. These use restrictions will be contained in a Declaration of Restrictive Covenants that will apply to the Block 1 Ramp, as well as the Liner Parcel and the Air Rights Plane (the Property). The parties who participated in developing these restrictions all did so with the intention of increasing the value of not only the Block 1 Ramp and the Property, but of their respective properties by prohibiting undesirable uses. See Exhibit B for the list of use restrictions.

In addition, the MSFA will convey its interest in the Property with a restrictive covenant in title prohibiting vertical and horizontal roof-mounted or roof-applied signs of any kind and further prohibiting off-premise signs, temporary signs (e.g., banners, projected, electronic), and advertising on wall-mounted signs and ground-mounted monuments except Minneapolis City Code-compliant on-premise signs advertising the name or promoting the business of an owner or any tenant leasing and physically occupying rentable space, civic signs, sale/lease signs, or the name of project (e.g., condominium name).

Pursuant to an agreement with the State of Minnesota for a grant of State general fund appropriation bond proceeds to be used to purchase Block 1 (the "State Grant Agreement"), the MSFA will record a declaration against Block 1 making it subject to all of the terms, conditions, provisions, and limitations contained in the State Grant Agreement. Upon subdivision of the Property from Block 1, the MSFA will seek release of the Liner Parcel and the Air Rights Plane from such recorded declaration by the State pursuant to the State Grant Agreement. The Parking Ramp will remain subject to such declaration.

The MSFA, Ryan, the City, and the selected developer will work together in good faith to attempt to accommodate the MSFA’s desire to locate communications equipment on the highest level of the Block 1 Ramp and/or the rooftop of any development on the Air

Rights Plane. The MSFA will also seek the right to install, replace, service and maintain necessary utility services and cabling to operate the communications equipment.

PROPOSAL CONTENTS

Firms are requested to submit proposals that do not exceed twenty (20) facing pages of information (ten pages double-sided) excluding optional folder, binder, or covers. The submission must be in standard 8-1/2"x11" format, with a font size for text no smaller than 11 pt. Proposals must include the following information to be deemed complete and responsive and must be in the following order and with corresponding section numbering (all proposals must include page numbers). The information being requested through this RFP is necessary for the City to adequately evaluate your proposal. Failure to supply the requested information may result in rejection of your proposal. The City is not responsible for the costs incurred by proposers or their contractors in connection with this RFP process, including, but not limited to, costs associated with preparing a proposal or associated with participating in any presentations or negotiations related to this RFP. Proposals deemed incomplete and/or non-responsive will not be considered.

1. A **cover page** that includes:
 - a. Respondent's name and mailing address
 - b. Respondent's current legal status: corporation, partnership, etc.
 - c. Federal tax ID number or Social Security number
 - d. State ID number
 - e. Contact person's name, title, phone number, and e-mail address
 - f. Signature of authorized corporate officer for each entity proposing as a partnership or team

2. A **financial offer** that includes but is not limited to the following information:
 - a. Price to be paid to the City for the Property, net of all development costs
 - b. Proposed financing strategy for the project, including sources of equity and debt.
 - c. Evidence of the financial capacity required to execute the project including ability/willingness to:
 - i. Invest the equity required to finance the project
 - ii. Secure the debt required to finance the project (include tentative commitment letters from prospective lenders)
 - iii. Self-fund project pre-development costs
 - iv. Fund in advance the front-end design and incremental increase in construction costs related to the improvements to the ramp that will be required to make the Property developable.

3. A **narrative project description** that includes, but is not limited to, the following information:
 - a. Proposed uses and users/tenants of the Property

- b. Project's contribution to City development goals as outlined in this RFP
 - c. Improvements made to the Property including square footage of specific components, anticipated materials, and design style
 - d. Project schedule
 - e. Subdivision proposal
 - f. Plan for vehicular access and service to the Property, including parking needs
 - g. Planned implementation of best practices in sustainable design, construction, and building systems
 - h. Include exhibits of preliminary schematics, plans, and/or elevations
4. A **description of the entities involved** in the development team that includes:
- a. Description of the roles the development team members will play (e.g., developer, architect, building owner, property manager, tenant, professional consultant)
 - b. Summary of the development team's track record, including, but not limited to:
 - i. Experience working together and in developing projects of similar type or scale.
 - ii. Information on the location of past projects, their type, their development costs, their development funding sources, their current status, and any continued financial or operating interest in them.
 - iii. Previous relevant development experience working with public entities, including reference contact information.
 - iv. The City may ask for supporting documentation substantiating claims of previous experience.
 - c. Summarize any lawsuits to which the members of the development team or any principals of the development team have been a party.
 - d. 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.
 - e. Specify whether the development team is or intends to form a corporation, a limited liability company, a general or limited partnership, a joint venture or other type of business entity to carry out the proposed development.
 - f. The developer must also provide two years of audited financial statements. If there is a concern about confidentiality, they may be submitted confidentially to the CPED Director under separate cover.
 - g. Please note that 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 or will meet these requirements.
5. A **development budget** showing the detailed sources and uses of funds for the project. For uses of funds, itemize the estimated costs of the project including Property acquisition, hard and soft construction costs, any tenant improvements,

and any other project costs. For the Air Rights Plane, include the costs required for the development of the parcel such as increased foundation and garage columns, transfer superstructure at the roof of the ramp, shear walls, vertical shafts for building M/E/P systems, vertical extensions of elevator and stair towers, thermal barrier and fire protection system below the future development, additional parking to replace lost stalls, and additional level(s) of parking, if required by proposed use. For the Liner Parcel include costs required for the development of the parcel such as increased foundation and garage columns, and party wall and fire separation systems. For sources of funds, indicate the type of financing planned – e.g. debt, equity, other – and describe the status of securing those funds (see item 2, above). Requested write-downs of the acquisition price below market value will be considered public financial assistance from the City, may trigger additional requirements on the project, and are discouraged. **Please provide one electronic and editable copy of the development budget including all underlying assumptions and formulas in Excel format.**

6. An **operating pro forma** of at least 10 years for the building operation, including the assumptions underlying the income and expense projections. The pro forma should break out line items for all revenue streams and expense categories. Clearly indicate assumptions, if applicable, for rental rates, vacancy rates, operating expenses, growth rates, taxes, debt service, and capital reserves. Also show the available cash flow, cash-on-cash return, and internal rate of return, if applicable. Detailed pro formas in a format acceptable to the City will be required during the negotiation of a redevelopment agreement. **Please provide one electronic and editable copy of the pro forma including all underlying assumptions and formulas in Excel format.**
7. **Evidence of demand** for the space that could include a market study, letters of intent from tenants, an assessment of area demographics or economics, and/or other information documenting market demand for the proposed use or uses.
8. A **description of the public benefits** that will result from the development, e.g. the creation or retention of jobs (including the estimated number, type and wage levels for construction jobs and permanent jobs to be created), the creation of housing density, tax base enhancement, programs that enhance the green space across the street and general livability, provision of retail goods and services, and/or activities that generate visitors to the area or benefit the community. Include an estimate of the taxable value upon completion and annual real estate taxes of the Property.
9. A **timeframe for redevelopment**. The schedule should include the time needed to finalize financing, complete design, secure approvals and permits, prepare the Property, start and complete construction, and start and complete occupation and/or lease-up. Identify any conditions that must be met before the proposal can become a reality.

10. An **executed “Consent for Release of Response Data” form** (see Exhibits). 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 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, the City, and MSFA.

Development teams/developers responding to this RFP are not required to provide a good faith deposit on the land with their proposals. However, the development team whose proposal is ultimately selected by the City Council must make the required deposit – 10% of purchase price – upon execution of the redevelopment contract. The City will hold the deposit until development of the project is complete.

Evaluation Criteria

In reviewing proposals, the following criteria are among those that will be considered:

1. Purchase price (net to the City)
2. Attainment of the development goals for the Property stated above, including: Maximizing development potential, jobs and/or housing units, and contribution to City tax base; increased vitality in Downtown East; inclusion of mixed use and ground floor public uses; and leveraging of nearby transit infrastructure investments.
3. Achieving goals stated within the Minneapolis Comprehensive Plan, the Minneapolis Zoning Code, and other relevant policy documents and City ordinances
4. Track record and financial and organizational capacity of the development team to complete the type of development project that they propose
5. Financial feasibility and the ability of the project to secure necessary financing
6. Project readiness and feasibility of proposed project schedule
7. Public benefits from the project, including increase in tax base
8. Minimization of public subsidy, if any
9. Degree of “green” building techniques and features incorporated
10. Overall quality of the submission and adherence to the proposal content requirements

The City may, in its sole discretion, expand or reduce the criteria upon which it bases its final decisions regarding selection of the development team or developer for this Property.

Proposal Submission

Proposers must submit copies of their proposals as follows:

- One unbound copy
- Eight bound copies
- One electronic version in Microsoft compatible or PDF format on CD or flash drive, including Excel files for project financial information as described above.

Proposals must be on standard 8 ½” by 11” paper. Foldouts containing charts, spreadsheets, drawings, and oversized exhibits are permissible as long as they are packaged with the proposal.

Proposals and supporting documentation must be submitted in a sealed envelope labeled “Block 1 Liner Parcel and Air Rights Plane Proposal” and sent to:

City of Minneapolis, Community Planning & Economic Development
Attention: Bob Lind
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

Faxed proposals will not be accepted. Proposers may choose to provide additional copies 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 **4:00 pm Tuesday, February 4, 2014.**

Proposals received after the deadline will not be accepted. It is neither the City’s responsibility nor practice to acknowledge receipt of any proposal. It is the proposer’s responsibility to assure that a proposal is received in a timely manner.

Proposal Review & Selection Process

City staff will review proposals that are received by the due date. City staff will also seek input from the Downtown Minneapolis Neighborhood Association ([DMNA](#)). Some or all of the proposers may be requested to present their proposals to City staff and/or the neighborhood association. City staff expects this review process to occur in the weeks following the deadline.

City staff will then make a recommendation as to the developer that best meets the evaluation criteria. This recommendation will be considered by the CPED Director and then forwarded to the City Council for action. Staff will also seek review by the City Planning Commission and approval from the City Council for the land sale. The final sale of the Property will be subject to the terms and conditions of a mutually agreeable redevelopment agreement by and between the selected developer, City and MSFA.

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.

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 ([DMNA](#)).

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 in 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.

RFP Timing

Anticipated RFP Timeline	
Release of RFP	January 6, 2014
Pre-Proposal Conference Call, RSVP to Bob Lind	January 13, 2014, 10:00 am
Joint Neighborhood Meeting, see DMNA website	January 16, 2014
Clarifying questions on the RFP due	January 21, 2014
City posts answers to questions on the RFP	January 24, 2014
Submission deadline for proposals	February 4, 2014, 4:00 pm
Review and evaluation of proposals	February 5-14, 2014
Interviews of finalists, if necessary	February 10-14, 2014
Approval from City Council on developer designation	Early March
Negotiate redevelopment terms and conditions	March-April 2014
Land sale review by City Planning Commission	March-April 2014

Approval from City Council on terms of sale	May 2014
Finalize redevelopment contract and close on sale	Summer 2014

RFP Inquiries

Prospective proposers may only direct questions in writing by email to the department contact person:

Bob Lind, Senior Manager, Special Projects
bob.lind@minneapolismn.gov

City of Minneapolis, Community Planning & Economic Development
 105 Fifth Avenue South, Suite 200
 Minneapolis, MN 55401

All questions are due no later than 4:00 pm on Tuesday, January 21, 2014. Questions will be answered in writing and posted on the RFP website no later than Friday, January 24, 2014:

www.minneapolismn.gov/cped/rfp/wcms1p-118843

Potential respondents are encouraged to periodically check the website for new information on this RFP and for answers posed by other respondents during the proposal preparation process.

The department contact person is the only individual who can be contacted about the RFP before the proposal deadline. The department contact cannot vary the terms of the RFP.

Potential respondents to this RFP should not directly contact Ryan Companies or the MSFA with questions related to the design and construction of the Block 1 Ramp, and instead should direct those inquiries to the department contact.

City Contracting Requirements

The selected developer will be required to enter into a redevelopment contract with the City that will contain standard City requirements such as insurance and indemnification and provisions to ensure redevelopment of the Property, e.g., construction and financing plan approval prior to commencement of construction, transfer and encumbrance limitations prior to completion, and reversionary rights. Other requirements vary depending upon the type of development and the source and amount of public investment, if any.

The following list is not exhaustive. Proposers unfamiliar with these standard requirements are urged to seek further information from City staff.

1. *Equal opportunity (affirmative action and nondiscrimination)*. If the project receives public financial assistance over \$50,000, the selected developer and any of its contractors with a contract in excess of \$50,000 will be required to submit a written affirmative action plan to the City's Department of Civil Rights for the development project. During the performance of the development contract, the selected developer also will be required to comply and cause its contractors to comply with applicable provisions of Chapters 139 and 141 (Title 7, Civil Rights), Minneapolis Code of Ordinances, and other applicable federal, state and local regulations, statutes and ordinances pertaining to civil rights and nondiscrimination.
2. *Job Linkage*. 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 must establish and report on certain workforce goals for five years.
3. *Prevailing Wage Policy*. If the City provides assistance to the developer as defined in the City's Prevailing Wage Policy, the developer must covenant and agree to 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.
4. *Small and Underutilized Business Program*. Development projects that receive public financial assistance over \$100,000 must comply with Chapter 423 of the Minneapolis Code of Ordinances, which requires "good faith efforts" to meet goals for the use of businesses owned by women and minorities in construction and professional services. A list of certified businesses can be obtained by contacting the Small and Underutilized Business Program at 612-673-3076 or at www.mnucp.metc.state.mn.us.
5. *Apprenticeships*. If the City provides assistance to the developer as defined in the City's Registered Apprenticeship Training Program Policy, the developer must covenant and agree to cause its general contractor and any subcontractors with a construction contract over \$50,000 to provide evidence of participation in an apprenticeship training program registered with the state.
6. *Minnesota Business Subsidy Act*. Depending upon the level and purpose of public assistance that may be received, provisions of the Minnesota Business Subsidy Act, Minnesota Statutes, sections 116J.993-116J.995, and/or the City's Living Wage Ordinance, Minneapolis Code of Ordinances, chapter 38, may also apply to the project. Should these requirements apply, they will be incorporated into a business subsidy agreement.
7. *Affordable Housing Policy*. 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 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 at: www.minneapolismn.gov/cped/resources/reports/cped_affordable_housing_resolution)

Exhibit A

Form of Consent for Release of Response Data

_____, 2014

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S., Suite 200
Minneapolis, MN 55401
Attention: _____

Re: Block 1 Liner Parcel and Air Rights Plane 2014 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 Block 1 Liner Parcel and Air Rights Plane 2014 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 shall be treated by the City consistent with Minnesota Statutes,
Section 13.591.](#)

Exhibit B

DECLARATION OF RESTRICTIVE COVENANTS: Use Restrictions

The DECLARATION OF RESTRICTIVE COVENANTS to be agreed by Wells Fargo, The Ryan Companies, and the MSFA include the following list of use restrictions. This DECLARATION shall declare that the Block 1 Ramp, including the Liner Parcel and Air Rights Plane (the Property) shall be held, transferred and used subject to and together with the following covenants and restrictions:

1. Use Restrictions.

The following uses are prohibited, and no portion of the Property shall be used for any of the following:

- i) Manufacturing or industrial purposes, except for limited production and processing uses that are consistent and compatible with retail sales and services;
- ii) Any operation primarily used as a storage operation (but storage as an accessory to any other allowed use is permitted); any warehouse operation requiring truck loading docks (but loading docks not associated with operations other than distribution/warehouse operations are permitted) and any assembling, refining, smelting, agricultural, or mining operation;
- iii) Any surplus store, or pawn shop, or any check-cashing or payday lending/advancing facility (the foregoing shall not prohibit any operations, including check-cashing and lending, by a state or federally chartered bank or thrift);
- iv) Any dumping, disposing, incineration, or reduction of garbage; provided that the foregoing shall not prohibit the normal collection and disposal of garbage from the operations on the Property;
- v) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation; provided, however, this prohibition shall not be applicable to hotel, restaurant or similar allowed uses in selling used furniture, equipment or other personal property in connection with the refurbishing or upgrading of such personal property used on-site in connection with such business' internal needs; provided any such sale does not last more than 3 days and the same does not occur more often than twice during any 24 month period;
- vi) Any central laundry, dry cleaning plant, or laundromat; provided, however, this prohibition shall not be applicable to: (i) hotel, restaurant or similar allowed uses with on-site laundry operations to services such operations

internal laundry needs; or (ii) nominal supportive facilities for onsite service oriented pickup and delivery by the ultimate consumer as the same may be found in the skyway level public corridors of first class office buildings in the Minneapolis central business district;

- vii) Any automobile, truck, trailer, recreational or other vehicle body shop, or repair operation; or used vehicle sales operation;
- viii) Adult bookstore, adult video store or any other entertainment facilities or establishment engaged in the business of selling, exhibiting or delivering pornographic or obscene materials (which shall mean 5% or more of gross sales derived therefrom) or selling or displaying adult toys or novelties; or exhibiting either live or by other means to any degree, nude or partially clothed dancers or wait staff;
- ix) Any establishment selling or exhibiting illicit drug-related paraphernalia or so-called "headshops;" or the sale, distribution, marketing or production of medical marijuana, medical cannabis or any constituent cannabinoids such as THC, as well as any substance considered to be synthetic cannabinoids (this limitation applies broadly, regardless of whether the activity is conducted by collectives, collective caregivers, co-ops, growers or any other entity or organization);
- x) Any spa, massage parlor or similar establishment, provided that the foregoing shall not prohibit (1) a hotel from offering spa or massage services in a manner consistent with the provision of such services by a first class hotel for both hotel guests and the general public, and (2) reputable spa and therapeutic massage businesses licensed by the City of Minneapolis;
- xi) Any tattoo parlor, piercing parlor or similar establishment;
- xii) Any flea market or stand-alone video arcade establishment; provided the foregoing shall not prohibit, video machines as an accessory use to a restaurant, night club or entertainment themed food based establishment;
- xiii) Any for-profit gambling facility or operation, including but not limited to: off-track or sports betting parlor; table games such as black-jack or poker; slot machines, video poker/black-jack/keno machines or similar devices; or bingo hall;
- xiv) A gun shop or shooting gallery;
- xv) Gentlemen or ladies (for fee or other monetary consideration) escort or companion services; and/or
- xvi) Bail bond services of any kind or any activities of a bail bond agent.