

REQUEST FOR PROPOSALS FOR PURCHASE AND DEVELOPMENT OF

**234-238 Bates Avenue
Saint Paul, MN**

May 1, 2013

I. INTRODUCTION/RFP PROCESS

The City of Saint Paul, Minnesota and its Housing and Redevelopment Authority (the “City”) is seeking proposals from qualified developers interested in the rehabilitation of an existing multi-family property located at **234-238 Bates Avenue (32-29-22-41-0143)** in the historic Dayton’s Bluff neighborhood close to downtown Saint Paul. This Request for Proposals (“RFP”) will aid the City in identifying the best proposal for private rehabilitation of the property. The City will seek to negotiate a development agreement with the successful respondent to the RFP.

RFP responses are to include a detailed project proposal for the building and site accompanied by design concept plans, project financial proformas, information on development team members, and other information as requested by the City. The City will seek to enter into negotiations for development rights with the Developer submitting a proposal that best meets the needs and interests of the City of Saint Paul and the Dayton’s Bluff Neighborhood.

The site is zoned RM2 – Medium Density Multifamily Residential District. In addition, because the site is located in the Dayton’s Bluff Heritage Preservation District, the new development must meet the City’s guidelines for the district and receive final design approval from the local Heritage Preservation Commission (HPC).



II. DAYTON’S BLUFF NEIGHORHOOD

The Dayton’s Bluff neighborhood was established in 1857 by land and railroad speculator Lyman Dayton on a large bluff overlooking the Mississippi River and became an attractive place for the wealthy to build large, costly homes. Improved access to the area in the 1880’s drove a building boom and the neighborhood became a focal point of relocation for immigrant populations who found jobs in the factories and breweries at the base of the bluff.

The Dayton’s Bluff Heritage Preservation District was established in 1992 to encourage retention of the historic buildings and respect of the design integrity of the neighborhood such as set-backs, retaining walls, etc. Original features of older buildings should be retained whenever possible and alterations, additions, and new construction should be compatible with

the building and its historic neighborhood setting.

III. SITE DESCRIPTION

A) Recent History and Background of the Site

The building was originally developed as a multifamily residential dwelling in 1888 and most recently consisted of 12 residential units. The building is currently vacant and out of service. It is the goal of the City of Saint Paul and the Dayton’s Bluff Neighborhood to retain the building as an historic resource for the neighborhood as well as return residential units back to active housing inventory. The site does not currently include off-street parking to accommodate the Site’s residential units. The property is located in the Dayton’s Bluff Heritage Preservation District and rehabilitation of the property must meet the district’s guidelines.

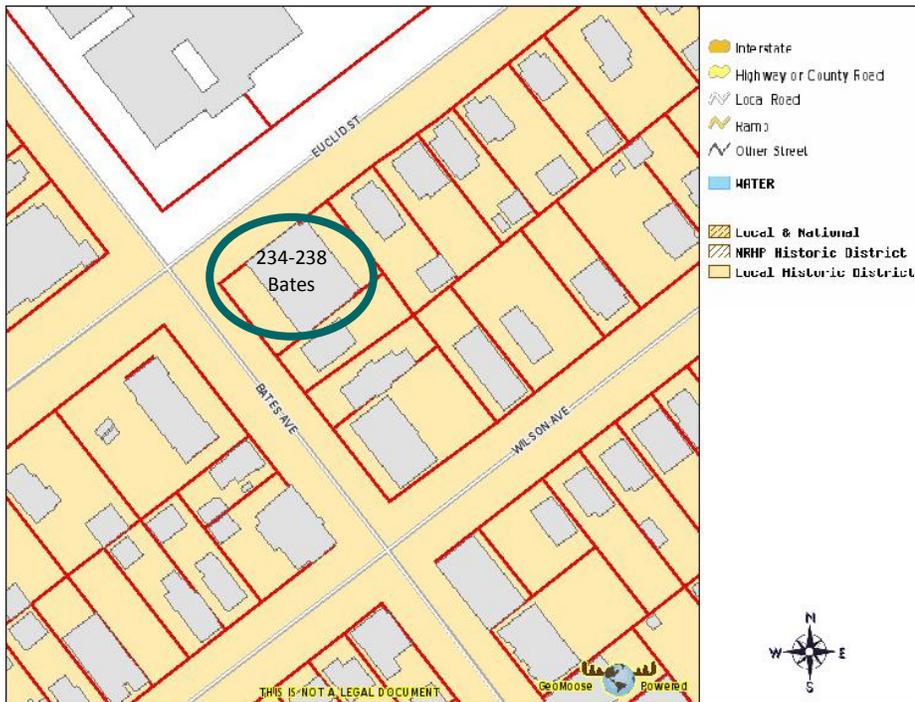
The City makes no representations as to environmental status of the site or the existing building and will be selling it on an **“AS-IS” basis only**. Therefore, prospective developers should take note of the existing condition of the site and the building when presenting a proposal.

2013 EMV
<i>\$480,000 (\$180,000 land, \$300,000 building)</i>

B) Site Data

The site area is 9,148 square feet (.21 acres). The building size is 16,928 square feet. The building is currently vacant. The site does not currently have off-street parking as it was constructed in 1888 prior to formalized parking requirements being put in place.

The Site is zoned RM2 – Medium Density Multifamily Residential District. In addition, because the Site is located in the Dayton’s Bluff Heritage Preservation District, the new development must meet the City’s guidelines for the district and receive final design approval from the local Heritage Preservation Commission (HPC).



C) Nearby Land Uses

Single-Family and Multi-family Residential Housing – The bulk of properties in and around 234-238 Bates Avenue are a mixture of single-family homes and lower-density multifamily residential structures.

Mixed-Use Commercial – East 3rd Street is a neighborhood commercial corridor with bus service a few blocks from the site. East 7th Street, located northwest of the site, serves the area as the primary commercial and traffic corridor through the neighborhood.

Parks & Schools – The Dayton’s Bluff Recreational Area is just north of the site and is adjacent to Dayton’s Bluff elementary School.

IV. SCOPE OF DESIRED DEVELOPMENT

A) Proposed Use After Rehabilitation

The original building was developed as a multifamily housing land use and it is the intent of the City of Saint Paul and the Dayton’s Bluff Neighborhood to retain it as such. Proposals should be for rehabilitation of the existing building for use as a multifamily housing building.

To the greatest extent possible, the City seeks a market-supported approach to the

rehabilitation of the building. The proposed rehabilitation must be economically-viable, with evidence that the project can be completed within a reasonable timeframe. It should be noted that any proposed publicly-subsidized rental housing should endeavor to meet the City's affordability goal of at least twenty percent of the units affordable to persons between 50 percent and 80 percent of area median income.

B) Design Considerations – Relation of Rehabilitation of Site in Conjunction with Dayton's Bluff Heritage Preservation District Guidelines

The selected developer will work with City staff, the Heritage Preservation Commission (HPC), and Dayton's Bluff Neighborhood (Planning District 4) to ensure that the overall plan and design of the site fits into the historic preservation district and neighborhood context. Final plan approval from the Saint Paul HPC is required.

C) Compliance Requirements

The selected developer and building contractors will be required to comply with all applicable Federal, State and local laws and regulations. These requirements vary depending on the type of development and the source and amount of public investment, if any. Some of the possible compliance requirements are listed below. Proposers unfamiliar with these compliance requirements are urged to seek further information. Some of the requirements, but not exhaustive, are:

1. Federal Davis-Bacon Labor Standards if federal funds are involved; Little Davis-Bacon Labor Standards if only local or state funds are involved including any land write downs.
2. Affirmative Action Requirements.
3. Vendor Outreach Goals.
4. Section 3 Requirements.
5. Sustainable Green Policy.
6. Two (2) Bid Policy.
7. Living Wage Ordinance.
8. Business Subsidy.
9. Competitive Bidding.
10. Project Labor Agreement.
11. Dayton's Bluff Heritage Preservation District Guidelines

These requirements are more fully described in Appendices A through K. Additional requirements for any housing component, regarding income and rent limits, may apply if the project involves federal, state or city funding. Proposers must also comply with the reporting requirements of these programs.

Nothing contained in this RFP releases the developer from compliance with applicable codes and ordinances of the City of Saint Paul in proceeding with their project.

V. SELECTION PROCESS

This RFP process is sponsored by the Saint Paul Department of Planning and Economic Development (“PED”). PED will convene a committee to interview development teams and review the proposals based on the criteria set forth in Section VI. The committee will consist of PED staff, Heritage Preservation Commission staff, Council Member Kathy Lantry’s Office, and a representative from Dayton’s Bluff (Planning District 4).

The purpose of this RFP is to solicit proposals from developers who are interested in purchasing and rehabilitating the building and site for use as multifamily housing. PED and the committee will review the proposals and may recommend a specific developer to the HRA Board of Commissioners. The HRA Board of Commissioners may select and designate a tentative developer of the site for a specified period of time. During the tentative developer period, the developer will have the exclusive opportunity to refine its proposal and move toward a formal development agreement with the City for purchase and development of the site.

Participation by a developer in the RFP process described herein imposes no obligation upon the HRA to proceed with designation of a selected developer for the Property. The HRA has the exclusive power to make a final determination regarding the purchase and redevelopment of the Site. Neither the HRA nor the City of Saint Paul is legally or morally obligated to accept any proposal submitted in response to this RFP, to sell any portion of the site, or to be held liable for any costs incurred in replying to this RFP.

VI. SELECTION CRITERIA

Proposals will be evaluated by, at a minimum, the criteria listed below. The Site will be sold on an **AS-IS basis and for immediate rehabilitation and not for land banking or speculation purposes**. Evidence of a feasible rehabilitation plan and full financing is a requirement of sale.

1) Proposed Rehab Activities and Use of the Existing Site, including but not limited to:

- a. Description of past experience working on historic properties or properties located in designated heritage preservation districts. Give specific examples of successfully completed work on rehabilitation projects within the City of Saint Paul or City of Minneapolis.
- b. High-quality exterior materials that fit with the character of the existing building and historic preservation district.
- c. Interior renovation plan.

- d. Identification of the site's parking needs with a site plan indicating how these needs will be accommodated.

2) Financial Considerations, including but not limited to:

- a. Demonstrated financial capacity to undertake the proposed development, including existing relationships with major lenders and past experience with financing similar developments.
- b. Sufficient equity to satisfy conventional lender requirements.
- c. A project proforma that details reasonable sources and uses of funds.
- d. Evidence of market viability of the proposed rehab program.
- e. Proposed purchase price for the property.

3) Public Financial Assistance:

- a. **Land Write-Down** – The City has not set an estimated fair market value for the site. Proposers will need to indicate an offer price in the proposal. The City will consider selling the Site at a below-market value price if the project can demonstrate a need for this assistance.

4) Characteristics of Development Team, including but not limited to:

- a. Demonstration of a well-organized team that has previously worked together on similar rehabilitation projects and has shown that they can successfully deliver a high-quality project.
- b. Team members with expertise that matches the proposed development program.
- c. Experience in successfully developing sites within an urban core and historic preservation district.
- d. If public funding requested, ability to undertake projects that contain a mix of public/private financing.
- e. Ability to ensure timely implementation of the proposed development.
- f. If the proposal includes a housing component, experience and ability to meet the City's affordability guidelines.

- g. Understanding of the goals and objectives of the City’s planning and compliance documents affecting this site.
- h. Demonstrated ability to meet equal opportunity/affirmative action employment and contracting goals established by the City; willingness to provide equal opportunity to minority/women-owned and small businesses; and demonstrated past history of providing contracting and employment opportunities for qualified minority and women individuals and minority/women owned and small businesses.

VI. PROCESS TIMELINE

<u>Activity</u>	<u>Date</u>
Formal Request for Proposals issued:	May 1, 2013
Submission of written questions from Proposers:	May 17, 2013
Response to written questions from Proposers:	On or before May 24, 2013
Proposals due:	June 1, 2013
Interviews of development teams:	June 14, 2013
Recommendation to HRA for tentative developer status:	July 1, 2013

VII. SUBMITTAL REQUIREMENTS

Responses must contain the following information at a minimum, presented and TABBED in the order shown.

Section 1: Letter of Intent

Letter of intent, signed by an officer of the company, stating your commitment, should you be awarded tentative developer status, to proceed with good-faith negotiations with the Saint Paul Housing and Redevelopment Authority toward a development agreement regarding the acquisition and disposition of the Site as described in your proposal.

Section 2: Description of Rehabilitation Program

- A) Project Narrative – Write a brief narrative describing specific project elements of your proposed rehabilitation of the building. Include specifics on scope of rehabilitation work proposed.
- B) Market Viability – Describe the market viability of your proposed use. Describe information used to assess market viability.
- C) Parking Requirements – The site was originally developed in 1888 without on-site parking. What is your plan for meeting residential parking needs for the building after completion of the rehabilitation?

Section 3: Description of Project Design

The following concept illustrations are required. They should be provided on 11x17 paper. Any other materials are optional.

- A) Site Plan – Rooftop plan showing the placement of any proposed structures, additional landscaping, and/or amenities on the Site relative to surrounding buildings, public alley, streets, etc.
- B) Elevations – Building elevations from Bates Avenue and Euclid Street. Please identify proposed exterior materials.
- C) Interior - Interior site plan of unit configuration before and after proposed renovation.

Section 4: Financial Information

- A) Detailed Project Proforma – Provide a detailed financial proforma for your proposed project. Information must include (show assumptions where appropriate):
 - Summary of hard and soft costs related to construction of the project.
 - Proposed purchase price for Property.
 - Sources and Uses of Funds Schedule, including sources, amounts, and terms of financing and equity.
 - Ten year operating proforma and cash flow showing coverage of any long-term debt.
 - Income assumptions must relate specifically to Leasing/Sale Plan.

- B) Financial Information for Prime Developer – Provide information that demonstrates your financial capacity to undertake your proposed project. Information must include:
- At least three references from financial institutions. Please provide contact names and phone numbers.
 - Prime developer’s most recent financial statements and summary financial statements from last three years, showing revenues, expenses, and balance sheets.

Section 5: Description of Development Team

- A) Identification of Team Members – Identify team members and their roles. Teams must include, at a minimum, a prime developer and principal architectural firm.
- B) Individual Team Members’ Relevant Experience – Identify specific relevant experience of key individual team members. Provide at least two separate references for each key individual team member related to this relevant experience.
- C) Prime Developer’s Relevant Project References – Provide references [i.e. project identification, contact person, telephone number] for at least two projects, similar in scope and type to the project you are proposing for the Site, for which the prime developer was responsible.
- D) Project Schedule – A proposed project schedule for the site. Discuss your team’s ability to work within this timeframe. Identify any other team member obligations that might impact your ability to work within this schedule.
- E) Claims Status – Provide information on the nature, magnitude, and current status of any claims or suits against any team members - individuals or firms - within the last three years in any matter related to professional activities.

VIII. INSTRUCTIONS FOR SUBMITTING PROPOSALS

A) Questions

Respondents are asked to submit questions related to the RFP, in writing, on or before **12:00 p.m. on May 17, 2013** to:

Jennifer Jordan
City of Saint Paul Planning & Economic Development Department
1100 City Hall Annex

25 West 4th Street
Saint Paul, MN 55102

Questions may be mailed, faxed (651-266-6559) or emailed to Jennifer.jordan@ci.stpaul.mn.us. Written responses will be furnished to all respondents on or before **May 24, 2013**. No oral questions on content will be accepted. Questions on submission may be e-mailed to Jennifer.jordan@ci.stpaul.mn.us.

B) Submission

Respondents should submit an unbound original and five (5) copies of their Proposal by **June 1, 2013** to:

Jennifer Jordan
City of Saint Paul Planning & Economic Development Department
1100 City Hall Annex
25 West 4th Street
Saint Paul, MN 55102

The original should be kept separate from the copies and shall be clearly marked "Request for Proposals – 234-238 Bates Avenue," with the developer's name and address listed, and the word "Original." The copies should be similarly marked, and have the word "Copies" on the outside of the package.

C) Public Information

Upon submission, all proposals become the property of the City and will not be returned. Disclosure to the public of the proposals is subject to the Minnesota Government Data Practices Act, Chapter 13 of Minnesota Statutes (the "Act"). If a developer feels that any information required is trade secret data, a request must be made in writing to Jennifer Jordan at the address listed above by **June 7, 2013** to retain the confidentiality of specific information. This request must include the specific type of information and the reason(s) for requesting confidentiality. Written responses regarding the City's ability to maintain confidentiality in accordance with Minnesota statutes governing data practices will be furnished on or before **June 17, 2013**.

D) Conflict of Interest / Non-Collusion

Proposer's response to this RFP shall not result in a conflict of interest with any party or entity which may have an interest or may benefit from the RFP. Should any such conflict or potential conflict become known to the Proposer, it must immediately notify the City of the conflict or potential conflict, specifying the part of this RFP giving rise to it, and advise the City whether the Proposer will or will not resign from the other

engagement or representation. Violation of this provision may result in rejection of an otherwise complete proposal.

Proposers are not to collude with other proposers and competitors or take any other action which will restrict competition. Evidence of such activity will result in rejection of the proposal.

E) Disclaimer

It is hereby understood that submission of an application to purchase and redevelop the Property imposes no legal or moral obligations on PED, the HRA or the City of Saint Paul to proceed with the designation of tentative developer designation and/or the sale of the Property. It is the obligation of PED and HRA staff only to consider making recommendations to the HRA Board of Commissioners as to the designation of tentative developer and/or sale of the Property. If any recommendation is made, the HRA Board of Commissioners has the exclusive power and discretion to make a determination regarding the designation of tentative developer and/or sale of the Property.

The information contained herein is not intended to be a complete description of the Site or of the regulatory, environmental or other conditions that may affect the feasibility of a proposal. Information that is relevant to planning a proposed project may not be included in this offering package. The City is making available to proposers certain reports and information provided by consultants retained by the City. The City does not represent or warrant the accuracy or completeness of the information contained in such reports and disclaims all responsibility for the reports. Applicants are encouraged to conduct their own due diligent investigations of conditions that may affect the Property and their plans, and not to rely solely on information contained in this package.

The HRA reserves the right to amend or terminate this RFP package and RFP process and to cancel negotiations involving this RFP at any time. Neither PED, the HRA, nor the City of Saint Paul nor their representatives are liable for any costs incurred in replying to this RFP.

IX. APPENDICES

Appendix A: Federal Davis-Bacon Labor Standards

Appendix B: Little Davis-Bacon Labor Standards

Appendix C: Affirmative Action Requirements

Appendix D: Vendor Outreach Program

Appendix E: Sustainable Green Policy

Appendix F: Two (2) Bid Policy

Appendix G: Living Wage Ordinance

Appendix H: Business Subsidy

Appendix I: Section 3 Requirements

Appendix J: Project Labor Agreement

Appendix K: Dayton's Bluff Heritage Preservation District Guidelines