

REQUEST FOR PROPOSALS

Higher Education Area Market Study City of Duluth, Minnesota RFP # 11-24DS

Responses Due by June 24, 2011

Purpose

This Request for Proposals (RFP) is being issued by the City of Duluth to solicit proposals for a market evaluation and development feasibility analysis that will identify potential residential and commercial demand within the project area as well as the availability and size of vacant, underdeveloped, and undeveloped sites to meet the demand. Tasks include an analysis of current market conditions, analysis of future market conditions, and development strategy.

Background

The City of Duluth, located on the shores of Lake Superior, has a population of 86,000. It is the fourth largest city in Minnesota and the largest city in northern Minnesota.

In 2006, the Duluth City Council adopted a new Comprehensive Land Use Plan. Since then, the City has been working towards implementation, including development of a new zoning code and small area plans throughout the city. The latest of these plans, the Higher Education Small Area Plan, will look at the area around the city's two largest higher education institutions, the University of Minnesota-Duluth and the College of St. Scholastica. This area has been increasingly impacted, both positively and negatively, from increased student presence. Between 2001 and 2010, the student population in the city climbed from 15,500 to 20,152, an increase of 30%.

The study area encompasses six square miles and includes both college campuses. It stretches from the East Hillside, an area of older homes with a grid-pattern street network, to more recently developed areas north of campus. Small commercial areas include the intersection of Kenwood Avenue and Arrowhead Road, and the Mount Royal area adjacent to Woodland Avenue and St. Marie Street. Both areas have neighborhood-serving retail such as grocery stores, banks, gas stations, and restaurants. New suburban-style student developments (Boulder Ridge, Summit Ridge, and Campus Park) are located along Rice Lake Road, also in the study area.

In addition to the market study, the Small Area Plan will address other planning and development topics such as land use, transportation, and environmental characteristics. The goal of the plan is 1) to identify areas and strategies for residential development that meets market demand and includes places for students to dine and shop and 2) to identify strategies to alleviate pressures on established neighborhoods and to maintain

their residential character. The Small Area Plan is scheduled to be completed by the end of 2011.

Relevant Studies

- **Central Entrance – Small Area Plan:** In 2009 the City completed the Central Entrance – Miller Hill Small Area Plan. As part of that plan, a market analysis was prepared by MXD Development Strategists. The small area plan can be found at <http://www.duluthmn.gov/planning/sap/millerhill.cfm> (the market analysis is in the appendices). This market analysis included an evaluation of the overall Duluth market.
- **Comprehensive Land Use Plan:** Adopted in 2006, the comprehensive plan lays out twelve governing principles and includes future land use maps for the City. Available online at http://www.duluthmn.gov/planning/comp_plan/index.cfm.
- **UMD-CSS Transportation Study:** This 2009 study is a multimodal transportation assessment of areas around the two college campuses. <http://www.dsmic.org/Default.asp?PageID=448>
- **Proposal for Development of Young Professional Housing Districts:** This 2004 report proposes several areas in Duluth for development of housing and commercial options for students and young professionals. Available at <http://www.duluthmn.gov/planning/sap/documents/YoungProfessionalsStudy.pdf>
- **Parks and Recreation Master Plan:** This plan, along with the Trail and Bikeway Master Plan that is currently being conducted, addresses connecting the community through trails and bikeways. The Parks and Recreation Master Plan is available at http://www.duluthmn.gov/parks/master_plan.cfm. For more information on the Trail and Bikeway Master Plan, see http://www.duluthmn.gov/parks/trail_bikeway_master_plan.cfm.
- **UMD Master Plan:** Features of the 2005 plan include housing expansion and circulation. <http://www.d.umn.edu/unirel/homepage/05/masterplan.html>

Scope of Work

The tasks to be performed under the contract shall include, but may not be limited to, those described in this Scope of Work:

Task 1 **Analysis of Current Market Conditions**

Building off of the analysis in the Central Entrance – Miller Hill Small Area Plan, provide an analysis showing existing property uses and values for residential and commercial uses as well as commercial lease rates. Identify market strengths and weaknesses of the study area for the Higher Education Small Area Plan.

Task 2 Analysis of Future Market Conditions

Evaluate the market demand over the next five and ten years for redevelopment within the study area. Study findings will include information on the potential mix of land uses, the intensity of development, target markets (demographic segments and commercial uses), market absorption rates, and projected development timelines for the study area. To inform future market conditions, conduct a set of focus groups with college students (while school is in session) and a set of focus groups with area residents.

Task 3 Development Strategy

Inventory the land use and value of parcels within the study area, identify vacant and underutilized parcels, and identify potential site assembly redevelopment areas, including street/alley vacations. Recommend appropriate public investments and strategies, such as TIF, storefront loan programs, etc. to promote future development. Identify any connectivity issues such as barriers to access, including walking, biking, or transit. One key question the City would like to investigate is the feasibility of connecting the Mount Royal area near UMD with the 4th Street commercial area via a continuous corridor of mixed-use (residential and commercial) development along Woodland Avenue.

Site Visits

It is estimated that the consultant would make a minimum of three visits to Duluth: one initial site visit to meet with staff and research the city; one visit in early September to conduct resident and student focus groups; and one visit in late September/early October to present draft findings.

Project Deliverables

- Draft findings and recommendations, shared in a presentation to the City of Duluth and other stakeholders.
- A final report including the following elements:
 - An executive summary.
 - Information on the market area, local characteristics, and other locational factors affecting the market in the study area.
 - An analysis of current supply, including vacancy and lease rates.
 - Five- and ten-year forecasts of demand for residential and commercial uses in the area. Findings should be presented for the entire study area and may be broken down by sub-area.
 - Recommendations on the appropriate mix of land uses in the study area. This should include retail mix – i.e. national retailers vs. local retailers, restaurants vs. clothing stores, etc. – and residential absorption projections.
 - A strategy showing how future demand and growth should be allocated, including an analysis of vacant developable sites, possible redevelopment sites and potential timelines for development.
 - An analysis of city income for the contributions that a total build-out, based on the five- and ten-year demand, of the study area may add to the City.

- Policy recommendations to encourage and support desired development.
- Recommendations on how to effectively market (including branding) the area to achieve the desired development.
- Maps and conceptual drawings illustrating the above components.
- Case studies of other areas around colleges or universities that have either undergone redevelopment or protected existing neighborhood character and that demonstrate recommendations given in the market study.

The budget for this work is limited to \$25,000.

Desired Consultant Qualifications and Contents of Proposal

The following are the required minimum qualifications expected for the project team:

- Experience conducting real estate market studies in Minnesota or other similar areas.
- Demonstrated ability to provide strong visuals.
- Experience conducting studies related to college or university areas.

The proposal must identify individual staff to deliver these services. Qualifications and examples of prior work must be provided and relate to the individual(s).

Each submittal shall have the following documentation:

- Cover letter with brief narrative of firm's approach to the project.
- Brief description of staff experience and resume(s).
- Scope of work (project approach).
- Deliverable-based budget estimate (include cost estimate for each deliverable).
- Three references for projects that encompassed a related work effort.
- Five complete copies of the above information.

Only complete submittals will be accepted.

Finalists will be chosen based on a scoring of proposals. Those finalists will be invited to participate in interviews on Thursday, July 14, 2011.

Submittal Deadline and Schedule

June 1, 2011	RFP Issued
June 10, 2011	Questions Due
June 17, 2011	Questions and Answers Posted to City Web Site
June 24, 2011	Proposals Due
July 8, 2011	Selection of Short List of Finalists
July 14, 2011	Interviews with Finalists
July 15, 2011	Selection of Consultant
July 15-30, 2011	Contract Negotiations

August 1, 2011 Contract Execution
September 2011 Focus Groups
September 2011 Preliminary Results and Recommendations
October 2011 Project Completion

The submittal deadline is Friday, June 24, 2011 no later than 4:30 p.m. Central Time. Please deliver **five hard copies of the response** to the RFP to:

City of Duluth
Purchasing Office
411 W 1st St. Room 100
Duluth, MN 55802-1197

In addition, please deliver **one electronic copy of the response** to:

Dennis Sears
Purchasing Department
dsears@duluthmn.gov

All questions must be emailed by Friday, June 10 to Jenn Reed Moses at jmoses@duluthmn.gov. Questions and answers will be posted to the city's web site at http://www.duluthmn.gov/purchasing/bid_information.cfm no later than **Friday, June 17**.

Intent and Reservation

The City intends to enter into a contract with the chosen consultant. This request for proposals is a solicitation and not an offer of a contract. The City reserves the right to reject any and all responses and proposals, in its sole discretion. The City further reserves the right to issue clarifications, changes in the proposed scope of work, and other directives concerning this request for proposals; to require clarification or further information with respect to any response, and to determine the final terms of any contract.

Contact

Jenn Reed Moses, Planner II, (218) 730-5328, jmoses@duluthmn.gov.

Attachments

Attached is an aerial map of the study area.

Higher Education Small Area Plan Study Area

