



Planning & Development Division
Planning & Economic Development Department

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22-AA06 Request for Proposals

Mixed-Use Woodland Development

Duluth, Minnesota

Release Date: April 21, 2022

Proposals Due: May 6, 2022

Overview

The City of Duluth (the “City”) is seeking proposals from qualified development entities to collaborate in the development of an approximately 0.6-acre parcel located in the Woodland Neighborhood (“Property”) of Duluth. Formerly a fueling station, the site is located at 3942 Woodland Avenue at the southeast corner of East Redwing Street and Woodland Avenue, and within blocks of a local grocery store and many other businesses. A public greenspace and playground is across the road, and baseball fields, hockey arena, local YMCA, Ridgeview Country Club, and a 660 acre park and nature center are less than a mile from the Property. Woodland Avenue features an ADT of approximately 7,000 vehicles per day. More demographic information can be found at <https://www.northlandconnection.com>.



Bird's Eye View of former Gas Station 010-4670-00590

The selected entity will collaborate with the City to create a mixed-use development that includes residential with commercial space on the ground floor. Proposal selection will be based on the Respondent's background, proposed site plan and number of units, project timeline, financial capability, and ability to develop the site in a way that meets the City's goals. Once the site plan is selected, the City will enter into a development agreement with the selected development team.

Questions regarding project scope should be directed to the Planning and Economic Development Department, with contact information on Appendix D.

Questions about this RFP should be directed to the City of Duluth Purchasing Office: purchasing@duluthmn.gov

The Duluth Community

The fourth-largest city in Minnesota, Duluth has a population of approximately 87,000 and over 6.7 million visitors annually. Duluth is the largest metropolitan area on the shores of Lake Superior: home to more than 250,000 people, 25 to 34-year old residents are the fastest growing demographic, increasing by 25% over the last 5 years.



Duluthians enjoy a high quality of life in a vibrant place that boasts great tasting, clean water and a spectacular landscape along the entire 26-mile stretch of the city. Offering more than 11,000-acres of greenspace within city limits, Duluth offers access to over 250 miles of hiking and world-class biking trails, sailing, cross country and downhill skiing, fly and deep-sea fishing, rock and ice climbing, inspirational arts and entertainment performances, a mix of local and nationally recognized retailers, and diverse culinary options.

Duluth has three highly ranked college institutions that are rated among the best in the nation for liberal arts education. They offer a medical school and top-notch engineering programs. Duluth is the home of two regional medical centers that are investing a combined \$1 billion over the next few years. The Port of Duluth-Superior is the farthest-inland freshwater seaport, connecting the heartland of the U.S. and Canada to the global economy. Duluth's economic outlook is promising as aviation, education, healthcare, engineering, tourism and information technology companies continue to grow and flourish here.



In summary, Duluth is home to abundant natural resources and outdoor recreation, robust industry clusters, top-notch educational campuses, and some of the most breathtaking natural scenery in the country – qualities that make it an unrivaled place to live, work, and explore.

Objectives

The City is seeking a qualified developer whose project will create residential units and commercial space while adhering to and embodying the Governing Principles in Duluth's comprehensive plan, Imagine Duluth 2035 (<https://imagineduluth.com/document>). The City is interested in proposals that include a quality residential development for persons of all income levels that can incorporate as many units as possible and that has commercial space at the ground floor level.

The primary purpose of this RFP process is to identify a qualified entity that clearly has the experience, vision, and financial capability to design and complete a quality development consistent with the City's objectives stated above on the Property.

Site Information

The former Woodland Gas Station site is an approximate 0.6-acre site that has past historical uses that range from residential to commercial. The most recent use was as a gas station that was closed in 2015. The City of Duluth, in partnership with the EPA and St. Louis County, have completed Phase I and Phase II environmental assessments on this site, the results of which can be found in Appendices B and C. As part of the Phase II assessment, the Underground Storage Tanks (USTs) were removed as well as any piping, pump station(s), and the canopy. The site is zoned Mixed Use Neighborhood (MU-N) and has utilities directly adjacent along Woodland Avenue and East Redwing Street. For more site information, please see Appendix D. For information on zoning regulations in the MU-N district, visit "Land Use Zoning" on the City's web site at <https://duluthmn.gov/planning-development/>.

The site is currently owned by St. Louis County and is secured for purchase by the Duluth Economic Development Authority (DEDA). The DEDA is looking to sell the Property, for not more than one hundred and twenty five percent (125%) of the total Estimated Market Value, to the selected entity by the end of May so that construction may begin during the 2022 construction season.

Proposal Requirements and Format

All proposals must include the following to be considered:

- Conceptual site plan showing massing, number of units and layout of structure on the site
 - City does not expect detailed design or architectural documents
- Budget and pro forma that includes:
 - Sources and Uses based on estimate from experienced GC or CM
 - Securing estimates from local companies is encouraged
- Examples of previous successful projects of a similar nature

Proposals should submit the above information in the following format:

1. Proposal Cover Sheet – A completed and signed Proposal Cover Sheet (Appendix A).
2. Proposal Narrative with Conceptual Site Plan – A written and graphic summary of the proposed development, which shall include an explanation of how the proposed development is intended to be integrated into its surroundings and will support broad principles of neighborhood development
3. Statement of Qualifications – Include descriptions of relevant example projects completed within the past 5 years that are comparable in scope to the project, as well as financial capacity to ensure project success. Include references of previous clients/projects.
4. Project Schedule – Information on the preliminary schedule, including timing for site plan development, regulatory approvals, and construction activities.

Evaluation Criteria

The City will evaluate the development proposals based on the following criteria:

- Number of housing units and size of commercial space
- Project timeline and ability to begin project in 2022
- Financial capability, including resources available as equity for the project and strength of financial commitments
- The quality of the proposed site layout and the relation of the layout to the surrounding neighborhood context (parking, pedestrian impacts, activation of street levels, access, etc.)
- Qualifications and experience of the Respondent and team members with projects of similar scale and magnitude
- Quality, creativity, and feasibility of development proposal

The City encourages and welcomes bids from women and minority owned businesses.

The City of Duluth reserves the right, at its sole discretion, to reject any or all submittals when, in its opinion, it is determined to be in the public interest to do so; to waive minor irregularities and informalities of a submittal; to cancel, revise, or extend this solicitation; and to select the proposal it deems is in the best interests of the City, even if it is not the highest purchase price nor provides the greatest financial benefit to the City. The City reserves the right to request clarification of information submitted and to request additional information from any Respondent.

This Request for Proposals does not obligate the City of Duluth to pay any costs incurred by any respondent in the submission of qualifications and/or proposals or in making necessary studies or designs for the preparation of any proposal, nor for procuring or contracting for the services to be furnished under this Request for Proposals.

Any proposal accepted by the City shall be subject to approval by the Duluth Economic Development Authority.

The City of Duluth appreciates your consideration of this Request for Proposals and welcomes all responsible Respondents.

Questions, Answers, & Addenda

Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov ***no later than*** April 29th, 2022 as indicated in the calendar of events listed below. Answers to questions will be posted as an Addendum to the RFP.

If the City deems it necessary to revise any part of the RFP before the proposal response date, the City will post an addendum to its website <https://duluthmn.gov/purchasing/bids-request-for-proposals/>. Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for any new information.

Schedule

The following summarizes the expected schedule for this RFP process:

- Request for Proposals issued –April 21, 2022
- Deadline for questions for the City– April 29, 2022
- Answers to questions posted as addendum- May 3, 2022
- Development proposals due – May 6, 2022
 - **Please send a digital copy of your proposal with the title “[entity name]” 22-AA06 Woodland RFP” to:**
 - Purchasing@DuluthMN.gov
- Notification of selected proposal to occur in late March

APPENDIX A - PROPOSAL COVER SHEET

CITY OF DULUTH 22-AA06 Mixed-Use Woodland Development

Respondent Information:	
Company Name	
Mailing Address	
Website	
Principal Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Federal ID Number	

<i>Signature</i>	
Signature of authorized official. Signatory consents and agrees to adhere to the terms outlined in this proposal:	
Printed Name	
Title	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM MAY RESULT IN THE REJECTION OF THE PROPOSAL

The Signatory hereby represents upon all of the penalties of law for the purpose of inducing the City of Duluth to review a proposal for development, that all documentation herein and attached are true and that all work herein described, if selected, will proceed in accordance with the Ordinances of the City of Duluth and the laws of the State of Minnesota. Signatory also understands that all documents provided to the City may be considered public data, per Minnesota Government Data Practices Act.

APPENDIX B

Phase I Summary

Executive Summary

Barr Engineering Co. was retained by the City of Duluth to perform a Phase I Environmental Site Assessment of 3942 Woodland Ave., Duluth, St. Louis County, Minnesota (Property) in accordance with the requirements of 40 C.F.R. Part 312 (*Standards and Practices for All Appropriate Inquiries*) and the American Society for Testing and Materials International Method E1527-13 (*Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*). This assessment has revealed the following information about the Property. Work on this Phase I ESA was completed under a City of Duluth cooperative agreement with the U.S. EPA (Community Assessment Grant; FY2019 through 2021; 00E02719).

Property Use

The Property is currently owned by the State of Minnesota through tax forfeiture and is managed by St. Louis County. The Property has not been active since 2015. Prior to that it operated as a gasoline station with convenience store that was built in 1971 (Ref. 1d, 3a, 4c, 4e, 5b). The Property includes: a paved parking area over most of the area; an overhead canopy that covered fuel pump islands that have been removed; and a convenience store building located on the eastern side the Property (Ref. 1a, 5b).

Historically the northern half of the Property was used as an auto repair garage (1942 to 1969) and the southern half had residential homes (before 1939 to 1969) (Ref 1a, 1b, 1f).

Physical Setting

The Property is located in suburban Duluth in an area that has mixed commercial and residential uses. The Property is adjoined by Woodland Ave. to the west and E Redwing St. to the north (Figure 2). Current land use of the adjoining properties includes an auto repair shop to the north, a gas station to the northwest, a park space/playground with school to the west,

and residential single-family homes to the south and east(Ref. 1a, 3a, 5b, 5c).

The Property topography is mostly flat with the exception of a steep slopes along the east and northeast edges of the Property (Ref. 5b). Anticipated groundwater flow is toward an unnamed tributary of Tischer Creek approximately 0.5 miles to the west and south. The flow direction is inferred from the local topography (Ref. 1e, 3a, 5c). The estimated depth to groundwater at the Property is 7 to 11 feet based on monitoring well records at 4001 Woodland Ave. (Ref. 5a). The stratigraphy of the area consists of ground and end moraine till overlaying the Precambrian Duluth Complex-Anorthositic series bedrock (Ref 2a, 2b,2c).

Environmental Site Assessment Results

Barr identified the following findings and recognized environmental conditions (RECs) in connection with the Property:

Finding ID #	Description of Finding	Opinion with Respect to Finding	REC ID #
1	<p>Historical Site Use, Petroleum Underground Storage Tanks, Fuel Pump Infrastructure, and Historical Residential Structures –</p> <ul style="list-style-type: none"> Historical site information shows the Property contained an auto repair garage until at least 1969; the Property became a gasoline station in 1971 (Ref. 1b, 1f, 4d). It is possible that the former auto repair garage may have used and/or stored paints, solvents, or other stripping or cleaning chemicals. A leak site was discovered at this location and was reported on September 23, 1996. It is unknown if contaminated soils remain. The site was issued a Site Closure letter on March 9, 1999 (Ref. 5d). The Property has three petroleum underground storage tanks on site. The current condition of the tanks is unknown. <i>The station ceased operation in 2015.</i> The fueling pump dispensers have been removed but some infrastructure remains (e.g. distribution piping, underground storage tanks, monitoring wells) unprotected and open to the environment. Surface water or other material could drain into these open areas and affect the subsurface material. Historical site information shows historical residential structures on the south portion of the Property up to at least 1969 (Ref. 1f). Historical residential properties likely had outhouses or private septic systems, would likely have handled small quantities of household chemicals or cleaning products, and the building construction could have included hazardous substances. Based on the nature and age of the historical materials and current and proposed Property uses, these materials do not pose a significant threat. 	Based on historical site use, the petroleum underground storage tanks and because Barr was not able to review the historical regulatory report documenting site condition, this is a REC.	1

Finding ID #	Description of Finding	Opinion with Respect to Finding	REC ID #
2	<p>Regulatory Listings on Adjoining and Surrounding Properties – multiple potentially up-gradient or side gradient sites with regulatory database report listings were identified in the regulatory report (Ref. 3a) The sites include the following:</p> <ul style="list-style-type: none"> • KJ Auto Services Inc – 4002 Woodland Ave – This location has been an auto repair garage since at least 1942 (Ref. 1f) A LUST site was discovered at this location on September 24, 2019, during reconstruction on Woodland Ave. Two unknown steel underground tanks were found in the right of way in front of KJ Auto Services. The two 1,000-gallon tanks contained an oil/water mixture and residual oily sludge. All material was disposed of and the tanks were removed on September 25, 2019. The two soil samples collected from beneath the tank locations resulted in detects above laboratory reported detection limits for GRO, DRO, Benzene, Ethylbenzene, and Xylene for one or both of the bottom samples. A limited site investigation was recommended to be performed at the site. No further remediation has occurred at the site thus far and the last MPCA wakeup request was last issued on February 4, 2021 (Ref. 3b, 5f). • Woodland Short Stop – 4001 Woodland Ave – This location has been a gasoline station since at least 1942 (Ref. 1f) and has underground storage tanks on site. A leak site was discovered at this location in 1992. It is unknown if contaminated soils remain or if offsite concentrations are present. The site was issued a Site Closure letter on November 26, 1996 (Ref. 5g). • Murphy Oil Usa #9804 – 4011 Woodland Ave - This site was formally a gasoline station and a LUST site was discovered at this location during removal of the three gasoline underground storage tanks (8,000, 4,000, and 6,000 gallons) and a pump island in July 1989. Approximately 530 cubic yards of petroleum contaminated soil was excavated. The excavation was terminated at bedrock at approximately 16 feet. Contaminated soil was excavated laterally to a point where PID readings were below 20 ppm for all sidewalls with the exception to the south side where the excavation was limited to the south due to a city water line but PID readings were below 30 ppm here. The MPCA concluded a majority of the contamination was removed and the remaining contamination does not pose a threat to groundwater or human health. The LUST site was issued a Site Closure letter on June 19, 1990 (Ref 5h). 	<p>The following REC interpretations were made for each site with a regulatory listing based on the available information:</p> <ul style="list-style-type: none"> • KJ Auto Services Inc – based on site use as an auto repair garage, the LUST site not being closed by the MPCA, and the site being up-gradient to nearby side-gradient of the Property, this is a REC. • Woodland Short Stop – based on the distance between the site and the Property and the site being closed by the MPCA, this is not a REC. • Murphy Oil USA #9804 – based on the removal of the USTs, the distance between the site and the Property, the remediation and mitigation described in the regulatory reports, and the site being closed by the MPCA, this is not a REC. 	2

Finding ID #	Description of Finding	Opinion with Respect to Finding	REC ID #
3	Floor drain – one floor drain was observed in the convenience store building bathroom. The drain could be a potential vapor migration pathway. The floor was in good condition and no staining was observed. The drain discharge was not identified. No known disposal of hazardous substances via the drain was identified.	Based on the condition of the floor near the drains, no known disposal of chemicals in the drains, and the proposed future use of the Property (removing the building), this finding is not a REC.	-
4	Transformer – one pole mounted transformer observed on the adjoining property to the north along Woodland Ave. The transformer appeared to be in good condition and no evidence of leaks were observed.	Based on the condition of the pole mounted transformer, this is not a REC.	-

APPENDIX C

Phase II Summary

Executive Summary

This Phase II Investigation Report describes results of investigation fieldwork completed on a 0.58-acre property at 3942 Woodland Ave. in Duluth, Minnesota (Property), on behalf of the City of Duluth (City). The Property location is shown on Figure 1.

The purpose of the Phase II investigation was to characterize potentially impacted soil, groundwater, and soil vapor in areas where recognized environmental conditions (RECs) were identified in a Phase I Environmental Site Assessment (ESA) (Barr, 2021a). Data from the investigation will be used to inform buyers of the Property of potential environment risks or liabilities. This field investigation was conducted by Barr Engineering Co. (Barr) on November 1-5 and 8-11, 2021.

The scope of work included removal of three underground storage tanks (USTs), associated fuel dispenser components, and any piping related to the UST and dispenser system at the Property to gain access to underlying soil for evaluation of potential petroleum contamination. Soil samples collected from the UST and fuel dispenser excavations were screened for organic vapors with a photoionization detector (PID) and inspected for other evidence of contamination such as staining, obvious odors, discoloration, and/or sheen. Two soil samples were collected under each of the three USTs (one from each end) for a total of six samples (B-1 through B-6). One soil sample was collected from beneath each of the five dispensers for a total of five samples (B-6 through B-11). Soil samples were submitted for laboratory analyses of benzene, toluene, ethylbenzene, and xylenes (BTEX), gasoline range organics (GRO) and/or diesel range organics (DRO). Three sub-slab vapor monitoring points were installed on the Property to collect soil vapor samples. One Sub-slab vapor location was in the former convenience store building (SS-1) and the other two locations were in the parking lot (SS-2 and SS-3) (Figure 2). Soil vapor samples were submitted for laboratory analysis of volatile organic compounds (VOCs).

None of the soil analytical results exceeded MPCA Residential/Recreation Chronic Soil Reference Values (SRVs) or the Industrial/Commercial Chronic SRVs.

Soil vapor concentrations of 1,3-butadiene exceeded the MPCA Residential 33x Intrusion Screening Values (ISV) and Commercial/Industrial 33x ISV in sample SS-2 and the Residential ISV in sample SS-3. Based on the results of the Phase I ESA and on information obtained from review of regulatory files, 1,3-butadiene was not identified as a contaminant of concern for the Property and therefore, it is assumed that the presence of 1,3-butadiene is an artifact of the

sampling process and not indicative of a release of 1,3- butadiene at the Property.

The detections in soil vapor were limited to petroleum compounds that may be attributed to the former land use and closed leaking underground tank site (leak site) associated with the Property. At the time of site closure of the previous leak site, the MPCA determined that the presence of the residual petroleum contamination did not present a risk to human health and the environment.

Because this Property is associated with a former closed leak site the residual nature of the detected petroleum compounds are unlikely to constitute a concern to the MPCA. Consequently, it is unlikely th

MPCA would elect to reopen the leak site, the presence of petroleum compounds in soil vapor will not require additional investigation but should be considered as part of future Property development plans. As a result, each of the RECs identified in the Phase I ESA (Barr, 2021a) have been resolved with no additional contamination sources identified; no additional investigation is recommended.

APPENDIX D

Site Information

Prime Development Site

Former Woodland Spur — Duluth, MN

0.6 Acres



About the Property

Offering 0.6 acres of prime development land in the Woodland Neighborhood in Duluth, MN. Former site of Spur Gas Station. All sewer, water, and gas infrastructure is directly adjacent and accessible for the site. Future land use is Neighborhood Commercial and so current zoning of Mixed-Use Neighborhood (MU-N) would need not be changed. Phase I Assessment has been completed with opportunity to help complete a Phase II. Located directly on main bus line and within two blocks of local restaurants and grocery store and directly adjacent to Many Rivers Montessori School. Just a short 12 minute drive from downtown Duluth.

Parcel ID Number

010-4670-00590



Contact

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Utilities



Current Zoning



Future Land Use

