

22-AA16 Request for Proposals

Downtown East 1st Street Redevelopment

Duluth, Minnesota

Release Date: July 20, 2022

Proposals Due: August 25, 2022

Overview

The City of Duluth (the “City”) is seeking proposals from qualified development entities to collaborate in the redevelopment of East 1st Street in the City’s downtown district. To facilitate redevelopment of privately-owned sites along 1st Street for residential and/or mixed-use, the City suggests development entities consider acquisition or utilization of two public parking facilities. The 595-space Tech Village Ramp located at 10 East 1st Street, and the 600-space Medical District Ramp located at 302 East 1st Street each may be useful to support future redevelopment and residential density downtown while continuing to provide options for public and contractual parking use.



Tech Village Ramp – 10 E 1st Street

Development entities responding to this proposal must have experience with residential and mixed-use development and be willing to collaborate with the City to redevelop one or more vacant or underutilized sites near the two publicly-owned parking ramps. Proposal selection will be based on the Respondent’s background, proposed site plan and number of units, project timeline, financial capability, and ability to redevelop a portion of East 1st Street in a meaningful way that meets the City’s goals while utilizing existing parking ramps. 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 Development Division.

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

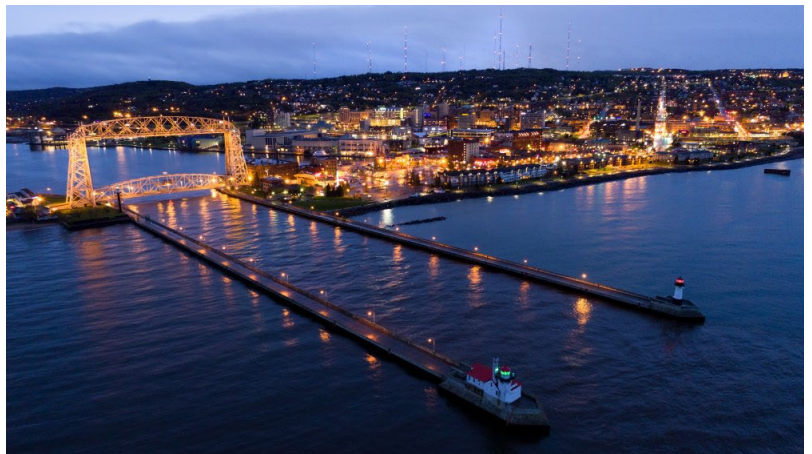
The Duluth Community

The fifth-largest city in Minnesota, Duluth has a population of approximately 87,000, an employment base of approximately 65,000 jobs, 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 mountain 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.



Duluth's downtown is currently in the midst of a significant level of reinvestment, led by Essentia Health's Vision Northland project. This new hospital and medical facility, representing an almost \$1 billion investment, serves as Essentia's east area headquarters. Between Essentia and St. Luke's, there are almost 8,000 medical-related jobs located in the City's downtown.

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.

Demographic information about the City can be found at <https://www.northlandconnection.com>.

Objectives

The City is seeking a qualified developer or development partnership whose project will result in redevelopment of eastern downtown. Redevelopment projects may be either mixed-income residential, office, or other commercial development, which will provide for new housing or employment opportunities in the downtown. Inclusion of the sale of the described parking ramps may be proposed by Respondents with the following goals in mind:

1. Continued and affordable access by the general public for itinerant parking
2. Maximization of revenue to the City's parking fund
3. Maximization of the parking ramp utilization at all times of day
4. Highest initial up-front sale price for ramp infrastructure
5. Use of the ramp to address project complexity that can result in new affordable housing
6. Greatest total number, quality, and affordability of new housing units created
7. Identified level of new commercial or office investment, especially if focused on opportunities for mixed-use development or other commercial activation that specifically addresses a community need
8. Increased level of activation in the downtown

Projects that propose utilization of the existing parking ramps through direct sale should include a detailed life-cycle plan for ramp maintenance as well as a disposition plan for the end of the ramp's service use. Respondents should include specific timelines and metrics for success related to proposed development projects.

Respondents providing for viable and shovel-ready development proposals which include site control, whether through direct ownership, purchase agreements, or purchase options, will be prioritized.

The primary purpose of this RFP process is to identify a qualified Respondent that has the experience, vision, and financial capability to design and complete one or more redevelopment projects in the City's eastern downtown, with the intent of reimagining and revitalizing that area of the City.

Ramp Information

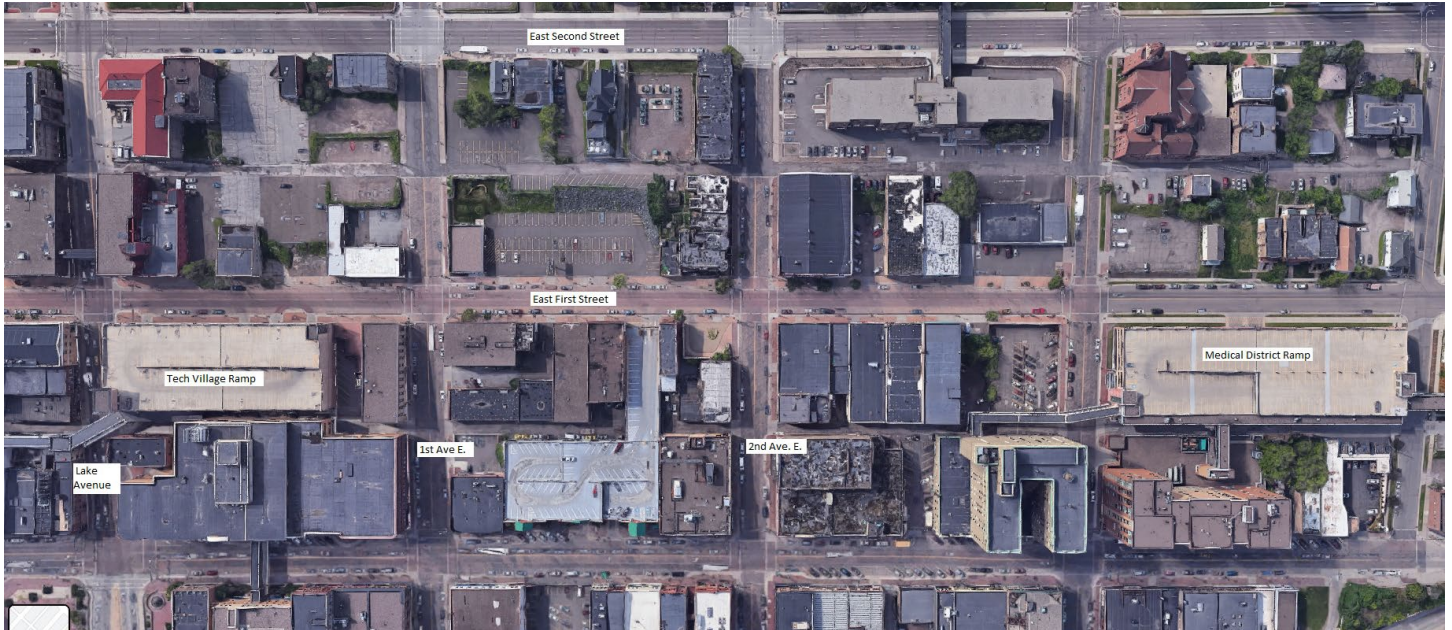
Tech Village Ramp: The Tech Village Ramp has a total gross building area of 205,000 square feet and 595 parking stalls. The ramp was constructed in 2000, as part of the Tech Village redevelopment at Lake Avenue and Superior Street. The ramp formerly included a drive-through banking facility operated by US Bank, which is presently being used for additional parking spaces. The ramp includes significant contract parking. It is directly connected to the city's skywalk system.

Medical District Ramp: The Medical District Ramp has a total gross building area of 196,640 square feet and 600 parking spaces. The ramp was constructed in 2006. The ramp was constructed in support of additional need for parking by Essentia Health, and to facilitate redevelopment in its vicinity. The ramp has been instrumental in the redevelopment of the downhill block for the Sheraton Hotel, and is connected by skywalk to the Sheraton Hotel, Essentia's new Vision Northland project, the Greysolon Ballroom and the historic NorShor Theater.

Both ramps are owned by the City of Duluth. This RFP process will be used to gauge interest in the ramps and to provide for options for acquisition of the ramps consistent with the City of Duluth requirements for sale of public property.

Project Area

The priority downtown area under evaluation as part of this RFP is between Lake Avenue and 4th Avenue East, as depicted below.



Proposal Requirements and Format

All proposals must include the following to be considered:

- Proposed conceptual purchase price and desired acquisition timeline for both the Tech Village Ramp and the Medical District Ramp
- Budget and pro forma for proposed development project or projects that include:
 - Sources and Uses based on estimate from experienced general contractor or construction manager
 - Examples of previous successful projects of a similar nature
 - Details regarding acquisition of the site or sites and/or information about existing purchase agreements or purchase options
- Maintenance and operations information regarding the ramps, if included in the proposal

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 downtown reinvestment

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 and ramp acquisition proposals based on the following criteria:

- Number of housing units created and/or size and proposed valuation of commercial space
- Level of commercial investment that adheres to community goals as described in applicable planning documents such as Imagine Duluth 2035.
- Project timeline and proposed pace of reinvestment
- Financial capability, including resources available as equity for the project and strength of financial commitments
- Total magnitude of proposed reinvestment based on number of housing units created, number of affordable housing units created, or total scope of commercial / office reinvestment
- The quality of the proposed site layouts, if provided, and the relation of the layout to the surrounding downtown context and broader community goals for reinvestment in downtown
- Qualifications and experience of the Respondent and team members with projects of similar scale and magnitude
- Quality, creativity, and feasibility of development proposal
- Inclusion of broader community goals, such as sustainability, public art, health, or fairness and equity

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 potential transfer of any ramps through sale to a private entity shall be required to proceed in accordance with all adopted requirements of the City Code, which may include further Council and DEDA actions or public dialogue.

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*** August 18, 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 to subscribers, it is the Bidder's responsibility to periodically check the website for and new information. To become a subscriber, visit <https://www.duluthmn.gov/purchasing/> and click on the "Register Online" link in the first paragraph.

Schedule

The following summarizes the expected schedule for this RFP process:

- Request for Proposals issued – July 21, 2022
- Deadline for questions for the City– August 18, 2022
- Development proposals due – August 25, 2022
 - **Please send a digital copy of your proposal with the title "[entity name]" 22-AA16 Downtown East RFP" to:**
 - Purchasing@DuluthMN.gov
- Notification of selected proposal is anticipated to occur prior to September 16, 2022

APPENDIX A - PROPOSAL COVER SHEET

CITY OF DULUTH

22-AA16 Downtown East Redevelopment

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.