

22-AA18 Request for Proposals

HART District Ramp Lease

Duluth, Minnesota

Release Date: October 31, 2022

Proposals Due: December 1, 2022

Overview

The City of Duluth (the “City”) is seeking proposals from qualified entities to lease and operate the HART District Ramp in downtown Duluth. This 317-stall parking facility is located at 125 East Superior Street and is currently utilized for public and monthly contractual parking.

Entities responding to this proposal must have experience with parking and building management, as well as a strong background in building security. Proposal selection will be based on the Respondent’s background, proposed operations plan and associated proformas, financial capability, and ability to effectively manage the public safety and facility cleanliness issues that continue to challenge the ramp. Once the Lessee is selected, the City will enter into a Lease Agreement with Lessee.



HART District Ramp – 125 East Superior Street

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 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 Lessee to responsibly and effectively operate the parking facility, with special consideration to the adjoining Fond Du Luth Casino's business needs and the overall public safety and cleanliness. The following are the objectives of the City resulting from this lease:

1. Continued and affordable parking access by the general public
2. Maximization of revenue to the City's Parking Fund
3. Maximization of the parking ramp utilization at all times of day
4. Maximized level of public safety and facility cleanliness

Existing agreements with third-party entities must be honored following execution of the lease. All agreements feature a 90-day minimum term and cancellation with a 30-day notice.

1. Fond du Luth Casino – 86 parkers – \$75.00 per month
2. CSL Plasma – 54 parkers – \$75.00 per month
3. McGough Construction – 15 parkers – \$75.00 per month
4. Architectural Resources Inc. – 13 parkers – \$75.00 per month
5. Sheldon Group – 12 parkers – \$75.00 per month
6. Dens Auto Body – 7 parkers – \$35.00 per month

Total: 187 parkers reflected in \$17,420.00 in monthly billing

Respondents should include specific timelines and metrics for success in the operation of a parking facility. A detailed plan that includes facility security and cleaning initiatives must be included in the proposal.

The primary purpose of this RFP process is to identify a qualified Respondent that has the experience, vision, and financial capability to effectively manage the parking, cleaning, and security needs of the facility and provide exceptional customer service to both the Fond Du Luth Casino and the greater downtown area.

Lease Terms

The HART Ramp is owned by the City of Duluth, and that ownership will be retained throughout the duration of the Lease. The City would like to lease the parking structure for an initial ten (10) year term, with two (2) five-year extension options or until the end of the useful life of the facility, whichever occurs sooner.

Ramp Information

The HART District Ramp has a total gross building area of 24,900 square feet and 317 parking stalls. It features public parking entrances from East Superior Street and East 1st Street and two primary elevator lobbies and stairwells. The ramp was constructed in 1987 and serves the needs of both the adjoining Fond Du Luth Casino and the greater downtown area. The ramp was formerly known as the "Casino Ramp" but has more recently been branded as the "HART District Ramp" to both identify it as a public facility and to aid in public identification of its location. The ramp includes a significant number of contract parkers.

Proposal Requirements and Format

All proposals must include the following to be considered:

- Proposed conceptual lease price and desired assumption timeline of the asset
- Budget and pro forma for proposed lease of the facility
- Evidence of prior experience operating a public parking facility
- Maintenance and operations plans for the ramp
- Detailed information regarding financial and access controls related to operation of the ramp
- Detailed plans for addressing the facility's ongoing challenges regarding public safety and cleanliness

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 – A written and graphic summary of the proposed plan for operation of the facility, which shall include a detailed section on addressing the facility's safety and cleanliness needs
3. Statement of Qualifications – Include descriptions of similar past and/or current parking ramp operations experience within the past 5 years
4. Facility Transfer Schedule – Information on the recommended schedule for transfer of asset operations to the Lessee

Evaluation Criteria

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

- Experience operating an urban parking facility
- Strength of internal controls
- Feasibility of asset transfer timeline
- Financial and personnel capabilities of Respondent to effectively operate the facility, with special attention to safety and cleanliness needs

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 lease 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.

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 by the date indicated in the schedule 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 at <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. To sign up for e-mail notifications for City solicitations, please visit <https://duluthmn.gov/purchasing/> and select the link titled "Register Online" in the first paragraph.

Schedule

The following summarizes the expected schedule for this RFP process:

- Request for Proposals issued – October 31, 2022
- Deadline for questions – November 18, 2022
- Proposals due – December 1, 2022 at 4:00 pm
 - **Please send a digital copy of your proposal with the title "[entity name]" 22-AA18 HART District Ramp RFP" to:**
 - Purchasing@DuluthMN.gov

APPENDIX A - PROPOSAL COVER SHEET

CITY OF DULUTH 22-AA18 HART District Ramp Lease

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.