

**Request for Proposals:  
Development of City-Owned Property -  
1207-1211 Newton Avenue South**

**SECTION 1      PROJECT SUMMARY**

The City of Albert Lea ("City") is seeking development proposals ("Proposals") from qualified firms, developers, purchasers and builders ("Developers") for the opportunity to purchase and develop City-owned property ("Property"). The intended outcome of this Request for Proposals ("RFP") process is the creation of a development/purchase agreement ("Agreement") that will establish terms and conditions, and further define the scope, design, overall use and development of the Property.

PROPERTY DESCRIPTION

The 3 lots located at 1207, 1209 and 1211 Newton Avenue South, the properties are zoned R-1. Each lot is approximately 44' x 80' and as an existing lot may remain its non-conforming size.

DEVELOPMENT VISION

The vision for the property's' development is housing. Prefab, stick build or other as allowed by building code (state minimum) is to be considered. One requirement is that the units built are not exact replicas and variation is implemented through various means of exterior materials, exterior colors, different porches/entrances, and/or house sizes/floor plans.



The project should look and feel that these buildings are part of the neighborhood which is a mixture of 1, 1.5 and 2 story homes. All construction must be slab on grade due to stormwater levels during large rain events.

### ASKING PRICE

City has not set a minimum purchase price and will determine the award of a proposal based on the quality of the proposal and the improvement it brings to the neighborhood. Refer to Section 6. Each lot can be individually proposed and does not require a developer to give proposals on all three.

## **SECTION 2            GENERAL CONDITIONS**

During the RFP period, Developers and their employees, agents or representatives, shall have the right of reasonable access to the Property during normal business hours for the purposes of inspection, undertaking any necessary soils tests and otherwise conducting due diligence to ensure that the Property is suitable for Developer's intended use.

Notwithstanding anything else in this RFP, Developer shall defend, indemnify and hold the City, its employees, officers and agents, harmless from any injury, property damage or liability arising out of the exercise by Developer of this right of access, other than injury, property damage or liability relating to the gross negligence or willful misconduct of the City or its officers, agents or employees.

The City intends to install a "buy-back" clause for the purchase price in the Agreement if the terms of the agreement are not met. The Agreement is subject to further negotiations than what is presented in the submitted Proposal.

## **SECTION 3            PROPOSAL REQUIREMENTS**

### QUESTIONS

To evaluate and select the appropriate Developer, the City is requesting development proposals. Proposals must respond to the following questions:

1. Description of the Developer's proposed project:
  - a. Size in acres and/or square feet of each building space
  - b. Type of use(s) planned (e.g. housing, commercial, industrial, business park, or a mixed-use combination)

- c. Conceptual designs if available
2. Description of the Developer's experience developing the proposed type of project or and/or operating the proposed use:
    - a. Name and location of project(s)
    - b. Description of project(s)
    - c. Completion date of project(s)
    - d. Experience in dealing with private development
  3. Explanation of the Developer's organization and a list of other partners and their roles (if any).
  4. The proposed general timeframe for the development of the Developer's proposed project. If multiple components or phases are planned, a list of all.
  5. Description of the benefit(s) your proposed project could bring to the City including but not limited to:
    - a. Projected property tax revenues from the project.
    - b. Any anticipated incentives (forgivable loans, reduced purchase price, tax abatements, tax credits, or grants) necessary to complete the project.
    - c. Projected sales tax and other revenues from the project (if applicable).
    - d. ~~Projected number of direct jobs (if applicable).~~
    - e. Projected number of housing units (if applicable).
    - f. Rent levels (if applicable).
    - g. Property sale amount (if applicable).
    - h. Served demographics of the community.
    - i. Other benefits to the City.

**PROPOSAL TIMELINE**

Release Request for Proposals..... November 15, 2022  
 First Review of Proposals ..... December 5, 2022

**APPROVAL TIMELINE** *(timeline may be extended)*

Preliminary presentations to City Council..... December 12, 2022  
 Public Hearing and Final approval ..... January 9, 2022

**SECTION 4 DEVELOPER'S RESPONSIBILITIES**

Following Developer selection and execution of an agreement, Developer shall

proceed with detailed due diligence, pre-development, and other activities while working with City to negotiate an Agreement, including the purchase and sale of the property.

#### Pre-development Costs

The selected Developer shall bear all predevelopment costs relating to this project. All fees or expenses of engineers, architects, financial consultants, attorneys, planning or other consultants or contractors retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, surveys, planning and/or design activities, drawings, specifications or other activity or matter relating to the project shall be the sole responsibility of and undertaken at the sole cost and expense of Developer.

#### Deposit

The selected Developer shall reimburse the City for the actual out-of-pocket costs and expenses incurred in the event the developer does not proceed as proposed. A Deposit of \$1,000 will be required and shall be refunded or applied to the purchase costs, permit cost or other as later detailed in the development agreement. This deposit excludes the potential deposit or cost requirements for tax abatement or tax increment financing.

#### Legislative Action

City and Developer acknowledge that the City must exercise its independent legislative authority in making any and all findings and determinations required of it by law concerning the Property. Developer selection does not restrict the legislative authority of the City in any manner whatsoever and does not obligate the City to enter into the Agreement.

#### Construction

The Developer shall be responsible for demolition, construction and commissioning of the project including obtaining all permits, fees, and approvals necessary for construction of the project.

## **SECTION 5      PROPOSAL INSTRUCTIONS**

A complete, concise and professional response to this RFP will enable the City to identify the Developer who will provide the highest benefit to the City and will be indicative of the level of the Developer's experience and commitment to the proposed project. Proposals must demonstrate that the approach, design, and financing plan for the project will allow for successful development and delivery.

The following minimum information should be provided in each proposal and will be utilized in evaluating each proposal submitted. To expedite the evaluation of proposals, it is recommended submittals should be no more than twenty (20) pages. Proposals should include the following items:

- Proposal Cover Sheet
- Completion of Questions 1-5 in Section 3 above. Please answer in a format that is easy to follow related to the questions asked.
- Proposed offer price to purchase the Site.

The City will not be liable for any expenses incurred by Developers responding to this solicitation. All material submitted will be kept by the City.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposing Developer of the conditions contained in this Request for Proposals, unless clearly and specifically noted.

The City is not liable for any costs incurred by the Developers in preparing and submitting proposals.

## **SECTION 6      SELECTION PROCESS**

### CRITERIA

The selection of a winning proposal will be based on the following criteria in no order of importance:

- ~~The purchase price of the property.~~
- Short term tax impact.
- Long term tax impact.
- Environmental Impact.
- Impact on housing needs (if applicable).
- ~~Creation or maintaining of jobs (if applicable).~~
- Developer history or ability to complete the project timely.

### STANDARD TERMS AND CONDITIONS

The City has the sole authority to select a Developer for this project and reserves the right to reject any and all proposals, to waive any informality or minor defects in proposals received.

## **SECTION 7 INDEMNIFICATION**

Developer shall indemnify, defend and hold the City, their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Developer's performance of the work contemplated by this RFP.

Submitting a response to this RFP signifies that the Developer is not covered under the City's general liability insurance, employee benefits, or worker's compensation. Developer's obligation to indemnify shall survive expiration or termination of this RFP and shall not be restricted to insurance proceeds, if any, received by the City, and their officers, agents and employees.

Developer shall defend, with counsel of City's choosing and at Developer's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind that may be brought or instituted against City, and their officers, agents and employees as a result of this RFP. Developer shall pay and satisfy any judgment, award or decree that may be rendered against City, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Developer shall also reimburse City for the cost of any settlement paid by City, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Developer shall reimburse City, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

## **SECTION 8 RFP ADDENDA**

The City may determine it is necessary to revise any part of this RFP. Revisions will be made by written addenda and it is the Developer's responsibility to understand and comply with any addenda to this solicitation. Addenda may be posted on the City's website, <https://cityofalbertlea.org/public-notices/> and vendors may use the contact information below if they have any further questions:

City of Albert Lea, MN

Attn: Ian Rigg, City Manager  
221 E Clark Street  
Albert Lea, MN 56007  
Telephone: 507.377.4300  
Email: [irigg@ci.albertlea.mn.us](mailto:irigg@ci.albertlea.mn.us)

DRAFT