



REQUEST FOR PROPOSALS

Development of City-Owned Property
821 Jefferson Ave

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 re-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 property is a single family house converted into a 3 unit apartment building. Prior to the City obtaining the property through tax forfeiture, court ordered repairs to the property were done. This includes front and back landings and steps, basement egress window, major electrical corrections and repairs, furnace zone controls and major

ductwork corrections, major plumbing corrections and repairs, chimney and gas line repairs, cleanout of structures, and other miscellaneous code correction items.

DEVELOPMENT VISION

The City's vision for the property's development is focused on improving housing quality and availability in Albert Lea. This property has been stabilized and requires additional work to update the building and improve its value. All building code requirements for finishing the property shall apply.

The first floor and basement have been evaluated and repaired to a substantial state. West main floor, bathroom floor and water closet flange needs replacement. General plumbing systems shall be completed, evaluated, and disinfected by a licensed plumbing contractor. There may be plumbing venting issues on main floor kitchen and bathroom. Areas of the exterior walls of the structure have exposed building materials that are not weather resistant and must be corrected.

Second floor apartment will need several items corrected before occupancy. Electrical service completed by a licensed individual and approved by a state inspector. Plumbing completed by a licensed plumbing contractor and inspected/ approved by the City. Stairway evaluated and repaired/reinforced/corrected to meet building code. Heating system installed by mechanical contractor and inspected/approved by the City.

This is not all inclusive and other repairs such as choice of updates to the property are the developers' choice. Many of the repairs and improvements will require proper permitting, inspections and approvals.

ASKING PRICE

The price is set at or less than the cost of recent improvements, legal expenses and closing costs. Asking price is \$30,000 to cover delinquent taxes, past assessments and the costs to stabilize the property. Project must be complete and ready for occupancy in 12 months on the lower level apartments and 24 months for the upstairs apartment.

SECTION 2 GENERAL CONDITIONS

The City reserves the right to request any and all additional information from proposers during and after the RFP period. After the RFP period is over, the City will negotiate with proposer(s) the details of a purchase agreement, and as applicable, development, subsidy, and/or other agreements. These negotiations may cover information not

contained in the original proposal or this RFP. The City intends to employ a City-option buy-back clause in the purchase agreement, should the Developer not meet the terms of the development, subsidy, and/or other agreement(s).

The City also reserves the right to reject all proposals, select any proposal, and/or negotiate with the proposer(s) it selects to develop a purchase agreement and (if applicable) development, subsidy, and/or other agreement(s).

SECTION 3 LICENSE TO INSPECT

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 (if required), and otherwise conducting due diligence to ensure that the Property is suitable for Developer's intended use. Developers should coordinate with the City for access to the Property.

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 access license, other than injury, property damage, or liability relating to the gross negligence or willful misconduct of the City or its officers, agents, or employees.

SECTION 4 PROPOSAL REQUIREMENTS

QUESTIONS

Proposals must respond to the following questions in order to be considered by the City:

1. Description of the Developer's proposed project:
 - a. ~~Size in acres and/or square feet of building space~~
 - b. Type of use(s) planned (e.g. 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 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

SECTION 5 TIMELINE

The timeline may be extended if no viable proposals are received or if other information is deemed necessary to fully evaluate the proposals.

PROPOSAL TIMELINE

Release Request for Proposals..... August 26, 2024
 First Review of Proposals October 16, 2024

SECTION 6 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 and 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 non-refundable deposit of \$3,000 will be required upon signing the development/purchase agreement and shall be applied to the purchase price at closing. This deposit excludes any 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 construction, and commissioning of the project including obtaining all permits, fees, and approvals necessary for the construction of the project.

SECTION 7 PROPOSAL INSTRUCTIONS

Developers shall provide a complete, concise, and professional response to this RFP, addressing the reasons why the proposal is the highest use of the property for the City, and showcasing 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 shall be provided in each proposal and will be used to evaluate 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 4 above. Please answer in a format that is easy to follow related to the questions asked.
- Proposed offer price to purchase the Property.

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 8 SELECTION PROCESS

CRITERIA

The City will review each proposal to determine which proposal as a whole will most closely meet the City's goals and provide the highest value for the property. Criteria for review include, but are not limited to:

- The purchase price of the property.
- Short term tax impact.
- Long term tax impact.
- Environmental impact.
- Impact on housing needs (if applicable).
- Creation or maintenance of jobs (if applicable).
- Developer history.

SECTION 9 PROJECT 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 any work contemplated by a response to 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 proceedings. 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 proceedings. 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 10 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 shall be posted at <https://cityofalbertlea.org/rfps/> and vendors may use the contact information below if they have any further questions:

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