



City Manager's Office
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February 23, 2017

The City of Moorhead is seeking proposals from qualified developers to construct a high quality commercial or mixed use building on a prime corner of downtown Moorhead. Located on the southeast corner of the intersection of 8th Street and Main Avenue, this redevelopment opportunity is within walking distance to over 6,600 college students attending Minnesota State University Moorhead and Concordia College and in close proximity to the Moorhead Center Mall, the Hjemkomst Center, downtown Fargo, and the Red River of the North.

As a part of its downtown revitalization efforts, the City of Moorhead has invested millions of dollars in downtown physical improvements over the past decade. Significant public improvements within the downtown district include sidewalk and streetscape improvements including sidewalk art and poetry, riverfront trails and park upgrades in addition to traffic flow improvements and railway quiet zone areas.

This RFP summarizes the project considerations, including development goals, site characteristics, development standards and potential public finance assistance. The RFP details submission requirements and the City's process in selecting the Preferred Developer(s).

Developers who wish to respond to this RFP should follow the procedures outlined in the Submittal Requirements Section. A complete copy of the RFP, including supporting documentation and graphics, is available on the City of Moorhead Website at www.cityofmoorhead.com/rfp.

Best Regards,

Christina M. Volkers
City Manager

CITY OF MOORHEAD



REQUEST FOR PROPOSALS

8TH STREET & MAIN AVENUE
REDEVELOPMENT PROJECT

500 CENTER AVENUE
MOORHEAD, MN 56560

TABLE OF CONTENTS

Development Opportunity	
<i>Project Area</i>	3
<i>Site Information</i>	3
<i>Downtown Goals</i>	4
Development Information	
<i>Project Goals</i>	4
<i>Site Control</i>	5
<i>Zoning</i>	5
<i>Building & Related Codes</i>	5
<i>Access & Utilities</i>	6
<i>Environmental Findings</i>	7
<i>Notice of “As Is” Site Conditions</i>	7
Financials	
<i>City Investment</i>	8
<i>Available Incentives</i>	8
Project Schedule	10
Notice to Proposers	10
Submittal Requirements	11
Evaluation Criteria	12
Points of Contact	13
Appendix A	14

DEVELOPMENT OPPORTUNITY

PROJECT AREA

The redevelopment site is approximately 27,614 square feet, and located in the southeast corner of the intersection at 8th Street South/Highway 75 and Main Avenue in Moorhead, MN.



The City acquired property in 2016 to accommodate a roadway reconstruction project intended to improve traffic flow – including a new turn lane and traffic signal at 8th Street and Main Avenue. The Project Area is the remaining property not needed for the street and infrastructure improvements. The Project Area has been identified as a priority development area and prime location for high quality redevelopment. The City envisions that this redevelopment area will serve as cornerstone to continued redevelopment in the area and in downtown Moorhead.



SITE INFORMATION

The former Tesoro and Cook Floor properties (104 and 108 8th Street South) were acquired in order to obtain the right-of-way needed to construct a northbound to eastbound turn lane and new traffic signals at 8th Street and Main Avenue. The registered underground storage tanks and contaminated soils were removed. Landwehr Construction completed demolition of the buildings.

DOWNTOWN GOALS

The Fargo-Moorhead Downtown Framework Plan Update in 2007 outlined the following four goals for Downtown:

- **Economic Vitality** – Provide an attractive physical and business environment that will both strengthen current businesses and attract new commercial enterprises that combine to result in a sound economic base that is marked by sustainability and diversity.
 - This includes improved multi-modal transportation systems. The City of Moorhead has recently made significant updates to vehicular traffic to promote and develop Downtown as a place that will attract and accommodate visitors and residents both day and night, weekdays and weekends.
- **Balanced Housing Choices** – Establish a sustainable Downtown housing market by promoting a full range of housing types and price ranges. Enhance the sense of community and neighborhood in the Downtown area.
- **Vibrant City Center** – Continue to stimulate Downtown’s emergence as a compelling, vital destination that is a hub of activity that provides a positive experience for visitors and residents.
 - The City has made strategic public investments to stimulate and sustain private investment. This project will contribute to Downtown’s goal to be the region’s ‘Place to Be,’ a place that is safe and walkable, full of activity generators and destinations that connect people, places and activities. Downtown aspires to be the focal point comprised of a rich and supportive mix of land uses.
- **Unique Character** – Recognize and capitalize on Downtown’s distinct character and environment – the uniqueness that makes us “Fargo-Moorhead” and provides our sense of community, respects our heritage, and provides a quality place for visitors, workers, students and residents.

Appendix A is a compilation of studies the City of Moorhead uses to guide the decision making process in its desire to grown and enrich its downtown core in pursuit of a robust and thriving city center.

DEVELOPMENT INFORMATION

PROJECT GOALS

High-Quality Design with Architectural Character

- Create a distinct identity with high quality architectural materials and features.
- Build upon historic buildings and landmarks.
 - This site is adjacent to a National Register of Historic Places structure: St. John the Divine Episcopal Church, designed by Cass Gilbert in 1898 at 120 S. 8th Street.
 - The Moorhead Dairy Queen is a community icon and has been “Serving Up Smiles” since 1949.
- Visual interest and harmony fostered through alignment, proportion and materials.
- Optimize landscaping design to create inviting location.
- Connections and balance between moving vehicles safely and pedestrian-oriented development.

Preference will be given to projects that enhance Moorhead’s downtown environment by integrating building and design features which promote a downtown/urban feel – including but not limited to features such as enhanced building facade, detailing and materials, iconic or innovative signage, lighting, accentuated entrances, public art, and site layout (building placement, bike/pedestrian integration and creative parking solutions). Projects are encouraged to include multiple stories to utilize the site for its highest and best use. Other aesthetic considerations may include screened surface parking areas with landscaping, fencing, etc. which is compatible with the building design and pedestrian access.

Return on Public Investment

- Timely development; details to be negotiated in Development Assistance or Purchase Agreement
- Enhance commercial vitality of the downtown.
- Property tax base expansion.
- Return on public investment for acquisition and demolition

SITE CONTROL

The City of Moorhead owns the Project Area. Proof of site control must be included with the RFP submittal for any areas proposed for redevelopment other than the City-owned property.

ZONING

The Project Area is currently zoned Community Commercial (CC) although the City would consider an application for a rezoning request to one of the adjacent zoning districts. Adjacent zoning districts include Downtown Mixed Use and Corridor Mixed Use.

Zoning Snap Shot:

	Current Zoning	Adjacent Zoning 1*	Adjacent Zoning 2*
	Community Commercial	Downtown Mixed Use	Corridor Mixed Use
Building Setbacks			
Front – North	10'	0'	5'
Rear – South	10'	0'	0'
Street Side – West	10'	0'	5'
Interior Side – East	5'	0'	0'
Landscaping Required	Yes	Yes	Yes
Maximum Impervious Surface	85%	None	None
Architectural requirements	No	Yes	Yes
Maximum Building Height	45'	None	45'
Floor Area Ratio	None	Minimum 1.0; No maximum	None
Off Street Parking Minimums	Yes	Accessible spaces required	Yes
Commercial Uses	Yes	Yes	Yes
Residential Uses	No	Yes	Yes
Signage	Allowance for freestanding, wall, roof, monument	Allowance for wall, roof, monument	Allowance for freestanding, wall, roof, monument

*Requires Property Rezoning

This snap shot is not all encompassing; a complete outline of zoning standards may be obtained by contacting the City Planner and Zoning Administrator.

BUILDING & RELATED CODES

Projects must be designed and constructed to meet the 2015 Minnesota State Building Code including the 2015 Minnesota State Plumbing Code. An Erosion and Sediment Control Permit will be required to comply with Stormwater standards.

ACCESS & UTILITIES

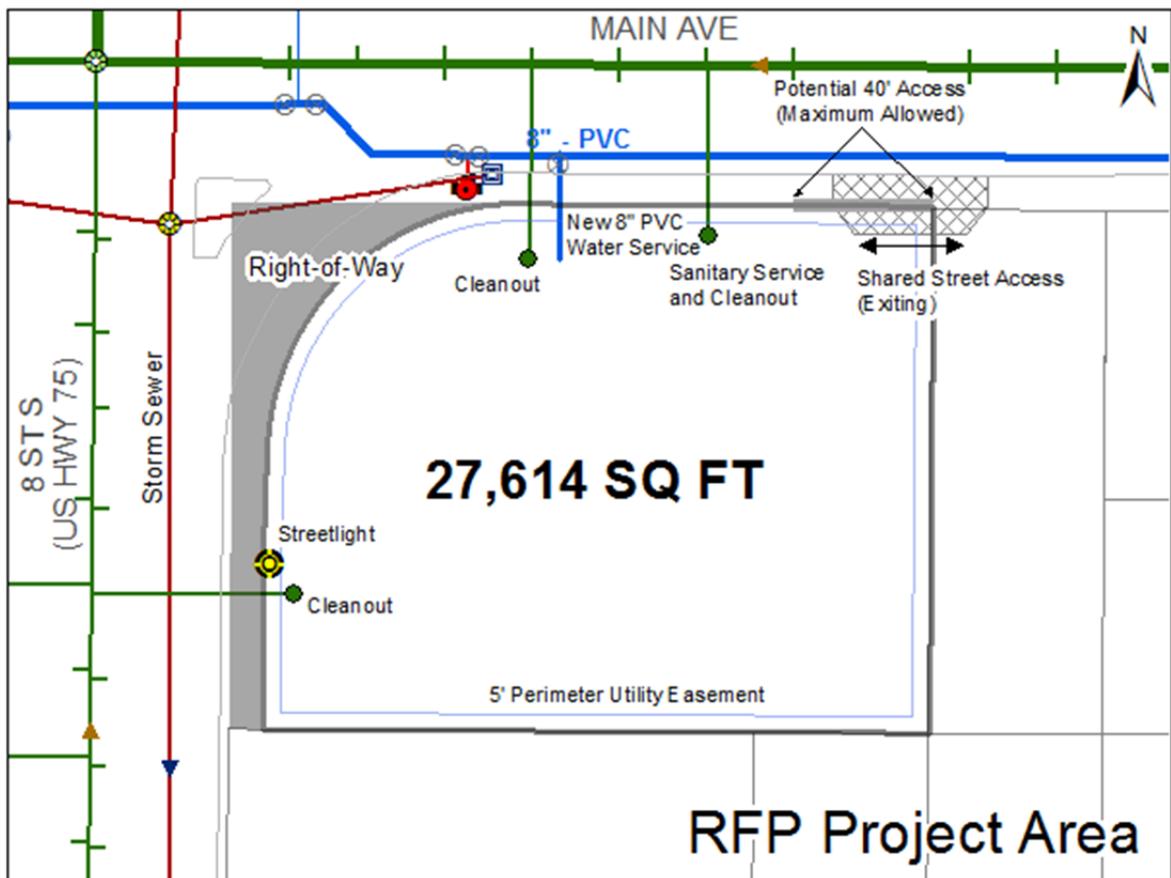
Access: There is an existing driveway accessing Main Avenue on the far eastern portion of the Project Area. The access point showing in the map below is shared by the Project Area and the parcel to the east, however, there is no known reciprocal access agreement between the former owner (Tesoro) and the adjacent property owner to the east. Please note that the access area may be extended to the west to accommodate two-way access of the Project Area. The maximum access width, as measured at the intersection of the sidewalk, is 40 feet. No access to the Project Area from 8th Street (Highway 75) will be permitted.

Water: A new 8" PVC water service line will be installed in the spring of 2017.

Electric: Moorhead Public Service Electric Division will work with the chosen developer during the design process to utilize the existing electric service or install a new service, as necessary.

Sanitary Sewer: A new cleanout will be installed in the spring of 2017. The size of the existing service line is unknown, but thought to be either a four inch or six inch line. If the proposed project requires a new service line, it is recommended that a new service line be connected to the sanitary sewer line in 8th Street/Hwy 75.

Storm Sewer: There is no storm sewer service line to the site, although there is a storm sewer inlet in the gutter in Main Avenue towards the west of the lot.



Street Improvements: The CIMS project is ongoing. A final mill and bituminous overlay to correct pavement deficiencies will be completed in the Project Area in the spring/early summer of 2017. Streetscape features may be incorporated for parking lot screening (if applicable) and aesthetic lighting is proposed on Main Ave between 8th and 11th Streets with stamped/colored concrete sidewalks where possible.

ENVIRONMENTAL FINDINGS

This City of Moorhead has undertaken a variety of environmental and geological assessments on the Project Area. Due to the history of this site – with multiple releases and closure letters – the City recommends a Development Response Action Plan (DRAP) be developed and provided to the MPCA for review prior to commencing construction. This process will help safeguard the developer from construction delays, financing issues, incurring expensive environmental remedies that were not anticipated or performed in an orderly manner. The developer should allow approximately 45 days for completion of the DRAP review process. The City completed a building survey to remove any hazardous or regulated material prior to demolition. Full reports available at: <https://transfers.cityofmoorhead.com/public/rfp>

Phase 1 Environmental Site Assessment

The Phase I Environmental Site Assessment recently prepared for the City of Moorhead indicates the site has been occupied by three different gasoline stations. All of the registered storage tanks have been removed. Three petroleum releases have been reported by the gasoline stations located at this site. Soil and groundwater impacts have been documented at this site. The files on all three releases have been closed by the MPCA indicating that investigation and cleanup of the reported releases had been completed to the satisfaction of the MPCA. If petroleum contamination is encountered during redevelopment the MPCA must be notified. Full report available at: <https://transfers.cityofmoorhead.com/public/rfp>

NOTICE OF “AS IS” SITE CONDITIONS

The Preferred Developer will be acquiring the Project Area in “AS IS”, “WHERE AS”, and with “ALL FAULTS” condition.

The Project Area previously contained underground storage tanks and petroleum-related substances. There is known petroleum-related contamination on the Project Area. "Petroleum-related" means petroleum, gasoline, kerosene, diesel oil, or any petroleum-related substance. Following closing of the sale of the Project Area, the Preferred Developer will be required to indemnify, defend, insure and hold the City harmless from and against any and all present or future claims or demands, and any and all damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort or asserting a constitutional claim), costs and expenses (including, without limitation, fines, penalties, judgment, attorneys' fees) of any kind or character, known or unknown, arising from or in any way related to the Preferred Developer's presence, use, storage, generation, manufacture, transport, release, leak, spill, disposal, or other handling of any Petroleum-related substances in, on or under the Project Area, contamination of water, land, or air on or about the Project Area resulting from the disposal or existence of Petroleum-related substance(s), or through or from previous operations on the Project Area, regardless of when such contamination may have actually occurred.

FINANCIALS

CITY INVESTMENT

The public investment in the acquisition and site work at this property is approximately \$1.4 million for acquisition, relocation, remediation, and demolition costs. The City of Moorhead recognizes there is a balance between purchase price, development assistance, project market value, and community impact, and will evaluate proposals with those factors in mind. Proposals received will be evaluated by the City's Finance Department, and preference will be given to projects that recapture the City's investment.

AVAILABLE INCENTIVES

The City has historically offered two types of financial incentives for similar projects, and would entertain consideration of either of these incentives for this development. Please note, TIF and the UP Zone incentive are mutually exclusive, and cannot be combined.

- Urban Progress Zone Incentive** – The site is located within the Urban Progress Zone (UP Zone) and may be eligible to receive a property tax exemption. Exemption applies to new building value only; land remains taxable. The project must meet both new building and job creation (or retention) goals. If a project does not meet both minimums, the lower of the two apply.

New Building Taxable Value	Full Time Equivalent Jobs (Minimum created or retained)	Standard Term 100% yrs 1-5; 99% yrs 6-20	UP Zone Project Additional Years / % of Exemption
\$150,000-249,999	1	2 years	80-60-40-20
\$250,000-499,999	2	3 years	80-60-40-20
\$500,000-999,999	3	4 years	80-60-40-20
\$1-1.99 million	5	5 years	80-60-40-20
\$2-2.99 million	6	6 years	80-60-40-20
\$3-3.99 million	7	7 years	80-60-40-20
\$4-4.99 million	8	8 years	80-60-40-20
\$5-5.99 million	9	9 years	80-60-40-20
\$6-6.99 million	10	10 years	80-60-40-20
\$7-7.99 million	11	11 years	80-60-40-20
\$8-8.99 million	12	12 years	80-60-40-20
\$9-9.99 million	13	13 years	80-60-40-20
\$10-10.99 million	14	14 years	80-60-40-20
\$11-11.99 million	15	15 years	80-60-40-20
\$12-12.99 million	16	16 years	80-60-40-20
\$13-13.99 million	17	17 years	80-60-40
\$14-14.99 million	18	18 years	80-60
\$15-15.99 million	19	19 years	80
\$16 million and up	20	20 years	No ramp up

- **Pay-Go Tax Increment Financing (TIF)** – This site is located within the 1st Ave N (Central Corridors) TIF District. TIF utilizes the increased property tax revenue that a new real estate development generates to finance “TIF eligible” expenses of the development. Potential TIF eligible expenses may include land acquisition, site preparation (environmental remediation), structured parking (underground or ramped parking), or public infrastructure improvements (upgraded utilities). For TIF to be utilized, the closing must occur on or before July 11, 2017. Upon completion of the project, as evidence by a Certificate of Completion, a TIF Note will be issued by the City to the developer which will allow reimbursement to the developer of TIF eligible expenses (land acquisition costs plus interest depending on the value/classification of the project) pursuant to the DAA.
- **Other** – Any other requested incentives or proposed financial arrangements will be considered on a case-by-case basis. All financial arrangements will be vetted by the City of Moorhead’s Finance Department and projects that recapture the City’s investment will be given preference.

City/Developer Obligations: The developer and City will negotiate a Development Assistance Agreement (DAA) which outlines the purchase price and amount of incentives. The developer should be prepared to close on the land on or before July 11, 2017.

PROJECT SCHEDULE

Request for Proposals Issued:	February 23, 2017
Proposals Due:	April 11, 2017, at 4:00 p.m.
Remit to:	City of Moorhead 500 Center Ave – 4 th Floor PO Box 779 Moorhead, MN 56560 Attn: Amy Thorpe
Peer Review Panel:	Peer review panel shall be established to recommend a preferred developer
Notice of Award:	A preferred developer selection is anticipated at the May 8, 2017, City Council meeting.

NOTICE TO PROPOSERS

The City reserves the right to reject any and all proposals and to advertise for new proposals.

The City Council, at its sole discretion, will select a “preferred developer” and initiate negotiations to enter into a Purchase Agreement. The preferred developer submitting the selected proposal will be required to provide the City a \$1,000 security deposit within 72 hours of notification of selection. The deposit will be applied to the purchase of property or forfeited to the City if the developer fails to enter into a Purchase Agreement with the City within 60 days of the notification of selection.

No real estate commission will be paid.

SUBMITTAL REQUIREMENTS

The minimum requirements for consideration in this RFP process are as follows:

1. Transmittal Letter:
 - a. A transmittal letter must accompany the submittal, signed by a principal of the proposed development team.

2. Development Team:
 - a. Describe Development Team, office location and general contact information, as well as information for the primary point of contact.
 - This must be accompanied by a listing the officers in the firm who are authorized to negotiate and execute agreements on behalf of the company.
 - b. Outline resumés for development team members including years of experience and role in the proposed project.

3. Development Concept and Schematics:
 - a. Site plans covering the Project Area (building(s), parking, open space, etc.).
 - b. Description of structure type, amenities and proposed construction materials used.
 - c. A minimum of one building elevation.
 - d. Description of proposed uses (and related square footages), open spaces, amenities, etc.
 - e. Typical floor plans with dimensions.
 - f. Please note anticipated zoning district and change in zoning, if applicable.
 - g. Proof of site control for acquisition of parcel(s) adjacent to this site, if applicable.

4. Phasing and Timeline:
 - a. Proposals should include a description of development plan timeline(s).

5. Financial Capability of Developer:
 - a. Letter from Financial Institution noting the following:
 - The Development Entity is in good financial standing, and
 - The Financial Institution supports and will finance the proposed project outlined within the development plan.

6. City Incentives and Land Purchase Offer:
 - a. Incentives – Specify any City incentives to be utilized by the project.
 - b. Land Purchase Offer - Specify the purchase price being offered to the City for acquisition of the redevelopment site.

EVALUATION CRITERIA

The Moorhead 8th and Main RFP Review Panel will select a preferred developer for the redevelopment of the Project Area. The recommendation will be forwarded to the City Council based upon the following factors (not necessarily in priority order):

Qualifications / Experience / Financial Capability

- ✓ Experience and success in developing similar projects.
- ✓ Qualification and experience of the project manager and of each team member to be assigned a stated role on the development team.
- ✓ Financial stability and capacity to arrange private financing and, if applicable, participate in public financing mechanisms for the project.
- ✓ The Developer's understanding of and proven ability to meet expectations on this type of project.
- ✓ Terms of acquisition, including City financial participation and purchase price being offered the City, for acquiring the Project Area.

Development Concept and Financial Soundness of the Proposal

- ✓ Degree to which the development concept and site design meet the City's Development Goals as identified within this RFP.
- ✓ The level of creativity shown in the development proposal intended to contribute to downtown Moorhead's vitality and future economic success.
- ✓ How the development proposal addresses building design and the surrounding area, including but not limited to pedestrian and vehicular access, the architectural presence of buildings and the mixture of land uses.
- ✓ Market and financial feasibility of the proposal.
- ✓ Development timeline, phasing and coordination among various elements of the project.

POINTS OF CONTACT

Primary Points of Contact:

Amy Thorpe, Econ Dev Program Admin
Email: amy.thorpe@cityofmoorhead.com
Direct: 218.299.5442

Kristie Leshovsky, City Planner
Email: kristie.leshovsky@cityofmoorhead.com
Direct: 218.299.5332

1. Questions and requests for information should be made in writing. If warranted, the City may share questions and associated responses/answers with all RFP finalists, depending upon its classification as general use versus proprietary.
2. Property access will be made available by scheduled group or individual appointment.
3. City records will be made available to all finalists by scheduled group or individual appointment during regular business hours.
4. Any amendments or addendums to this RFP will be made in writing to all proposers as well as posted on the project website – www.cityofmoorhead.com/rfp.

City Staff

City Manager	Christina Volkers	218.299.5166
Deputy City Manager	Scott A. Hutchins	218.299.5376
City Planner & Zoning Administrator	Kristie Leshovsky	218.299.5332
City Engineer	Robert Zimmerman	218.299.5393
Assistant City Engineer	Tom Trowbridge	218.299.5395
Finance Director	Wanda Wagner	218.299.5318

Moorhead Economic Development Authority Staff

Executive Director	Cindy Graffeo	218.299.5441
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Moorhead Public Service Staff

General Manager	Bill Schwandt	218.477.8004
Water Distribution Engineer	Kris Knutson	218.477.8071
Electrical Engineering Manager	Travis Schmidt	218.477.8084

APPENDIX A

Downtown Moorhead Studies

The City of Moorhead continues its desire to grow and enrich its downtown core. Many initiatives have been studied and researched in pursuit of a robust and thriving city center. Recent studies Include:

- **2000 Downtown Framework Plan** developed by Dahlgren, Shardlow & Uban, Inc with assistance with Maxfield Research Group and SRF Consulting Group, Inc. in partnership with the City of Fargo.
 - This study envisioned focus in downtown development that evokes a sense of place that becomes a focal point for the community to gather and grow together, incorporates a mixture of uses, includes investment in the public realm and improves connectivity between downtown and surrounding neighborhoods.
- **2007 Downtown Framework Plan Update** developed by Short Elliot Hendrickson, Inc with assistance with Maxfield Research Group and Camiros, Ltd in partnership with the City of Fargo.
 - This document assessed the progress of recommendations from the 2000 Downtown Framework Plan by continuing and modifying design and development guidance to continue downtown progress.
- **2007 Moorhead Neighborhood Planning Study** developed by Bonestroo.
 - This study creates visions for redevelopment areas in the downtown and neighborhood surrounding Minnesota State University – Moorhead and Concordia College as well as gateway corridors leading to downtown.
- **2008 1st Avenue North Study** developed by SRF Consulting Group, Inc.
 - This corridor studies the potential for 1st Avenue North in Moorhead as it transitions from an underutilized land use to vision its potential as it connects to downtown and the Red River.

River Corridor Studies

The City of Moorhead embraces its connections to the Red River and has also studied many ways to connect with the resource – especially in Downtown Moorhead.

- **1989 Red River Visions Fargo Moorhead** developed by R/UDAT – Regional/Urban Design Assistance Team (AIA) in partnership with the City of Fargo.
 - Envisions a rediscovered riverfront....with graphics and descriptions to create ‘The Outdoor Living Room in Downtown Fargo-Moorhead’ or ‘I’ll meet you at the River Café on the terrace by the water. We’ll have a bite and then walk to the concert.’
 - Identified downtown uses to consider included: Hotel & Conference Center, Riverine Center, Restaurants, Performing Arts Center and Entertainment on the River.
- **2014 Moorhead River Corridor Master Plan** developed by HKgi – Hoisington Koegler Group Inc. with assistance from EOR: water-ecology-community and FM MetroCOG.
 - Envisions a continuous river corridor trail with robust river front parks adding recreational and cultural amenities as well as ecological and environmental restoration to newly acquired flood-buyout properties located along the river.

Plans available on the City of Moorhead website:

www.ci.moorhead.mn.us/departments/planning-and-neighborhood-services/planning-and-zoning/related-information

