

CITY OF GRINNELL
REQUEST FOR PROPOSALS FOR PROPERTY REDEVELOPMENT
11 11TH AVENUE FORMER IOWA TELECOM PROPERTY

March 5, 2013

Request for Proposals

The City of Grinnell (City) has acquired the 12.1 acres locally known as the 11 11th Avenue Iowa Telecom property. The City plans to sell the property to a land developer for redevelopment as a residential community. The selected Developer must demonstrate the technical experience, financial strength, and proven ability to effectively redevelop the property per the parameters established here. This Request for Proposals (RFP) process will be led by the City Manager. A recommendation will be made to the Grinnell City Council as the Seller of the property.

All qualified Developers are invited to submit proposals; however all Developers must meet with the City Manager in person to review this RFP prior to submission no later than Monday, April 8, 2013 at 4:00 p.m.

General Conditions

This RFP does not obligate the City to sell the property. The City reserves the right to accept or reject any or all proposals submitted. The City will pay no costs associated with the preparation, submission, or presentation of this RFP. All information, documentation, or materials submitted in response to this RFP will become property of the City.

Project Summary

Iowa Telecom (formerly GTE and later Windstream) has occupied this site since the 1950's. The property was acquired by Grinnell Sunset Properties, LLC in 2012 from Windstream largely as a vacant building. The city of Grinnell entered into an agreement to purchase the property from Grinnell Sunset Properties, LLC on January 29, 2013 and has set a tentative closing date of April 17, 2013. The building currently has no tenants.

- The project is driven by the desire of the community to diversify the housing stock, expand affordable options, and improve the quality of available rental units. Equally important is the interest from community leaders to redevelop this property to compliment and improve the immediate neighborhood and the entire community. We want to grow strategically to accommodate our workforce by increasing the diversity and availability of housing stock. We also want to protect the very diverse interests of stakeholders in Grinnell: realtors, current land developers, builders, residents and business owners. That is why it is important that the city take an active role in development of this property.

The City, Grinnell Chamber of Commerce, and Grinnell College partnered to have prepared the Grinnell Housing Needs Assessment and a copy is included with this RFP. Developers are encouraged to review this carefully and structure their proposals with this information in mind.

The following are several key considerations for firms to consider as you prepare the RFP:

- The property contains 12.1 acres.
- The property is currently zoned C-1 General Commercial. It is anticipated that the property will be rezoned to R-3 Multi-Family Residential. R-3 is a principle permitted use with the C-1 General Commercial zone so rezoning is not a necessity.
- The property was purchased by the City for \$345,000 plus costs.
- There are no known environmental issues.
- The property currently has 184,548 square feet of impervious area. This is the equivalent of 56.76 typical single family homes. The City's storm water utility refers to this as an Equivalent Residential Unit (ERU) and established this as 3,250 square feet of impervious area. This was determined by randomly selecting and measuring the amount of impervious area of 150 single family detached units in Grinnell and taking the median of the sample. The majority of this impervious area drains to the northeast.
- The total amount of impervious area within the property shall not exceed 220,000 square feet.
- According to our records and conversations with previous GTE and Iowa Telecom employees the maximum employment on site exceeded 300 employees and likely averaged around 250 employees. There was significant traffic as employees arrived in the morning, traveled off site during the noon hour, and exited after work. There was also traffic to the property for bill payment, customer service, meetings, business calls, and related visitors.
- The City has budgeted for the complete reconstruction of Sunset Street from 11th Avenue to 13th Avenue (forms west boundary). The City anticipates starting reconstruction after the Developer makes the necessary connections at that location. The Developer will not be responsible for the permanent repair to the street. It is possible that this same arrangement can be made for 13th Avenue from Sunset Street to Prairie Street for FY 14-15 utilizing temporary patches until reconstruction can occur in the 2014 construction season.
- The entire Iowa Telecom property had been exempt from property taxation per Iowa Code. The Developer's estimate of both the assessed and taxable value of the property at build out should be included in your proposal.
- City staff has met with City Engineer Forrest Aldrich to discuss the redevelopment of this property. We provided several scenarios to him ranging from all single-family to all townhomes. Using information gathered during the water system modeling process, he concluded that there was adequate water for

both domestic use and fire suppression. These units will not likely require sprinklers per Duane Neff, City Building Official. They will be required to build fire separation walls between the units. Grinnell Water Resources Director Jan Anderson also concurred that he believes there is adequate water supply and pressure to serve this redeveloped property. He noted that the water use at Iowa Telecom was significant and that this capacity still exists in the area.

- We also discussed sanitary sewer collection in the area with the City Engineer and city staff. No staff can recall any problems in the area associated with the public sanitary sewer mains. There have been two cases that they could recall of private service lines being blocked with tree roots or otherwise in need of repair. Again, the domestic use of Iowa Telecom with 250 employees was significant and that capacity still exists within the system in that area.
- Although all Developer's should conduct their own research, we believe that the rental units will rent between \$1,100 and \$1,400 per month, townhomes will sell for between \$130,000 and \$150,000, and single family homes will start at \$200,000 and go up from there. Most homes in the area are assessed between \$130,000 and \$225,000.
- We believe that lack of a diverse offering of quality housing is a serious impediment to maintaining and possibly growing our population. Please address how your proposal will help to alleviate this problem.
- Please discuss how your proposal has been influenced by information you have regarding the concerns of neighbors, concerns of business and industry, input from realtors, input from builders, information from prospective buyers, knowledge of infrastructure in the area, and how your proposal fits within the Grinnell community.
- The project is located in an Urban Renewal Area under the slum and blight designation. The redevelopment of the property is also specifically listed in the Urban Renewal Plan.
- Please discuss how you might utilize local businesses in the redevelopment of the property and construction of buildings.
- Please also submit your covenants for the single family lots (addressed later in this RFP) and the balance of the property if any.

Project Parameters

In an attempt to guide Developers in the creation of their proposal and develop a project that is beneficial to the community while taking into account the interests of the many stakeholders, we offer the following parameters to guide this redevelopment and all of these should be addressed in proposals. **It should be noted that the City of Grinnell City Council reserves the sole right to adjust these parameters at their discretion if it is determined to be in the best interest of the city of Grinnell or if warranted by market conditions both during this RFP process, during the due diligence phase, and after the property is sold. Also, once a Developer is selected the City Council reserves the right to negotiate with the Developer and make adjustments as determined to be in the best interest of the community, this project and/or our redevelopment partners.**

- No unit (apartment, townhome, duplex, single-family or otherwise) may be smaller than 1,200 square feet of finished space excluding the garage and basement.
- Only uses permitted with the R-3 Multi-Family Residential zoning district will be allowed.
- Redevelopment of the existing building on the property while not preferred may be considered. The building must be either redeveloped or removed within 24 months of the transfer of ownership.
- As many of the existing trees on the site as possible should be preserved.
- All proposals should include a plan to have the entire project proposed built out within five years or no later than January 1, 2019.
- All proposals must include documentation of the ability of the Developer to obtain a letter of credit in the amount of \$1 million signed by the President or CEO of your lending institution.
- Only proposals submitted by Developers with a proven track record of development of properties over 10 acres will be accepted.
- Developers must demonstrate their experience and capacity to manage a residential association, rental community, or similar product successfully.
- We would like to see approximately nine residential lots developed along the north boundary of the property and offered for sale to local builder or citizens looking to build a new home (see Attachment C). These homes shall be designed as rear load. This does not preclude the Developer from building on these lots if they do not sell within ninety (90) days of being offered for sale. The developer can retain up to two (2) of these lots if they plan to build on them during the 2013 construction season.
- Energy conservation and other sustainability provisions are encouraged.
- The Proposal should address storm water management.
- The Proposal shall include a summary of your building demolition/recycling plan.
- The city of Grinnell will consider offering the maximum tax abatement allowed by law for this property. This is currently being reviewed with legal counsel. The level of tax abatement will be influenced greatly by the quality of the housing product being proposed.

All Developers are invited to arrange a site visit. All firms will have access to the City Manager or his designee. Site visits shall be coordinated through the City Manager. Tours of the property and the interior of the building on site can be arranged.

Proposal Requirements

As indicated, Developer qualifications to implement a project of this scope and design will be determined by a comparative evaluation of the 'Selection Criteria' detailed later in this RFQ as Attachment D. All additional related information pertaining to the Developer's qualifications will be evaluated and may affect the Developer's score.

The following is the information to be included:

1. Developer name, address and brief history.
2. Services to be provided by your firm.
3. Services to be provided by outside consultants.
4. Projects of relevant nature.
5. Projects of relevant scope.
6. Qualifications of key personnel likely to be assigned to this project. The City is cognizant of the fact that the qualifications of the key personnel are more important than the qualifications of the firm. Firms are encouraged to have the primary staff person to be assigned to this project present at the presentation.

All questions and contacts regarding this RFP shall be directed to:

Russ Behrens
Grinnell City Manager
927 4th Avenue
Grinnell, Iowa 50112
641-236-2600
641-990-6372 cell
641-236-2626 fax
citymanager@grinnelliowa.gov

SELECTION PROCESS

The Grinnell City Manager in consultation with the Mayor and City Department Heads will review proposals and may interview Developers if deemed necessary. The City Manager will use the attached evaluation criteria to rank Developers and make a recommendation to the Grinnell City Council.

PROPOSAL PRESENTATIONS, DEADLINES, AND FORMAT

The deadline for submission of proposals shall be Monday, April 8, 2013 at 4:00 p.m. in the office of the City Manager. Presentations to the Grinnell City Council will be conducted on Monday, April 15, 2013 at 7:00 p.m. or at the convenience of the Grinnell City Council.

The City requests that firm's submit ten (10) copies of their proposal. Please provide one electronic copy of your proposal via email to the City Manager. There must be at least one letter on company letterhead signed by a principle empowered to contractually obligate the submitting firm accompanying the proposals.

NON-DISCRIMINATION

No person or firm will be excluded from participation in this project on the grounds of color, race, gender, or national origin.

ATTACHMENTS TO THIS RFP:

- ATTACHMENT A: GRINNELL HOUSING NEEDS ASSESSMENT REPORT**
- ATTACHMENT B: AERIAL IMAGE OF THE PROPERTY WITH CITY UTILITIES**
- ATTACHMENT C: AERIAL IMAGE SHOWING POSSIBLE TRANSITION OPTION**
- ATTACHMENT D: EVALUATION FORM FOR DEVELOPER PROPOSALS**
- ATTACHMENT E: PHOTOS AND BUILDING DESIGNS OF PREFERRED OPTIONS**
- ATTACHMENT F: MISCELLANEOUS INFORMATION ON BUILDING/PROPERTY**

**ATTACHMENT D
EVALUATION FORM**

Redevelopment of 11 11th Avenue – Former Iowa Telecom Site

Name of Firm: _____

1. Firm's experience, expertise, and qualifications. Your firm's experience with similar projects and the qualifications of key personnel assigned to this project. Experience redeveloping similar properties.

Maximum 40 points = _____

2. Firm's capacity and resources.
Evidence of your firm's ability to complete projects of this scope and design in a timely manner successfully.

Maximum 20 points = _____

3. Project overview.
Explain your understanding of the City's objectives for this project. Please describe your understanding of the community's housing needs, the unique aspects of redeveloping this property, and the approach your company will take to design a project to the objectives.

Maximum 20 points = _____

4. References – please provide five letters of recommendation from persons or firms for which you have performed development work. City staff will conduct additional reference checks also. At least one reference from a local government official preferred.

Maximum 10 points = _____

5. Quality and thoroughness of proposal.

Maximum 10 points = _____

NOTES: _____
