

**REQUEST FOR PROPOSALS AND QUALIFICATIONS BY THE CITY OF
SHAKOPEE FOR REDEVELOPMENT OF THE FORMER CITY HALL
SITE AND RIVERFRONT PARCELS IN DOWNTOWN
SHAKOPEE, MINNESOTA**



Proposal Due Date: January 5, 2018 by 4:00 PM CST

Optional Site Tour: October 26, 2017 at 10:00 AM CST
You must RSVP if you plan on attending by October 24

Submit Proposal to: Michael Kerski
Director of Planning and Development
City of Shakopee
485 Gorman Street
Shakopee, MN 55379
mkerski@shakopeemn.gov

The City of Shakopee (city) and the Economic Development Authority (EDA) of Shakopee are seeking firms with significant experience in redevelopment and revitalization to redevelop the former city hall site at 129 Holmes Street S and four parcels at Scott Street N and 1st Avenue W. The successful respondent(s) will enter into exclusive negotiations with the city and the EDA to redevelop these sites and enter into final development agreement(s) between the entities. Respondents can propose on one or both sites.

The proposals will be evaluated using the following criteria:

Qualifications – the extent that the firm demonstrates it has personnel with the prerequisite experience necessary to accomplish the proposed project. The proposal must specify the principals and the specific staff that will work on the Shakopee project including their experience, areas of expertise, and the nature and extent of their involvement in the proposed project. The proposal should include information and/or material for similar projects that the firm has completed. If firms are proposing specific architects or builders, please include work on similar projects. **25 points**

Experience – The extent to which the developer has demonstrated competence in successfully redeveloping similar sites and can provide examples of similar projects with dates, total project costs and investment and if the projects have since been sold. Include the number of units, stories, construction type, and parking if it was apartments or a hotel. Include other uses included in the projects, if any. **50 points**

Financial Capacity – Does the firm have the necessary financing and equity available to complete the proposal? If the firm is proposing any type of incentive, please include here, including the price of land. **45 points**

Proposers are invited to respond to this RFP. One original hard copy proposal with signatures along with one electronic copy should be submitted to:

City of Shakopee
Michael Kerski
Director of Planning and Development
485 Gorman Street
Shakopee, MN 55379

Responses to the RFP must be received by the City at the above address no later than **4:00 PM CST, January 5, 2018**. Any response received after this time will not be opened. Facsimile or email responses are **NOT** acceptable when responding to the Request for Proposals.

THE DOWNTOWN MARKET

Downtown is rapidly being transformed into a twenty-four-hour area. There are already a number of apartments in the area, largely for seniors. Above many of the historic buildings are market rate apartments on the second and third floors. There are a number of new entrepreneurial businesses that have opened and many that are long term downtown destinations.

The city has invested \$2 million in public improvements in the Downtown in 2017 that includes a new redesigned parking lot with a public plaza, a new gateway at River City Center that will include signage and a statue of Chief Shakopee and a new gateway plaza at 101 and First Avenue (in front of O'Brien's) that will include seating walls, landscaping and a sign announcing "Downtown".



There have been a number of buildings in the downtown that have either been revitalized or are in the process. There are currently four façade renovations planned in downtown including a renovation of the former Lady Di building on Holmes Street into a new use. Several buildings on First Avenue will be restoring their storefronts in the coming months.



The Downtown Shakopee Main Street organization held a weekly concert series called Rhythm on the Rails throughout this past summer. Despite weather events, Rhythm on the Rails attracted more than 2,900 people on average. Many local corporations sponsored this program along with small businesses and it was recognized as the Best Main Street Event in Minnesota.

To continue the revitalization of Downtown Shakopee, the city is seeking new developments that will add to the improvements already underway. New development we are interested in could include market rate housing, hotel, commercial and retail. The city is seeking innovative projects that will drive additional users for downtown and will be of high quality design and materials, adding to the historic nature of the area.

Retail rents downtown range from \$11 to 20 per square foot. There has not been a strong office rental market and most offices are owner-occupied. The most recent office development is the relocation of the O'Brien Dental Clinic to a modern office building on Fuller Street. The clinic occupies the entire second floor and there are commercial tenants on the first floor and basement. The building was purchased by parties related to the dental clinic.

There has been an expressed need for a higher end hotel in the downtown to serve corporate users in the community along with market rate housing, particularly for the young professionals at companies like Seagate, Emerson and Entrust Datacard. There is also a strong biking community in Shakopee and there is a state trail adjacent to the riverfront site. This trail is accessible by a tunnel on Holmes Street from the former city hall site and connects to a regional trail system.



Market rate apartment rents in Shakopee grew more than 17% in the past year, more than any other city in the region. Market rate rents currently are at about \$1.68 per square foot for existing complexes. No new complexes have been built since 2005. There currently are two new market rate projects under construction in the city. There are 133 apartments adjacent to the new HyVee that will deliver to market in 2018 and are largely studios, one and two bedrooms. Projected rents will be approximately \$1.80 per square foot/month. The project is four stories and stone, brick and hardi plank and panels.

The other project is in Southbridge adjacent to County Highway 21 and is just over 300 units. It is adjacent to a park and ride lot and across from entertainment, restaurants and retail. Market studies are projecting rents in 2018 at \$1.80-\$1.90 per SF.

There are also up to 600 units planned in the Canterbury Park area. These luxury units would be marketed to people downsizing from single family homes or executives moving into the market along with horse owners or lovers that want a location adjacent to the track and card room. This project currently has no start date.

THE SITES

Former City Hall



This site will be remediated and cleared. Part of the basement walls will remain to act as stabilization to protect the street and railroad side. The site has all utilities to it including natural gas, electricity and fiber. The site consists of approximately .7 acres of land zoned B-3. In this zone, you are allowed an FAR of 4. You must have a mix of uses on the site like retail or restaurant on a portion of the ground floor. You can fit approximately 121,000 square feet of space on this site based on the FAR of 4. Height is

limited to 45 feet without a Conditional Use Permit. A Phase 1 has been completed and all hazardous materials will be removed from the site prior to demolition and the site will be pad ready with compacted fill where the former city hall was located. No parking is required in the B-3 District. There are several large city-owned lots surrounding the site including a large lot across the railroad tracks.

River Site

This site is just over an acre. The property is zoned B-1 which allows mixed use. Height is limited to 35 feet without a Conditional Use Permit. Parking is required to be provided on site.

The city purchased a small house on the corner for \$125,000 in September 2017 and has a contract to purchase the commercial sites in April 2018 for



\$350,000. The city is currently working on relocating that tenant, Doggie Doos, to a new development on the west end of the city. It is expected that they will be relocated to their new complex in June 2018. The rear portion of the site is already owned by the city/EDA. The city has completed a Phase 1 and Phase 2 on the site.



The existing alley would be abandoned adjacent to the site and utilities will be relocated out of the alley. The site has electricity, fiber, water and sewer. The city will also consider abandoning a portion of the road along the river.

This site is adjacent to the state trail that runs through Shakopee to Chaska and to the National Wildlife Refuge. The site is also adjacent to the Minnesota River. It is located on the bend of the river and offers spectacular views up and down the river.

What you need to submit

Proposer are required to provide the following information:

- Which site(s) the Proposer is planning to develop;
- Proposer's demonstrated understanding of the project and its objectives;
- Proposer's approach to the project and detailed plan to meet objectives;
- Concept plan along with types of uses, density, square footage, parking etc.
- Basic pro forma for the project along with any required city participation (land etc.)
- Proposer's relevant experience on similar projects;
- Proposer's past financial experience for similar-sized projects and ability to obtain financing for this specific project;
- Proposer's track record on attracting tenants and users that would be desirable for the development;
- Qualifications of key project personnel and experience on similar projects;
- Qualifications of key consultants and relevant experience on similar projects;
- Project timetable.

Selection Process

After reviewing all proposals, City staff may select up to five firms and conduct interviews with each of those firms or teams. Following interviews, the City may ask for additional information from firms and conduct follow-up interviews. Proposers and their teams will be ranked in order of preference. Staff will then draft a Memorandum of Understanding for a period of six months with the selected Proposer and forward a recommendation to the City Council for approval of the selected Proposer. During the initial six months, the chosen Proposer will develop final site, architectural and marketing plans for the site. The Proposer will then submit these plans to the City for final approvals.

The City of Shakopee reserves the right to reject any or all proposals as it may be deemed in the best interest of the city.

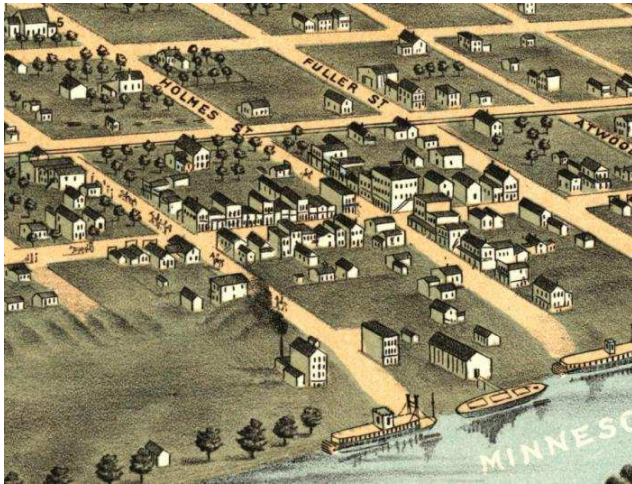
Adoption of the final Disposition and Development Agreement by the City for the property will be based on the following criteria:

- Financing in place to complete the project including closing with the city
- Any required city participation (ie land)
- Conformance with the City of Shakopee's goals and objectives;
- Quality of the final design including elevations and floor plans;
- Soundness and quality of the overall development plan;
- Schedule of development
- Tenants or tenant prospects
- Developer's ability to work with the city

Time Frame

It is the City's intent to have a contract executed with the selected firm by February 2018 and an expectation that the chosen developer will be able to enter into a final disposition agreement with the City within six months depending on the developer's timeliness of submission of materials for design and financial approvals.

Background - The Shakopee Community and Surrounding Areas



History and Growth

The City of Shakopee is rich in history. Once a trading post and then a small river town, the City is now a growing suburb to the Twin Cities metropolitan area.

Located in the lower Minnesota River Valley, Shakopee has been home to Native Americans for thousands of years. Burial mounds in Memorial Park date back approximately 2,000 years.

At the time of the first European settlers, Dakota Indians inhabited the valley. Chief Shakpay I settled his tribe along the river banks in the 1700s; his village was called Tintonwan, “village of the prairies,” and located east of Shakopee’s present downtown.

In 1842, the first steamboat came down the river as far as Shakopee, and two years later, Oliver and Harriet Faribault built the first log cabin along the river. Missionary Samuel W.



Pond came to the area in the late 1840s, at the invitation of Chief Shakpay II. Pond would later found Shakopee’s oldest church, First Presbyterian Church, in 1855.

In 1851, with the Treaties of Mendota and Traverse des Sioux, the area was opened to pioneer settlement. Thomas A. Holmes, known as “the father of Shakopee,” established a trading post near the Tintonwan village. Shakopee was designated as the Scott County seat on March 3, 1853.

In 1854, Holmes platted Shakopay Village, naming it after the leader of the Dakota band, Chief Shakpay II.

Shakopee was incorporated as a city on May 23, 1857.

For many years, steamboats along the Minnesota River were the most efficient way for people and goods to reach the young city. However, in the mid-1860s, a new method of transportation arrived: railroad. The first steam engine train rolled into Shakopee from Mendota along Second Avenue on Nov. 16, 1865.

Ten years later, the Lewis Street swing bridge opened, the first across the Minnesota River in Shakopee.



The City's population in 1910 was 2,302.

During the Prohibition era, Shakopee had the reputation as a "Little Chicago" with a past that included illegal gambling. In 1940, an extortion ring was discovered as merchants paid to avoid raids on slot machines.

Shakopee also showed signs of progress in the 1920s, electing

its first female Mayor, Elizabeth Ries, in 1925. In 1927, Holmes Street bridge was completed linking Shakopee to Chaska. The bridge was restored by the Minnesota Department of Transportation and is now used for bike and pedestrian access over the new river bridge.

Two of Shakopee's longest running businesses were established in the 1930s: Bill's Toggery, a family run men's clothing store on Lewis Street; and Rahr Malting, which built its malt manufacturing facility in west Shakopee. Both businesses are still in operation today.



Shakopee's economy began to shift in the 1960s with the development of the Valley Green Industrial Park, the metropolitan area's largest ready-to-occupy industrial park.

Valleyfair Amusement Park put Shakopee on the map when it opened in 1976. The park has since grown to include more than 75 attractions on 90 acres. It draws more than one million people to Shakopee every year.

In 1985, a new horse-race track, Canterbury Downs, opened to much fanfare. In 1994, the track was renamed to Canterbury Park, and today live racing, a 24-hour card club and entertainment events annually draw more than 600,000 people.

The opening of the Bloomington Ferry Bridge in 1995 has spurred unprecedented growth in the City, which saw its population double in the succeeding 10 years. The new bridge opened the City to new business and residential growth, making it accessible for people looking to work in the metro but enjoy the atmosphere of a small town.

In 2010, the City of Shakopee had a population of 37,076. Improved transportation systems, available land and recreational amenities continue to make Shakopee attractive to businesses and residents.

Several national companies established new facilities in Shakopee, including Amazon, Shutterfly, AmeriSource Bergen and world headquarters for Entrust Datacard and Emerson Process Management.

In 2017, the city opened its new city hall building on Gorman Street, creating a city campus to better serve customers. The city also wrapped up a two-year renovation of the Shakopee Community Center, which included in a two-sheet ice arena, indoor aquatic center, senior lounge and much more.



Living, Working and Playing in Shakopee

Recreation. Whether you live in Shakopee or work here, there are plenty of recreational opportunities. Our world class trail system features over 80 miles of trails within the city limits and connects you to just about anywhere in the metro. Literally

- ✓ Over 80 miles of local trails connected to regional system
- ✓ Over 900 acres of parks
- ✓ Newly renovated, best in class community center
- ✓ Land of Big Fun!
- ✓ Cultural and sporting events local and nearby!

after a few minutes on our trails, you can find yourself in a peaceful natural area leaving the city behind. Our parks are equally impressive. With 9 regional parks within 15 miles, 7 major parks in Shakopee, and numerous neighborhood parks; our more than 900 acres of park space demonstrate our community commitment to open space, active living and the health benefits that come with it. In the last two years we have

invested \$30 million in upgrades to our community center including two new sheets of ice to create a place for our citizens to get together.



Shakopee is also the epicenter of “the Land of Big Fun”, which includes Valleyfair Amusement and Waterpark, Mystic Lake Casino, the Renaissance Festival, and Canterbury Park. There are always community events going on in town that are well attended and bring people together. There is no shortage of places to go and people to see here in Shakopee

including a revitalized downtown that hosted a five-week concert series that attracted more than 2,500 people each night



Dining and Shopping. Downtown Shakopee offers a wide variety of experiences, the majority of which are locally owned and operated. They include the headquarters of Maggie and Mary’s/North Aire Market, known as “the soup ladies” who regularly sell out on QVC. They have a new retail storefront that offers all of their world famous and award winning products. There is also Bill Toggery, one of the oldest retailers in Shakopee, Real Gem Jewelers, Turtle’s Bar & Grill that also hosts a thriving

wedding reception business at Turtle’s 1890 Social Center, Munkabeans Coffeehouse, O’Brien’s Public House, Pablo’s Mexican Restaurant, Valley Sports, One Sexy Biker Chic, Paul’s Bike Shop and many more including the just opened Shakopee Brewhall.

Hospitality. Traveling to and staying in the Shakopee area is simple. The Minneapolis-St. Paul International Airport is 19 miles from Shakopee. We have a large number of business travelers from around the world that visit on a regular basis. One of the requests from the business community is a high-quality hotel that could access the amenities of Downtown and also allow them to host a number of business meetings. The Shakopee area higher level



hotels boast an ADR of more than \$100 and occupancy more than seventy percent on an annual basis. There is no hotel near Downtown.

Business Climate



The business community in Shakopee is booming, as evidenced by the fact that several major multi-national corporations have chosen us as their headquarters or a major site for their operations. We are home to the world headquarters of Entrust Datacard, North America Headquarters of Emerson Process Management, 800-person

engineering center for Seagate and have significant operations facilities for Amazon, Shutterfly and AmerisourceBergen, among others.

Land Surveys