



**HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY**

**AGENDA**

**Thursday, October 24, 2024 at 5:00 p.m.  
Council Chambers  
Governmental Services Building**

- 1. ROLL CALL**
- 2. MINUTES** – Approval or correction
  - 2.1 September 26, 2024 HEDA Minutes
- 3. MOTIONS**
- 4. RESOLUTIONS**
- 5. WORK SESSION**
  - 5.1** Remaining 2024 meeting schedule
  - 5.2** Section 24 Development
    - 5.2.1** Timeline
    - 5.2.2** Analysis of Residential Market Potential
    - 5.2.3** Urban Design Master Plan
    - 5.2.4** Private Developer Partner Selection
  - 5.3** Engwall’s Redevelopment Project Update
  - 5.4** Other Updates
- 6. RECESS**

**CITY OF HERMANTOWN**

**HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY**

Thursday, September 26, 2024 at 5:00 PM Central

Council Chambers, City Hall – Hermantown Governmental Services Building

Mayor Wayne Boucher: Present  
Councilor John Geissler: Absent  
Dwayne Haapanen: Absent  
Councilor Andy Hjelle: Present  
Councilor Ellie Jones: Present  
Councilor Brian LeBlanc: Present  
Karen Pionk: Present

**CITY STAFF:** Joe Wicklund, Assistant City Administrator; Chad Ronchetti, Economic Development Director; Eric Johnson Community Development Director; John Mulder, City Administrator; Steve Overom, HEDA Attorney

**VISITORS:** Bill Wilson, Bill & Irv’s

1. **ROLL CALL**

2. **MINUTES**

A. Approve April 25, 2024 HEDA Minutes

Motion to approve minutes as presented. This motion, made by Jones and seconded by LeBlanc, Carried.

Mayor Wayne Boucher: Yea  
Councilor John Geissler: Absent  
Dwayne Haapanen: Absent  
Councilor Andy Hjelle: Yea  
Councilor Ellie Jones: Yea  
Councilor Brian LeBlanc: Yea  
Karen Pionk: Yea

Yea: 5, Nay: 0, Absent: 2

3. **MOTIONS**

4. **RESOLUTIONS**

- a. **2024-169 Resolution Approving a Development Contract Amongst Bill & Irv’s Properties, Inc., The City Of Hermantown And The Hermantown Economic Development Authority**

Director Ronchetti discussed the history of separating the two development areas and the associated infrastructure grant to the state. City Administrator Mulder discussed the sources and uses of the funding and explained if the grant is not received, the city may need to find alternative funding, which could involve renegotiating the development agreement with the developer. Director Johnson discussed the projected tax revenue from the development is estimated at approximately \$1.8 million per year.

Motion to approve 2024-169 Approving a Development Contract amongst Bill & Irv's Properties, the City of Hermantown, and the HEDA. This motion, made by Commissioner Hjelle and seconded by Commissioner Jones, carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Absent
Dwayne Haapanen:	Absent
Councilor Andy Hjelle:	Yea
Councilor Ellie Jones:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea

Yea: 5, Nay: 0, Absent: 2

**b. 2024-171 Resolution Approving A Development Contract Amongst Hawklime Development LLC, The City Of Hermantown And The Hermantown Economic Development Authority**

Motion to approve 2024-1171 Approving a Development Contract amongst Hawklime Development, the City of Hermantown, and the HEDA. This motion, made by Commissioner LeBlanc and seconded by Commissioner Hjelle, carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Absent
Dwayne Haapanen:	Absent
Councilor Andy Hjelle:	Yea
Councilor Ellie Jones:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea

Yea: 5, Nay: 0, Absent: 2

**5. WORK SESSION (Project Updates)**

**5.1 – Strategic Plan Update**

The strategic plan was reviewed, noting that many initiatives have been accomplished, while a few remain in progress or have not yet started. The commission was asked if there was a desire to re-engage in the strategic planning process and to evaluate the importance of ongoing initiatives. Commissioner Jones expressed concern about whether the Commission wants to invest the

necessary resources to update the strategic plan. Commissioner Pionk suggested it may need an update to reflect more accurate completion dates and proposed to gather rough cost estimates from Northspan for updating the strategic plan. Director Ronchetti committed to that.

## **5.2 – Comprehensive Plan Discussion**

Director Ronchetti discussed the importance of the Comprehensive Plan to a city and how it relates to the day-to-day operations. Director Johnson recounted the actions thus far in the planning process and highlighted the number of community interactions made for public input. The draft Comprehensive Plan maps were reviewed Future land uses of mixed-use, corridor residential, and neighborhood residential were discussed as density areas. Commissioners were encouraged by staff to provide their feedback and comments on the map drafts within two weeks.

## **5.3 – Other Business**

Director Johnson informed the Commission that the dome project at Stebner Park had shifted its footprint west, making space for a future development sit, and creating a shared stormwater pond. Director Johnson also informed the Commission that a development agreement was being drafted.

## **6. RECESS**

Motion to recess at 7:00 p.m. This motion, made by President Boucher and seconded by Commissioner Jones, Carried.


Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Absent
Dwayne Haapanen:	Absent
Councilor Andy Hjelle:	Yea
Councilor Ellie Jones:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea

Yea: 5, Nay: 0, Absent: 2

Recorded by:

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John Mulder, City Administrator

<b>HEDA MEETING DATE:</b>		October, 24 2024	
<b>TO:</b>	HEDA Commissioners		
<b>FROM:</b>	Chad Ronchetti, Economic Development Director		
<b>SUBJECT:</b>	Analysis of Residential Market Potential		

**RESOLUTION:**
                         
  **WORK SESSION**
                         
  **MOTION:**

**REQUESTED ACTION**

Reschedule or cancel remaining meeting dates for 2024 (Thanksgiving & Christmas)

**BACKGROUND**

Having regular meeting dates assists with community participation, planning and, scheduling meetings with consultants and developers. Meetings were set at the January 25<sup>th</sup> meeting to be on the fourth Thursday of each month. It was determined on January 25<sup>th</sup> that meetings for November and December would be rescheduled or canceled when it got closer due to the holidays.

**SOURCE OF FUNDS (if applicable)**

**ATTACHMENTS**

**Hermantown Economic Development Authority**

**HEDA’s mission is to intentionally lead economic growth, creating a vibrant and prosperous community.**

# HERMANTOWN UPTOWN

## LEGEND

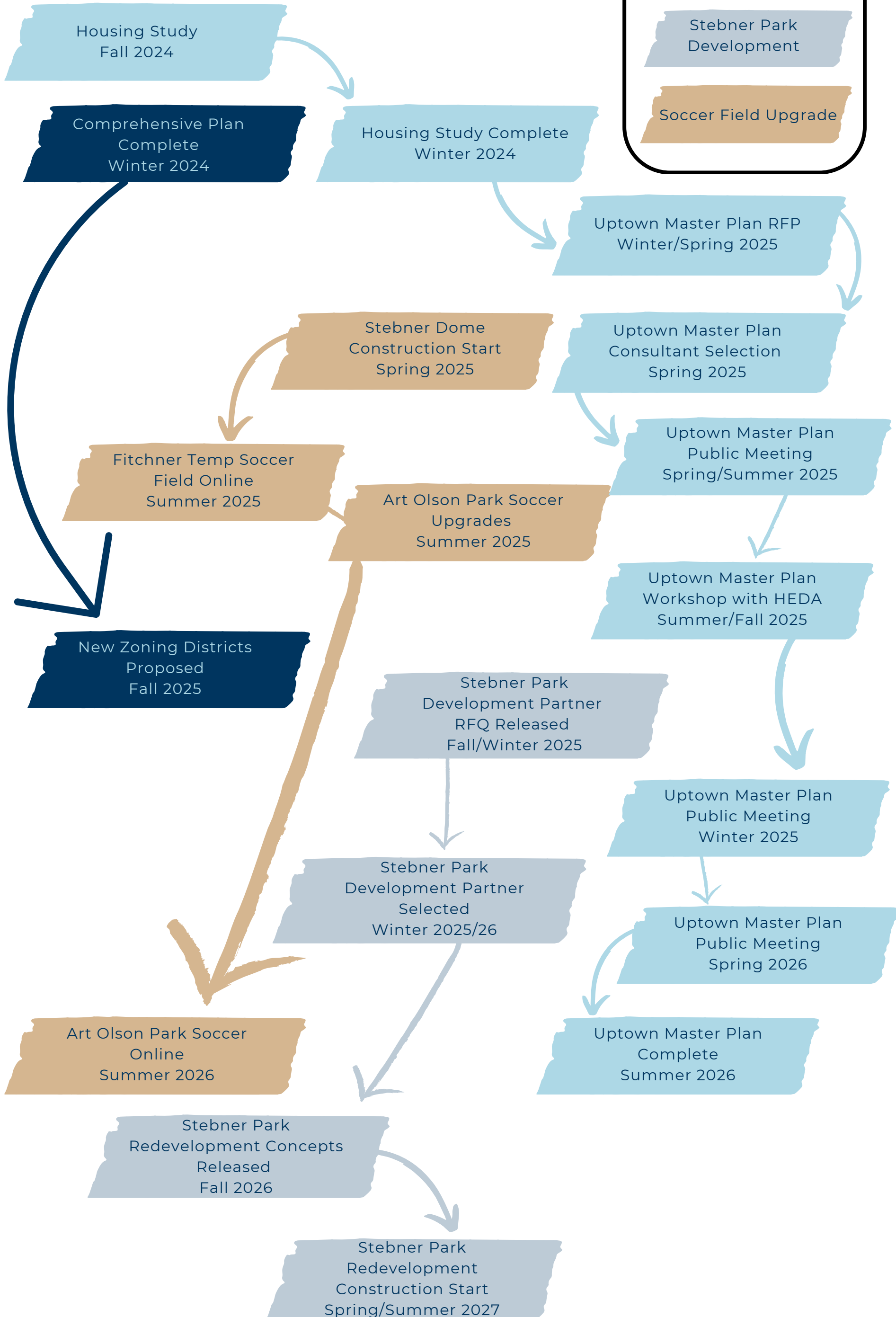
Uptown  
Master Plan

Comprehensive Plan

Stebner Park  
Development

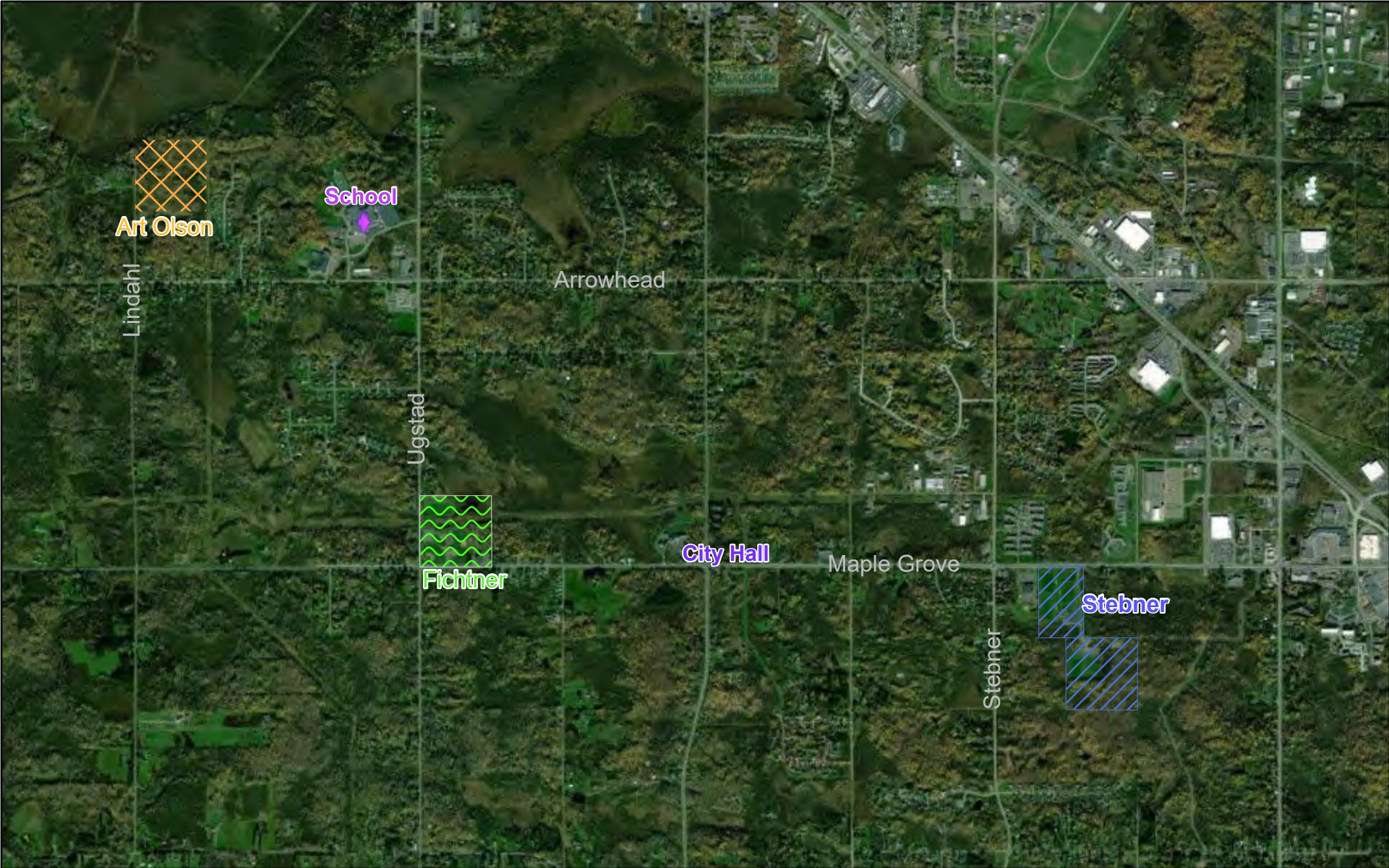
Soccer Field Upgrade

CONCEPTUAL TIME LINE

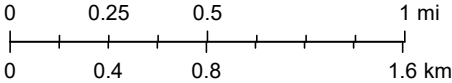




# Area Map



9/27/2024







can be substantial when that supply is specifically targeted to match the housing preferences and financial capabilities of the people who are actively looking for housing.

In contrast to supply/demand analysis, which is based on supply-side dynamics and baseline demographic projections, an analysis of residential market potential uses target market analysis to determine the depth and breadth of the potential market derived from the housing preferences and socio-economic characteristics of households looking to move, even in locations where no close comparables exist. Volk-Zimmerman Associates has a proprietary analysis model that provides this style of study. Based out of New Jersey, the firm revolutionized the housing study market with this approach.

By looking at potential rather than supply/demand, we can showcase to the community and development partners the optimum housing types for this market and provide scientific data on the tenure, building configuration and household type (including specific recommendations for unit sizes rents and/or prices).

This study will help us plan for the next phase of Marketplace development, help our region solve the current housing crisis by focusing density in the strategically identified geography, and help Hermantown continue to have a vibrant quality of life and strive to be the community choice in the Northland Region.

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**SOURCE OF FUNDS (if applicable)**

HEDA 230-465100-319

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**ATTACHMENTS**

Resolution  
Professional Services Contract  
Volk-Zimmerman Associates, Inc Proposal

Hermantown Economic Development Authority  
**Resolution No. 2024-03H**

HEDA Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING AN AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES WITH ZIMMERMAN/VOLK ASSOCIATES, INC. FOR THE TOTAL CONSIDERATION OF \$24,500.00**

WHEREAS, The City of Hermantown (“City) completed the Section 24 Trunk Sewer project in 2021 (“Sewer Project”); and

WHEREAS, the Sewer Project opened more than 230 acres in the City’s eastern edge to development opportunities; and

WHEREAS, the Hermantown Economic Development Authority’s (“HEDA”) has determined that the interests of the residents of the City and the well-being and quality of life in the City will be enhanced by intentionally leading economic growth by nurturing and encouraging development around the Sewer Project; and

WHEREAS, HEDA desires to understand and analyze the market potential for residential development in Section 24 (“Study”); and

WHEREAS, the Hermantown Economic Development Authority (“HEDA”) desires to obtain consulting services to complete the Study; and

WHEREAS, ZIMMERMAN/VOLK ASSOCIATES, INC. (“ZVA”) submitted a proposal to provide such services to the HEDA (“Proposal”); and

WHEREAS, ZVA and HEDA desire to enter into an Agreement for Professional Consulting Services (“Agreement”) as shown on Exhibit A attached hereto in which ZVA provides services to HEDA pursuant to these terms of the Agreement and the Proposal; and

WHEREAS, the HEDA Commissioners have reviewed the Agreement and hereby believe that it is in the best interests of HEDA to approve the Agreement and authorize and direct the President and Secretary of HEDA to execute and deliver the Agreement on behalf of HEDA.

NOW THEREFORE, BE IT RESOLVED by the Commissioners of HEDA as follows:

1. The President and Secretary of HEDA are hereby authorized and directed to execute and deliver the Agreement on behalf of HEDA and execute and deliver whatever documents are necessary to consummate the transactions contemplated by the Agreement.

2. The City Clerk shall enter this Resolution in the records of HEDA immediately after the execution of this Resolution by the HEDA Administrator.

3. The motion for the adoption of the foregoing resolution was duly seconded by HEDA Commissioner \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following HEDA Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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HEDA Administrator

**EXHIBIT A**  
**AGREEMENT FOR CONSULTING SERVICES**  
**FOR CONSULTING SERVICES FOR A HOUSING STUDY**

THIS AGREEMENT FOR CONSULTING SERVICES (“Agreement”) is made effective as of the \_\_\_\_ day of \_\_\_\_\_, 2021 by and between the **City of Hermantown**, hereinafter referred to as “City”, and **ZIMMERMAN/VOLK ASSOCIATES, INC.**, hereinafter referred to as “Consultant”, in response to the following situation:

A. City desires to obtain pre-design services for an analysis of residential market potential (“Project”).

B. Consultant submitted a response to the City’s request for consulting services solicited by the City; and

C. Consultant is willing to provide consulting services to City pursuant to the terms of this Agreement.

NOW, THEREFORE, City and the Consultant do mutually agree as follows:

1. Services to be Performed.

1.1 The scope of services to be provided to City by Consultant is as set forth in the Proposal.

1.2 The principal contact person for Consultant is Christopher Volk-Zimmerman.

2. Personnel. Consultant will secure, at its own expense, all personnel required to perform the services under this Agreement, and such personnel shall not be the employee(s) of, nor have a contractual relationship with, City.

3. Assignability. Consultant shall not assign any interest in this Agreement, shall not contract with others to perform Consultant’s services and shall not transfer any interest in this Agreement without the prior written approval of City. The subcontractors identified in the Proposal are hereby approved.

4. Agreement Period. This Agreement shall be effective as of the date hereof and shall continue until terminated as provided in paragraph 5 hereof.

5. Termination of Agreement. Either Consultant or City may, by giving written notice specifying the effective date which shall not be less than thirty (30) days from the date such notice is given, terminate this Agreement in whole or in part. In the event of termination, all property and finished or unfinished documents and other writings prepared by the Consultant under this Agreement shall be delivered to City and Consultant shall be entitled to compensation for time expended and expenses incurred to the date of termination.

6. Independent Contractor. The relationship between the Consultant and City shall be that of an independent contractor. Nothing herein shall in any way make or create any employer employee relationship between City and Consultant.

7. Standard of Performance and Insurance; Indemnity. All services to be performed by Consultant hereunder shall be performed in a skilled, professional and non-negligent manner. Consultant shall obtain and maintain at his/her/its cost and expense:

7.1 Comprehensive general liability insurance that covers the consultant services performed by Consultant for City with a combined single limit of liability of at least One Million Dollars (\$2,000,000.00).

7.2 Worker's compensation insurance covering Consultant (if an individual) all of Consultant's employees with coverages and limits of coverage required by law.

Consultant shall indemnify and hold harmless City from and against all errors, omissions and/or negligent acts causing claims, damages, liabilities and damages arising out of the performance of his/her/its services hereunder.

Consultant certifies that Consultant is in compliance with all applicable worker's compensation laws, rules and regulations. Neither Consultant (if an individual) nor Consultant's employees and agents will be considered City employees. Any claims that may arise under any worker's compensation laws on behalf of any employee of Consultant and any claims made by any third party as a consequence of any act or omission on the part of Consultant or any employee of Consultant are in no way City's obligation or responsibility. By signing this Agreement, Consultant certifies that Consultant is in compliance with these laws and regulations.

Consultant shall deliver to City, concurrent with the execution of this Agreement, one or more certificate(s) of insurance evidencing that Consultant has the insurance required by this Agreement in full force and effect. City shall be named as additional insured under such policy(ies). The insurer will provide at least thirty (30) days prior written notice to City, without fail, of any cancellation, non-renewal, or modification of any the policy(ies) or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer will provide at least ten (10) days prior written notice to City, without fail, of any cancellation of any of the policy(ies) or coverage evidenced by said certificate(s) for nonpayment of premium. Consultant shall provide City with appropriate endorsements to its policy(ies) reflecting the status of City as an additional insured and requiring that the foregoing required notice of cancellation, material

alteration or non-renewal be provided City by the insurance company providing such insurance policy to Consultant.

The Consultant shall require any subcontractor permitted by City under Section 3 hereof to perform work for Consultant on the Project to have in full force and effect the insurance coverage required of the Consultant under this Agreement before any subcontractor(s) begin(s) work on the Project. Consultant shall require any such subcontractor to provide to Consultant and City a Certificate of Insurance evidencing that such subcontractor has the insurance required by this Agreement in full force and effect. The Consultant and City shall be named as additional insureds under such policies. The insurer will provide thirty (30) day written notice to City and Consultant, without fail, of any cancellation, non-renewal, or modification of the policy(ies) or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer will provide at least ten (10) days prior written notice to City and Consultant, without fail, of any cancellation of any of the policy(ies) or coverage evidenced by said certificate(s) for nonpayment of premium. City and Consultant shall also be provided with appropriate endorsements to its policy(ies) reflecting the status of City and Consultant as an additional insured and requiring that the foregoing required notice of cancellation, material alteration or non-renewal be provided City and Consultant by the insurance company providing such insurance policy(ies).

8. Compensation. Consultant shall be compensated for the services to be performed hereunder as set forth in the Proposal. Consultant shall submit to City itemized statements of services rendered during each month setting forth the date such services were rendered, a description of the services rendered, the person performing such services and the amount of time expended in performing such services. The Consultant's compensation shall not exceed \$7,866.00 and shall be based on actual hours spent in the performance of Consultant's services.

9. Recordkeeping. Consultant hereby agrees:

9.1 To maintain all books, documents, papers, accounting records and other evidence pertaining to the fees and expenses for which it seeks payment or reimbursement hereunder and appropriate records with respect to the services performed by it under this Agreement.

9.2 To make such materials available at its office at all reasonable times during the Agreement Term and for three (3) years from the date of final payment under this Agreement for inspection by City and copies thereof shall be furnished to City upon request by City.

10. No Prohibited Interest. Consultant represents and warrants to City that no employee, officer or agent of City, any member of the family of any such person, any partner of any such person or any organization which employs or is about to employ any of the above has a financial or other interest in the business of Consultant.

11. Confidentiality. Consultant agrees that, at all times, both during the term of this Agreement and after the termination of this Agreement, it will be faithful to City by not divulging, disclosing or communicating to any person, firm or corporation, in any manner whatsoever, except



in furtherance of the business of City or as required by any applicable law, rule, regulation or ordinance of City or any other governmental authority, any information of any kind, nature or description concerning any matters affecting or relating to the business, employees, agents, customers of City, or parties contracting with City.

12 Intellectual Property Rights. For the purposes of this Agreement, Project Materials means copyrights and all works developed in the performance of this Agreement, including, but not limited to, the finished product and any deliverables, including any software or data.

Project Materials do not include any materials that Consultant developed, acquired or otherwise owned or had a license to use prior to the date of this Agreement.

All Project Materials are agreed by Consultant to be “works made for hire” as defined under 17 U.S.C. §101, for which City has the sole and exclusive right, title and interest, including all rights to ownership and copyright and/or patent. In addition, Consultant hereby assigns all right, title and interest, including rights of ownership and copyright in the Project Materials to the City no matter what their status might be under federal law.

Consultant shall provide City with copies of all Project Materials

Upon request by Consultant, City may authorize Consultant to use specified Project Materials to evidence Consultant’s progress and capability. In all such uses of Project Materials by Consultant, reference shall be made to City and the Project and that the Project Materials are owned by City.

Consultant also acknowledges and agrees that all names and logos provided to Consultant by City for use in connection with the Project are and shall remain the sole and exclusive property of City.

13. Notices. Any notice required to be given under this Agreement shall be deemed sufficient if in writing, sent by mail to the last known office address of Consultant, or to City at 5105 Maple Grove Road, Hermantown, Minnesota 55811 to the attention of John Mulder, City Administrator.

14. Miscellaneous. This Agreement constitutes the sole and complete agreement relating to the subject matter of this Agreement between the parties, superseding any and all other agreements between the parties and no verbal or other statements, inducements or representations have been made or relied upon by either party. No modifications hereof shall be binding upon either party unless in writing and properly executed.

15. No Contractual Authority. Consultant shall have no authority to enter into any contracts or agreements binding upon City or to create any obligations on the part of City.

16. Data Practices Act. Consultant acknowledges that City is subject to the provisions of the Minnesota Government Data Practices Act.

Consultant must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by City in accordance with this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by Consultant in accordance with this Agreement. The civil remedies of Minnesota Statutes § 13.08, apply to Consultant and City.

Minnesota Statutes, Chapter 13, provides that all government data are public unless otherwise classified. If Consultant receives a request to release the data referred to in this Section, Consultant must immediately notify City and consult with City as to how Consultant should respond to the request. Consultant's response shall comply with applicable law, including that the response is timely and, if Consultant denies access to the data, that Consultant's response references the statutory basis upon which Consultant relied. Consultant does not have a duty to provide public data to the public if the public data is available from City.

17. Choice of Law and Venue. All matters relating to the validity, construction, performance, or enforcement of this Agreement shall be determined in accordance with the laws of the State of Minnesota. All legal actions initiated with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued in the State of Minnesota District Court located in the City of Duluth, County of St. Louis, State of Minnesota.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

**[SIGNATURES APPEAR ON NEXT PAGE]**

IN WITNESS WHEREOF, City and Consultant have executed this Agreement for Consulting Services as of the date first above written.

**CITY:**  
**City of Hermantown**

By \_\_\_\_\_  
Its Mayor

And By \_\_\_\_\_  
Its City Clerk

**CONSULTANT:**  
**ZIMMERMAN/VOLK ASSOCIATES  
INC.**

By \_\_\_\_\_  
Its \_\_\_\_\_



ZIMMERMAN/VOLK ASSOCIATES, INC.

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Residential Market Analysis Across the Urban-to-Rural Transect

## PROPOSAL

For

# An Analysis of Residential Market Potential

For

The Proposed Downtown Study Area

In

The City of Hermantown,  
Saint Louis County, Minnesota

October 4, 2024

## INTRODUCTION

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This document outlines the scope of work designed to determine the depth and breadth of the potential market for new rental and for-sale dwelling units, to be added through new construction, within the Proposed Downtown Study Area in the City of Hermantown, Saint Louis County, Minnesota.

For the purposes of this study, the Proposed Downtown Study Area includes developable area within the bounds of Maple Grove Road to the north, Haines Road to the east, Anderson Road to the south, and Stebner Road to the west. The main parcels for which the city has site control include Stebner Park, where initial development would most likely occur.

For this analysis, Zimmerman/Volk Associates, Inc. will research and evaluate recent market activity and geo-demographic data relating to the City of Hermantown and Saint Louis County. The determination of the market potential for new dwelling units in the Study Area will be based on the housing preferences and economic capabilities of target households, the existing conditions and characteristics of the site, as well as the City's development objectives.

The Analysis of Residential Market Potential will determine:

- Where the potential renters and buyers of newly-created housing units in the Proposed Downtown Study Area are likely to move from (the draw areas);
- Who currently lives in the draw areas and what they are like (the target markets);
- How many are likely to move to the Proposed Downtown Study Area if appropriate housing units were to be made available (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- What their alternatives are (new construction or existing housing stock in the Hermantown market area);
- What are the unit sizes and configurations, and rents and prices and that correspond to the target households' housing preferences and financial capabilities (optimum market position); and
- How many newly-created dwelling units can be leased or sold within the Proposed Downtown Study Area over the next five years (absorption forecasts).

## SCOPE OF SERVICES

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This analysis will be conducted in three phases, outlined as follows.

### PHASE ONE: MARKET ANALYSIS

#### TASK 1—MARKET POTENTIAL: TARGET MARKET ANALYSIS

To achieve the study objectives and establish the framework for analysis, Zimmerman/Volk Associates will employ its proprietary target market methodology. The methodology developed by Zimmerman/Volk Associates, Inc. uses the Claritas PRIZM PREMIER household clustering system to establish the optimum market position for residential development of any property—from a specific site to an entire political jurisdiction—through cluster analysis of households living within designated draw areas.

This methodology was developed in response to the challenges that are inherent in the application of conventional supply/demand analysis to urban redevelopment. Historically, many urban areas have experienced population loss; since conventional supply/demand analyses generally project the continuation of past trends, the projections of “demand” in urban areas are often minimal, if not negative. Supply/demand analysis ignores the potential impact of newly-introduced housing supply on settlement patterns, which can be substantial when that supply is specifically targeted to match the housing preferences and financial capabilities of the draw area households.

In contrast to supply/demand analysis, then—which is based on supply-side dynamics and baseline demographic projections—target market analysis can determine the depth and breadth of the potential market derived from the housing preferences and socio-economic characteristics of households in the defined draw area, even in locations where no close comparables exist.

Clusters of households (usually between 10 and 15) are grouped according to a variety of significant “predictor variables,” ranging from basic demographic characteristics, such as income qualification and age, to less-frequently considered attributes known as “behaviors,” such as mobility rates, lifestyle choices and purchase preferences. Zimmerman/Volk Associates has refined the analysis of these household clusters through the correlation of more than 500 data points related to housing preferences and consumer and lifestyle characteristics.

Once the draw areas for a property have been identified—through field investigation, analysis of historical migration and development trends, and employment and commutation patterns—the households within those areas are quantified using the target market methodology. The potential market for new units is then determined by the correlation of a number of factors—including, but not limited to: household mobility rates; median incomes; lifestyle characteristics and housing preferences; the location of the site; and the competitive environment.



The end result of this series of filters is the optimum market position—by tenure, building configuration and household type, including specific recommendations for unit sizes, rents and/or prices—and projections of absorption within the local housing context.

#### Task 1.1—Work Plan and Kick-Off Meetings

A principal of Zimmerman/Volk Associates will participate in virtual meetings with stakeholders, city personnel, and any other relevant parties to understand the housing goals of the city and to answer any questions concerning the methodology used in this analysis.

#### Task 1.2—Draw Area Delineation

Zimmerman/Volk Associates will determine the appropriate draw areas for housing within the Proposed Downtown Study Area, based on historical settlement patterns, migration and mobility trends, and other market dynamics. The data will cover the most recent years available through the Internal Revenue Service, currently 2017 through 2021. The IRS data will be supplemented by mobility and migration data from the most recent American Community Survey (2023).

#### Task 1.3—Determination of Market Potential

Zimmerman/Volk Associates will determine the depth and breadth of the potential market for the City of Hermantown and the Proposed Downtown Study Area through target market analysis of households in the draw areas, as follows:

- Current (2024) household classification by market group within the draw areas.
- Qualification and filtering of the draw area households by relevant criteria including, among others, lifestyle, housing and neighborhood preferences, and household mobility rates.
- Identification of those households within the draw areas with the potential to move within or to the City of Hermantown and to the Proposed Downtown Study area.

The annual potential market for the Study Area will be correlated by household group (empty-nesters/retirees, traditional and non-traditional families, younger singles/couples); by income (below 30 percent Area Median Income—AMI, between 30 and 60 percent AMI, between 60 and 80 percent AMI, between 80 and 100 percent AMI, and above 100 percent AMI, or other income categories to meet specific client objectives); and by housing type, *e.g.*, multi-family for-rent (lofts/apartments), multi-family for-sale (lofts/apartments), single-family attached (rowhouses/townhouses/duplexes); and, if warranted, single-family detached.

#### Task 1.4—The Current Context: Supply-Side Analysis

Compilation of the current context, as follows:

- Information (where available) on the most recently developed relevant rental communities, by property.
  - Year opened.
  - Total units.
  - Occupancy rate.
  - Unit sizes by bedroom count.
  - Rents by bedroom count.
  - Location or street address.
- Information (where available) on the most recently developed relevant for-sale residential developments, by project.
  - Date opened.
  - Total units planned.
  - Units sold to date.
  - Unit sizes by housing type.
  - Sales prices by housing type.
  - Developer.
  - Location or street address.

If appropriate, when there are few or no properties currently marketing new units, individual resale units listed through Multiple Listing Service will be compiled.

### PHASE TWO: CONCLUSIONS AND RECOMMENDATIONS

#### TASK 2— DETERMINATION OF OPTIMUM MARKET POSITION

Target market data and supply-side data, as well as existing conditions, constraints and opportunities will be correlated and analyzed in order to determine the optimum market position for new housing units developed in the Proposed Downtown Study Area.

Recommendations will include:

- Housing and unit types appropriate within the Proposed Downtown Study Area;
- Unit sizes and configurations preferred by the potential market;
- Unit price ranges (for ownership units);
- Unit rent ranges (for rental units); and
- Annual market capture by value (price and rent) range, over the next five years (absorption forecasts).

### PHASE THREE: PUBLICATION

#### TASK 3.1—DELIVERY OF THE DRAFT STUDY

The draft market analysis, including text and all appendices, will be provided in print-compatible Adobe Portable Document File (.pdf) format for review by the client.

#### TASK 3.2—DELIVERY OF THE FINAL STUDY

The final market analysis, including text and all appendices, will be provided in print-compatible Adobe Portable Document File (.pdf) format for unlimited reproduction of the study.

#### CLIENT OBLIGATIONS

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The client will provide information on the Proposed Downtown Study Area that might be germane to the assignment. The client will also provide any other existing data to which it has access that it deems to be relevant to the assignment.

Acceptance of this proposal by the client will guarantee payment of fees and reimbursement of expenses, as outlined below, in a timely fashion.

#### PROFESSIONAL FEE

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The professional fee for the Analysis of Residential Market Potential, and excluding direct expenses is \$24,500.

Reimbursable expenses for the analysis are not anticipated—with the exception of a flat fee of \$250.00 covering census, demographic, and consumer data—however if an in-person meeting is required transportation, lodging, and meals will be rebilled at cost.

#### BILLING, PAYMENT AND TERMINATION

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The total professional fee will be invoiced as follows:

- \$7,500 upon execution of this agreement.
- \$15,250 upon delivery of the draft study (includes the \$250 data fee).
- \$2,000 upon delivery of the final study.

In-person meeting and/or workshop fees and expenses would be invoiced as incurred at the ZVA principal rate of \$1,500 per day.

All payments are within 30 days of the billing date. Payments received after 30 days may be assessed a one-and-a-half percent (1.5%) per month late payment charge at the discretion of Zimmerman/Volk Associates.

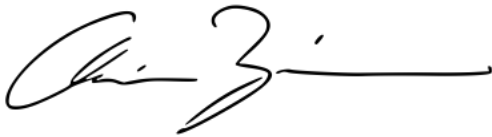
This agreement can be terminated by either party with written notice. In the event the contract is terminated by the client, Zimmerman/Volk Associates will cease all work upon receipt of written notice. The amount due Zimmerman/Volk Associates shall be calculated according to the actual work completed as a percentage of the total project.

ACCEPTANCE \_\_\_\_\_

This proposal will become effective with the appropriate signatures below. One signed copy should be returned to Zimmerman/Volk Associates.

Upon acceptance with authorized signatures below, this document constitutes the entire contract between the client and Zimmerman/Volk Associates. Any modification to this proposal must be made in writing, signed by both parties, and attached to this document.

The authorized signatures below show acceptance of the terms and obligations of this proposal by Zimmerman/Volk Associates, Inc., and the client.



\_\_\_\_\_  
Christopher Volk-Zimmerman  
For ZIMMERMAN/VOLK ASSOCIATES, INC.  
October 4, 2024

The methodology, schedule, client obligations, fees, and payment method outlined above, as well as any signed attachments, are accepted for the client with the following signature(s) of responsible and authorized individual(s):


For the client:

\_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

<b>HEDA MEETING DATE:</b>		October, 24 2024	
<b>TO:</b>	HEDA Commissioners		
<b>FROM:</b>	Chad Ronchetti, Economic Development Director		
<b>SUBJECT:</b>	Section 24 Development Planning		

**RESOLUTION:**                       **WORK SESSION**                       **OTHER:**

**REQUESTED ACTION**

Provide input and guidance on the next steps for master planning the future physical development of Section 24.

**BACKGROUND**

Urban Design Master Plan

The shared community vision of the 2011 Advance Hermantown, which asked what Hermantown wanted to be known for in 10 or 20 years, and one of the Destiny Drivers was to identify and define a community gathering site and master plan it’s development. The Essentia Wellness Center has met that challenge. With over 1,000 visits per day, that community center is a resounding success.

Yet, during the community center discussions of the Advance Hermantown initiative, people also conveyed a desire to have a center of our community. Still today, the people of Hermantown often discuss a need for a downtown-style commercial center where the community can gather. A place with a uniquely Hermantown identity that acts as a gathering place and brings us together to live and share our lives: a mixed-use commercial core.

In 2015, the City of Hermantown identified the Hermantown Marketplace as a core geography for focusing density in our land use.

In 2021, the City of Hermantown made a significant investment with the Section 24 Trunk Sewer Project that opened up more than 230 acres along the City’s eastern edge to development opportunities, including in the density-zoned Hermantown Marketplace. An Urban Design Master Plan is best practice for (re)developing neighborhoods and would allow us to fully leverage our new taxpayer asset (the Section 24 Trunk Sewer), better attract private investment, and infuse our community identity into the center of our community. Urban design master planning is a helps align land uses, public infrastructure projects,

**Hermantown Economic Development Authority**

**HEDA’s mission is to intentionally lead economic growth, creating a vibrant and prosperous community.**

and buildings with the values of a community. It differs from a comprehensive plan in several key ways:

- Site Specific
- Shorter term
- High focus on the public realm (relationship between open space, streetscapes and the built environment)
- Includes Design Guidelines: i.e. facades, signage, streetscape elements, landscaping, etc.
- Includes planning for public utilities
- Higher user of graphics and 3D model concepts
- Creation of an implementation plan

Through Urban Master Planning, we build a vision for what we want our commercial and community center to be. It will help our community guide the physical form, economic functions, and social impacts of the a newly constructed urban environment and the location of different activities within it.

#### Private Developer Partner Selection

To be vibrant and competitive, communities must be ready for development. This involves planning for new (re)investment, identifying assets & opportunities, and focusing our limited resources. Community best practice for development includes the identification, packaging, and marketing of priority (re)development sites. One well recognized method of accomplishing this is through the preparation and issuing of a developer request for qualifications, or RFQ.

An RFQ is a process communities use to select a development partner for their priority (re)development sites. Effectively, it is a marketing and matchmaking process between community and developer. The goals of an RFQ are to:

- Define and state the community's goals for a priority site
- Get the attention of a pool of potential developers
- Select a developer who can best execute the desired concept on the site

What is the difference between and Request for Proposals (RFP and an RFQ)?

RFPs are often issued for the acquisition of a commodity, but development projects are much more unique than a commodity. Real estate development has many more uncertainties than simple procurement, and the set of developers pitching projects for a site will vary on many dimensions. A community must select a development partner they're willing to navigate those uncertainties with in an ongoing relationship. The selection at the end of an RFQ is not then based on price and timeline, but on the compatibility of the developer's vision/culture with the community's, and the track record of the developer in being able to execute a shared vision.

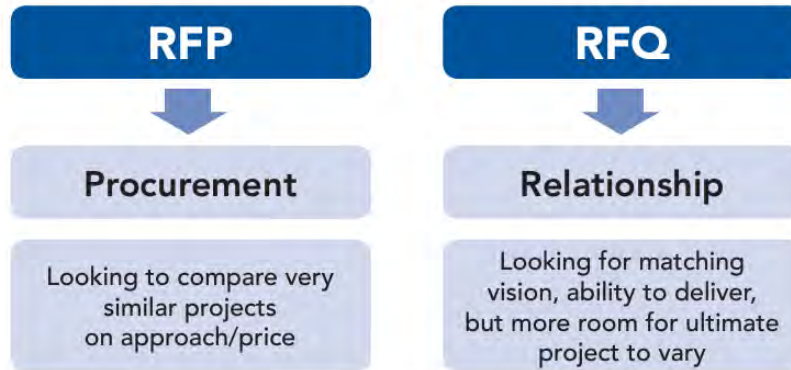
#### **Hermantown Economic Development Authority**

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**HEDA's mission is to intentionally lead economic growth, creating a vibrant and prosperous community.**

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The development of publicly owned property (current or future) in Section 24 would essentially be the first phase of effectuating the Section 24 Master Plan. It is paramount that the right development partner be alongside us when finalize the plan and hear the community’s input during the planning process in order to effectively bring to life the vision we built.

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**SOURCE OF FUNDS (if applicable)**

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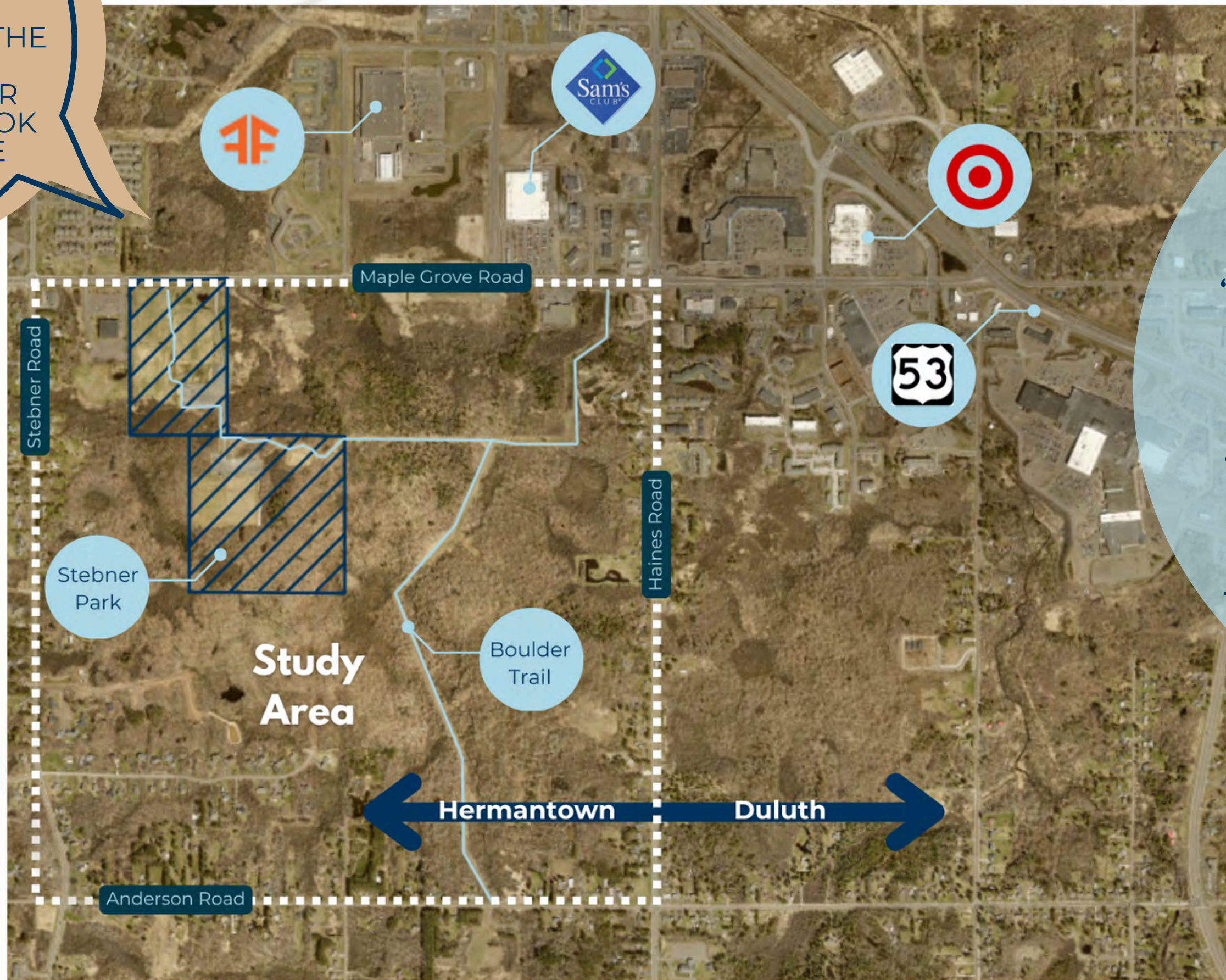
**ATTACHMENTS**



# Vision Boards

CREATING A SENSE OF PLACE:

WHAT SHOULD THE COMMERCIAL CENTER OF OUR COMMUNITY LOOK AND FEEL LIKE



## ADVANCE HERMANTOWN DESTINY DRIVER:

Identify and define a community gathering site and its master plan for development

“What should a community center include? Where should it be located? What kind of things brings people together? What does the community really want in such a place?”

“A gathering place could be a place where our sense of community is strengthened and brings us together, not only physically, but also could bring us together in a spirit of community as well.”



# Vision Boards

## Uptown

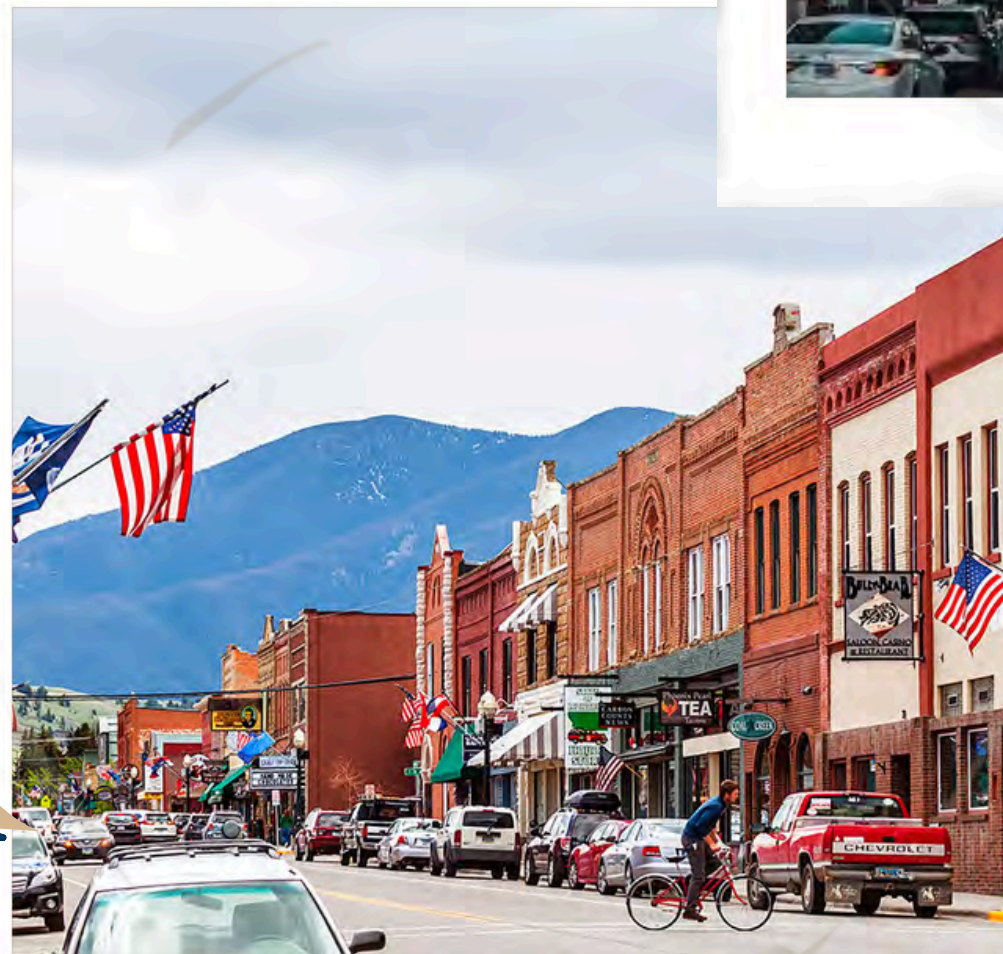


SENSE OF PLACE  
STAUNTON, VA



WALKABILITY  
TRAVERSE CITY,  
MI

ICONIC  
ARCHITECTURE  
EUREKA SPRINGS,  
AK



CLASSIC  
"JACKSON HOME"  
BRICK  
RED LODGE, MT



ACTIVATION  
FARGO, ND

City of  
**Hermantown**  
Minnesota

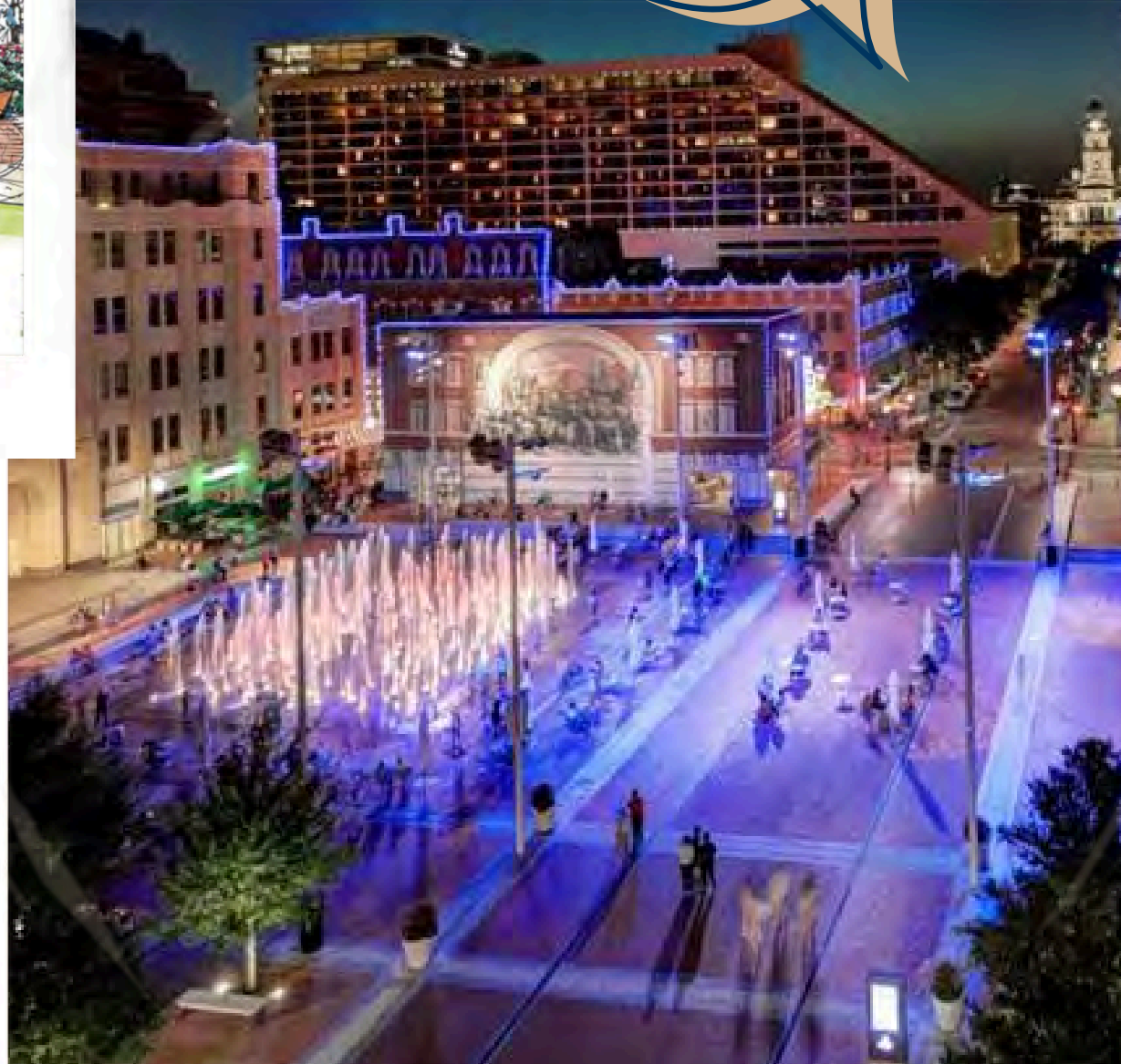


# Vision Boards

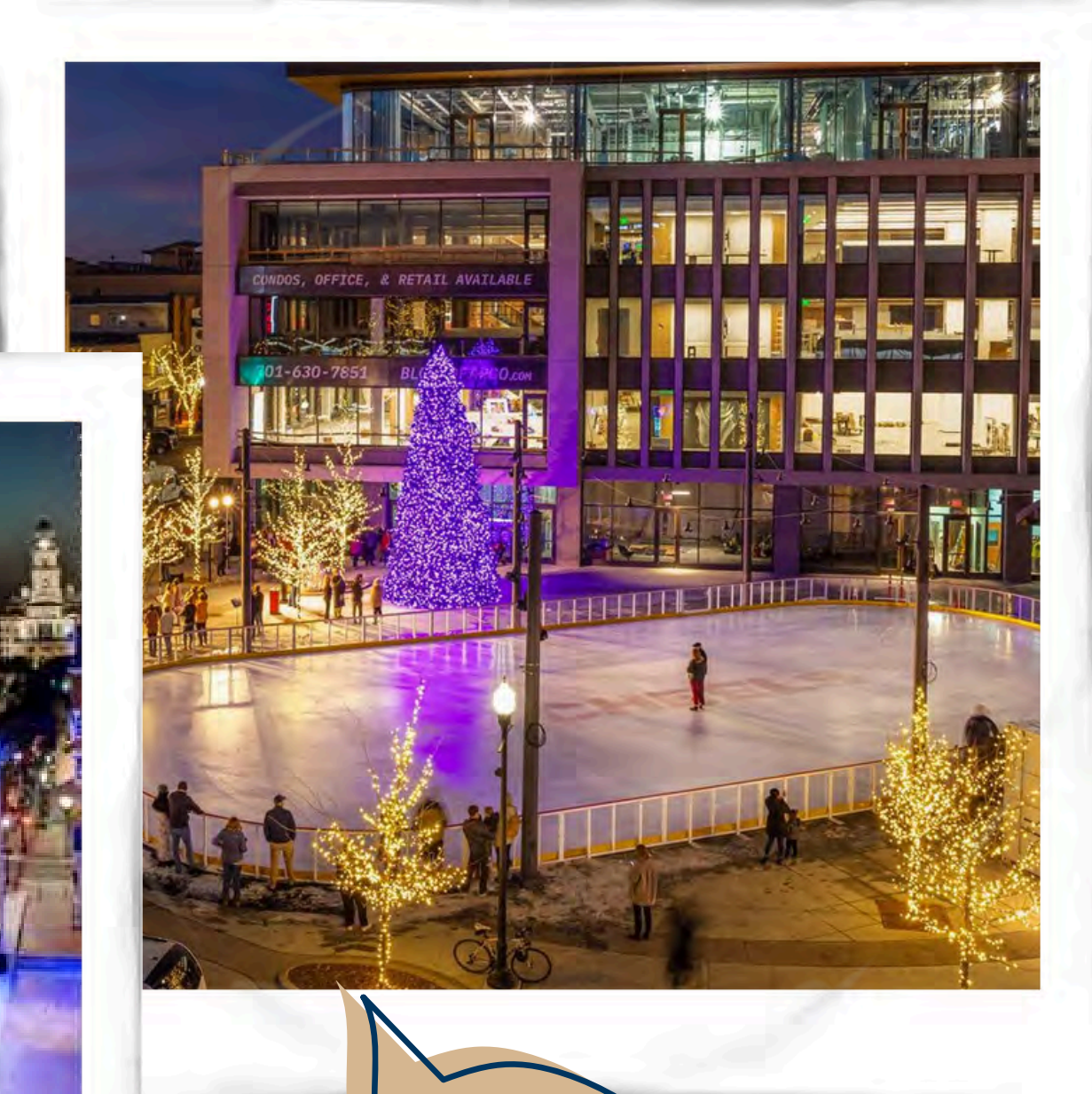
Public Square



SPLASH PAD  
FORT WORTH, TX



PUBLIC  
FOUNTAIN  
XENIA, OHIO



OUTDOOR  
COMMUNITY RINK  
FARGO, ND



# Vision Boards



IN/OUTDOOR  
ANN ARBOR, MI



DEDICATED  
BUILDING  
FLINT, MI

**Farmer's  
Market**

SEASONAL  
OUTDOOR  
EAU CLAIRE, WI





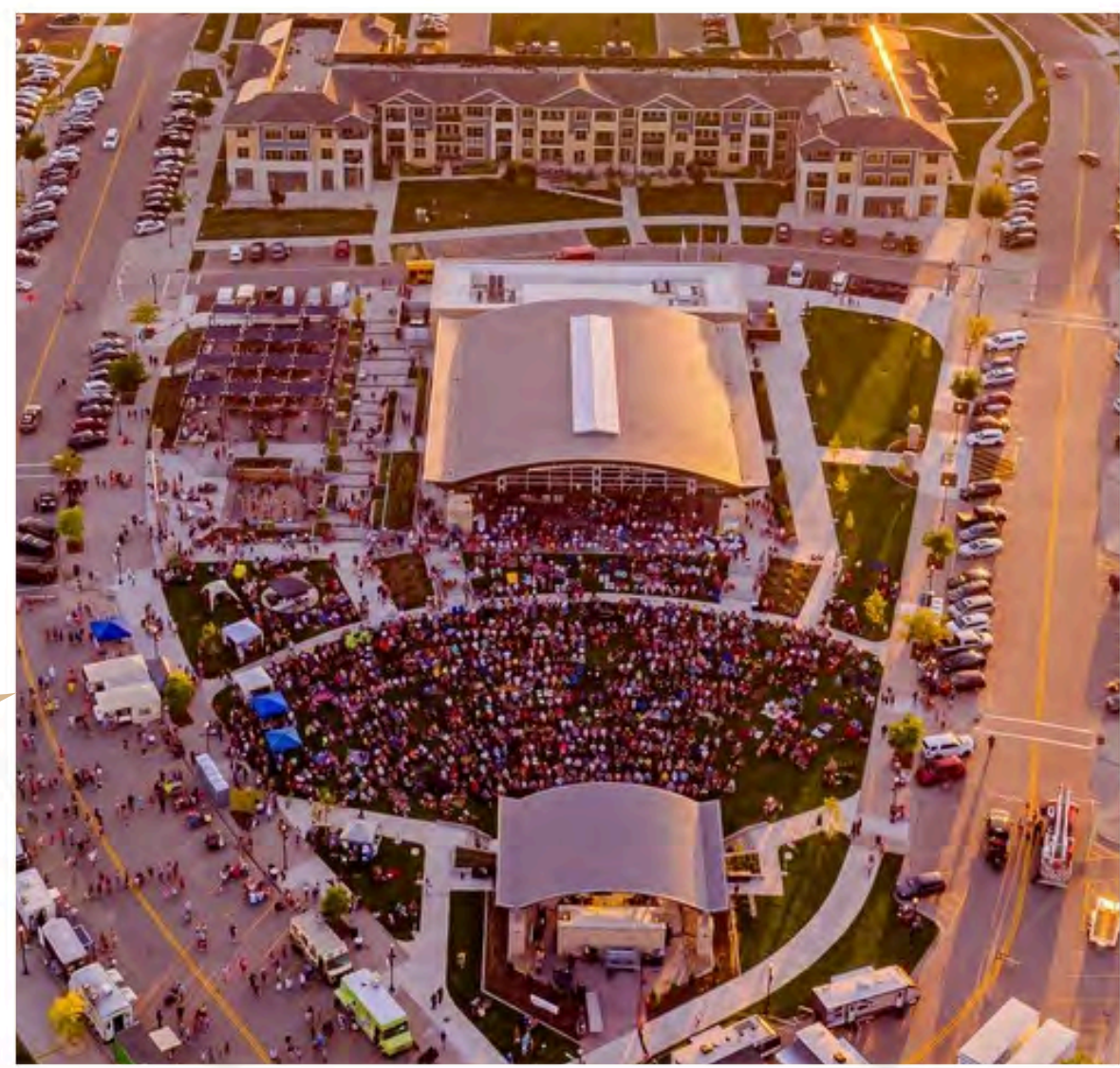
# Vision Boards

## Sports & Event Center



FOOD HALL  
MALCOM YARDS  
MINNEAPOLIS, MN

AMPHITHEATER  
HOWARD COMMONS  
HOWARD, WI



OUTFIELD APARTMENTS  
LANSING, MI

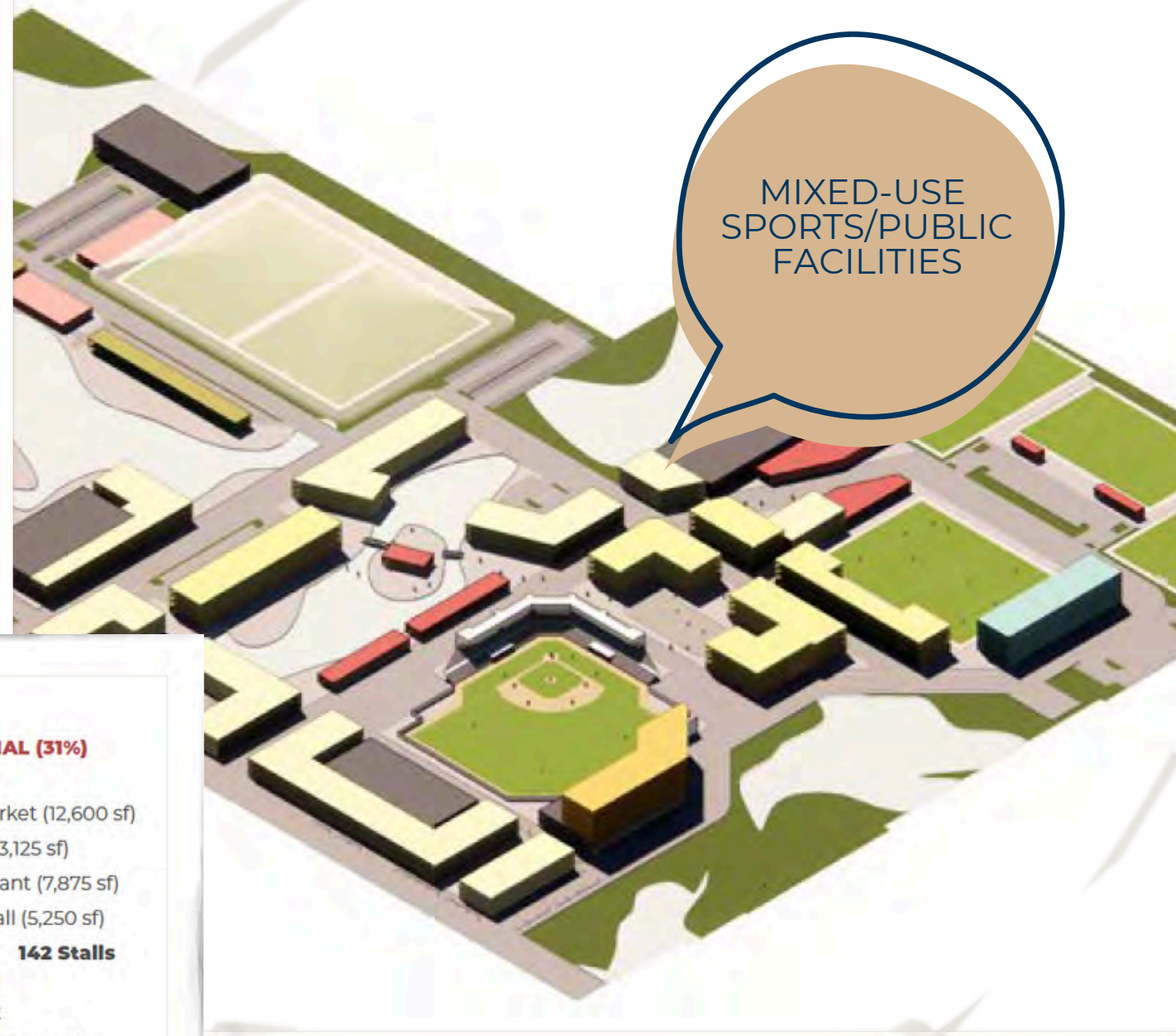


# Previous Studies

# Vision Boards



KEEN CREEK  
HOUSING  
AMENITY



MIXED-USE  
SPORTS/PUBLIC  
FACILITIES

<b>112%</b>	<b>RETAIL / COMMERCIAL (31%)</b>
	38,850 Square Feet
	Farmer's Market (12,600 sf)
	50% Retail (13,125 sf)
	30% Restaurant (7,875 sf)
	20% Food Hall (5,250 sf)
	Parking Required: <b>142 Stalls</b>
<b>91%</b>	<b>APARTMENTS (39%)</b>
	334,160 Square Feet
	20% Studio (73 Units)
	50% 1-Bed (183 Units)
	30% 2-Bed (109 Units)
	Parking Required: <b>475 Stalls</b>
-----	
	Total Parking Req'd: <b>556 Stalls</b>
	Surface Parking: <b>369 Stalls</b>

USE & DENSITY  
MIX

**EXAMPLE  
MASTER PLAN  
RFP**



**CITY OF  
NISSWA**

# **Downtown Master Plan Request for Proposals**

**Issued March 20, 2024**

**Proposals Due April 22, 2024**

**Submit To:**

**City of Nisswa**

**Attn: Jenny Max**

**5442 City Hall St, PO Box 410**

**Nisswa, MN 56468**

# Request For Proposals For Downtown Master Plan

## SECTION 1: GENERAL INFORMATION

### Project Overview

The City of Nisswa is soliciting proposals from qualified professional consulting firms with considerable experience in planning and urban design, community development, citizen engagement, and marketing to develop a downtown master plan.

Since its adoption in 2019, the City of Nisswa's 2030 Comprehensive Plan has guided recent development. However, with the growth of the community and aging infrastructure, the need to create a master plan is critical to continue efforts to preserve and expand the downtown area, promote mixed use development and opportunities, anticipate up-coming community needs, and plan for future growth. Nisswa envisions a plan that will provide a 15-to-20-year roadmap to help guide the City, the community, downtown stakeholders and businesses, and local tourism in future development. The master plan will serve as a guiding document to provide a foundation, detailed strategic vision, and direction for years to come.

With this master plan, the City hopes to take a proactive approach in developing a downtown master plan to ensure that Nisswa maintains its well-established character and small town atmosphere, while providing for improved infrastructure, pedestrian needs, placemaking, and future development.

### Supporting Documents, Plans, and Considerations for Developing the Downtown Master Plan:

1. 2030 Comprehensive Plan, adopted May 2019
2. Park & Recreation Master Plan, adopted February 2023
3. ADA Transition Plan (completed in 2024)
4. 2025 Road Bond (planning stages)
5. Safe Routes to School (initial stages)

### Guiding Principles

The Downtown Master Plan and planning process will be led by a set of guiding principles that set the stage for planning process, citizen engagement, design, and prioritization of plan elements as well as implementation/decision making. These guiding principles are as follows:

1. Culture: To maintain the family-friendly, year-round community that embraces recreation, arts & culture, tourism, stewardship, and the lake lifestyle through a cohesive and unpretentious downtown.

2. **Mobility:** To turn Main Street and connecting streets into a welcoming destination that is safe for pedestrians and cyclists, has adequate parking, facilitates walkability, and offers more connections to downtown experiences.
3. **Environment:** To remain a sustainable and conservation-focused community that is connected to the lakes and surrounding natural landscapes.
4. **Inclusion and Equity:** To provide for multi-generational opportunities and ensure equitable access and availability for residents and visitors.
5. **Economy:** To provide for the development and expansion of the downtown area in a way that promotes year-round employment, generates everyday activities in the community, and preserves and supports the existing business community.

## **SECTION 2: SCOPE OF SERVICES**

With oversight from City staff as well as guidance from the Planning Commission, the selected consultant team will lead the planning process and develop project deliverables as outlined within this section. The services required of the firm are anticipated to begin in May/June of 2024.

1. **Project Management:** The consultant will lead the overall project to ensure that the project objectives are met. Staff will support the consultant team in all aspects of the project. Consultant will provide regular updates to the staff and the Planning Commission. Consultant will present updates to the Planning Commission and City Council.
  - a. Performed by a professional team of staff that adheres to the guiding principles previously listed.
  - b. Regular communication with the Planning Commission and internal City staff.
  - c. Provide presentations to policy makers, including: Planning Commission, City Council, and other commissions or stakeholder groups as needed.
  - d. Develop agendas, minutes, materials and lead meeting facilitation throughout the process.
  - e. Maintain documentation from all meetings, correspondences, site visits and workshops.
  - f. Conduct research pertaining to plan components.
2. **Community Engagement & Public Engagement Plan:** The consultant shall be responsible for developing a comprehensive participation program that encompasses public engagement activities at each phase of the project. The purpose of public engagement is to gather local knowledge and experience from members of the general public, business owners, and other key stakeholders. Vital to the development and success of the plan, the consultant must facilitate participation and interaction of residents, property owners, business owners and leaders, churches and key community organizations,



elected officials, utility providers, City staff, and other key stakeholders. At a minimum, the public engagement and participation plan should:

- a. Utilize a mix of in-person interactive activities and open houses, traditional media, social media, in-person work sessions, online polling, and should take advantage of the many public bodies that meet regularly. City staff will be available to aid in the implementation of the public engagement plan.
  - b. The participatory process must also be creatively designed to seek out and involve residents and other stakeholders who are unlikely to participate in standard meeting style community engagement processes.
  - c. Strategy should address disparities and engage a diversity of people including (but not limited to) geographic, generational, racial, socio-economic and accessibility.
  - d. Additionally, the process must ensure that participation is reflective of current and future citizenry, visitors, and tourism. The overall goal of the participatory process is to increase the ownership of the final product.
3. Market Analysis, Existing Conditions & Data Analysis: The consultant will work to understand the market conditions, context, trends, and related information applicable to the downtown area in relation to the larger community and the Brainerd Lakes Area. This information and data will be used to inform the study and to ground the study in objectivity.
4. Vision & Goal Setting: The consultant will work with the City and project stakeholders in developing a broadly supported and achievable vision for a long-term future design and character of downtown Nisswa, along with related goals that help accomplish the same.
5. Plan Focus Areas: The consultant will work with the City during the planning process to solidify areas of focus for the study based on existing conditions, data analysis, stakeholder input, and overall vision.
- a. Infrastructure Assessment and Solutions: review of current downtown infrastructure to include sidewalks, pathways, bicycle facilities, housing, parking, traffic flow and calming mechanisms, waste collections, stormwater, Wi-Fi access, and utilities. Proposed solutions to any areas of concern or issue, shall be addressed.
  - b. Placemaking: The City desires to create and integrate placemaking as part of the larger downtown master planning effort. Included in this is the re-envisioning of Pocket Park, located on Main Street. It is anticipated that placemaking (in its many forms) will undergird and integrate with all elements of the project scope, including the other focus areas listed below, and work in concert with Nisswa's approved parks and recreation master plan.

- c. **Business & Economic Development:** The City of Nisswa is a well-known vacation and shopping destination. Voted as WCCO Viewer’s Choice for Best Small Town in Minnesota in 2018, Nisswa is home to multiple festivals and events that showcase downtown Nisswa’s established aesthetic. The Nisswa Chamber of Commerce holds a large presence in the economic vitality of Nisswa and this plan should reflect the City’s desire to support their efforts and preserve existing Main Street and Chamber activities. The City is interested in exploring development and growth opportunities off Main Street, including mixed use applications, and creating a cohesive downtown master plan that honors the integrity of the community.
  - d. **Parking, Access & Walkability:** A lack of parking is often cited as a negative aspect for locals, visitors, and potential developers alike. Short-term and long-term parking solutions should be identified and evaluated (including the potential for public parking) which are appropriate for a walkable urban environment. A major component of this is to address pedestrian movement, crosswalks, trails, and other structural ways to improve the pedestrian experience.
  - e. **Streetscape/Infrastructure:** A very important part of the downtown master plan will be in keeping with the identity of downtown Nisswa. Creating a design of unique & quality streetscape components including hardscape elements, light fixtures, seating, litter receptacles, bike racks, wayfinding signage and landscape plantings, etc., that will create a cohesive downtown identity is central to the plan. An emphasis of the planning process will be centered around staff identified priority areas, with improvements to other areas being done as they are required and/or scheduled.
  - f. **Activation:** Ideas and visual concepts for increasing the activation of downtown parks, sidewalks, and storefronts; including streetscapes, signage, pedestrian access, parking, wayfinding, and other public amenities.
  - g. **Funding Mechanisms:** All recommended concepts should include cost estimates and potential funding sources.
6. **Deliverables:** It is anticipated that the project will result in the following deliverables, although the consultant and/or City may identify additional intermediate deliverables when the final scope of work is negotiated. Within the proposal, consultant is encouraged to include any additional or alternative deliverables, dates/deadlines that would be necessary, based on their professional expertise and knowledge.
- a. A downtown master plan document which details the process, inputs, findings, results, conclusions, and recommendations.
  - b. A detailed and pragmatic plan of action to implement the plan’s recommendations, including timelines, roles and responsibilities, necessary resources, and anticipated funding mechanisms.

- c. Presentations to Planning Commission, City Council, and other applicable stakeholder groups.
- d. The final plan shall include the following items:
  1. An executive summary of the plan's findings.
  2. An overview of the findings of the public involvement phase.
  3. A summary of the data collection and analysis phase including a comparison of similar communities.
  4. A summary of findings including maps, graphics, charts, cost estimates, and photos identifying a unified vision for downtown Nisswa. This section shall also include goals, objectives and strategies for achieving this overall vision.
  5. A highly graphic and interactive complete Downtown Master Plan that can be easily disseminated and understood by the public to include, but not limited to: 3d Images and videos, seasonal streetscapes, color rendered illustrative plans, before and after elevations of proposed streetscape changes, etc.
  6. Create effective and innovative design concepts that will provide businesses and residents with a unique downtown that does not detract from the feel and character of Nisswa.
  7. Design guidelines, building and structural elements, infill development, streetscape, wayfinding, stormwater and drainage landscape design.
  8. Comprehensive guide for development which fosters desired economic growth and encourages high quality land development.
  9. Identify potential areas suited for redevelopment and/or infill development and create visual concept plans.
  10. Identify methods and strategies to strengthen and support existing downtown businesses and a provide a road map to effectively and sustainably provide for future growth and expansion.
  11. A detailed implementation plan and schedule with measurable benchmarks split between short-term implementation strategies (0-5 years) and long-term strategies (5-20 years). The implementation plan should identify specific action items and the party responsible for implementing it.

The items in this list are intended to be the minimum required. The selected consultant may add more information to this list if they find it valuable to the overall success of the downtown master plan. The City is looking for creative proposals and a plan that is ultimately user friendly for all downtown stakeholders.

### **SECTION 3: PROPOSALS**

The proposal shall contain the information as summarized below and structured accordingly. Additional information is allowable as long as it is directly relevant to the proposed project.



## Proposal Format

The submittal should follow the Table of Contents listed below:

1. Cover Page/Introductory Letter
2. General Information
  - a. General information and a brief history of the firm.
3. Project Understanding
  - a. A summary of the firm's understanding of the work including your firm's scope of services necessary to perform and fulfill the objectives and methods of how your firm plans to fulfill those objectives.
4. Project Approach
  - a. Provide specific approaches, methods, and assumptions that will be utilized to accomplish the development of this project, including each work phase and any special or unique services the firm may provide. Include details about the firm's approach to coordinating a meaningful and robust public process.
5. Proposed Project Team and Experience
  - a. Identify the key project team members and describe their specific roles on the project. Include key team members from sub-consultant firms, if any, what their responsibilities will be and a summary of applicable experience and qualifications.
  - b. Include one-page resumes only for key members of the project team, including field personnel.
  - c. Describe relevant experience and provide information on at least two (2) reference projects completed in the last five (5) years. Provide agency references and contact information.
  - d. Please indicate if your company has a Diversity and Inclusion policy or program. If so, briefly describe the policy or program and how your firm directly integrates this into your services.
6. Schedule
  - a. A proposed schedule from project initiation to final completion. The schedule should include a listing of key tasks within each phase, key milestones and approximate dates and deliverables.
7. Additional Information
  - a. Include any other information that is believed to be pertinent, but not specifically requested elsewhere in this RFP.
8. Total Consultant Cost
  - a. The consultant cost should be itemized as follows:
    1. Proposed costs for each scope of work for the project as listed in Section 2.
    2. Hourly rates for all consultant employees who are expected to work on this project. These rates shall be the agreed upon costs for any additional

services requested by the City of Nisswa, above what is detailed in the scope of this RFP.

3. Reimbursable costs including detail of service or item and applicable charge per unit.
4. Not to Exceed cost for the project. Proposals that do not include a 'Not to Exceed' cost will be disregarded with no further consideration. It is the responsibility of the proposing firm to accurately predict the amount of time that they will need to spend on all services for the project.

#### **SECTION 4: CONSULTANT SELECTION**

The proposals will be reviewed by City Staff. The intent of the selection process is to review proposals submitted by qualified consultants and make an award based upon qualifications as described therein. The factors on which proposals will be judged are:

1. Qualifications and experience of key team members with projects of similar scope and complexity. Must possess the leadership skills necessary to navigate the project through the public process.
2. Quality and completeness of the proposals.
3. Stakeholder and public engagement plan.
4. Understanding of the project, the area, and City needs.
5. Demonstrated track record in successfully completing similar projects on time and within budget. Successful experience of both the firm itself and the individual team members will be considered.
6. Proposed consultant cost.

The consultant team should have expertise in comprehensive long-range planning of communities of similar size and scope. Each proposal will be evaluated based on qualifications. The City has the right to refuse any and all RFP's in whole or in part and select the proposal deemed by the governing body to be in the best interest of the City. Firms that are not selected will be notified in writing.

#### **SECTION 5: CONTRACT TERMS AND CONDITIONS**

Upon selection of a Consultant, an Agreement or Contract for Services shall be entered into by the City and the Consultant. It is expected that the contract will provide for compensation for actual work completed on a not to exceed basis, and the following conditions:

1. Deletions of specific itemized work tasks will be at the discretion of the City. Payment or reimbursement shall be made based on tasks that have been satisfactorily completed. Billing that exceeds the not to exceed amount will not be compensated unless a contract extension has been approved in advance by the City Council.
2. The City shall retain ownership of all documents, plans, maps, reports and data

prepared under this proposal. In addition to being provided hard copies and digital documents throughout the project, upon completion the consultant shall supply the City of Nisswa with a fully scanned project file in PDF.

3. If, for any reason, the Consultant is unable to fulfill the obligations under the contract in a timely and proper manner, the City shall reserve the right to terminate the contract by written notice. In this event, the firm shall be entitled to just and equitable compensation for any satisfactory completed work tasks, as recommended by the City Administrator and approved by the City Council.
4. The Consultant shall not assign or transfer any interest in the contract without prior written consent of the City.
5. The Consultant shall maintain comprehensive general liability insurance in accordance with Minnesota Statutes § 466.04.
6. The Consultant shall defend, indemnify and hold harmless the City of Nisswa, its officials, employees and agents, from any and all claims, causes of action, lawsuits, damages, losses or expenses, including attorney fees, arising out of or resulting from the Consultant's (including its officials, agents, sub-consultants or employees) performance of the duties required under the contract, provided that any such claim, damages, loss or expense is attributable to bodily injury, sickness, diseases or death or injury to or destruction of property including the loss of use resulting therefrom and is caused in whole or in part by any negligent act or omission or willful misconduct of consultant.
7. The Consultant contract shall be governed by the laws of the State of Minnesota.
8. Project summaries shall be submitted with each invoice during the course of the project. Each summary shall detail the amount billed to date, work items that need to be completed, the estimated costs to complete these tasks and the projected timeline for the completion of the project. Invoices submitted to the City shall include a detailed breakdown of times, personnel, mileage, etc. chargeable for that period.

## **SECTION 6: CONCLUSION AND SUBMITTAL**

The contents of this RFP will be included as part of the contractual obligations if a contract ensues. All information in the proposal is subject to disclosure under the provisions of Minnesota Statutes Chapter 13 – Minnesota Government Data Practices Act.

Any requests for additional information that may be needed for the preparation of the proposal should be directed via email to Jenny Max, City Administrator, at [jmax@ci.nisswa.mn.us](mailto:jmax@ci.nisswa.mn.us). All questions must be received before 4:00 P.M., Wednesday, April 10, 2022. No responses will be provided for questions received after that time. The City may request interviews (in-person or virtual) to be conducted on Thursday, April 25<sup>th</sup> or Friday, April 26<sup>th</sup>.

If the City deems it necessary to revise any part of this RFP before the proposal response date, the City will post an addendum to its website <https://www.cityofnisswa.com>. The City will make every effort to notify prospective firms of any RFP revisions via e-mail; however, it is the Proposer's responsibility to periodically check the website for any new information.

Please provide two (2) paper and one electronic (PDF) copies of the Proposal for the evaluation process. All firms submitting a proposal shall identify a single point of contact in order to correspond with the City. The preferred method of communication is via email.

Proposals shall be addressed to:

City of Nisswa  
Jenny Max, City Administrator  
5442 City Hall Street  
PO Box 410  
Nisswa, MN 56468  
jmax@ci.nisswa.mn.us

**Proposals will be accepted until 4:00 P.M. on Monday, April 22, 2024.**

# **EXAMPLE DEVELOPMENT PARTNER RFQ**



# Request for Developer Qualifications (RFQ)

The city of Ypsilanti offers four acres of vacant land for residential development, adjacent to the Depot Town entertainment district and popular Historic East Side neighborhood.

Asking price \$250,000

220 North Park Street  
Ypsilanti, Michigan



**CONTENTS**

- Development Opportunity.....2
- Site Context: Ypsilanti, Michigan.....3
- Site Vision.....4
- Market Conditions.....5
- Development Process.....6
- Incentives & Environmental Conditions.....7
- Selection Process and Criteria.....8



## Development Opportunity

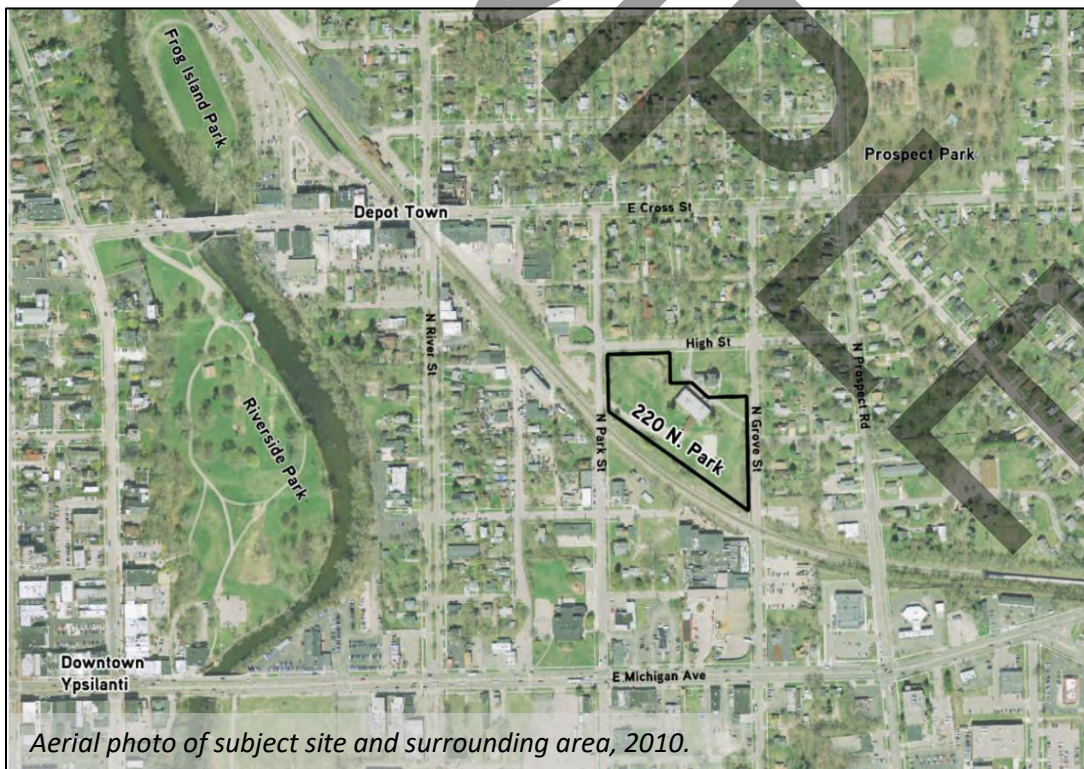
The city of Ypsilanti, Michigan seeks developers for the city-owned property at 220 North Park Street. The 4.46-acre vacant parcel provides an opportunity to offer new-build housing options in the midst of a thriving historic neighborhood in walking distance to downtown Ypsilanti, the Depot Town entertainment district, and Eastern Michigan University's main campus.

The city's preferred development for this site would:

- Create new, for-sale residential options in a combination of single-family detached, duplex, and townhome formats
- Include at least 10% of units as accessible and barrier-free
- Offer site layout and building design that respects and complements the adjacent Historic East Side Neighborhood
- Include east to west public access via a bike/walk path across the southern edge of the property and a street or alley through the property, aligned with existing Locust Street to the east
- Offer residences ready for occupancy within two years of property sale
- Not require a payment in lieu of taxes (PILOT) or other long-term tax abatement

The city's asking price is \$250,000. The city may consider reductions to this price in support of an optimal development plan. Preference will be given to projects with environmental sustainability components such as solar/alternative energy generation, green development techniques, etc.

Interested development teams are invited to submit qualifications to the city by **June 1, 2017**; please refer to page 8 for submittal details.



*Aerial photo of subject site and surrounding area, 2010.*

## Site Context: Ypsilanti, Michigan

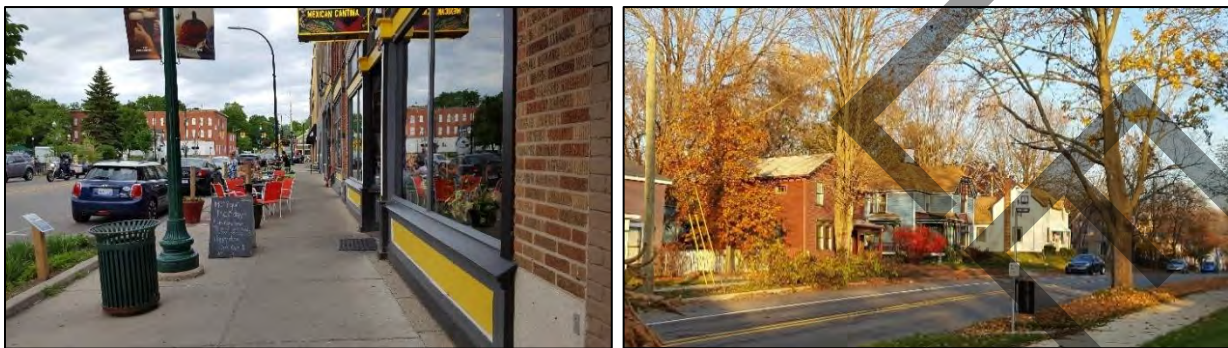
Ypsilanti, the home of Eastern Michigan University, is a creative and diverse community of around 20,000 people clustered in an historic 4.51 square miles in southeast Michigan. Just 30 miles from Detroit, and 15 minutes from Ann Arbor's University of Michigan, Ypsilanti possesses a unique and solidly authentic urban vibe.

Nearby assets include:

- **Depot Town** historic commercial district, just two blocks from the development site, features cafes, destination restaurants, a microbrewery, farmers market, and small grocery store.
- **Riverside Park**, just beyond Depot Town, hosts annual events ranging from the Michigan Elvis Festival to the Michigan Summer Beer Festival, car and motorcycle shows, and the Color Run, as well as access to the Huron River.
- **Downtown Ypsilanti** offers unique retailers, restaurants, art galleries and live theater, the public library and post office, and EMU College of Business a mile from the site.
- **Eastern Michigan University's** main campus is an easy 20-minute walk from the site, with an enrollment of nearly 22,000 students. The **Live Ypsi** homebuyer program offers incentives to EMU faculty and staff to support living near campus.<sup>1</sup>
- **Ypsilanti International Elementary School**, an International Baccalaureate preschool and elementary program, recently opened four blocks to the north, at 503 Oak Street. Ypsilanti's IB middle and high schools have received acclaim in recent years, with the high school achieving the second highest SAT scores in Michigan last year.<sup>2</sup>

Ypsilanti is part of both the Ann Arbor and Detroit labor markets, with residents employed in medical, higher education, engineering, and IT fields throughout the region.<sup>3</sup>

The site offers great access to these and other destinations with a WalkScore of 77, local bus service ("TheRide") connecting throughout the Ann Arbor/Ypsilanti area, and future commuter rail service linking Depot Town to Ann Arbor, Detroit Metro Airport (DTW), Dearborn, and Detroit.



*Nearby Depot Town (left) and the Historic East Side Neighborhood (right) surround the site.*

<sup>1</sup> Live Ypsi Homebuyer Program, <https://www.emich.edu/liveypsi/>

<sup>2</sup> "Which Michigan high schools had the top SAT scores?" Detroit Free Press, August 30, 2016. <http://www.freep.com/story/news/education/2016/08/30/sat-scores-michigan-schools/89430960/>

<sup>3</sup> For an area labor market profile, refer to <http://cityofypsilanti.com/666/220-N-Park-RFQ>



## Site Vision

To provide a concept of the type of development the City of Ypsilanti would like to see on the site, sample site concepts have been prepared. These images are intended to be illustrative, and the city is open to alternative approaches that fit the site and neighborhood context.

### **Site Concept and building type inspirations: 44-unit townhome development**



## Site Vision, continued

Alternative site scenarios: 25-unit single-family and duplex; 54-unit 4- and 6-plex condo



## Market Conditions

### Residential Market Potential

A target market analysis completed in 2015 shows demand for new housing in and around downtown Ypsilanti. The TMA<sup>4</sup>, prepared by LandUse|USA, showed these key findings:

- A minimum potential of 99 new owner-occupant households annually, totaling 495 new owner-occupant households over the 2016-2020 period. A more aggressive scenario suggested the potential of 1,505 new owner-occupant households over the 5-year period.
- Home values for this demand have been primarily projected in the range of \$75,000-\$200,000, though with some demand up to \$300,000; this range is skewed by the current absence of new-build home options within the city to compare.
- A comparison of the target market demographics to existing housing supply shows gaps in both single-family detached home and townhome formats.

Sales figures compiled by the Ann Arbor Area Board of Realtors confirm strong demand in the Ypsilanti submarket, with 2016 average sale prices 13.3% higher than 2015—a gain more than twice as high as the Ann Arbor area as a whole.<sup>5</sup> The subject neighborhood, in particular, has seen very strong year-over-year home value growth in the city, with the city assessor calculating a nearly 30% increase from 2016 to 2017.

<sup>4</sup> Full Residential Market Strategy Report available at <http://cityofypsilanti.com/666/220-N-Park-RFQ>

<sup>5</sup> Ann Arbor Area Board of Realtors December 2016 Sales Report, [http://aaabor.com/mls-tools-top-menu/area-housing-stats-top-menu/doc\\_download/326-december-2016.html](http://aaabor.com/mls-tools-top-menu/area-housing-stats-top-menu/doc_download/326-december-2016.html)

## Development Process

Upon selection of a qualified developer, the city anticipates entering into a letter of intent / pre-development agreement to allow for due diligence activities and completion of a final development agreement. The city expects this pre-development agreement to be in effect for six months or until a final development agreement is reached.

### Master Plan and Zoning

**Master Plan:** The city of Ypsilanti's 2013 Master Plan<sup>6</sup> prioritizes a diversity of housing options and products, stating, "Anyone, no matter what age or income, can find a place to call home in Ypsilanti," among the city's guiding values. The city's zoning ordinance was updated in 2014 to reflect the new master plan.

**Zoning:** The site at 220 N. Park is zoned "Core Neighborhood Mid." This form-based designation is described in part as a walkable urban place "supported through a network of interconnected, tree-lined streets, a diversity of housing choices and a mix of appropriate commercial and residential uses in a compact form. These areas also support public transit due to their compact nature...Housing types range from mansions to cottages, with multiple-family and single-family uses." Refer to the full zoning ordinance for details on building types and site development standards.<sup>7</sup>

**Historic District:** The site is located in the Ypsilanti Historic District. The city's historic preservation ordinance provides guidance for new construction in the district.<sup>8</sup>

### Utilities

The site is served by public streets to the west (Park), north (High), and east (Grove). Full access to utilities is provided from the adjacent streets.

- Water/Sewer: Ypsilanti Community Utilities Authority.
- Gas/Electric: DTE.
- Streets, Storm Sewer and Right-of-Way: City of Ypsilanti Department of Public Services. Engineering standards and procedures manual is available on the city's website<sup>9</sup>, and engineering reviews are performed by OHM Advisors.
- The rail right-of-way to the south of the site is owned by MDOT, and carries Amtrak and limited Norfolk-Southern traffic.

### Redevelopment Ready Community

The city of Ypsilanti has been certified as a **Redevelopment Ready Community**<sup>®</sup> by the Michigan Economic Development Corporation. The RRC certification recognizes the city's development regulations and processes as up-to-date, clear, and predictable, as determined by a rigorous external assessment.

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<sup>6</sup> "Shape Ypsi" City of Ypsilanti Master Plan, <http://cityofypsilanti.com/DocumentCenter/View/292>

<sup>7</sup> City of Ypsilanti Zoning Ordinance, <http://cityofypsilanti.com/267/Zoning-Ordinance-Zoning-Maps>

<sup>8</sup> City of Ypsilanti Historic Preservation Ordinance, Sec. 54-82:  
<http://cityofypsilanti.com/DocumentCenter/View/384>

<sup>9</sup> City of Ypsilanti Engineering Design Standards and Site Development Procedures Manual,  
<http://cityofypsilanti.com/DocumentCenter/Home/View/347>



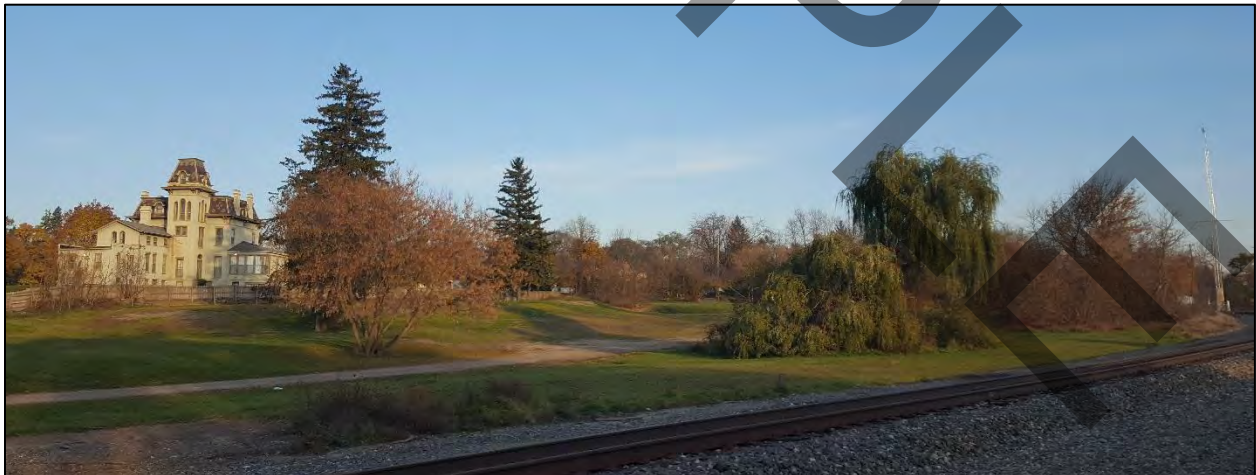
## Available Incentives

The city of Ypsilanti demolished an existing obsolete structure on the property in 2016, and has completed initial environmental investigations. Additionally, the following incentives may be leveraged by the developer:

- **Reductions in land purchase price** may be considered in support of an excellent development proposal.
- **Brownfield assessment grants** are available to the city through the Downriver Community Conference, and may provide up to \$10,000 towards preparation of a BEA or Phase II ESA.
- **Brownfield TIF** is available through the Washtenaw County Brownfield Redevelopment Authority to support remediation, due care, and other activities for any environmental conditions found on the site.
- **Michigan Community Revitalization Program** grants or loans may be applicable to the subject site, and the city will support an application to MEDC.
- **Recreation Grants** may be available to support public access and greenspace along rail right-of-way; the city will work collaboratively to identify and apply for these opportunities.

## Environmental Conditions

A Phase I Environmental Site Assessment (ESA) was completed in October, 2015, by AKT Peerless.<sup>10</sup> The ESA found no evidence of known Recognized Environmental Conditions (RECs) on the site except for an area of fill material along the southern edge of the property (adjacent to the railroad tracks) and a history of industrial use on adjacent properties. The city recommends additional assessment by the selected developer to determine whether any conditions require action to suit the final site plan.



*View of site from southwest (North Park Street near MDOT rail right-of-way)*

<sup>10</sup> Full ESA document available at <http://cityofypsilanti.com/666/220-N-Park-RFQ>

## Selection Process and Criteria

The City of Ypsilanti will review and evaluate all complete proposals in response to this RFQ to identify and engage with qualified developers for 220 N. Park Street. An initial response to this RFQ must include the following information:

- **Proposal outline form:** Complete template available at <http://cityofypsilanti.com/666/220-N-Park-RFQ>
- **Letter of Interest:** Provide a letter (up to 3 pages) identifying the development team and providing a brief description of the team's vision for the site.
- **Concept plans or renderings,** if available.
- **Development Experience / Portfolio:** Provide a short description of past projects of a similar nature completed by the development team (up to 10 pages). Include a description of the projects, cost, completion date, and references.
- **Resume** of firm and lead team members.

City of Ypsilanti staff may seek additional information upon receipt of a development proposal.

The RFQ and responses should not be considered a legally binding agreement. Upon selection of a qualified development team, the city of Ypsilanti will enter into a pre-development agreement including purchase price, due diligence period, and other terms.

### Proposal Format

All submissions should be submitted via email in PDF format to [bernat@cityofypsilanti.com](mailto:bernat@cityofypsilanti.com), as well as a hard copy or CD / USB drive sent to City of Ypsilanti, ATTN: Beth Ernat, 1 S. Huron, Ypsilanti, MI 48197.

### Schedule for Review and Selection

The schedule for receipt and evaluation of proposals is anticipated to be as follows:

- **RFQ posted, questions period:** April 10 – May 5, 2017
- **FAQ posted to city website:** May 12, 2017 (if any questions received)
- **Deadline for proposals:** June 1, 2017
- **Evaluation period:** June 1 – July 1, 2017
- **Finalist team notified:** July 1, 2017
- **Finalist presentation to Ypsilanti City Council:** July or August 2017
- **City Council approval of predevelopment agreement:** September 2017

### Contact / Questions

Questions may be directed to:

Beth Ernat  
Economic Development Director, City of Ypsilanti  
[bernat@cityofypsilanti.com](mailto:bernat@cityofypsilanti.com)  
734-483-9646  
1 South Huron Street  
Ypsilanti, MI 48197