

March 22, 2004

SUBJECT: Request for Qualifications (RFQ) for University Related Research Park Development

Dear Developer or Interested Party:

The City of Minneapolis acting by and through its Department of Community Planning and Economic Development (CPED) is soliciting expressions of interest and qualifications (RFQ) for development of a University Related Research Park in a portion of Minneapolis adjacent to the Minneapolis campus of the University of Minnesota. This RFQ focuses on the first 14-acre phase of the city's 70-plus-acre University Related Research Park. Following receipt of responses, CPED and University staff as well as the affected neighborhoods will select developers from whom we will request development proposals (RFPs).

Enclosed are: a description of the desired development, developer qualification requirements and instructions for the ensuing RFP. **All responses to the RFQ portion of this request must be received no later than 4:00 p.m. on April 15, 2004.** Any submittals received after that time will not be considered. Responses to this RFQ will be accepted at the following address:

City of Minneapolis Department of Community Planning and Economic Development  
Contract Services Department  
Crown Roller Mill, Suite 200  
105-5<sup>th</sup> Avenue South  
Minneapolis, MN 55401  
Attention: Cheryl Groettum

Please direct any questions regarding this Request for Qualifications to Jim Forsyth, Senior Project Coordinator, at 612-673-5179 or [jim.forsyth@ci.minneapolis.mn.us](mailto:jim.forsyth@ci.minneapolis.mn.us).

**Request for Qualifications**

**for**

**University Related Research Park**  
**Minneapolis, Minnesota**



Issued by:



City of Minneapolis – Community Planning and Economic Development  
105 Fifth Avenue South, Suite 200  
Minneapolis, Minnesota 55401  
(612) 673-5095  
[www.ci.minneapolis.mn.us/cped](http://www.ci.minneapolis.mn.us/cped)

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**University Related Research Park  
25<sup>th</sup> Avenue Southeast  
RFQ**

**INTRODUCTION**

The Department of Community Planning and Economic Development (CPED) is the housing and economic redevelopment arm of the City of Minneapolis (City). On behalf of the City, CPED hereby issues a Request for Qualifications (RFQ) for the development known as University Related Research Park (URP).

The intent of this RFQ is to solicit interest in development that will further the City's and the University of Minnesota's (University) efforts to create a research park oriented to technological and bioscience advancement and exploration. The development at the area identified in this RFQ will be the catalyst in a multiple phase transformation of an area of the City that has always been a showcase of Minneapolis' resources and ingenuity. As the City evolves from a world famous agribusiness center based on commodity exchange and milling into a 21<sup>st</sup> century knowledge -based leader, it is committed to creating a successful URP that will again showcase Minneapolis' leadership in technology.

This RFQ is subject to three parcels within the larger South East Minneapolis Industrial (SEMI) Area and will be the first phase of a larger research park. These properties and the larger URP (which is entirely within SEMI) and the SEMI area are depicted on Exhibit 1.

The SEMI Redevelopment Area, which includes the URP and the subject redevelopment parcels, is located adjacent to and east of the University of Minnesota's Minneapolis Campus. SEMI is north of University Avenue, east of 15<sup>th</sup> Avenue Southeast, south of Rollins and Elm Streets, southwest of the Burlington Northern Santa Fe Railroad main line right of way and west of the Minneapolis border with St. Paul. (see attached map).

## **BACKGROUND**

### **Minnesota State Bioscience Zone Designation**

In December of 2003 the URP was designated as one of the State Bioscience sub-zones. As such it is eligible for state and local tax exemptions and credits. The URP zone, depicted on Exhibit #1, is an approximately 350-acre portion of SEMI that excludes the rail, University and residential properties in SEMI. As such it is deemed to be most attractive for redevelopment for bioscience, health science and medical device research and related activities. The portion of the URP that lies north of the U of M Inter-campus Transitway and south of the BN rail yards is the initial focus of the city's research park.

Properties within this area, including the RFQ area, are identified below as "Sites in the Redevelopment Area". The area is subject to the Purpose and Guiding Principles of an Agreement between the University and the City described below and attached as Exhibit #2.

### **Agreement with the University of Minnesota**

On January 28, 2004, the City and University entered into an Agreement for the Development of Technology Research and Development Facilities and Minnesota Bioscience Program. A copy is attached as Exhibit #2. Under the terms of the agreement, the University will assist CPED with attracting and selecting developers to invest in and develop the research and development facilities.

Pursuant to the Agreement, the type of business locating in the area should be doing research and development work in the areas of medical devices and diagnostics, biotechnology, the convergence between medical and biotechnology, life sciences, agricultural technology, computer sciences and other digital technologies (including bioinformatics), nanotechnology, the convergence between nanotechnology and life sciences, chemical engineering, the material sciences (including building materials and polymers), other health sciences, technology, engineering and other areas of University strength.

Under the terms of the City/University Agreement, the University and the City recognize the public value of further developing the fruits of the University's scientific research into useful products and services, including bioscience products and services. This further development should include providing off-campus, high-end technology, research and development facilities to spawn and support the private enterprises that will undertake the transfer of the University's research efforts into useful products and services. Respondents should refer to the guiding principles in the attached Agreement.

**RFQ/RFP Properties**

The properties that are the subject of this RFQ comprise 14 acres within the URP closest to the University. These three properties are listed in "Sites Included in this RFQ" table. They are also depicted on Exhibit # 3.

The City is in the process of using its eminent domain authority to acquire two of the RFQ sites that are owned by Reichold Chemicals Inc. and the Union Pacific Railroad. Any redevelopment agreement is contingent on acquisition of the sites. However, this RFQ is not a guarantee that the sites will be acquired.

Respondents to the RFQ who are selected as RFP recipients and asked to submit proposals may, if they choose, include additional properties in their proposal. However, those sites must be in the control of the developer or, if City assistance is required to complete site assembly, the developer will be required to underwrite all site assembly and related costs.

**Selection**

RFQ respondents selected to receive Requests for Proposals will be determined by an evaluation of their response to this RFQ. Evaluations will be completed by May 27, 2004, and responses to the subsequent RFP must be delivered to CPED by August 27, 2004. A more definitive schedule is presented later in this RFQ.

Evaluations will be done by CPED staff and representatives of the University with advice from the South East Economic Development (SEED) Committee. SEED is a committee comprised of representatives from neighborhood organizations and business associations active in the redevelopment area.

## **PROJECT OVERVIEW**

### **Background**

The SEMI Area consists of approximately 500 acres of land east of the Minneapolis campus of the University of Minnesota. Prior to European settlement, the area was a wetland part of the Bridal Veil Creek watershed. Europeans settled the area to take advantage of power offered by St. Anthony Falls and soon established Minneapolis as the milling capital of the world. This led, in the mid to late 19<sup>th</sup> century, to the need to develop rail facilities and the SEMI area wetlands were drained and replaced by railroads, milling companies and manufacturing support facilities.

Throughout the 20<sup>th</sup> century, Minneapolis milling activities diminished and by the end of the century many of the historic uses in the area had come to an end. As a result most of the grain elevators were demolished and rail activity was reduced.

### **The Vision**

With these changes the neighborhoods surrounding the area joined forces as the South East Economic Development Committee (SEED) and met with Minneapolis officials. Together, they began a redevelopment plan for the area that emphasized returning the area to the economic success. Their goals included blight removal, pollution cleanup and construction of light industrial buildings that would create employment opportunity and increase the city's tax base.

### **The Master Plan**

As a guide for this transformation, in 2001 the City developed a Master Plan with specific goals. In recognition of the infinite innovations occurring next door to the area at the University and in conformance with the Master Plans goals, the City and the University subsequently entered into a joint Agreement to redevelop the area into a University Related Research Park that:

- Builds on the strength of the University's research activities
- Fosters expansion of Minnesota businesses
- Creates living-wage jobs
- Enhances the tax base
- Provides opportunities for some mixed uses that are compatible with nearby neighborhoods
- Establishes elements of the natural ecosystem

### *Respecting the existing elements*

The SEMI Master Plan respects the warehouse, service center, and light industrial activities that exist north of the rail lines. The plan is also clear that the area south of the rail lines is intended to be redeveloped in conformance with the guidelines for both the Minnesota Biotechnology and Health Sciences Zone Program and the agreement between the University and the City. It is envisioned that a substantial portion of this area will house private research, University-related facilities and middle-density mixed

uses that can help create a vibrant urban neighborhood befitting of its location next to the University and surrounded by existing residential neighborhoods.

*Accenting the existing elements*

The Master Plan contemplates a 70-acre University-related research park that lies north of the University's transitway and south of the Burlington Northern Santa Fe's Union rail yards in the vicinity of 25<sup>th</sup> Avenue SE. This includes approximately 14 acres owned by Reichold Chemicals Inc., the Union Pacific Railroad and the City. The 14-acre area is the RFP site and the larger 70-acre redevelopment area extends east to Malcolm Avenue (all north of the Transitway and south of the rail yards).

*Furthering the vision – State Bioscience Zone designation*

Following completion and approval of the Master Plan, State Bioscience Zone legislation established incentives for Biotechnology and health sciences industry facilities. The law (Ch.469.003 sub 3) defines these industries as follows:

"Biotechnology and health sciences industry facility" means one or more facilities or operations involved in (1) researching, developing, and/or manufacturing a biotechnology product or service or a biotechnology-related health sciences product or service; (2) researching, developing, and/or manufacturing a biotechnology medical device product or service or a biotechnology-related medical device product or service; or (3) promoting, supplying, or servicing a facility or operation involved in clause (1) or (2), if the business derives more than 50 percent of its gross receipts from those activities.

The State of Minnesota granted a Bioscience Zone designation in January 2004 for the URP. The Bioscience Zone designation, in effect for 12 years, reinforces development called for in the Master Plan. The City application for Bioscience Zone designation, including the SEMI Master Plan, maps, agreement with the University of Minnesota, letters of support and other associated information is posted at:

[http://www.mcda.org/development\\_projects/Biosciences/bioscience.htm](http://www.mcda.org/development_projects/Biosciences/bioscience.htm)

*Growing the partnership between the City and the University – defining the URP*

Following the development of the SEMI Master Plan and the Biosciences Zone designation, the University and the City entered into the Agreement for the Development of Technology Research and Development Facilities and Minnesota Bioscience Program Subzone Designation. This agreement promotes the development of off-campus high-end technology research and development facilities in order to spawn and support the private enterprises that will transfer the University's research efforts into useful products and services.

The University Related Research Park development plan anticipates higher density buildings (more than one story) for university-related research activities (laboratories, hospitals, high-tech manufacturing, office, conference, common), infrastructure (roads, stormwater ponds, open space, sidewalks, trails, landscaping, parking (eventually structured) and associated commercial support activities (food service, day care, etc.).

*Commitment to improved infrastructure*

At the present time the area requires infrastructure development. In 2004 the City has programmed and financed construction of a roadway and a stormwater management system that will also serve as an amenity for the research park. Additional infrastructure is planned for 2005 and 2006. Infrastructure plans and construction years are presented in Exhibit 4.

**Summary of Existing Development in the RFQ site**

As described development in the area proposed for the URP reflects the historic use begun in the 19<sup>th</sup> century. Grain elevators, rail lines and manufacturing buildings constructed to support those activities and the vacant land where demolition has taken place represent existing development in the area. The RFQ subject properties are vacant with the exception of a rail right of way, serving a Con Agra grain elevator that forms a portion of the southwest boundary of the RFQ site.

**Sites included in this RFQ**

<b>Address</b>	<b>Parcel ID Number</b>	<b>Owner</b>	<b>Square Feet</b>	<b>Acres</b>	<b>Proposed Redevelopment</b>
670 25 <sup>th</sup> Avenue Southeast	30-029-23-21-0001	City of Minneapolis	138,454 sq. ft.	3.2	Stormwater retention pond and roadway.
525 25 <sup>th</sup> Avenue Southeast	19-029-23-34-0016	Reichold Chemicals	395,136 sq. ft.	9.1	Stormwater retention pond, roadway and research park.
2201 7 <sup>th</sup> Street SE	19-029-23-34-0017	Union Pacific Railroad	60,349 sq. ft.	1.4	Stormwater retention pond, roadway and research park.
TOTAL			593,939 sq.ft	13.7	
Infra-structure			378,972 sq. ft.	8.7 acres	Roadway and stormwater ponds
Redevelopment			217,800 sq.ft.	5 acres	Phase 1 Research Park

## Sites in the Redevelopment Area

The following summarizes the entire development area, including the RFQ Sites, and anticipated redevelopment possibilities.

The Research Park portion of SEMI includes property north of the University of Minnesota's Transitway and south of the Burlington Northern/Santa Fe rail yards from a western terminus of the Reichold and Union Pacific properties described above as the RFQ Area and extending to the east beyond Malcolm Avenue. This approximately 70-acre area includes one City-owned property and 24 properties held by 13 private owners.

Address	Parcel #	Owner	sq. ft.	Acres
670 25 <sup>th</sup> Avenue Southeast	30-029-23-21-0001	City of Minneapolis	138,454	3.2
525 25 <sup>th</sup> Avenue Southeast	19-029-23-34-0016	Reichold Chemicals Inc.	395,136	9.1
2201 7 <sup>th</sup> Street SE	19-029-23-34-0017	Chicago Northwestern UP	60,349	1.4
800 23 <sup>rd</sup> Ave. SE	19-029-23-34-0014	Con Agra Inc.	196,496	4.5
650 25 <sup>th</sup> Ave SE	30-029-23-21-0002	Lighthouse Bay	41,825	1
501 29 <sup>th</sup> Ave. SE	30-029-23-21-0003	Loyce O'Shea	125,000	2.9
520 25 <sup>th</sup> Ave. SE	30-029-23-21-0059	Chicago Northwestern UP	120,538	2.8
649 26 <sup>th</sup> Ave. SE	30-029-23-12-0004	Russell Miller Milling Co.	18,675	0.4
600 25 <sup>th</sup> Ave. SE	30-029-23-12-0005	Russell Miller Milling Co.	194,345	4.5
600 27 <sup>th</sup> Ave. SE	30-029-23-12-0006	Kurth Malting Co.	83,759	1.9
602 27 <sup>th</sup> Ave. SE	30-029-23-12-0007	Kurth Malting Co.	9,057	0.2
600 ½ 27 <sup>th</sup> Ave. SE	30-029-23-12-0008	Kurth Malting Co.	24,174	0.6
301 29 <sup>th</sup> Ave. SE	30-029-23-12-0001	Chicago Northwestern UP	10,800	.03
530 25 <sup>th</sup> Ave. SE	30-029-23-12-0009	Chicago Northwestern UP	214,536	4.9
701 29 <sup>th</sup> Ave. SE	30-029-23-12-0011	Chicago Northwestern UP	77,842	1.8
700 29 <sup>th</sup> Ave. SE	30-029-23-12-0010	Wall Development LLC	63,150	1.5
504 29 <sup>th</sup> Ave. SE	30-029-23-12-0014	Wall Development LLC	356,074	8.2
501 30 <sup>th</sup> Ave. SE	30-029-23-13-0010	Harris	189,172	4.3
419 29 <sup>th</sup> Ave. SE	30-029-23-13-0009	MN Med Foundation	25,119	0.6
518 Malcolm	30-029-23-11-0011	Wall Development LLC	29,400	0.7
543 Malcolm	30-029-23-14-0050	BCK	5,282	0.1
445 Malcolm	30-029-23-14-0051	Stern	43,918	1.0
501 Malcolm	30-029-23-14-0052	CSM Investors II Inc.	74,550	1.7
600 Malcolm Ave. SE	30-029-23-11-0012	Wall Development LLC	111,541	2.6
620 Malcolm Ave. SE	30-029-23-11-0005	Carl Bolander & Sons Inc	554,126	12.7
			3,163,318 sq. ft.	72.6 acres

## **Additional Information**

There has been substantial predevelopment planning for the redevelopment area conducted during the past several years. Responders to this RFP should, at a minimum, be familiar with the following background documents, which are available at:

[http://www.mcda.org/development\\_projects/Biosciences/bioscience.htm](http://www.mcda.org/development_projects/Biosciences/bioscience.htm)

Information includes:

- Minneapolis' Bioscience Zone application
- The SEMI Bridal Veil Revised Master Plan
- Agreement between the City of Minneapolis and the University of Minnesota
- Maps, City Council Actions, actions by other taxing jurisdictions, letters of support

Relevant portions of the University's Master Plan are posted at:

<http://www.cppm.umn.edu/rfq.html>

In addition, the SEMI/Bridal Veil Alternate Urban Area-wide Review (an environmental impact evaluation and mitigation plan) is available from CPED on request.

([jim.forsyth@ci.minneapolis.mn.us](mailto:jim.forsyth@ci.minneapolis.mn.us) or at 612-673-5179)

## **GENERAL INSTRUCTIONS**

### **Qualifications Content**

Each Response shall include the following:

- A. A cover page that includes a statement of interest and the following information in the order presented below:
  1. Developer's legal name and mailing address
  2. Developer's legal status: corporation, partnership, sole proprietor, etc.
  3. Federal ID number or Social Security Number
  4. State ID number
  5. Contact person
  6. Contact's title
  7. Contact's phone number including area code
  8. Contact's fax number including area code
  9. Contact's e-mail address
  10. Signature of authorized corporate officer for each entity proposing as a partnership or team
  
- B. A description of developer's experience with financing and developing a research park or similar development in an urban or campus-like setting with total development costs in excess of \$25 million. If the developer's experience includes any projects completed within the past five years without public financial assistance, at least one such example should be listed.

Information presented about the projects must include the following:

- Name and location of project
- Name, address, phone number and e-mail address of a reference who can be contacted for each project
- Description of project, including:
  - Type of facilities included
  - Total square footage
  - Site conditions (all new construction or demolish and rebuild, etc.)
  - Construction type of facilities (e.g., low, medium, high-rise)
  - Number of phases of project
  - Total duration of all phases
- Developer's project team and contact information for each member (financial partners/investors, architects, other major consultants)

- Cost of project construction and total cost of project.
  - Variance from original project budget
  - Any claims or defaults on the part of the developer or any of its subsidiaries
- C. Developer's team composition and past experience working together
- D. Resumes of key personnel assigned to the development team
- E. Statement of current capacity to manage the project
- F. Photographs of the two (2) most current research park developments completed by the developer
- G. Evidence of financial ability to perform including company financial statements (e.g., balance sheet, operating statements, etc.), bonding capacity and experience with rating agencies or bond credit enhancers in accepting the developer's guarantees
- H. Statement of Compliance with Mandatory Criteria
- An executed Equal Employment Opportunity/Affirmative Action (EEO/AA) policy statement similar in format and content to the attached Exhibit A.
-

## SCHEDULE

- April 14, 2004: RFQ response deadline
- May 27, 2004: Evaluations of RFQ responses completed and RFP sent to selected developers
- August 27, 2004: RFP response deadline
- September 16, 2004: Staff selection of preferred developer
- September 28, 2004: Request to City Council for authorization to further evaluate proposal
- November 28, 2004 Request City Council for authorization to negotiate contract and other appropriate activities

## RESPONSE SUBMITTAL

Qualified firms or teams of firms responding to this RFQ for redevelopment shall supply CPED with ten (10) written copies of their qualifications on standard 8½ x 11 paper. (Responders may be asked to provide additional sets for presentation purposes.) Such materials will not be returned.

Responses should be submitted in a sealed envelope. Faxes will not be accepted.

**Late responses will be rejected without consideration.** Please mark the outside of your return envelope with contents, due date and time.

The responses shall be delivered to CPED at the address listed below, on or before:

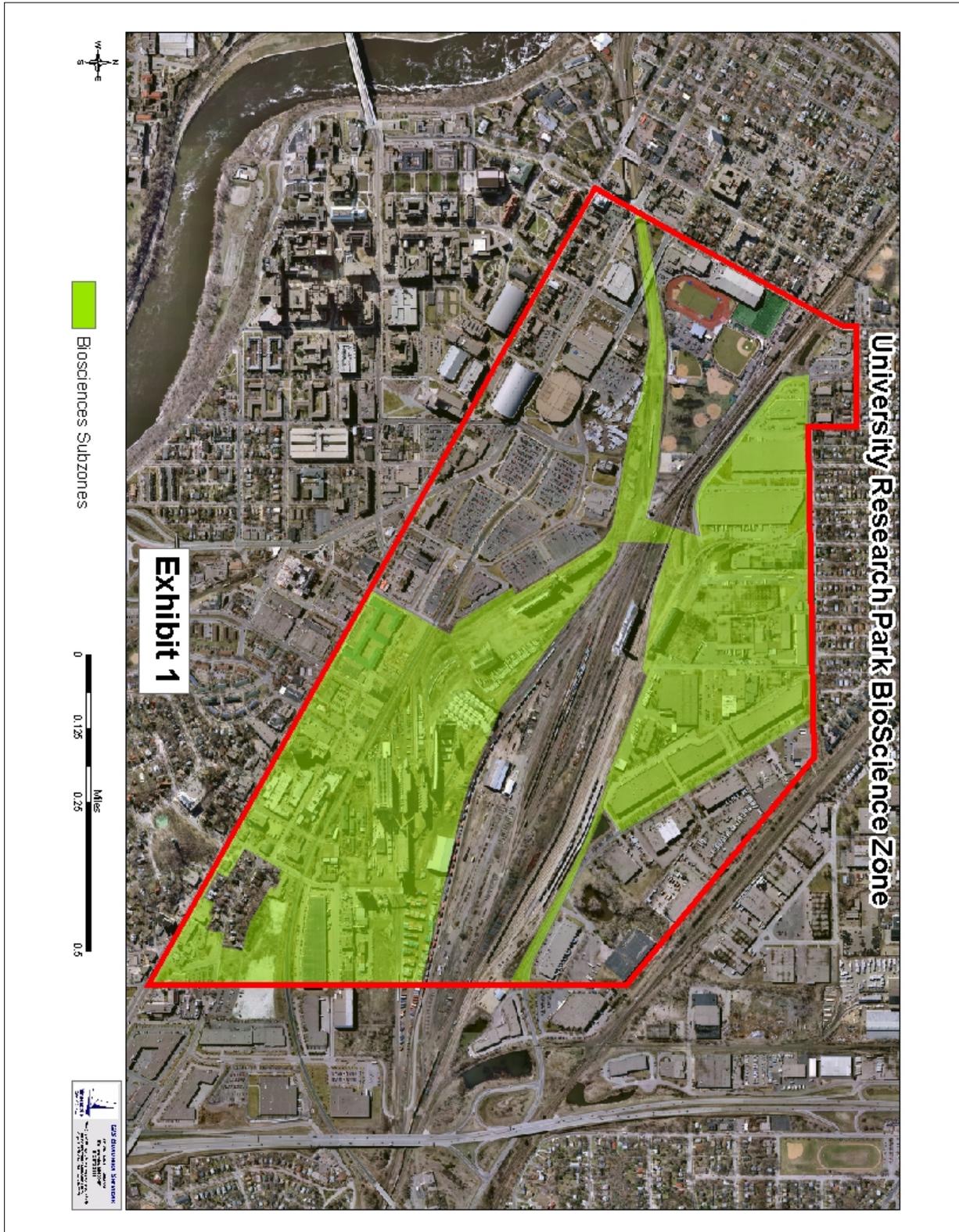
**4:00 p.m., April 15, 2004;**

Minneapolis CPED  
Crown Roller Mill, Suite 200  
105 Fifth Ave. S.  
Minneapolis, MN 55401

Attention: Cheryl Groettum

# EXHIBITS

## EXHIBIT 1 – Map of SEMI and Bioscience Zone



**EXHIBIT 2 – Agreement dated January 28, 2004 between the University of Minnesota and City of Minneapolis**

**AGREEMENT  
BETWEEN THE  
UNIVERSITY OF MINNESOTA  
AND THE  
CITY OF MINNEAPOLIS  
FOR THE DEVELOPMENT OF  
TECHNOLOGY RESEARCH AND DEVELOPMENT FACILITIES  
AND  
MINNESOTA BIOSCIENCE PROGRAM SUBZONE DESIGNATION**

**THIS AGREEMENT**, is made this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by and between the **REGENTS OF THE UNIVERSITY OF MINNESOTA**, a Minnesota constitutional body corporate (the “University”) and the **CITY OF MINNEAPOLIS**, a Minnesota municipal corporation (the “City”).

**WHEREAS**, the University is the preeminent teaching and research institution of higher learning in Minnesota and is committed to advancing knowledge through scientific research, including research relating to biomedical and bioscience technology (collectively, “bioscience research” or “bioscience technology”), in Minnesota; and

**WHEREAS**, the City recognizes the benefits of scientific research, including bioscience research, and, acting through its Department of Community Planning and Economic Development (“CPED”), is committed to the development of facilities for technology research and development in Minneapolis; and

**WHEREAS**, both the University and the City recognize the need to work together to promote research and development in Minnesota to the extent feasible in order to achieve the benefits that can be derived from having a coordinated program capable of transferring the results of University research activities (including bioscience research) to private enterprises that will turn appropriate University’s research efforts into useful products and services; and

**WHEREAS**, the University and the City recognize that the Minnesota Biotechnology and Health Science Zone Program (the “Bioscience Zone Program”) creates an important and unique opportunity to foster research and development of bioscience technology in areas designated as part of the Bioscience Zone Program; and

**WHEREAS**, the undersigned is duly authorized to execute this agreement on behalf of Regents of the University; and

**WHEREAS**, the Council and the Mayor of the City by an action dated November 21, 2003 have authorized the City, through CPED, to enter into this Agreement.

**NOW, THEREFORE**, the University and the City agree as follows:

1. **STATEMENT AND PURPOSE.** The University and the City recognize the public value of further developing the fruits of the University’s scientific research into useful products and services, including bioscience products and services. This further development should include providing off-campus high-end technology research and development facilities to spawn and support the private enterprises that will undertake the transfer of the University’s research efforts into useful products and services. With regard to bioscience technology, this further development will be greatly enhanced through participation by both parties in obtaining the benefits conferred by the Bioscience Zone Program. The University and the City agree to work together to promote, advance and develop technology research and development industries in Minneapolis and Minnesota, including the bioscience technology industry. The purpose of this Agreement is to (i) provide a joint statement of cooperation, affiliation and participation in support of technology research and development activities in Minneapolis (including bioscience research and development); (ii) describe, define and develop a coordinated program between the University and the City to enable the transfer of the University’s technology research efforts (including bioscience efforts) to private enterprises that will further develop the research into useful products and services; (iii) jointly participate in the application to the State for the designation of an area or areas in Minneapolis as a Subzone under the Bioscience Zone Program; (iv) set forth the general undertakings, tasks and resources that the University and the City will provide under this Agreement; and (v) provide a framework that will advance and support the development of technology research and development facilities in Minneapolis.

2. **GUIDING PRINCIPLES.** The University and the City agree to abide by the following guiding principles in their respective participation and performance of this Agreement:

- a. The development of research and development facilities under the Bioscience Zone Program should recognize the “niche market” opportunities in specific areas within the medical and bioscience technology industry and focus on those areas that are most feasible for development in the Twin Cities and Minneapolis.

- b. Three areas of primary focus under the Bioscience Zone Program should be in (i) therapies that complement the medical device and diagnostics industry and other health technologies; (ii) biomaterials and bioenergy; and (iii) both animal and plant agricultural technology. The University may identify additional areas of focus, including areas of particular University strengths, emerging areas, and areas related to the University's developing collaboration with the Mayo Clinic.
- c. The development of research and development facilities should be compatible with the University's mission and programs (including programs in bioscience research), and it should complement, and not detract from, the University's scientific and technology programs and affiliations.
- d. The development of research and development facilities should be compatible with the City's development processes and goals.
- e. The development of research and development facilities should create a synergistic relationship between the University, the City, the State, other government entities and private enterprises that fosters technology research and development (including bioscience research and development).
- f. The development of research and development facilities should provide meaningful opportunities for University undergraduate and graduate students to work and learn in a "real life" environment.
- g. The development of research and development facilities should provide opportunities for University faculty to establish start-up companies or collaborate with start-up or established companies to further their research and capture the benefits resulting from the commercialization of their work.
- h. The research and development facilities should be of high-end construction, architecturally compatible with and scaled to the buildings at the University and the surrounding community, have an environmentally sensitive design, be able to attract private businesses and be suitable for research and development activities.
- i. The location of research and development facilities should be off-campus and adjacent to, or in close proximity to, the University and to the world class researchers and high-end research equipment and facilities located at the University, or in other areas deemed appropriate by the University.
- j. While it is expected that the natural advantages of proximity and established relationships with leading University research teams will lead many established businesses and start-ups to locate facilities in the Bioscience Subzone or other research and development facilities supported under this Agreement, it is understood that there is no exclusivity or University-mandated preference for commercialization of the outcomes of University research in these areas.
- k. The types of businesses locating in the research and development facilities should be doing research and development work in the areas of medical devices and diagnostics, biotechnology, the convergence

between medical and biotechnology, life sciences, agricultural technology, computer sciences and other digital technologies (including bioinformatics), nanotechnology, the convergence between nanotechnology and life sciences, chemical engineering, the material sciences (including building materials and polymers), other health sciences, technology, engineering and other areas of University strength.

3. **THE COORDINATED PROGRAM.** The University and CPED will work together to develop a coordinated program to foster the efficient and orderly transfer of technology research activities at the University (including medical and bioscience research activities) to private enterprises located at the research and development facilities that will further develop the research into useful products and services (the “Coordinated Program”). The Coordinated Program will follow the Guiding Principles and will include the following elements:
  - a. a process to identify those areas of scientific research (including bioscience research) that are ready for development into products and services;
  - b. a process to identify and contact private enterprises that would be compatible with the University’s research program;
  - c. a process to develop the location and physical, architectural and community requirements for the development of specific research and development facilities;
  - d. a process to attract and select developers to invest in and develop the research and development facilities; and
  - e. a process to educate developers about the world class research programs developed by the University and its faculty, and for the University, the City and developers to use those programs to help attract private enterprises to become tenants in the research and development facilities, or to locate their own facilities within the Biozone Subzone or within other areas covered by this Agreement..
  
4. **SUBZONE DESIGNATION.** CPED will make application to the Bioscience Zone Program to have a Minneapolis Subzone Area designated as a Subzone under the Bioscience Zone Program. The University will be named a participant in the City’s Bioscience Zone Program application.
  
5. **UNIVERSITY’S TASKS AND RESOURCES.** The University will undertake the following tasks and provide the following resources in support of this Agreement:
  - a. in the University’s sole discretion, permit the use of the University’s name and logo in connection with the development of research and development facilities and in connection with the Bioscience Zone Program Subzone designation, where appropriate and consistent with this Agreement;

- b. identify the existing and emerging areas of bioscience research and other areas of technology and research at the University that appear to be ripe for transfer to private enterprises for further research and development;
- c. continue to work with the University's talented faculty to facilitate commercialization of research outcomes, and inform faculty of the Coordinated Program and of the opportunities for commercialization within the Biozone Subzone;
- d. act as a magnet, bridge and facilitator for the integration of the University's, the City's and private enterprise's activities;
- e. hold science and technology forums and conferences (targeted toward companies and University scientists) which identify opportunities for technology development of University discoveries and emphasize the advantages of locating research and development facilities close to the University;
- f. for specific businesses, provide case studies that demonstrate the range and depth of the University's research work which is specifically relevant to the business' interests and that identify high end research facilities and equipment already in place at the University and available for the business' use at agreed upon fees for service;
- g. commit to pursue appropriate opportunities for collaborative research with businesses that locate in the research and development facilities, and inform University faculty of businesses which are interested in such collaborative research;
- h. in the University's sole discretion, consider businesses that locate in the research and development facilities for licensing of University intellectual property;
- i. in the University's sole discretion, consider making University land available for development of the research and development facilities on such terms as the University's officials responsible for real estate transactions determine are appropriate;
- j. in the University's sole discretion, provide University funds for unique research infrastructure located at the research and development facilities to the extent that such infrastructure is available for use by University faculty and students and advances the University's mission, and assist in fundraising for such research infrastructure capital equipment where the facilities and equipment will be available for use by University faculty and students;;
- k. assist the City in identifying and evaluating developers that are experienced in science and technology and/or have a demonstrated ability to understand the University's science and technology research capacities and to communicate those capacities to potential tenants; and
- l. establish an advisory board/committee made up of University, City, State, other government entities, businesses, nonprofit organizations, community leaders and other representatives who have expertise in medical and bioscience technology or a stake in the development of the research and development facilities. The President of the University and the Mayor of

the City will jointly appoint members to the advisory board/committee, and the Governor and chief executive officers or governing boards of other participating governmental units will be invited to make appointments. The advisory board/committee will help with the strategic planning process and the development of reports to the Regents, the City Council, other governmental units, and the State.

**7. THE CITY'S TASKS AND RESOURCES.** The City, through CPED, will undertake the following tasks and provide the following resources in support of this Agreement, including the development of the medical and bioscience technology industry in Minneapolis and Minnesota:

- a. provide leadership and expertise for the development of the research and technology facilities;
- b. identify the Minneapolis Subzone Area;
- c. be the lead agency in applying for the Minneapolis Subzone Area as a designated Subzone under the Bioscience Zone Program;
- d. identify specific buildings, lots and areas within the Minneapolis Subzone Area that are ready for the development of research and technology facilities in accordance with the Coordinated Program and this Agreement;
- e. seek and solicit developers for development of the research and technology facilities that are experienced in the areas of science and technology or which have a demonstrated ability to understand the University's science and technology capacities and to communicate those capacities to potential tenants
- f. assist in communicating the University's research program to private enterprises and developers to foster the development of the research and development facilities and research and development tenancies;
- g. provide City development assistance (eminent domain, loans, tax increment financing assistance, etc.) when and where appropriate in the City's sole discretion; and
- h. undertake market studies in the City's sole discretion.

**8. TERM OF AGREEMENT AND TERMINATION.** This Agreement will be in effect for a term commencing on November 1, 2003, and ending on December 31, 2008. This Agreement may be terminated by either party for any reason by giving the other party 90 days prior written notice of termination. Upon the termination of this Agreement as provided herein, this Agreement, as of the effective termination date, will be come null and void, and neither party shall be obligated to the other party for any claims or obligations related hereto.

**9. NOTICES.** Communications and details concerning this Agreement will be directed to the following representatives:

**CPED:** Executive Director  
City of Minneapolis  
Department of Community Planning and Economic  
Development  
Crown Roller Mill Suite 200  
105 5<sup>th</sup> Avenue South  
Minneapolis MN 55401

**University:** \_\_\_\_\_  
University of Minnesota  
\_\_\_\_\_  
Minneapolis MN 554\_\_

**10. MERGER, MODIFICATION AND AMENDMENT.** It is understood and agreed that the entire agreement between the parties hereto is contained herein and that this Agreement supercedes all oral agreements and negotiations between the parties hereto relating to the subject matter hereof. All items referred to in this Agreement are incorporated herein or attached and deemed to be a part of this Agreement. Any alterations, modifications, waivers or amendments of provisions of this Agreement will only be valid when made as an amendment in writing to this Agreement and signed by both the parties hereto.

**11. NO THIRD PARTY BENEFICIARIES.** This Agreement shall benefit and burden the University and the City in accordance with its terms and conditions, and is not intended, and shall not be deemed or construed to confer any rights, powers, benefits or privileges on any person, corporation or other entity, legal or otherwise, other than the University and the City.

**12. APPLICABLE LAWS.** The University and the City each agree to comply with all applicable federal, state and local laws, ordinances and regulations in their performance of their obligations and activities undertaken pursuant to this Agreement.

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

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**THE REGENTS OF THE UNIVERSITY OF MINNESOTA**

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**CITY OF MINNEAPOLIS**

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

Attest \_\_\_\_\_  
Assistant City Clerk

Countersigned \_\_\_\_\_  
Finance Officer

Department Head Responsible  
For Monitoring Contract:

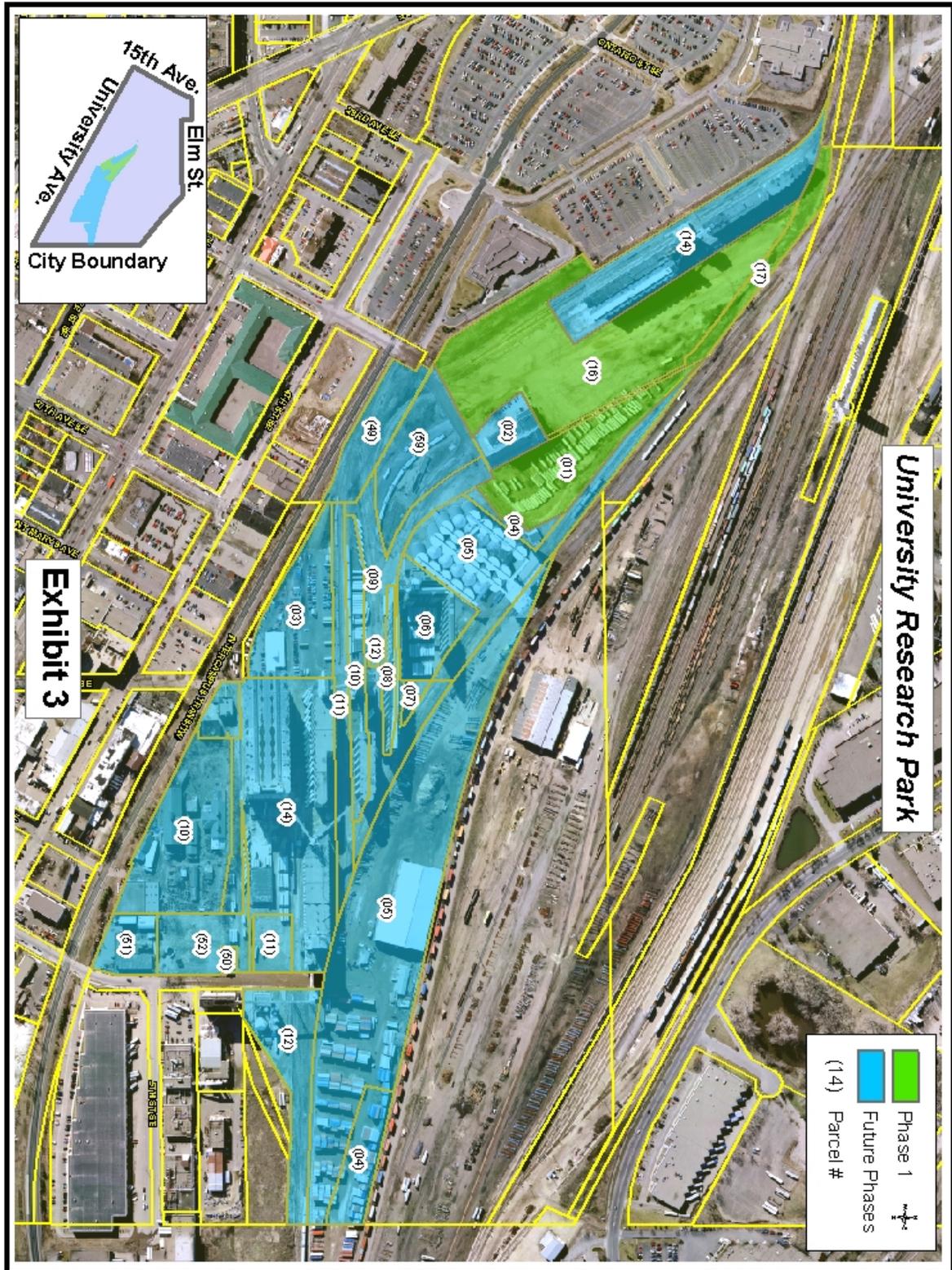
\_\_\_\_\_

Approved as to form:

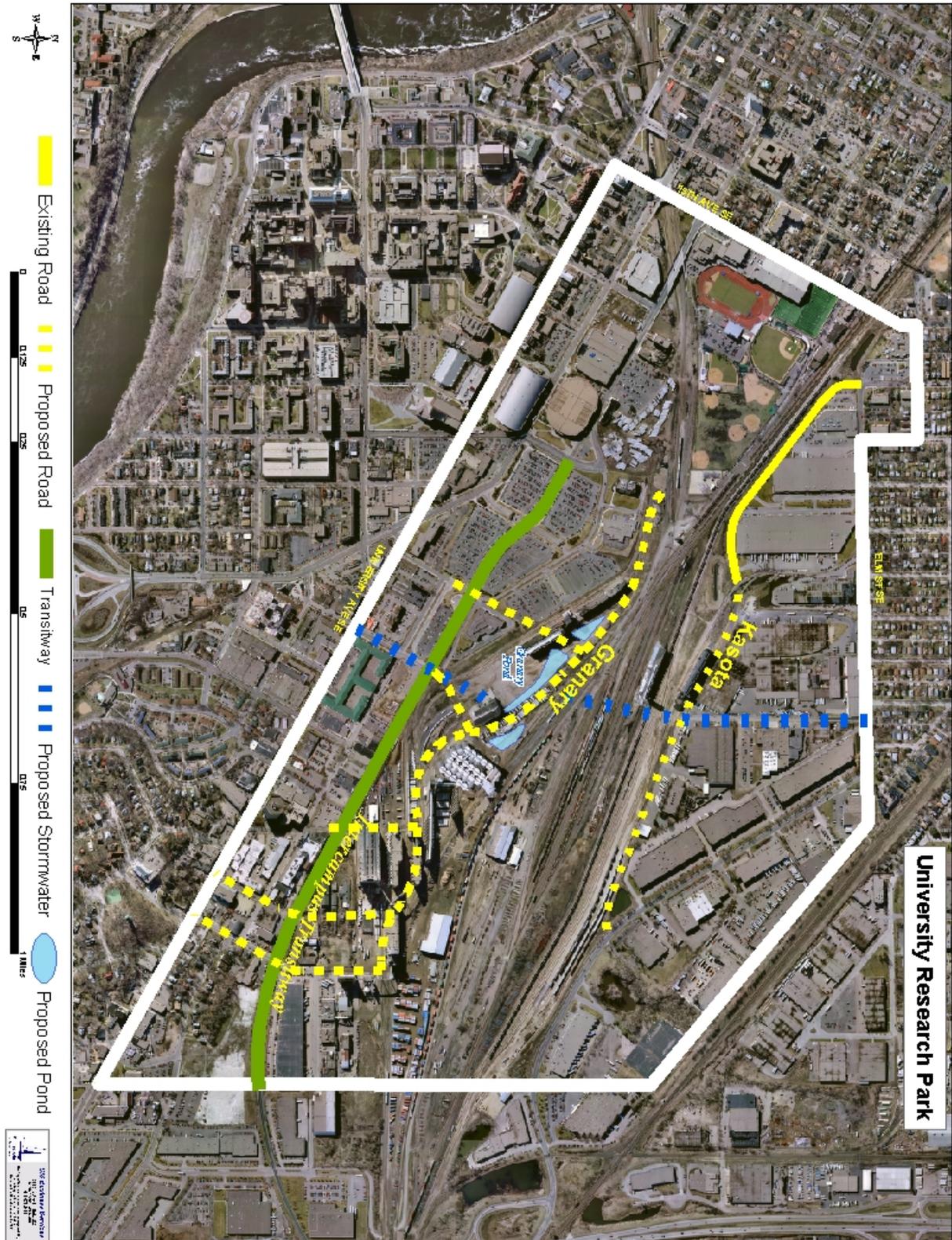
\_\_\_\_\_  
Assistant City Attorney

*Contact Jim Forsyth (612) 673-5179 for a copy of the signed agreement*

**EXHIBIT 3 – Redevelopment Site**



# EXHIBIT 4 – Map of Planned Infrastructure



## **EXHIBIT 5 – RFP Mandatory Criteria**

### **RFP Requirements**

Respondents who are, based on their response to this RFQ, selected to receive an RFP will be required to submit the following:

#### **I. Development Plan and Program**

A Development Plan shall be submitted consisting of the following:

##### **1. Narrative**

The plan narrative should describe the concept, scope, location, and timing of the proposed development. It should present a rationale for the development's physical design and market feasibility. A detailed development program should be described, including the types, quantities, and locations of the proposed uses. Project information should include building square footages; specifics about proposed composition (buildings for university-related research activities (laboratories, high-tech manufacturing, office, conference, common), infrastructure (roads, stormwater ponds, open space, sidewalks, trails, landscaping, parking [eventually structured]), and associated commercial support activities (food service, day care, etc.). If the development is to be phased, the narrative should clearly define the components and timing of each phase, and indicate the nature of the guaranties or conditions upon which construction of subsequent phases would be based. The narrative should also describe the activities and roles of the development team, the City, the University, and any other entity necessary for the implementation of the development proposal.

##### **2. Maps**

The development plan shall contain maps sufficient to identify the property included in the proposal and the proposal's relationship to its immediate environs.

##### **3. Design Schematics**

The development plan should include preliminary concept designs that illustrate how a proposal meets the development objectives as well as the purpose and guiding principles of the agreement between the University and the City. Of particular interest would be the site plans showing vehicular and pedestrian circulation at the ground level; massing studies illustrating size, height, and orientation of structures on the site; cross sections illustrating the internal orientation and circulation aspects of the development; and sketches or elevations of street facades.

4. Current financial statements for the developer.

#### J. Project Financing

1. Provide a preliminary development proforma showing assumed sources and uses of funds. (NOTE: A sample proforma is included in this RFQ package as part of the CPED Offer to Purchase documents). Specifically identify the expected equity investment by the developer and others, and provide evidence of the development team's capacity to obtain the necessary equity capital and mortgage financing.
2. Describe the type, amount (if known) and assumed terms of city development assistance to implement the proposed project, including tax increment financing (TIF), and provide the rationale for such assistance.
3. Describe any proposed methods for the repayment of the public subsidy, or for opportunities for the City to participate in operating revenues, syndication proceeds or residuals.
4. Provide a 20-year preliminary before and after cash flow projection (state the assumptions underlying income projections and include any market analysis used as a basis for those assumptions). This will be viewed as an indication of the thoroughness and realism of the proposal. Detailed proformas, in a format acceptable to CPED, will be required during the negotiation of a redevelopment agreement.
5. The development contract to be negotiated between the selected developer and the City will require adequate guarantees and forms of security to assure that the proposed project is initiated and completed in a timely manner and anticipated tax revenues are generated.

#### **Mandatory Criteria**

Design consultants must be professionally licensed in the State of Minnesota.  
Contractors must be licensed to work in the City of Minneapolis.

For other mandatory criteria, refer to "Minneapolis Community Development Agency General and Special Conditions," available at the CPED offices.

#### **Selection Process**

The proposals will be evaluated by city and University staff and by representatives of the affected communities (residential and business). Data practices requirements mandate that RFP responses are not public information. Therefore, respondents to the RFP must provide, for public evaluation, an executive summary of their proposal and a written statement that the executive summary can be shared as a public document.

Evaluations will be based upon the following six (6) factors.

1. Prior experience of the development team in planning and developing research park projects of a similar type and scale

2. Demonstrated understanding of the City's development objectives and/or neighborhood plans for the sites, including the criteria listed in Section II of this request
3. Organizational capabilities of the team to assemble and provide all requisite disciplines including, but not limited to, master planning, project approvals and construction
4. Past performance on prior projects of similar size and scope being completed on time and within budget
5. Financial wherewithal of developer, including claims or defaults on the part of the developer or its subsidiaries
6. Overall quality of submission

It is neither CPED's responsibility nor practice to acknowledge receipt of any proposal as a result of the Request for Qualifications process. It is the responder's responsibility to assure that a proposal is received in a timely manner.