

Community Planning & Economic Development

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



**27th & Penn Avenue North RFP
Pre-Proposal Meeting
Minutes and Q & A
March 6, 2013**

Jerry LePage of CPED Residential Finance opened the meeting. Other CPED staff in attendance were: Wes Butler, Manager of Residential Policy & Finance; Elfric Porte of Real Estate & Residential Development; and Jim Voll of Community Planning. The following presentations were made:

- Elfric Porte provided a brief history of the 27th & Penn site which was one of six "clusters" identified in a special planning process that occurred about six years ago, leading to the selection of GMHC as the developer of this cluster.
- Jerry LePage provided some background on the genesis of the current RFP and the steps/timetable that will lead to consideration of a CPED staff recommendation on developer selection in early June.
- Wes Butler reviewed the RFP selection criteria and scoring system.
- Jim Voll reviewed the site in terms of planning, zoning, and the City Comprehensive Plan.

The following is a list of the significant points that were made in these presentations or questions that were raised by meeting participants:

Q: What is the sale price of the site?

A: The eventual sales price will be established by appraisal and based on the highest and best use of the land. In the meantime, for purposes of responding to this RFP, developer should assume a sales price of \$31,800, which is the current assessed value of the site as indicated in the RFP.

Q: What happens if soil problems are encountered on the site?

A: If soil problems are discovered anywhere on the site, the developer may be eligible for assistance up to the total land price amount.

Q: What action will be taken by the City Council in June?

A: The CPED staff recommendation will be for the award of 1-year development rights for the site to the selected developer, with the authorization of a 6-month extension by approvable administrative action. When the project is further along, another report to the City Council will be needed to formally authorize the actual sale of the land to the selected developer.

Q: Will partial points be awarded for any of the evaluation criteria?

A: Partial points may be appropriate for the two RFP criteria related to project feasibility and project readiness. The scoring on the rest of the RFP criteria will likely be all points or no points. There is no minimum threshold of points to be reached in order to be considered.

Q: Is CPED encouraging the participation by artists in the 27th & Penn site?

A: There is no requirement of artist involvement in the 27th & Penn Avenue North site. However, there is a group known as "Creative City Making" who is involved in the larger Penn Avenue North area.

Q: How many housing units can be supported on this site?

A: The site is currently zoned R1A (Single Family Housing) but the City Comprehensive Plan calls for medium density housing at this location. CPED staff would likely support an application to rezone to R4 which would allow up to 21 housing units. However, such a rezoning is only a possibility but no promise is being made that this will occur. The City Council makes the decision to rezone. Under an R4 zoning classification, a project could qualify for a density bonus if underground parking and affordable housing are provided, which would allow about an 8 unit increase in the maximum number of units. The zoning code also allows a variance of lot area of up to 30 percent, which if approved with R4 zoning would allow up to 41 units. The City Planning Commission may or may not approve a variance.

Q: Do Davis-Bacon or prevailing wage requirements apply to the 27th & Penn site?

A: Davis Bacon or prevailing wages would not apply if this turns out to be simply a market rate land sale transaction. However, if a City subsidy is applied for and secured for the project, then prevailing wages would apply- or Davis Bacon if a federal funding source is involved. However, any land price reduction that might occur due to soil conditions would not constitute a public subsidy and thus would not trigger Davis Bacon or prevailing wages.

Q: Does CPED or the neighborhood have design standards for housing construction?

A: A project design is reviewed as part of the City's site review process based on City design standards as expressed in the zoning code. A neighborhood may also choose to have design standards of its own that it would apply as part of its evaluation of proposals. However, it is recommended that potential developers focus first on complying with applicable City standards before considering or incorporating any standards that might be suggested by the neighborhood.

The RFP pre-proposal meeting ended around 10:40 a.m.