



Private Development Proposal for 8 Whitetail Ridge Lots

Released: January, 2022

Proposals are due March 3, 2022

Background Information

This Request for Proposals (RFP) is directed to private developers and development teams interested in the development of a housing project (the “Project”) at the Whitetail Ridge subdivision in Fairmont, Minnesota.

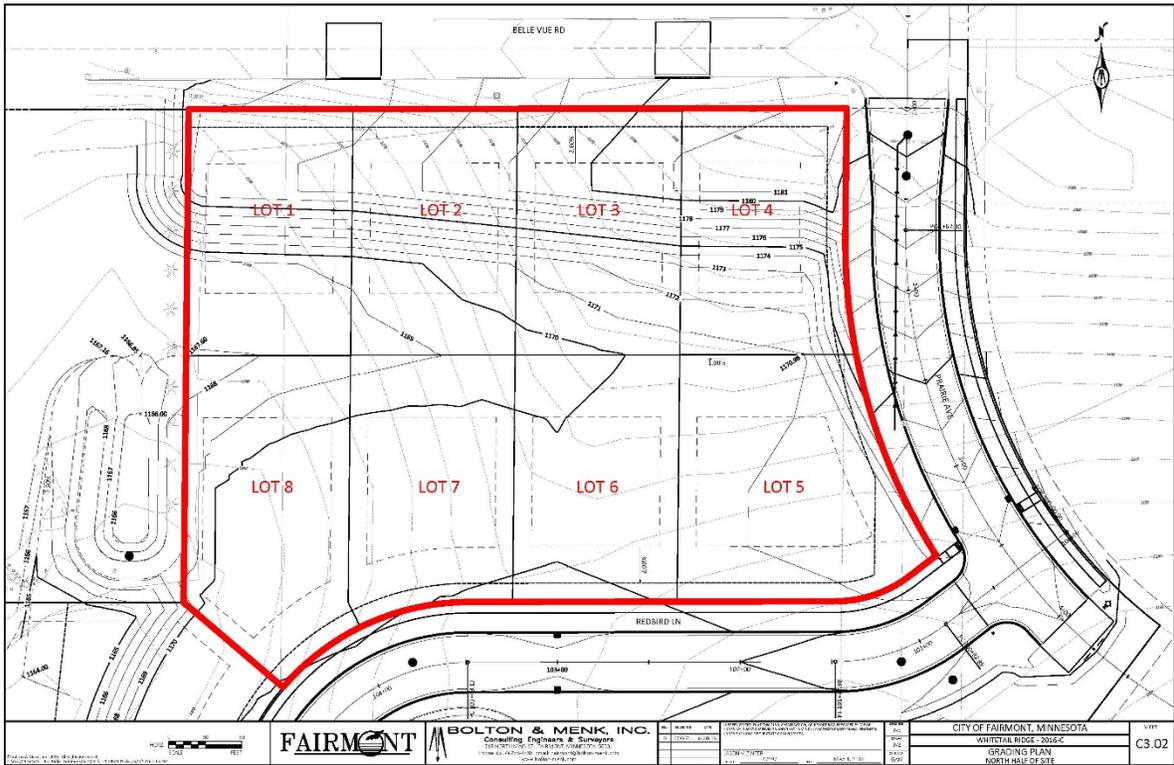
Project Goal: To increase the supply of housing options within our community.

The Project site is owned by the Fairmont Economic Development Authority (FEDA). The site consists of eight (8) lots at the intersection of Belle Vue Rd, Prairie Ave, and Redbird Lane. See map on the next page.

The Fairmont Economic Development Authority (FEDA) is requesting proposals from qualified developers to purchase and develop the property located at the Whitetail Ridge subdivision in Fairmont, Minnesota. The FEDA will consider all development proposals that include development compatible with the surrounding moderate to higher priced homes and neighborhood which could include single family, twin, tri-plex, and/or 4-unit town homes.

FEDA intends to sell the property to a developer who will increase the tax base by developing units that provide needed housing. FEDA’s goal is to promote development that meets the housing needs as identified as part of the *2020 Housing Study by Community Partners Research, Inc. Of Fairmont, MN*. The development of this property should be consistent and compatible with the surrounding neighborhood of moderate to higher priced homes. Specific information regarding recommended housing concepts can be viewed at:

http://www.fedamn.com/media/userfiles/subsite_62/files/Fairmont%20Housing%20Study%202020.pdf



<p>Scale: 1" = 40'</p> <p>North Arrow</p>	<p>FAIRMONT</p> <p>BOLTON & MENK, INC. Consulting Engineers & Surveyors 11000 Highway 101, Suite 200 Fairmont, MN 56505 Phone: (507) 231-1111 Fax: (507) 231-1112 www.bolton-menk.com</p>	<p>DATE: 08/14/18</p> <p>BY: [Signature]</p> <p>PROJECT: GRADING PLAN</p> <p>SCALE: AS SHOWN</p>	<p>CITY OF FAIRMONT, MINNESOTA</p> <p>WINDY RIDGE - 2015-18</p> <p>GRADING PLAN</p> <p>NORTH HALF OF SITE</p> <p>Sheet: C3.02</p>
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Overview

The City of Fairmont, a regional center of over 10,000 in the heart of southern Minnesota, takes great pride in its beautiful chain of lakes. Known as the *City of Lakes*, Fairmont provides an array of recreation, educational, and health care services that support a regional service area population of over 45,000. Serving as the county seat for Martin County, known as *Bacon Capital USA*, Fairmont is centrally located along I-90 and State Highway 15.

The city's five picturesque lakes provide a valuable community resource and afford residents and visitors alike with recreational areas for swimming, pleasure boating, water skiing, and fishing. Other attractions include the Fairmont Aquatic Park and a variety of public and private 18-hole golf courses. The Red Rock Center for the Arts and the Fairmont Opera House are popular venues for artistic endeavors and enrichment.

A full array of K-12 educational services is available from the Fairmont Area School District and from private religious-based schools. The Fairmont Area District is a leader in providing trades-education opportunities in partnership with area businesses and industry. The district offers a variety of athletic programs and extracurricular activities. The Southern Plains Educational Cooperative, which serves five area school districts and provides an alternative learning center, recently opened a facility in Fairmont.

Mayo Clinic Health Systems Fairmont campus has been meeting the medical needs of Fairmont and the surrounding community for more than 20 years, offering in-patient and out-patient care, a hospital, an eye clinic, dental offices, 24-hour emergency room service, as well as other specialized programs. Other providers include the Center for Specialty Care, Dulcimer Medical Center, and the United Hospital District, which recently added a clinic in Fairmont. Lakeview Methodist Health Services, which is opening a new facility in Fairmont this spring, provides the area with skilled nursing, assisted living and memory care services.

Fairmont's economy consists of large and small industry and commerce. Major employers in Fairmont include CHS, 3M, Mayo Clinic Health, Avery Weigh-Tronix, HyVee, Walmart, Fairmont Foods, and REM Heartland to name a few. Fairmont is positioned for continued growth with several business expansions planned for 2022. The City recently installed utility extensions to prepare 37 acre industrial property for development and currently offers two more shovel-ready commercial subdivisions with state highway and interstate access.

Community Need:

As with many communities in rural Minnesota, availability of housing is a major issue impacting different areas that make up a healthy community. Housing is necessary to maintain jobs and a quality employee base. Our community must provide safe housing for our families with children which allows us to have a strong school system.

The demand for high quality housing in Fairmont is growing because:

- There has been a limited number of multi-family housing units built in our community in the last 20 years.

- Fairmont continues to see the average age of its residents increase. There are many homes that could accommodate families of four to six people, but are currently inhabited by one or two people. Many of the current inhabitants choose to stay in their homes for various reasons, but many stay in a space larger than preferred as there are not alternatives for housing for them in the community.
- Fairmont is not replacing the homes that are physically depreciated and are being demolished with new construction.

Completed Housing Study

A Comprehensive Housing Study was finalized for the City of Fairmont in 2020 by Community Partners Research, Inc. The full study can be found here:

http://www.fedamn.com/media/userfiles/subsite_62/files/Fairmont%20Housing%20Study%202020.pdf

Project Description

The project is envisioned to include development compatible with the newly constructed, higher-end surrounding neighborhood to meet the demands of the Fairmont area. Projects that include multifamily housing or both single family and multifamily housing such as twin homes, triplexes or 4-unit town homes.

Additional goals include:

- Promote the highest and best use of the available property to maximize the tax base value
- Construct housing that fits the context of the neighborhood of the newly constructed, higher-end homes through the aesthetic exterior design and materials used.
- Retain the character of the newly developed higher-end neighborhood

Zoning

Zoning is currently Residential R-1. The project will be subject the applicable restrictions and requirements of the R-1 zoning regulations.

The site is served by municipal utilities including electric, water, sanitary sewer. Developer will be responsible for the private connections and service lines.

Current Site Status

All lots have utilities stubbed out to the property lines and were installed to accommodate single family homes. Lots 1-4 are graded to provide walk-out basements. The City of Fairmont has completed soil borings on Lots 1-4 where fill was placed, and the Geotechnical Report showing the results can be provided upon request.

Potential Public Financing Options and Development Agreement

The City of Fairmont has partnered with the Fairmont Area School District and Martin County to create an incentive program for multifamily housing. Any new development of multifamily housing is eligible for a 10-year tax abatement. All eligible projects must submit an application for consideration by the City Council, School Board and County Commissioners.

Further, Martin County offers 10-year tax abatement options for single family housing as well. This program is administered through Martin County and all eligible projects must submit an application for consideration by the Martin County Commissioners.

Local incentives are not intended to replace financing from other private sources. They are intended to be flexible resources that may be able to assist in bridging funding gaps that may be created or compounded by local market conditions.

The Fairmont Economic Development Authority and the selected developer will enter into a development agreement. The Development Agreement will include terms for the conveyance of the property, security requirement to ensure Project completion; financial terms associated with the property conveyance, Tax Abatement documents; Project construction; terms regarding the condition of the property prior to conveyance; and any additional terms as may be necessary to ensure compliance with the Project goals as stated herein. FEEDA anticipates providing a clean site and title to the property.

Submittal Requirements

All proposals will be reviewed by a committee. The committee reserves the right to seek verification of all information submitted. Proposals will consist of one signed original and an electronic copy of the required information. All proposals must be printed on 8.5 inch by 11-inch paper and shall be enclosed in a sealed envelope and marked on the outside as follows:

Private Developer Proposal for Whitetail Ridge Development

All proposals must comply with the following requirements and be numbered accordingly:

1. Signed letter on the proposer's letterhead indicating an interest in the Private Development of Whitetail Ridge
2. Primary contact person and contact information
3. Legal name and address of the development entity for this project, including all joint ventures, limited partnerships and limited liability companies. Identification of the legal entity with whom the City of Fairmont Economic Development Authority would contract, whether this entity exists currently or would be created for the purpose of this project, and the names and titles of all parties authorized to act on behalf of the proposer.
4. An organizational chart showing members of the proposed development team, including but not limited to the developer, management agency (if needed), legal, design professionals, and consultants. Contact information should be provided for each team member.

5. Description of the proposer's experience, or any experience in a similar project where the developer/team played a substantial role. The descriptions should include specific role of the proposer and current status of the projects. Sufficient contact information for references should be provided to permit the City to verify the information, such as a building official, etc.
6. Financial approval letter or a description of the proposer's financial capacity to obtain acquisition, construction, and permanent financing.
7. A visual description of the proposed Project, including:
 - a. Concept drawing or schematic;
 - b. Preliminary site plan
8. Narrative describing the proposer's plan for construction and financing of the Project. This should include:
 - a. Organization and management approach to the project
 - b. General schedule for completion of the Project following property acquisition
 - c. Description of a general financing plan including any anticipated or potential financing sources (sources and uses private and public)
 - d. The proposed purchase price and the explanation of the proposed purchase price for the Project property
 - e. The proposed amount and description of financial assistance requested from the Fairmont Economic Development Authority and/or the City of Fairmont
 - f. Identify any unique resources, capabilities, or assets which the proposer would bring to this Project

Attachment Checklist

- ✓ Letter of Interest
- ✓ Project Narrative
- ✓ Development Team Organizational Chart
- ✓ Site Plan
- ✓ Colored Rendering
- ✓ Floor Plans or concepts
- ✓ Financial sources and uses
- ✓ Resume of Developer
- ✓ Anticipated Project Schedule
- ✓ Additional Attachments if Applicable

Reservation

Issuance of this RFP does not commit the City of Fairmont Economic Development Authority to enter into a Development Agreement, pay any costs incurred in the preparation of a response to this request, or to procure or contract any services or supplies. FEDA reserves the right to reject any and all proposals and to make recommendations for changes in any proposal submitted, to waive informalities or irregularities, and may, in the process of this recommendation, allow the developer to make such recommended changes in its proposal. FEDA reserves the right to require additional information from developer, financial or otherwise, and to hold meetings with any developer to review the offer and development proposal, and to waive any of the requirements set forth herein.

FEDA may, at the conclusion of its review, in conjunction with appropriate legislative process, enter into a Development Agreement with the selected developer.

As an equal opportunity/affirmative action employer, the City prohibits discrimination on the basis of race, creed, color, sex, age, religion, sexual orientation, marital status, disability, or national origin. Minority and women's business enterprises will be afforded full consideration and are encouraged to respond.

Disposition of Proposals

All proposals become the property of FEDA and will not be returned to the proposer.

Independent Contractor

The selected developer will act as a separate legal entity and will not be in joint venture, employment or be otherwise affiliated with the City. The developer is responsible for all insurance, salaries, contracts, withholding taxes, social security, unemployment, worker's compensation and other taxes and all other liabilities it incurs in connection with the Project, and shall hold the City harmless from any and all claims for the same.

The City shall have the right to verify the accuracy of all information submitted and to make such investigation as it deems necessary or appropriate to determine the ability of a prospective developer to carry out the Project. FEDA reserves the right to reject any response where the information does not satisfy FEDA that the prospective developer is qualified to carry out the Project, is a person or firm of good reputation or character, or if the developer refuses to cooperate with and assist the City in the making of such investigation.

Evaluation Criteria

A committee will evaluate each proposal individually and in the context of all other proposals. Proposals must be fully responsive to the requirements, and to any subsequent requests for clarification or additional information. Proposals must comply with and are subject to all provisions of applicable federal, state and local laws on development, zoning and building regulations. Proposals failing to comply with the submission requirements or those unresponsive to any part of this solicitation may be disqualified. FEDA may, at its sole discretion, elect to waive requirements either for all proposals or for a specific proposal.

The criteria against which each proposal will be considered may include the following, as well as other factors considered as appropriate:

1. Compliance with submittal requirements, as specified.
2. Developer experience and capabilities.
3. The assessment of how the Project meets the City's goals as identified herein.
4. The assessment of how the Project meets and enhances the character of the newly developed higher-end neighborhood
5. Market and economic viability of the proposal.
6. Long-term fiscal benefit to the city.
7. Amount of requested financial assistance from the City of Fairmont and/or FEDA relative to Project cost.
8. Compliance with all applicable federal, state and local laws, rules, regulations and policies.
9. Project timeline.

Once FEDA has determined it is at an appropriate state in its evaluation of proposals, finalist developers may be invited to make oral presentations, which could be at a public meeting.

FEDA will notify proposers of the acceptance and/or rejection of proposals upon the conclusion of the evaluation process.

Non-assignment of Interest

No developer shall assign or transfer to any other person or corporation, any interest in its proposal prior to execution of a Development Agreement without the express written authorization of FEDA. After execution of a Development Agreement and until the proposed development has been completed, no interest in the contract may be assigned or transferred without the written permission of FEDA, except as set forth in the Development Agreement.