



Rebuild Challenge of Albert Lea

Development of City-Owned Property
132 Broadway Avenue South

Begins 04/07/2023

Ends 05/19/2023

SECTION 1 PROJECT SUMMARY

The City of Albert Lea ("City") along with its partners is seeking development proposals for the opportunity to purchase, restore and install a retail business in the building located at 132 Broadway Avenue South. Those wishing to submit a proposal to this Challenge ("Developer") shall do so in writing.

PROPERTY DESCRIPTION

Originally built in 1880 and is part of Albert Lea's Historic District. Total present foot print of structure and lot 22' X 122'. Total present basement 2684 square feet, total present main level 2684 square feet, and total present 2nd floor 1760 square feet accessible only from the roof level west side. The property is zone B-3.

- 2013: 6" sprinkler and domestic main stubbed into basement off of Broadway Ave.
- 2018: New rear roof structure including framing, joists, upper wall tuckpointing, roof deck R-27 insulation, and rubber membrane installed. New second floor entry door and lock installed.
- 2022: Asbestos pipe insulation and floor tile was abated; quantities of e-waste and general demolition and waste material was removed. Except for very limited items, all 3 levels are empty. New electrical service panel installed.
- 2023: Floor system replaced in west addition. Consisting of approximately 950 square feet. Typical post and beam floor system approximately 95% completely replaced. Center steel column consisting of a 3" x 14' section of gas pipe was replaced with a manufactured 4" tube steel with welded flanges and 10,000 PSI grout base. Column loading capacity estimated in excess of 45,000 pounds. New floor system is installed with an estimated capacity in excess of 75 pounds per square foot live load. Rear entry assembly was replaced complete with frame and insulated door, keyed deadbolt and lever lock hardware.

Second Story roof consisting of 1760 square feet has a galvanized steel roofing system. Currently has two small intermittent leaks, general roof coating can extend life of the roof. Suggest re-roofing that portion within 10 years.

DEVELOPMENT VISION

The vision for the property's development is focused on improving the storefront and curb appeal while providing a new retail opportunity. The building will have the window front repaired or restored to a historic design so that commercial activity is visible from Broadway Avenue South. All building code requirements for workmanship and finishing

the property shall apply. The redevelopment of the building is part of a larger effort to preserve and revitalize the downtown area. Recent projects have begun on the 200 Block and the City is proposing development options for the 300 Block.

ASKING PRICE

The price is set at the cost of recent improvements and hazard mitigations. Purchase price is \$69,000 at closing. The City will negotiate its reserved \$143,831.18 in past assessments and taxes dependent upon the proposed project. The selection process is outlined in Section 8. The purchase price due at closing is the expectation in addition to a portion of the past due assessments and taxes over a 5-year period.

SECTION 2 GENERAL CONDITIONS

The City reserves the right to request any and all additional information from Developers during and after the Challenge period. After the period is over, the City will negotiate with Developer(s) the details of a purchase agreement, and as applicable, development, subsidy, and/or other agreements. These negotiations may cover information not contained in the original proposal or this Challenge. The City intends to employ a City-option buy-back clause in the purchase agreement, should the Developer not meet the terms of the development, subsidy, and/or other agreement(s).

The City also reserves the right to reject all proposals, select any proposal, and/or negotiate with the Developer(s) it selects to develop a purchase agreement and (if applicable) development, subsidy, and/or other agreement(s).

SECTION 3 LICENSE TO INSPECT

During the Challenge period, Developers and their employees, agents, or representatives, shall have the right of reasonable access to the Property during normal business hours for the purposes of inspection, undertaking any necessary soils tests (if required), and otherwise conducting due diligence to ensure that the Property is suitable for their intended use.

Notwithstanding anything else in this Challenge, Developer(s) shall defend, indemnify, and hold the City, its employees, officers, and agents, harmless from any injury, property damage, or liability arising out of the exercise by the Developer of this access license, other than injury, property damage, or liability relating to the gross negligence or

willful misconduct of the City or its officers, agents, or employees.

SECTION 4 PROPOSAL REQUIREMENTS

QUESTIONS

Proposals must respond to the following questions in order to be considered by the City:

1. Description of the Developer's proposed project:
 - a. Conceptual designs if available

2. Description of the Developer's experience developing the proposed type of project and/or operating the proposed use:
 - a. Name and location of project(s)
 - b. Description of project(s)
 - c. Completion date of project(s)
 - d. Experience in dealing with private development

3. Explanation of the Developer's organization and a list of other partners and their roles (if any).

4. The proposed general timeframe for the development of the Developer's proposed project. If multiple components or phases are planned, a list of all.

5. Description of the benefit(s) your proposed project could bring to the City including but not limited to:
 - a. Projected property tax revenues from the project.
 - b. Any anticipated incentives (forgivable loans, reduced purchase price, tax abatements, tax credits, or grants) necessary to complete the project.
 - c. Projected sales tax and other revenues from the project (if applicable)
 - d. Projected number of direct jobs (if applicable)
 - e. Projected number of housing units (if applicable).
 - f. Property sale amount (if applicable).
 - g. Served demographics of the community
 - h. Other benefits to the City

SECTION 5 FUNDING AND GRANT OPTIONS

Up to...	Participant	Use
\$50,000	City of Albert Lea	Matching grant for historic façade repairs and roof replacements. May not be used for the

		purchase of the building nor may the purchase qualify as a match requirement.
\$50,000	ALEDA	Small Business Grant based on gap financing needs and strength of project
Free	Chamber of Commerce	Membership to the Chamber of Commerce for 5 years.
Free	CVB	Spotlight advertisement in next published Community Guide.
\$1,000	Main Street	New Façade drawing and up to \$1,000 in marketing for your business

There are financing options through the City of Albert Lea and ALEDA to cover various needs in creating a new or expanding an existing business. These options vary depending many factors and cannot be determined until after a proposal is selected.

SECTION 6 DEVELOPER'S RESPONSIBILITIES

Following Developer selection and execution of an agreement, Developer shall proceed with detailed due diligence, pre-development, and other activities while working with City to negotiate an Agreement, including the purchase and sale of the property.

PRE-DEVELOPMENT COSTS

The selected Developer shall bear all predevelopment costs relating to this project. All fees and expenses of engineers, architects, financial consultants, attorneys, planning or other consultants or contractors retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, surveys, planning and/or design activities, drawings, specifications or other activity or matter relating to the project shall be the sole responsibility of and undertaken at the sole cost and expense of Developer.

DEPOSIT

The selected Developer shall reimburse the City for the actual out-of-pocket costs and expenses incurred in the event the developer does not proceed as proposed. A non-refundable deposit of \$5,000 will be required within seven (7) days of being notified of selection and shall be applied to the purchase price at closing. This deposit excludes any potential deposit or cost requirements for tax abatement or tax increment financing.

LEGISLATIVE ACTION

City and Developer acknowledge that the City must exercise its independent legislative authority in making any and all findings and determinations required of it by law concerning the Property. Developer selection does not restrict the legislative authority of the City in any manner whatsoever and does not obligate the City to enter into the Agreement.

CONSTRUCTION

The Developer shall be responsible for construction, and commissioning of the project including obtaining all permits, fees, and approvals necessary for the construction of the project.

SECTION 7 PROPOSAL INSTRUCTIONS

Developers should provide a complete, concise, and professional response to this Challenge, addressing the reasons why the proposal is the highest use of the property for the City, and showcasing the developer's experience and commitment to the proposed project. Proposals must demonstrate that the approach, design, and financing plan for the project will allow for successful development and delivery.

The following minimum information should be provided in each proposal and will be used to evaluate each proposal submitted. To expedite the evaluation of proposals, it is recommended submittals should be no more than twenty (20) pages. Proposals should include the following items:

- Proposal Cover Sheet
- Completion of Questions 1-5 in Section 4 above. Please answer in a format that is easy to follow related to the questions asked.
- Proposed offer price to purchase the Property.

The City will not be liable for any expenses incurred by Developers responding to this solicitation. All material submitted will be kept by the City.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposing Developer of the conditions contained in this Request for Proposals, unless clearly and specifically noted.

The City is not liable for any costs incurred by the Developers in preparing and submitting proposals.

Proposals may be submitted at www.alrebuild.com, emailed to apply@alrebuild.com, or delivered to 132 North Broadway Avenue, Albert Lea MN 56007.

SECTION 8 SELECTION PROCESS

CRITERIA

The selection committee made up of staff from the partner participants will review each proposal to determine which proposal as a whole will most closely meets the goals and provides the highest value for the property. Criteria for review include, but are not limited to:

- Meeting the purchase price of \$69,000.
- Strength of business plan.
- Business the acts as an attraction to bring people to the downtown (i.e. restaurant, retail shop).
- Short term tax impact.
- Long term tax impact.
- Environmental impact.
- Creation or maintenance of jobs.
- Developer history.
- (Negotiated) Amount of past due assessments to be reassessed over 5 years.

Options and recommendations may be given by the selection committee to the City Council ultimately responsible for selling the property.

SECTION 9 PROJECT INDEMNIFICATION

Developer shall indemnify, defend, and hold the City and their officers, agents, and employees harmless from any and all claims, damages, losses, causes of action, and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees, and other related costs and expenses, incurred in connection with or in any manner arising out of Developer's performance of the work contemplated by this Challenge.

Submitting a response to this Challenge signifies that the Developer is not covered under the City's general liability insurance, employee benefits, or worker's compensation. Developer's obligation to indemnify shall survive expiration or termination

of this Challenge and shall not be restricted to insurance proceeds, if any, received by the City, and their officers, agents, and employees.

Developer shall defend, with counsel of City's choosing and at Developer's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind that may be brought or instituted against City, and their officers, agents, and employees as a result of any work contemplated by a response to this Challenge. Developer shall pay and satisfy any judgment, award, or decree that may be rendered against City, and their officers, agents, and employees as part of any such claim, suit, action, or other proceedings. Developer shall also reimburse City for the cost of any settlement paid by City, and their officers, agents, and employees as part of any such claim, suit, action, or other proceedings. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Developer shall reimburse City, and their officers, agents, and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

SECTION 10 CHALLENGE ADDENDA

The City may determine it is necessary to revise any part of this Challenge. Revisions will be made by written addenda and it is the Developer's responsibility to understand and comply with any addenda to this solicitation. Addenda shall be posted at alrebuild.com and vendors may use the contact information below if they have any **further questions about the proposal:**

apply@alrebuild.com
132 N Broadway Ave
Albert Lea, MN 56007
507-373-3930

Inquiries about viewing the property contact:

Attn: Wayne Sorensen, Building Official
221 E Clark Street
Albert Lea, MN 56007
Telephone: 507.377.4340
Email: wsorensen@ci.albertlea.mn.us