

JOHNSON FARMS REQUEST FOR PROPOSALS

*Request for Low-Density, Residential Development
Partially Serviced, City-Owned Land located in Johnson Farms First Addition*

Proposals Due: July 12, 2016 at 3:00 PM

REQUEST FOR PROPOSALS

The City of Moorhead, Minnesota is seeking proposals from qualified developers and experienced builders for development of high quality, low density residential development within the remaining City-owned partially serviced land in Johnson Farms subdivision. This area has been identified by the City as a priority development area and prime location for high quality, low density residential housing.

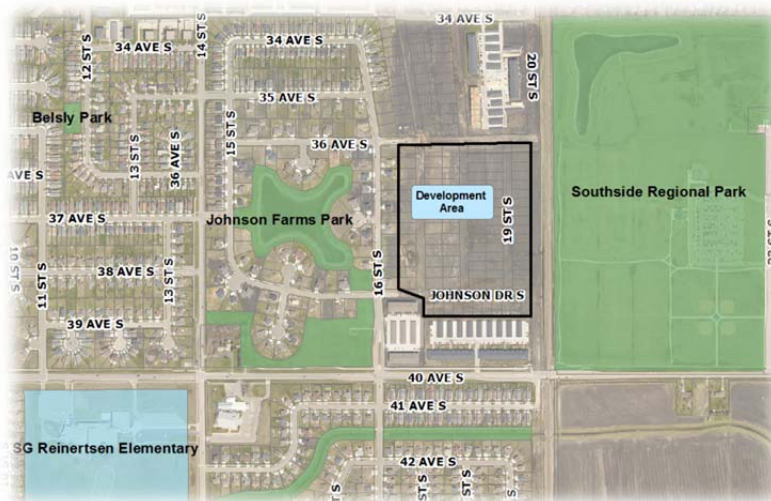
COMMUNITY

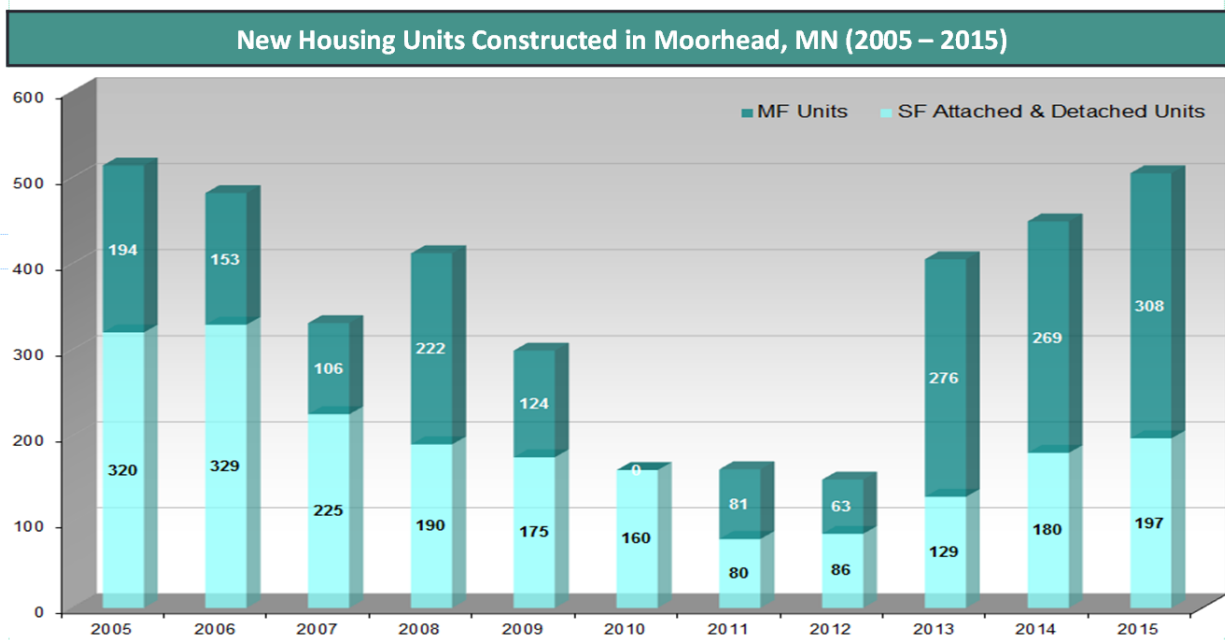
Moorhead, MN is a vibrant, growing community located in northwest MN and part of the Fargo-Moorhead metro area. Moorhead has more than 40,000 people that call it home and residents enjoy access to arts and culture, medical, shopping and employment opportunities within the entire metropolitan area with a total population of approximately 215,000. Moorhead prides itself as a community with strong neighborhoods and active community spirit.

Moorhead has:

- ✓ More than 40 neighborhood and regional parks connected by nearly 60 miles of bike amenities to facilitate a connected and active community.
- ✓ A world-class education system for learners of all ages with small class sizes for Moorhead public and private K-12 schools and five post-secondary college options for life-long learning including Concordia College and Minnesota State University - Moorhead.
- ✓ A strong, diverse economy and educated workforce with a current unemployment rate of 2.9%.

Residential Market: Moorhead's housing production has accelerated in the past three years and existing homes are also selling at a rapid rate indicating a strong consumer demand.





CITY GOALS FOR PROJECT

- A timeline which includes build-out of any given phase with two years of street and utility installation.
- Promote quality housing types with architectural appeal that complements the nature and character of the existing neighborhood.
- Achieve development that expands the City’s property tax base, provides a market rate return on land, and minimizes the City’s risk and exposure pursuant to any aspect of the development proposal.

CITY INCENTIVES TO HOMEBUYERS

- **Make Moorhead Home Property Tax Rebate** – Under the current program, the City will provide a rebate of property taxes to the home owner for the first two years after construction of a new home .
NOTE: This program is currently set to expire December 31, 2016; however, the possibility does exist that this program could be extended beyond this date. For more information: <http://www.makemoorheadhome.com/pdf/FAQ.pdf>
- **First and New Home Incentive** – First-time homebuyers purchasing newly constructed homes in Moorhead may be eligible to receive a \$5,000, 0% interest deferred loan, to be applied to special assessments. For more information: <http://www.makemoorheadhome.com/new-home-incentive.php>



PROJECT SCOPE

LAND AREA

The development area includes approximately 27.6 acres of land which has been apportioned into three possible development phases for maximum flexibility to potential proposers. Johnson Farms was established in 2005 with neighborhood amenities including a pond, sidewalks and shared-use path and a neighborhood park with playground equipment and is ready to support this proposed development. The subdivision is located within walking distance of Moorhead Public School’s S.G. Reinertsen Elementary, which opened in 2004, and the proposed site also has convenient access to the Southside Regional Park.

NOTICE TO PROPOSERS

A large portion of the development area had been utilized as a stockpile site with areas of excavation and fill. The preliminary Geotechnical Engineering Report and Topographic Survey are attached. All new building construction requires footings to be placed on undisturbed soils or engineered soils compacted to proper proctor with results submitted to the Building Codes Office. **As noted within the attached Geotechnical Engineering Report – “Further study should be conducted prior to design and construction of specific residential projects within this development. We recommend these studies be performed at each lot to accommodate varying soil conditions and individual structure and foundation plans”¹.**

NOTE: The City is offering the property in “as is” condition and makes no representations or warranties regarding geology, soil stability, or environmental conditions.

DENSITY

Maximum density has been established as 109 single-family residential units. The land is platted with 98 lots; Lots 2-12, Block 14, were anticipated to be split for twin homes and each lot currently has two sewer wyes. Proposals may not include increases to density or substantial changes to the existing lot layout.

Proposals submitted that include changes to increase the density will not be considered.

ZONING

The area includes three residential zoning district classifications:

- Blocks 12 and 13: Residential Low Density - 2, RLD-2
- Blocks 10 and 11: Residential Low Density - 3, RLD-3
- Block 14: Residential Medium Density - 1, RMD-1

Proposals that include changes to existing zoning classifications will not be considered.



¹ Preliminary Geotechnical Engineering Report Johnson Farms Moorhead, MN. Midwest Testing Laboratory/Terracon.

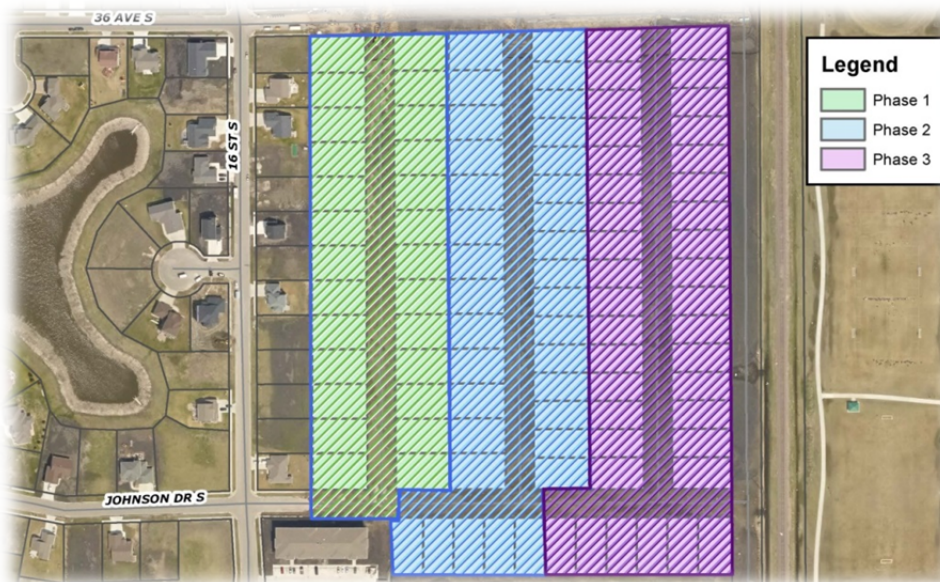
INFRASTRUCTURE

- A significant portion of the trunk infrastructure servicing this area is currently installed and has been assessed to the benefiting area.
- The proposed development must be consistent with the following:
 - Existing plat layout with the exceptions of the replat for right-of-way noted below, anticipated lot splits (Lots 2-12, Block 14) and/or minor lot line adjustments.
 - Existing density and zoning classifications
 - Existing utility service capacity (109 residential units)
- It is anticipated the selected developer will petition the City to install the local infrastructure including utilities, streets, curb, and gutter.
- All Phases include installation of utilities, streets, curb, and gutter for a portion of Johnson Drive S. (See Phased Approach)
- Special assessment information is outlined in the following section.
- **A replat of the lots on Block 10 and Block 11 will be needed** to dedicate additional road right-of-way and easements along 20th Street South. The existing plat has a 70-foot right-of-way dedicated with no easements.
 - **The City will require a total right-of-way width of 85 feet for 20th Street South and a 15-foot wide drainage, utility and pedestrian easement between 36th Avenue South and the southeast corner of Lot 12 Block 14.**
 - **Re-plat should not affect alignment of 18 Street South.**

PHASED APPROACH

For maximum flexibility, the Development Area has been apportioned into three development phases. Proposals will be accepted for the entire Development Area or for one or more of the phases identified below. The installation of public infrastructure will be completed based on petitions received. In the event that a proposal is not received for the entire Development Area, the City reserves the right to select multiple developers to complete the subdivision.

	Phase 1	Phase 2	Phase 3	Total
Total Number of Units	26	39	44	109



LAND COST & SPECIAL ASSESSMENTS

- A minimum purchase price has been determined for each phase and for the entire development which is outlined in the table below.
 - Up to 75% of the purchase price may be spread as uncertified special assessments to be amortized over 20 years at the existing project interest rates. The first payable year will be no later than 2018.
 - The remaining 25% of the sales price will be due as cash at closing.
- Development terms will be negotiated with the Purchase Agreement.

LAND COST	Phase 1	Phase 2	Phase 3	TOTAL
Purchase Price (<i>Minimum</i>)	\$500,000	\$540,000	\$560,000	\$1,600,000
Cash Percentage	25%	25%	25%	25%
Minimum Cash at Closing	\$125,000	\$135,000	\$140,000	\$400,000

The following table outlines the portion of the purchase price to be re-spread as special assessments as well as estimated future assessments for local underground utilities and curb, gutter and paving costs. The re-spread assessment figures are based on the minimum purchase price outlined above.

SPECIAL ASSESSMENTS	Phase 1	Phase 2	Phase 3	TOTAL
75% of Purchase Price (Re-spread)	\$375,000	\$405,000	\$420,000	\$1,200,000
Future Assessments:				
Underground Utilities	\$310,000	\$435,000	\$485,000	\$1,230,000
Street, Curb & Gutter	\$340,000	\$475,000	\$525,000	\$1,340,000
Total Special Assessments	\$1,025,000	\$1,315,000	\$1,430,000	\$3,770,000

A letter of credit or other acceptable form of security will be required in an amount totaling the first five (5) years of re-spread special assessment installments. These figures, too, are based on the minimum purchase prices established for each of the phases and the entire development outlined above. **Proposals must include proof of ability to obtain the required security (letter from a financial institution).**

Letter of Credit	Phase 1	Phase 2	Phase 3	TOTAL
Security Requirement	\$185,000	\$209,000	\$221,000	\$655,000

PROPOSAL SUBMITTAL REQUIREMENTS

**PLEASE SUBMIT THE FOLLOWING FORM AND RELATED ATTACHED DOCUMENTS
JOHNSON FARMS REQUEST FOR PROPOSALS CHECKLIST & SUBMITTAL CRITERIA**

COMPANY INFORMATION		
Company name:		
Address:		
Primary Contact:		
Email Address:		
Phone Number:		
CHECKLIST		
Minimum Criteria Acknowledgement		
<input type="checkbox"/>	No Increase in Density <small>(109 single family units)</small>	INITIAL _____
<input type="checkbox"/>	No Change in Zoning	INITIAL _____
<input type="checkbox"/>	No Change in Lot Layout <small>(except ROW dedication/lot splits)</small>	INITIAL _____
<input type="checkbox"/>	Replatting 15' of additional right of way & 15' easement on lots abutting 20 th St S <i>(Not applicable if proposal does not include Phase III)</i>	INITIAL _____
<input type="checkbox"/>	Will submit petitions for street/utility installation for at least one phase on or before 8/22/16	INITIAL _____
<i>Proposers which do not acknowledge the minimum criteria noted above will not be considered.</i>		
This proposal is for development of the following:		
<input type="checkbox"/>	Phase 1 – 26 Housing Units	
<input type="checkbox"/>	Phase 2 – 39 Housing Units	
<input type="checkbox"/>	Phase 3 – 44 Housing Units	
Financial Criteria		Maximum Points
<input type="checkbox"/>	Price Offered for Land (as applicable to phases in the proposal) Phase 1 - \$500,000 minimum – Offer \$ _____ Phase 2 - \$540,000 minimum – Offer \$ _____ Phase 3 - \$560,000 minimum – Offer \$ _____	50 (20 points) (15 points) (15 points)
<input type="checkbox"/>	Proof of Ability to Obtain Required Security <ul style="list-style-type: none"> • Attach letter from financial institution stating they will provide security to cover five years of special assessments 	15
<input type="checkbox"/>	Complies with Terms of Special Assessments Outlined in RFP <ul style="list-style-type: none"> • 20-Year term at existing interest rates 	15
Construction Criteria		
<input type="checkbox"/>	Proposed Construction Timeline <ul style="list-style-type: none"> • Attach proposed construction timeline for applicable phase(s) 	20
Total Possible Points		100

Digital and/or Paper copies of the proposal will be accepted. All submittals must be clearly marked: "Residential Development Proposal: Johnson Farms". PDF would be the preferred format for all digital submittals. Paper proposals and/or digital discs may also be submitted to:

City of Moorhead
500 Center Avenue – 4th Floor of City Hall
PO Box 779
Moorhead MN 56561-0779
Attn: Amy Thorpe

Proposals are also accepted via email to lotsales@cityofmoorhead.com. The City is not responsible for proposals that are not able to be opened or too large for electronic submittal.

NOTICE TO DEVELOPERS

The City reserves the right to reject any and all proposals and to advertise for new proposals.

The City Council, at its sole discretion, will select a "preferred developer" and initiate negotiations to enter into a Purchase Agreement. A Purchase Agreement template is attached for the benefit of developer's review prior to RFP submission and subject to change. The preferred developer submitting the selected proposal will be required to provide the City a \$1,000 security deposit within 72 hours of notification of selection. The deposit will be applied to the purchase of property or forfeited to the City if the developer fails to enter into a Purchase Agreement with the City within 60 days of the notification of selection.

No real estate commission will be paid

PROJECTED SCHEDULE

Request for Proposals Issued: June 15, 2016

Proposals Due: July 12, 2016 at 3:00 PM
City of Moorhead
500 Center Avenue – 4th Floor
PO Box 779
Moorhead, MN 56560
Attn: Amy Thorpe

Notice of Award: A "preferred developer" selection anticipated by July 25, 2016

Proposals should be clearly marked "Residential Development Proposal: Johnson Farms"

Proposals must be received by the date and time due to be considered.

The City of Moorhead reserves the right to change any dates.

Phase I, II and/or III PROPOSED Infrastructure Timeline

Activity	Date
RFP – Council approval	June 13, 2016
RFP – Proposal Due Date	July 12, 2016
RFP – selection of preferred developer and purchase agreement Order Report, Receive Report and Order Plans & Specs (underground & street) Approve Engineering Services Agreement (if necessary)	July 25, 2016
Receive Petitions (underground & street)	August 22, 2016
Approve Plans & Specs and Authorize Ad for Bids (underground – Phase I)	Aug. 22-Sept. 12, 2016
Order Improvements, Declare Intent to Assess and Award Bid (underground Phase I)	Sept 26-Oct 10, 2016
Anticipated Construction Schedule (underground Phase I)	October – November (if possible)
STREETS	
Approve Plans & Specs and Authorize Ad for Bids (street – Phase I)*	January 23, 2017
Order Improvements, Declare Intent to Assess and Award Bid (street – Phase I)*	February 27, 2017
Anticipated Construction Schedule (street – Phase I)*	May – July 15, 2017
Hold Assessment Hearing	Fall, 2017

*Underground and street infrastructure for Phases II & III could be included with street plans for Phase 1 and constructed in 2017 if desired

POINTS OF CONTACT

Primary Points of Contact:
Amy Thorpe, Econ Dev Program Administrator - 218.299.5442
Kristie Leshovsky, City Planner – 218.299.5332

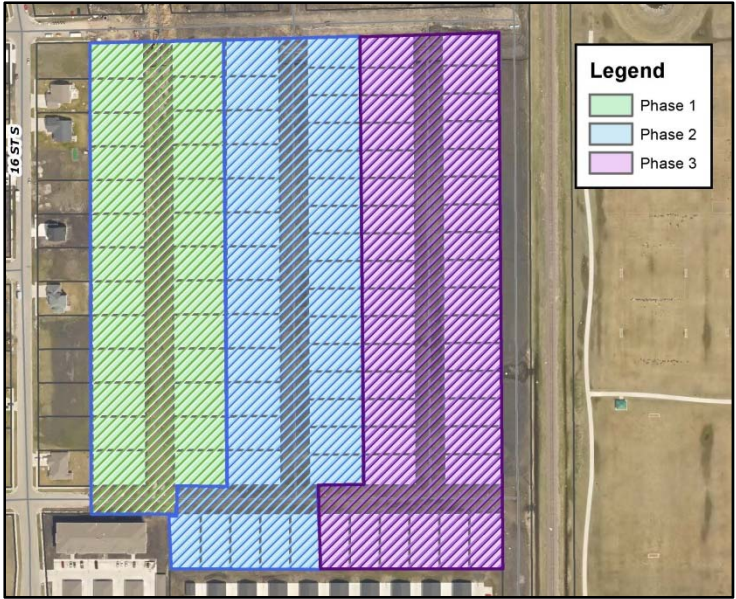
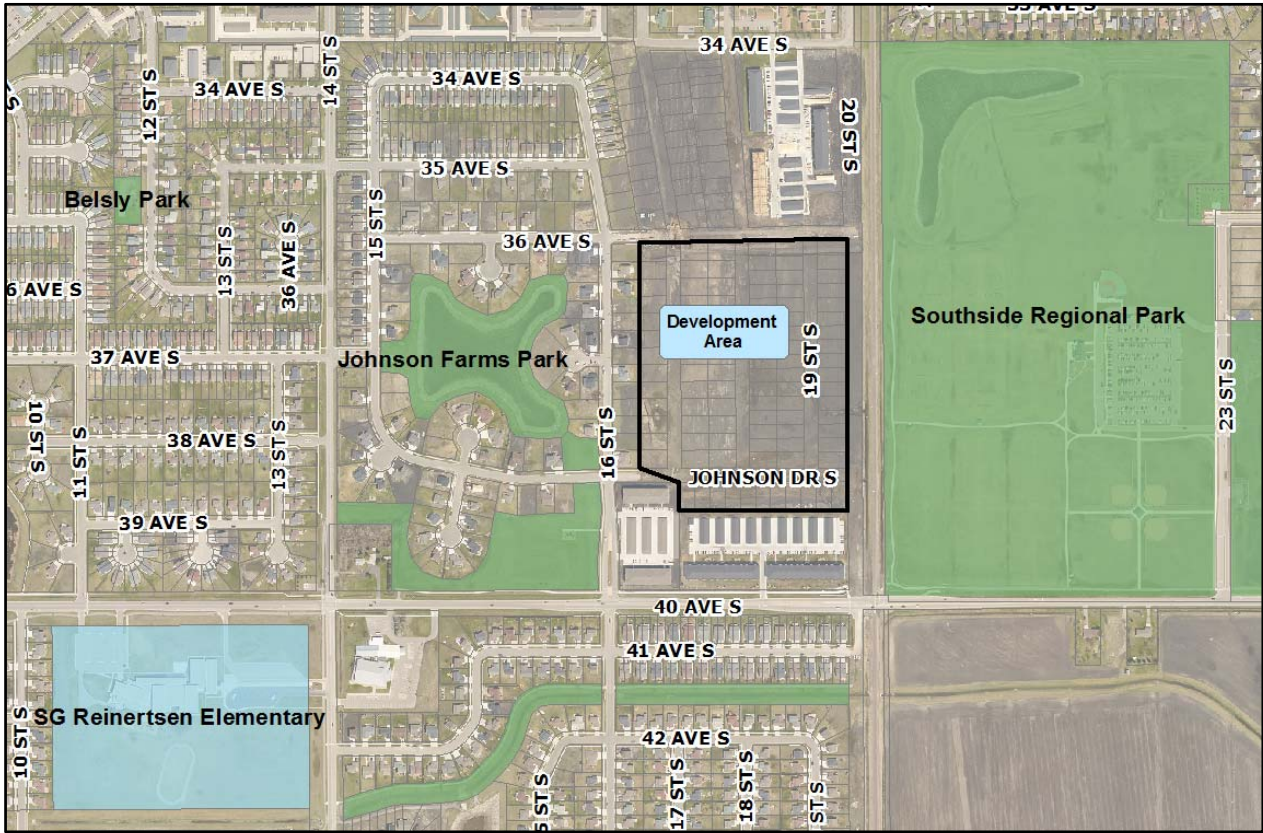
CITY STAFF

Deputy City Manager	Scott A. Hutchins	218.299.5376
City Planner & Zoning Administrator	Kristie Leshovsky	218.299.5332
City Engineer	Robert Zimmerman	218.299.5393
Assistant City Engineer	Tom Trowbridge	218.299.5395
Finance Director	Wanda Wagner	218.299.5318

MOORHEAD PUBLIC SERVICE

General Manager	Bill Schwandt	218.477.8004
Water Distribution Engineer	Kris Knutson	218.477.8071
Electrical Engineering Manager	Travis Schmidt	218.477.8084

Development Area

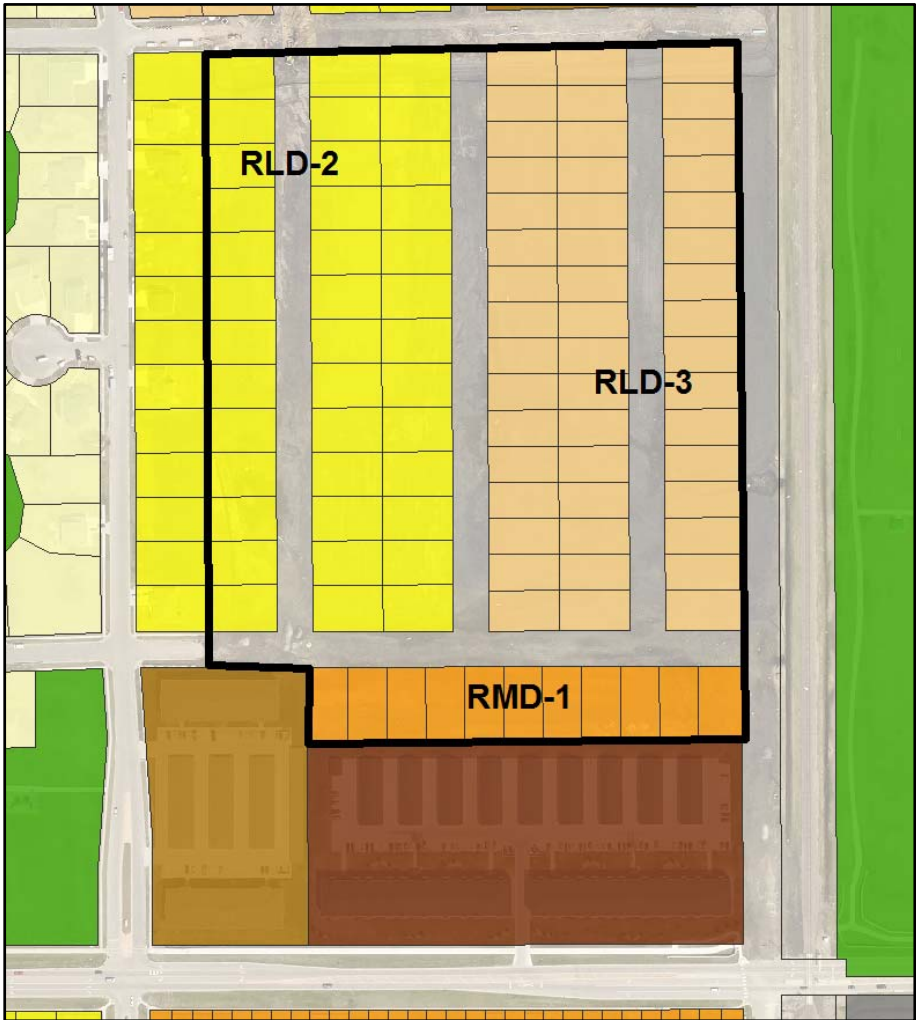


Zoning Information

	Max Bldg. Height	Max Building Coverage	Max Impervious Surface Coverage	Front Yard	Rear Yard	Side Yard
RLD-2	35 ft.	33 1/3% of lot area	35% of lot area	25 ft.	25 ft.	Interior 5 ft.; Corner 12 ft. on the street side
RLD-3	35 ft.	40% of lot area	60% of lot area	25 ft.*	25 ft.	Interior 5 ft.; Corner 12 ft. on the street side
RMD-1	35 ft.	50% of lot area	60% of lot area	25 ft.*	25 ft.	Interior 5 ft.; Corner 12 ft. on the street side

* If garages does not face the street, front yard setback is 20 Ft.

Area Zoning Map



Infrastructure Maps – Storm Sewer

NOTE: there is storm sewer from 36th Ave S south to 40th Ave S that is not depicted on the map

