



## **OPEN INVITATION**

### **FOR SUBMISSION OF DEVELOPMENT PROPOSALS (RFP) 2024-001 DEVELOPMENT SITE IN DOWNTOWN HUTCHINSON**

**Advertisement Date:** February 5, 2024

**Proposal Due Date:** May 10, 2024

**Award Date:** June 1, 2024

#### **RFP ISSUED BY**

Hutchinson Economic Development Authority

**Contact:** Miles R. Seppelt  
Economic Development Director  
City of Hutchinson  
111 Hassan Street SE  
Hutchinson, MN 55350

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#### **EXECUTIVE SUMMARY**

The City of Hutchinson is soliciting proposals from potential developers for the redevelopment of a city-owned parcel with a developable area of approximately 1.52 acres in the city's downtown, one block west of Main Street, which is State Highway 15.

#### **INCENTIVE**

The developer submitting the winning proposal will have the opportunity to purchase the 1.52-acre commercial lot known as the "Franklin Street property" for **\$1**.

An appraisal based on the hypothetical condition that the subject property is a bare land lot ready to be built upon (development ready lot) was completed by Galen Goranowski (MN License # 20312287) Certified General Real Property Appraiser, suggesting an appraised value for the lot of **\$350,000**.

#### **EARNEST MONEY**

Payment of \$50,000 earnest money to the City will be required at the time the Purchase Agreement is signed. If the Developer maintains the project schedule they set forth in their proposal, the earnest money will be applied to the cost of city fees for the project (building permit, etc.). Subject to approval by the Hutchinson Economic Development Authority, additional time to meet project milestones can be obtained, in 90-day increments, for an additional earnest money deposit of \$10,000 for each extension. Failure to meet project milestones will result in forfeiture of earnest money.

## **PROPERTY DESCRIPTION**

**Owner:** City of Hutchinson

**Address:** 126 Franklin Street NW, Hutchinson, Minnesota

**Acreage:** 1.52 acres (approximate)

Buildable footprint is approximately **40,000 square feet**

**Dimensions:** Buildable area  
Approximately 133' east – west  
330' north – south

**Zoning:** C-3 “Central Commercial” [Will rezone as needed]

Please refer to **Appendix “A”** for full details on the C-3 Central Commercial Zoning District.

**PLEASE NOTE:** Site is in the 100-year FEMA floodplain, so the finished floor elevation of any building would have to be built at least 1-foot above that level.

**Utilities:** Electric, natural gas, water, sanitary sewer, etc. are all available on site.

**Height:** No restriction, except that City Council approval would be required for any structure in excess of six stories or 75 feet.

**Roads:** State Hwy 15 is one block east of the site  
State Hwy 7 is about two blocks north of the site

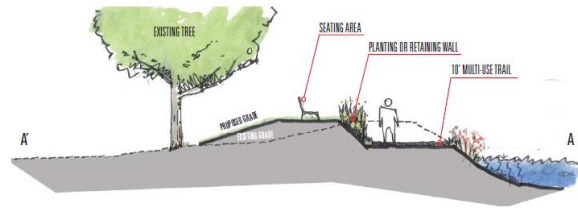
**Public Parking:** 25 stalls across the street (east)  
100 stalls (approx.) across the street (south)  
On-street parking

**Trails:** The Luce Line State Trail is two blocks north of the site  
Several additional paved city trails are within one block of the site

**Parks:**

|                 |                      |
|-----------------|----------------------|
| Cedar Park      | ½ block west         |
| Gateway Park    | ½ block east         |
| Girl Scout Park | ¾ block northeast    |
| Fireman’s Park  | 2 blocks east        |
| Veteran’s Park  | 3 blocks east        |
| Eheim Park      | 1 ½ blocks northeast |
| North Park      | 1 ½ blocks southwest |
| Library Square  | 2 blocks southeast   |

|                     |                   |                      |
|---------------------|-------------------|----------------------|
| <b>Downtown</b>     | Coffee Shop       | ½ block east         |
| <b>Attractions:</b> | Fitness Center    | ½ block east         |
|                     | Bank              | 1 block east         |
|                     | Movie Theatre     | 2 ½ blocks southeast |
|                     | Sports Bar        | 1 block southeast    |
|                     | Beauty Salons     | 1 - 2 blocks         |
|                     | Ice Cream Shops   | 1 - 2 blocks         |
|                     | Restaurants       | 2 blocks             |
|                     | Public Library    | 3 blocks             |
|                     | Downtown shopping | 2 blocks             |

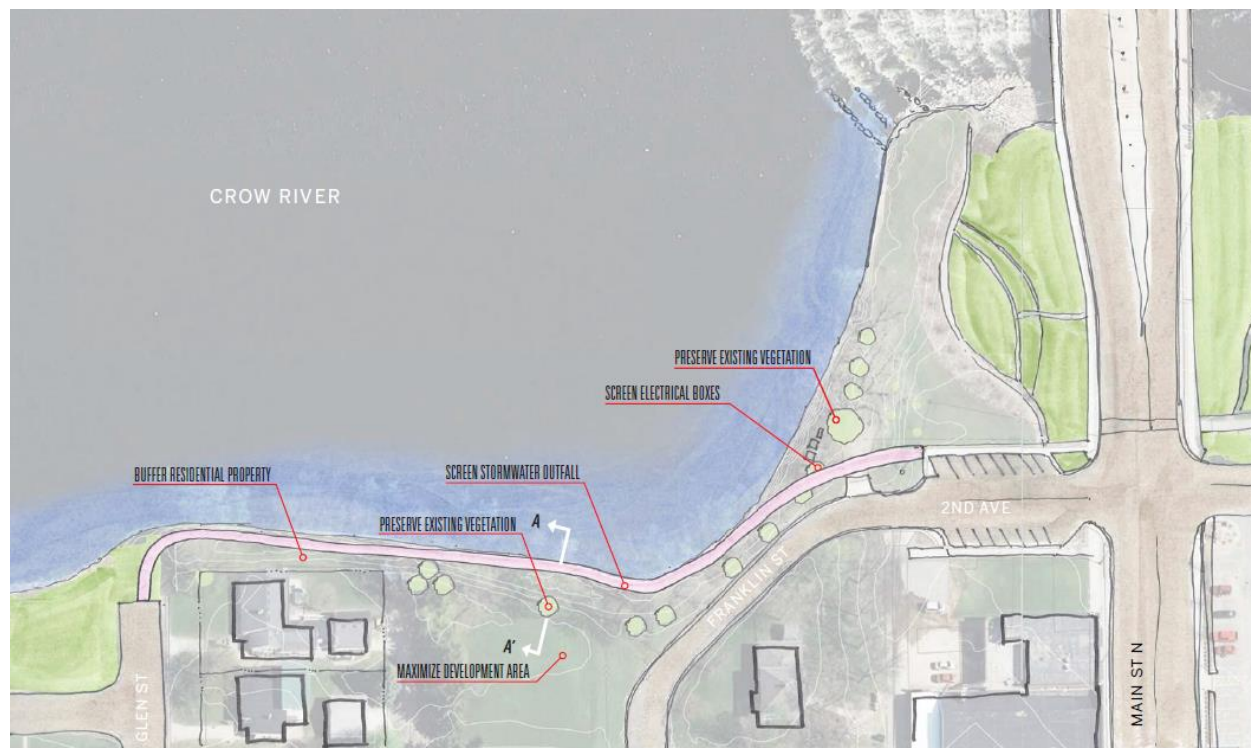


**HUTCHINSON TRAIL CONCEPT DEVELOPMENT**  
CONCEPT 1: RIVER WALK, CLOSEST TO RIVER AND MOST INTERACTIVE

## **PLANS & STUDIES**

The following Plans and Studies have been completed and are available for review for due diligence purposes upon request:

- Imagine Hutchinson – A Downtown Vision & Action Plan (2013)
- NEW** Downtown Plan (currently being developed) **(2024)**
- Levee Area Walkway Alternatives (2015)
- City of Hutchinson Comprehensive Plan (2013)
- City of Hutchinson Transportation Plan (2012)
- Appraisal Report: Old Medical Center (2015)
- Signage & Wayfinding Master Plan (2016)
- Retail Trade Analysis for Hutchinson & McLeod County (2020)



Excerpt from **Levee Area Walkway Alternatives** (2015 study) showing how a paved trail could be incorporated into the north edge of the redevelopment site.



## DOWNTOWN HUTCHINSON

The site has access to a wide variety of downtown amenities. In addition to eight public parks within three blocks, the Luce Line State Trail is just one block north of the site.

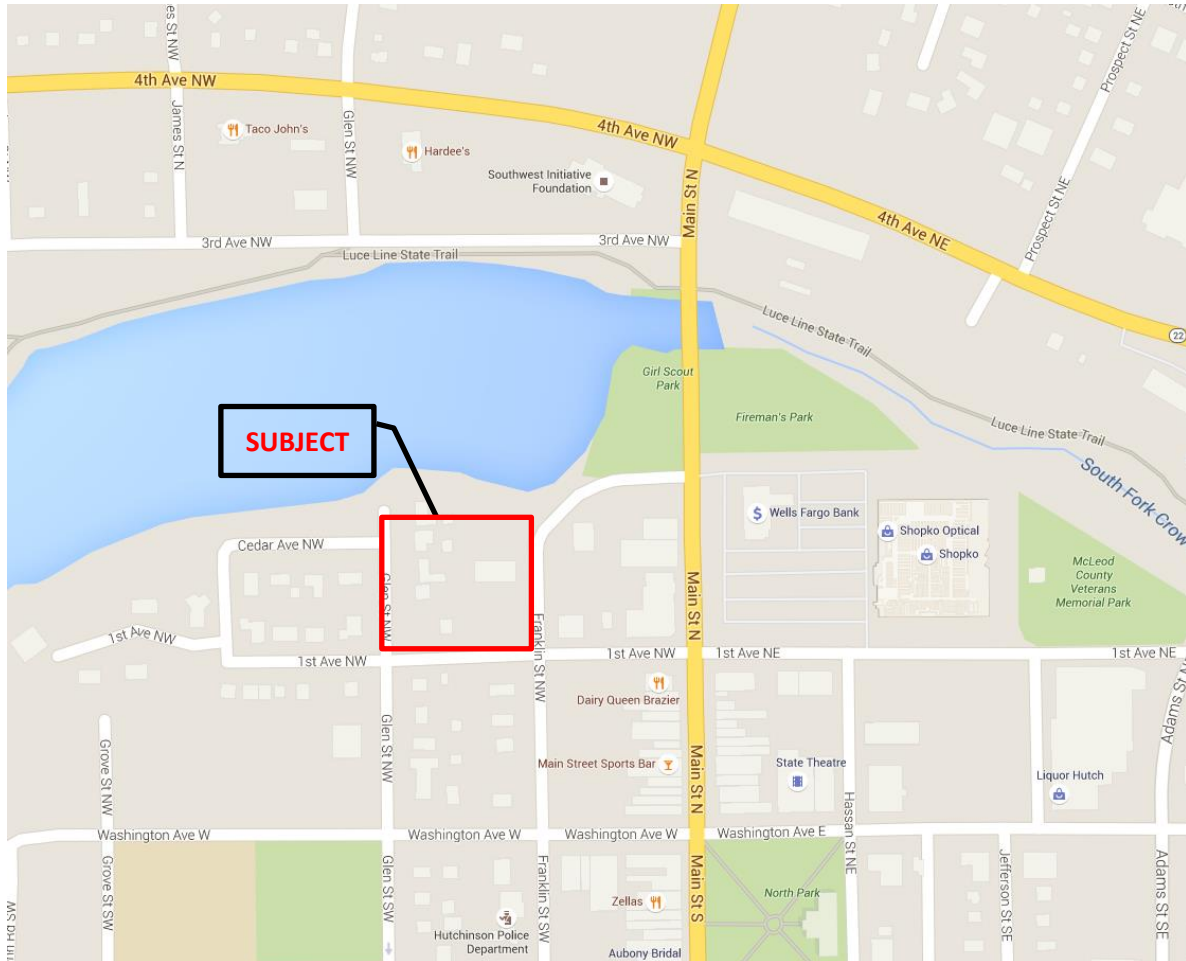
Downtown Hutchinson is just one block to the east, with retail shopping, beauty salons, coffee shops, a fitness center, movie theatre, sports bar and restaurants / fast food within an easy 5-minute walk of the site.

Events and festivals in downtown Hutchinson include the Riversong Music Festival (July), Water Carnival Week (June) and the Hutchinson Arts & Crafts Festival (October)



## TRANSPORTATION ACCESS

The development site is one city block west of State Highway 15 (Main Street) and three blocks south from State Highway 7. The site enjoys excellent visibility from the Hwy 7 / 15 intersection. The Luce Line State Trail is two blocks to the north of the site.



# Current Site Status





## Projected Site Status

The City is currently planning several projects to improve the sites readiness for development. Our intention is to proceed with these improvements in coordination with the chosen developer.



## Current Site Infrastructure Map



## **CITY INVESTMENT**

The City of Hutchinson and the Hutchinson Economic Development Authority are making significant investments for the redevelopment of this site. Previous and projected investments include:

|   |                           |
|---|---------------------------|
| 1. Acquisition of 126 Franklin                | \$225,936                 |
| 2. Demolition                                 | \$23,331                  |
| 3. Acquisition of 145 Glen                    | \$371,290                 |
| 4. Acquisition of 135 Glen                    | \$323,934                 |
| 5. Acquisition of 125 Glen                    | \$411,013                 |
| 6. Acquisition of 145 1 <sup>st</sup> Ave.    | \$111,624                 |
| 7. Acquisition of 135 1 <sup>st</sup> Ave.    | \$163,364                 |
| 8. Demolition                                 | \$98,304                  |
| 9. Proposed Sewer rehab / Street improvements | \$588,915                 |
| 10. Proposed construction of stormwater pond  | <u>\$374,000</u>          |
| <b>TOTAL CITY INVESTMENT (PROPOSED)</b>       | <b><u>\$2,691,711</u></b> |

## **REQUEST FOR PROPOSAL**

The City of Hutchinson, Minnesota (hereinafter referred to as “the City”) is **soliciting proposals from potential developers for the redevelopment of a city-owned parcel through a public-private partnership.** The property once housed a 4,300 square foot single-story building which has since been demolished. With a developable area of approximately 1.52-acres, the site is located on the north end of downtown Hutchinson one block west of Main Street on the Crow River. The site is adjacent to several city parks, benefits from abundant free downtown parking and is visible from State Highways 7 & 15 and the Luce Line State Trail, which is two blocks away.

The City will consider proposals from interested and qualified respondents for any type of proposed redevelopment, although respondents are strongly encouraged to carefully review the Proposal Review & Scoring section of this RFP.

The City reserves the right to enter into a contract with any developer, pursue a multi-phased project, waive any irregularities submitted, reject any and/or all submittals, re-advertise, and accept any proposal deemed to be in the best interest of the City. All decisions made by the City are final. All interested parties must register their name, email address, address and telephone number with the City in order to receive any future changes, additions, addendums or notices concerning this RFP.

The City of Hutchinson supports Equal Opportunity Employment, Fair Housing and the Americans with Disabilities Act.

## **VISION**

The City and Economic Development Authority are partnering to create a vibrant, livable, drivable and walkable downtown comprised of a mix of complementary uses: dining, entertainment, housing, professional services and retail shopping. Our desire is to create a downtown characterized by:

- Distinctiveness from other commercial settings
- Multifunctional
  - Multiple destinations in one compact place (govt. / services / parks / housing / dining, etc.)
- Pedestrian Friendly
  - compactness, safety & design are key elements
- Unique Heritage
- Human activity – people are present
- People are encouraged to linger
  - area is safe
  - exciting
  - attractive
  - things to see & do
  - places to sit
- A sense of community ownership

The City would be particularly interested in the following types of proposals:

- High-density housing (any type)
  - Apartments
  - Condominiums
  - etc.
- Multi-story mixed use development (featuring commercial uses – retail or office – on the first floor and residential living on the upper floor(s).
- Brew pub
- Restaurant
- Sports bar
- Some combination of the above





Excerpt from “IMAGINE HUTCHINSON – A Downtown Vision & Action Plan,” showing one possible concept for redeveloping the area.

### **PROPOSAL REVIEW AND SCORING**

The City will review all submitted proposals with strict confidentiality and developers shall retain all rights to their proposals at all times.

**At its sole discretion**, the City of Hutchinson reserves the right to accept or reject any submitted proposal.

**All decisions are final.**

Proposals will be evaluated and scored on a 1-10 scale for each of the following criteria:

1. Qualifications and experience of the developer(s)
2. Financial capacity of the developer(s)
3. Proposed use of the lot and how well it fits into the City’s vision for downtown
4. Conceptual design / architectural style of proposed project
5. Market justification for the proposed use(s)
6. Estimated Market Value (EMV) of the project
7. Proposed timeline for the project: start of construction / project completion

The maximum possible score is 70. Proposals will be reviewed by City Staff and the Hutchinson Economic Development Authority and a recommendation will be made to the Hutchinson City Council which will make the final decision.

### **SUBMISSION REQUIREMENTS**

Respondents are required to submit one (1) original and one (1) electronic copy of their proposal to the contact person listed below. To facilitate effective evaluation by the City responses shall be limited to no more than twenty-five (25) pages.

All questions shall be emailed to the contact listed below and all questions will be answered in writing by email. At the discretion of the City, a short list of the most qualified respondents may be developed and respondents may be asked to give a short presentation or interview as part of the evaluation and selection process. Respondents may be asked to provide additional information.

### **PROPOSAL GUIDELINES / CONTENT**

To be considered complete, all proposals must include the following elements:

- A. Cover letter describing your interest, your team and your concept.
- B. Detailed description of the development concept with specifics as to the total size and type of project.
- C. Conceptual site plan showing the layout of the proposed project
- D. Market justification of the proposed use(s)
- E. Estimated market value of the project when completed
- F. Project time-line, to include:
  - 1. Due diligence period
  - 2. Pre-development Meeting
  - 3. Site Plan Review Process
  - 4. Variance or conditional use permit needs
  - 5. Preliminary plat / rezoning
  - 6. Final plat
  - 7. Building permit submittal and review
- G. Developer's financial capability to complete the project. In this regard, the respondent should provide: a financing plan, anticipated sources of project financing, sources of equity, financial capacity of respondent to perform obligations, and net worth of respondent.

## **ANTICIPATED PROCESS**

- |  |                         |
|--|-------------------------|
| 1. Advertisement of RFP  | <b>February 5, 2024</b> |
| 2. Proposal(s) submitted to City   | <b>May 10, 2024</b>     |
| 3. Review by EDA Finance Team  | <b>May 15, 2024</b>     |
| 4. Review & final recommendation by EDA Board  | <b>May 22, 2024</b>     |
| 5. City Council chooses Developer  | <b>June 11, 2024</b>    |
| 6. Purchase Agreement signed (with 180-day due diligence period for developer and contingent upon final approval by Hutchinson City Council, which must approve all sales of municipally owned land) |                         |
| 7. Due diligence period (180 days)   |                         |
| 8. Development Agreement negotiated  |                         |
| 9. Hutchinson City Council passes ordinance to sell land   |                         |
| 10. Closing  |                         |
| 11. City Planning Process: One-stop shop / Site plan review / Rezoning (if needed) / Lot Replat / Building permit obtained / etc.  |                         |
| 12. Construction begins  |                         |
| 13. Project Complete   |                         |

## **QUESTIONS / ADDITIONAL INFORMATION**

**Contact:** Miles R. Seppelt  
Economic Development Director  
City of Hutchinson  
111 Hassan Street SE  
Hutchinson, MN 55350

**Phone:** (320) 234-4223

**Email:** [MSeppelt@hutchinsonmn.gov](mailto:MSeppelt@hutchinsonmn.gov)

## Site 100 & 500-Year Flood Elevations

100- year = Orange

500-year = Green



The finished floor elevation (FFE) of any structure will need to be raised at least 1-foot above the 100-year flood level. Developer will need to work with the Minnesota Department of Natural Resources to make a final determination of FFE. Currently the site is about 1' below the 100-year flood elevation.



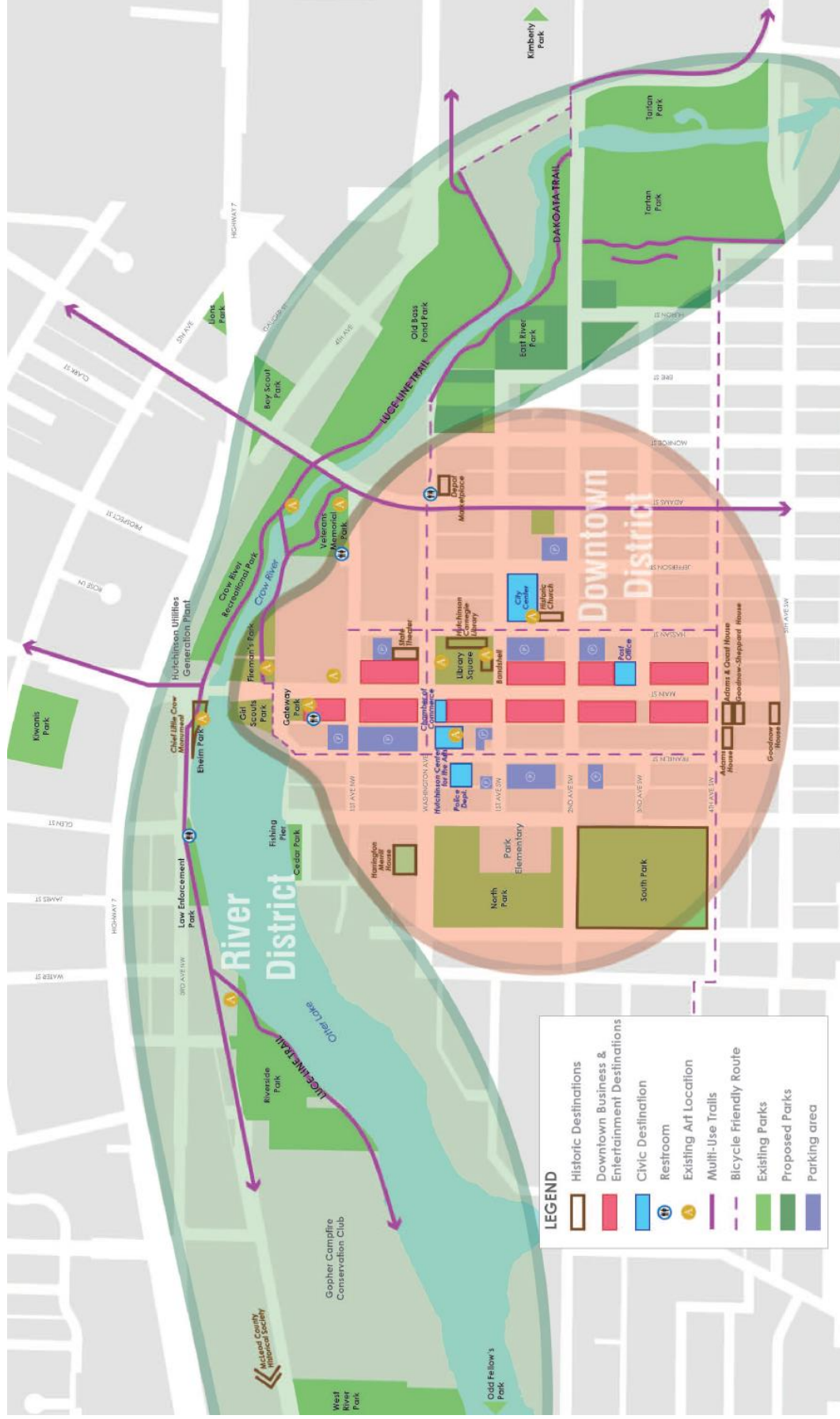
## **Current Appearance of Site**



**View of development site from southwest corner, looking northeast.**



**View of site from the southeast corner, looking north/northwest**



Map of downtown and surrounding area showing abundant public parking (shaded purple)

# Site Zoning

## C-3, CENTRAL COMMERCIAL DISTRICT.

(A) *Purpose.* The C-3 Central Commercial District is intended to provide an area for the grouping of general retail sales establishments, offices and services which serve city residents and the surrounding area. The C-3 District provisions and boundaries are intended to promote compatible land use relationships among diverse types of uses and encourage well-planned development or expansion in accord with the approved Comprehensive Plan. Only those uses which substantially interfere with the overall function of the general commercial area will be excluded. On-site parking is not required in this district.

(B) *Permitted uses.* The following uses are permitted as regulated herein, without special application requirements or conditions attached. Similar uses may be allowed upon the determination of the City Council:

(1) Trade and services: any retail store or personal service business subject to all regulations and permits and licenses as may be required by law; and, further provided that, the use is not objectionable due to noise, fumes, smoke, odor or vibration, including the following and other similar uses;

- (2) Cultural facilities;
- (3) Trade and business schools;
- (4) Catering establishments;
- (5) Employment agencies;
- (6) Game and amusement arcades;
- (7) Hotels and motels;
- (8) Interior decorating service and sales;
- (9) Offices for corporations and professionals;
- (10) Publishing, job printing and blueprinting;
- (11) Post offices and other public service operations;
- (12) Restaurants;
- (13) Taverns;
- (14) Theaters;
- (15) Commercial parking lots;
- (16) Pawnbroker establishments;
- (17) Massage service establishments; and
- (18) Upper level apartment units.

(C) *Conditional permitted uses.*

(1) Commercial parking ramps for passenger vehicles only; provided, a reservoir space is provided within the structure for holding cars awaiting entrance, which reservoir space shall have a capacity of no less than two vehicles;

(2) New or used automobile sales; indoor display area only;

(3) Motor fuel and service stations, excluding major repair operation. See App. B to this chapter for the off-street parking schedule;

(4) A state licensed residential facility serving from seven through 16 persons;

(5) Group homes up to 5,000 square feet;

(6) All licensed day care facilities which are not permitted principal uses under state law;

(7) Single-family residences applying for additions, decks, garages, remodeling or other single-family related uses;

(8) (a) Drive-through windows (specific considerations of traffic impact, accessibility to appropriate roadways, site plan consideration and other relevant information would be part of the application review); and

(b) Conditions for residential facilities, group homes, crisis shelters and licensed day care facilities shall not be imposed which are more restrictive than those imposed on conditional uses or other multi-family residential property in the same district, unless the additional conditions are necessary to protect the health or the safety of the residents of the residential facility.

(9) The requirements of § [154.115](#) of this chapter shall apply to the conditional uses described in this section;

(10) Tattoo establishments;

(11) Brew pubs; and

(12) Tap rooms

(D) *Dimensional requirements; C-3 Districts.*

(1) *Setbacks.*

| Item Set Back From          | Building Setback | Accessory Building Setback | Parking Lot or Circulation Drive |
|-----------------------------|------------------|----------------------------|----------------------------------|
| Interior lot line           | 0 feet           | 0 feet                     | 0 feet                           |
| Residential zoning boundary | 10 feet          | 10 feet                    | 10 feet                          |
| Street right-of-way         | 0 feet           | 20 feet                    | 5 feet                           |

(2) *Lot dimension requirements.*

(a) Minimum lot area: none stipulated;

(b) Minimum lot width: none stipulated; and

(c) Minimum lot depth: none stipulated.

(3) *Maximum building height.*

(a) None; except that, Council approval is required for any structure in excess of six stories or 75 feet; and



(b) Accessory structure: 20 feet.

(E) *Other requirements.* Refer to §§ [154.015](#) through [154.026](#) of this chapter, regarding general requirements, and §§ [154.110](#) through [154.125](#) and [154.140](#) through [154.144](#), regarding development standards, for regulations pertaining to:

- (1) Site plan review;
- (2) Access, parking and loading;
- (3) Landscaping and lighting;
- (4) Fences;
- (5) Signs;
- (6) Outdoor storage and displays;
- (7) Building facade materials;
- (8) Pole barns; and
- (9) Pollution.

(2004 Code, § 154.063) (Ord. 464, passed 1- -1996; Ord. 96-167, passed 6-10-1996; Ord. 96-182, passed 11-12-1996; Ord. 03-357, passed 10-14-2003; Ord. 05-0403, passed 5-10-2005; Ord. 12-0689, passed 7-10-2012; Ord. 14-0733, passed 9-9-2014) Penalty, see § [154.999](#)