



Request for Proposals:

Development of Property:
Entry Level Housing

SECTION 1 PROJECT SUMMARY

The City of Albert Lea ("City") is seeking development proposals ("Proposals") from qualified firms, developers, purchasers and builders ("Developers") for the opportunity to develop City-owned property ("City Property"). Furthermore, the City of Albert Lea is willing to provide assistance on non-City Property where housing once stood or needs redevelopment ("In-Fill Property"). The intended outcome of this Request for Proposals ("RFP") process is the creation of a development agreement ("Agreement") that will establish terms and conditions, and further define the scope, design, overall use and development of the Property.

PROPERTY DESCRIPTION

Please refer to the attached list of property groups in Exhibit A. Use the PID number to search in

<https://beacon.schneidercorp.com/?site=FreebornCountyMN>.

Using the property search option enter the PID number to get details. There are options to discover zoning, 2 foot topography, flood plains, utility locations, and lot dimensions.

DEVELOPMENT VISION

The vision for development of these properties is housing. One requirement is that the units built have some variation or differing features implemented through any one of various means including but not limited to setbacks, exterior materials, exterior colors, different porches, roof lines, and house sizes/floor plans. It is preferable the development looks and feels like these buildings are part of the neighborhood.

If built on crawlspace/pier foundation, the exterior wall to the foundation shall be primarily a brick or cementitious panel. Wood or metal skirting is not acceptable.

Garages are not required, however access to off street parking with some form of exterior storage, such as a garden shed, when a garage is not provided is required.

Preservation of existing trees, or planting of tree varieties is highly encouraged.

ASKING PRICE

City has not set a minimum purchase price and will determine the award of a proposal based on the quality of the proposal and the improvement it brings to the neighborhood. Refer to Section 6.

INCENTIVES AND REQUIREMENTS

The City will accept proposals for development and incentives on City Property or In-Fill Property. Accepting proposals or submitting proposals does not guarantee approval of the proposal or incentives. Ideally properties eligible for incentives will be blighted, hazardous or empty lots in an established neighborhood.

The City is willing to provide a rebate up to \$5,000 towards meeting the development vision.

The City will rebate up to \$2,500 in utility connection costs per utility connection. As an example, a single-family unit project will receive \$5,000 for a water and a sewer connection costs.

The City is willing to provide a rebate of up to \$20,000 for the demolition of a building or accessory building the City has determined to be a hazardous so long as the building is replaced with a similar building.

SECTION 2 GENERAL CONDITIONS

During the RFP 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 and otherwise conducting due diligence to ensure that the Property is suitable for Developer's intended use.

Notwithstanding anything else in this RFP, Developer 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 Developer of this right of access, other than injury, property damage or liability relating to the gross negligence or willful misconduct of the City or its officers, agents or employees.

On City owned Properties, the City intends to install a reverter clause for the Property if it is not developed in the time frame established within the development/purchase agreement.

SECTION 3 PROPOSAL REQUIREMENTS

QUESTIONS

To evaluate and select the appropriate Developer, the City is requesting development proposals. Proposals must respond to the following questions:

1. Description of the Developer's proposed project with estimated construction costs.
2. Description of the Developer's experience developing the proposed type of project and/or operating the proposed use.
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. Estimated rent or resale once complete.

PROPOSAL TIMELINE

Release Request for Proposals..... March 20, 2026
First Review of Proposals April 16, 2026

SECTION 4 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 or 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.

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 demolition, construction and commissioning of the project including obtaining all permits, fees, and approvals necessary for construction of the project.

SECTION 5 CITY RIGHTS AND RESPONSIBILITIES

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 shall to its best ability make staff available to assist when needed in any inspection of the properties during the work day and answer questions.

SECTION 6 SELECTION PROCESS

CRITERIA

The selection of a winning proposal will be based on the following criteria in no order of importance:

- Long term tax impact.
- Environmental impact.
- Impact on housing needs.
- Developer history.
- Ability to complete the project timely.
- Providing a variety of housing construction methods/materials.
- What better provides a variety or increases in the number of developers investing in the community.

STANDARD TERMS AND CONDITIONS

The City has the sole authority to select a Developer for this project and reserves the right to reject any and all proposals, to waive any informality or minor defects in proposals received.

SECTION 7 INDEMNIFICATION

Developer shall indemnify, defend and hold the City, 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 RFP.

Submitting a response to this RFP 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 RFP 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 this RFP. 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 proceeding. 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 proceeding. 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 8 Contact

City of Albert Lea, MN
Attn: Ian Rigg, City Manager
221 E Clark Street
Albert Lea, MN 56007
Telephone: 507.377.4330
Email: irigg@ci.albertlea.mn.us

Exhibit A

| Address | PID | Desired Outcome | Incentives | Owner |
|--|----------------------------|-----------------------|--|-------|
| 1207 Newton Ave S 1209 Newton Ave S | 34.040.0100 34.040.0100 | 1 -2 SFU or Twin Lot | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 1110 Virginia 1116 Virginia | 34.640.0040 34.640.0030 | 1-2 SFU or Twin Lot | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 725 Plainview Ln | 34.059.0930 | 1 SFU, Twin or Duplex | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 1712 Eberhardt St | 34.241.0490 | 1 SFU | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 117 Fenton | 34.841.0120 | 1 SFU | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 2101 South Shore Dr | 34.337.0330 | 1 SFU | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 722 Washington | 34.014.0540 | 1 SFU | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 110 Lake Ave | 34.001.1210 | 1 SFU | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 825 1st Ave S | 34.064.0600 | 1 SFU | Upto \$20K towards demolition expenses. \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 819 Garfield* | 34.180.2320 | 1 SFU | Upto \$20K towards demolition expenses. \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | City |
| 416 Water St + | 34.001.0400 | 1 SFU | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | ALEDA |
| 510 Water St + | 34.006.0240 | 1 SFU | \$5,000 incentive per unit. \$5,000 rebate on utility connection costs | ALEDA |

* City is currently in process of closing this property.

+ Contact the ALEDA/Port Authority office at phillipjohnson@growalbertlea.com