



REQUEST FOR DEVELOPER INTEREST

Shady Oak Road
Redevelopment Project



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Project Background

History of Site

In March 2015, the city purchased the properties at 4312 Shady Oak Road and 4292 Oak Drive Lane as a result of Hennepin County’s Road Reconstruction project on Shady Oak Road. The city of Minnetonka currently owns and manages a commercial building at 4312 Shady Oak Road and a residential building at 4292 Oak Drive Lane; a total of approximately 2.3 acres (see **Attachment A** for site location aerial). The site is also located approximately a half mile from the planned Shady Oak Station for the Green Line LRT Extension.

Shady Oak Road Reconstruction

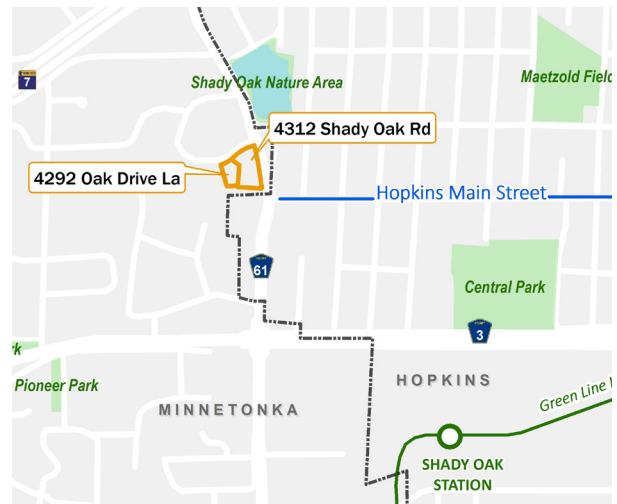
The project area is located adjacent to the Shady Oak Road Reconstruction project. The project added a travel lane in each direction, constructed a sidewalk and a trail, realigned the intersection with Highway 7, installed a permanent traffic signal at Mainstreet and addressed flooding issues along the corridor.

The city of Minnetonka bought the properties, in part, because of the Shady Oak Road Reconstruction Project. The original county plans for reconstruction of Shady Oak Road indicated that the commercial building would be removed because the property was very close to the edge of the street and sidewalk of Shady Oak Road. The county later decided not to acquire the property. The city and the property owner then entered a mutually agreeable contract where the city would purchase the properties (house and commercial property); the county would reimburse the city for “road” related costs and the city would recoup the remaining cost from the resale of the properties.

The city of Minnetonka continues to manage the rental properties on both parcels. The city will be responsible for the relocation of the existing tenants for the redevelopment of the parcels.

Project Description

The city is examining potential options for redeveloping the properties. The assumption is that the existing in-line commercial building and possibly the existing single family building would be removed in order to accommodate new development that could include commercial, retail and/or residential uses. The goal of the project is to prepare and form a feasible redevelopment plan that is acceptable to the city, neighborhood, and local stakeholders.



Project Location



Existing Land Use of Parcels

Summary of Existing Conditions

Existing Conditions

The table below lists the existing conditions of the parcels including size, buildable area, zoning, and future land use.

	4312 Shady Oak Road	4292 Oak Drive Lane	Combined
Area	1.60 acres	0.68 acres	2.28 acres
Buildable Area	1.12 acres	0.31 acres	1.43 acres**
Building Footprint	25,680 sq. ft.	1,625 sq. ft.	N/A
Zoning	B-2, Limited Business	R-1, Low Density Residential	N/A
Future Land Use*	Commercial	Low Density Residential	N/A

*Guidance from City of Minnetonka 2030 Comprehensive Plan

**If parcels were combined, area would be 2.21 acres

Site Survey

A survey of the site was completed by the City and is shown in **Attachment B**. The two parcels are separated by multiple temporary and existing easements for drainage, utilities, and sanitary sewer. An approximately 0.25 acre wetland is also located on the southwest corner of the site.

Environmental

The City conducted environmental studies for the site. The following is an overview of the stormwater requirements, groundwater conditions, key findings from the Phase I and II reports, and soil borings. See the project website for complete reports. <http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment>.

Stormwater

- The project area is located in the Nine Mile Creek Watershed District. The stormwater requirements are Under Rule 4 – Stormwater Management for a redevelopment project. Source: <http://www.ninemilecreek.org/Regulatory/Rule04.pdf>.
- Stormwater requirements may be covered by the Shady Oak Road reconstruction project; however, the developer will be responsible for ensuring these requirements are met.

Groundwater

- Based on a Phase II ESA that was produced for the parcels, groundwater was encountered at approximately 10 feet below ground surface located on the west side of the building.
- Groundwater was also encountered at approximately 20 feet below grade on the south side of the building starting at a higher elevation.
- The general direction of regional groundwater flow in the area of the subject property is presumed to be to the east-southeast.

Phase I

A Phase I was conducted for the site in November 2014 and was recently updated. The Phase I revealed the following Recognized Environmental Conditions (RECs) relative to the property.

- The presence of historical machine shop and dry cleaner tenants at the property that handled various oils and solvents and operated at the same time as the former septic and cesspool system is considered an REC.
- Heavy oil staining from a leaking compressor located in the northwest corner of the building in a vacant tenant space is considered an REC.

Although not considered RECs, Conditions RECS (CRECs), or Historical RECs (HRECs); the ESA also revealed the following items that constitute environmental business risks:

- There is a domestic well located on the property that is currently not in use on the 4292 Parcel and two wells not in use on the 4312 parcel. According to the Minnesota Department of Health, a well must be in use, be under a maintenance permit, or be sealed by a licensed contractor.
- A former septic system may still be present on the property at the 4312 Parcel on the west of the building. Septic systems no longer in use should be abandoned/decommissioned in accordance with local regulations. A septic system was not observed on the 4292 Parcel; however, a septic system may also be present on the 4292 Parcel, based on the similar time of construction.

Phase II

A Phase II was conducted for the site in conjunction with the Phase I in November 2014 and 2016. The Phase II ESA provided recommendations based on field observations and laboratory analysis of PCB wipe samples, soil, soil vapor, and groundwater samples collected and analyzed from the site. The recommendations from the Phase II ESA include the following:

- Enroll the Subject Property in the MPCA Voluntary Investigation and Cleanup (VIC) Program and Petroleum Brownfields (PB) Program.
- Apply for a No Association Determination related to the elevated detection of PCBs in soil, PCE and acetone in groundwater, and PCE and TCE in soil vapor from the VIC Program. The submittal will include a proposed actions letter for the proposed use of the property.
- Apply for a Non-tank Closure Letter from the Petroleum Brownfields Program for the low-level detections of DRO in soil and groundwater at the property.
- When development plans are known, submit a Response Action Plan to the MCPA Voluntary Brownfield Programs (VIC and the Petroleum Brownfield Program) for review and approval.
- The City remove and dispose of the former septic system as part of future redevelopment as an environmental development response action.

- Cleaning the concrete contaminated with PCB containing oil using approved methods and either fixing the leak in the compressor or replacing the compressor as long as current leases and business operations continue at the property.
- Collecting bulk samples of the concrete stained with the PCB containing oil prior to demolition to determine if the concrete will require special handling.

Soil Borings

Additional soil borings were conducted for the site. The 2016 Geotechnical Exploration and Engineering Reveiw report is available on the project website.



Shady Oak Road Reconstruction - facing 4292 Oak Drive Lane



Shady Oak Road Reconstruction - facing 4312 Shady Oak Road

Financial Information

Terms of Purchase

The city will negotiate the terms of purchase with the selected developer after the selection process is completed.

Incentives

The city will consider all financing options in the development of the site. Although incentive tools are not an entitlement to the proposed project, the city has previously provided financial assistance through tax increment financing and similar financial tools. The city is also able to assist with re-zoning the parcel(s) and administering a Comprehensive Plan amendment if required by the proposed project.

Assistance/Grants

The project may qualify for types of non-city public financial assistance such as grants for environmental remediation. City staff, managing the RFI process, can help to identify city programs and other financing tools for specific types of redevelopment. The city has been successful in the past in obtaining environmental clean up grants.

Note: the use of public financial assistance may trigger other requirements on the project.

In addition, while the selected project is not required to have an affordable component, the city does offer a number of assistance programs for the development of affordable ownership and rental housing.



Wetlands and Topography

Community Engagement Process

Background

The residents and business owners surrounding the project site in both Minnetonka and Hopkins were invited to three neighborhood meetings to introduce the project and gather issues/concerns/expectations from the surrounding neighborhood. In addition to meeting with the neighborhood, the city hosted a developer's roundtable for an invited group of developers to gauge interest and ideas on redevelopment options. Lastly, a project update was given at a City Council work session for consultation on the development options and next steps. The complete meeting notes are posted on the city's website here: <http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment>.

Development Alternatives

Site alternatives considered a consolidated parcel (2.21 acres) and two separate parcels (0.67 acres and 1.54 acres). Development options included townhomes, small apartment building (surface parking) and a multi-family building (3 or 5 stories). Plan views of these development options are shown to the right.

Community Feedback

In general, the community preferred small businesses, mixed-use, and new housing options as uses for the sites. Based on the site alternatives that were considered, the feedback received was that people liked seeing green space, lower density housing, and less or hidden parking. The community disliked the options that were generally higher density, development that would increase traffic, and too much surface parking. For the complete meeting summaries, see the project website: <http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment>.



Tuck-under townhomes



Small apartment



Multi-family building

Requested Information

Developers interested in participating in the RFI should provide the City of Minnetonka with the following information and fill out and return the form in **Attachment C** for Consent for Release of Response Data.

1. **Company name**
2. **Company full address**
3. **Company phone number**
4. **Company website**
5. **Contact name**
6. **Contact phone number**
7. **Contact email**
8. **Company Information:** Brief description of the company, size of the company, years in business, and type of entity.
9. **Explain why you are interested in the site**
10. **General approach and program:** Include a description of how you would approach developing the property using one or both of the parcels. Explain your general ideas of what type of use(s) you would develop. Explain how you would meet the functional and technical requirements described in this RFI and describe how you plan to meet the financial goals of the city.
11. **Recent projects:** Include a brief description of recent projects that your company has completed. Provide at least three previous projects and a description of the project scope, date completed, client and cost.
12. **Additional information:** Include any additional information if desired.

Submission of Responses

Contact Info

Developers interested in participating in the RFI process need to submit the requested information to the city of Minnetonka by **Friday, October 7, 2016**. All developers should email their information in one PDF document to the attention of:

Email:

Julie Wischnack, AICP
jwischnack@eminnetonka.com
 (952) 939-8282

Developers must ensure that the requested information is sent before the closing date of **October 7, 2016**. Responses not received by the due date will not be considered.

RFI Related Questions

All questions related to this RFI must be submitted by noon on **September 16, 2016** by email or phone and should be directed to Julie Wischnack. All questions received will be collected, answered and distributed to the group of interested parties.

09/26/16 Update: Interviews will be conducted sometime after 4 p.m.

RFI Schedule

RFI key dates are the following:

August 19, 2016	RFI made available to developers
September 16, 2016 at 12:00 p.m.	Deadline for submitting questions
September 23, 2016	Date that the city will respond to all questions
October 7, 2016	Deadline for receiving RFI responses
October 10, 2016 to November 7, 2016	Staff review of RFI responses. Staff will select developer's that will proceed to city council interviews.
November 14, 2016 at 12:00 p.m.	Selected developers will be invited to present to the city council of Minnetonka (presentation meetings, not negotiation meetings)
December 2016	Developer will be notified of selection
TBD, 2017	Negotiation of terms of purchase. If the city and the selected developer are unable to reach an agreement, other developers will be considered.

Evaluation and Selection Process

The city of Minnetonka may seek to engage in follow-up discussions with any or all of the respondents. The city will arrange with the respondents for the time, date and location of the discussions. The submission of a response does not guarantee the opportunity to participate in the discussions.

The city of Minnetonka will evaluate the responses to the RFI based on the respondent's ability to:

- Meet the functional and technical requirements described in this RFI.
- Provide an appropriate approach and general program for redeveloping the site.
- Provide a financial solution that meets the financial goals of the city.
- Demonstrate expertise as evidenced by the RFI responses.

After the due date for developer submissions, the city will send a notice to the selected respondent(s).

RFI Terms and Conditions

Liabilities of City of Minnetonka

This RFI is only a request for information about potential developer services and no contractual obligation on behalf of the city of Minnetonka whatsoever shall arise from the RFI process. The selection team will evaluate all submittals and select the developer determined to be the most qualified for further consideration and interviews. The selection team will then select a preferred developer or developers to negotiate a developer-initiated proposal for the redevelopment of the land.

This RFI does not commit the city of Minnetonka to pay any cost incurred in the preparation or submission of any response to the RFI.

To the best of the city's knowledge, the information provided herein is accurate. However, the city makes no representations or warranties whatsoever with respect to this RFI or the Properties, including representations and warranties as to the accuracy of any information or assumptions contained in this RFI or otherwise furnished to respondents, site and environmental conditions on the Properties or the suitability of the Properties, or any portion thereof, for any specific uses or development. Respondents

should undertake appropriate investigation in preparation of submitting a response. A site inspection will be coordinated to give all respondents the opportunity to examine existing conditions.

Confidentiality and RFI Ownership

This RFI is both confidential and proprietary to the city of Minnetonka, and the City reserves the right to recall the RFI in its entirety or in part. Developers agree that they will not duplicate, distribute or otherwise disseminate or make available this document or the information contained in it without the written consent of the city.

Developers shall not include or reference this RFI in any publicity without prior written approval from the city of Minnetonka, which, if granted, shall be granted by the city. Developers must accept all of the foregoing terms and conditions without exception. All responses to the RFI will become the property of city of Minnetonka.

Project References

ATTACHMENT A: SITE LOCATION AERIAL

ATTACHMENT B: SITE SURVEY

ATTACHMENT C: CONSENT WAIVER

Project Website

The following information can be found on the Shady Oak Redevelopment Project website:

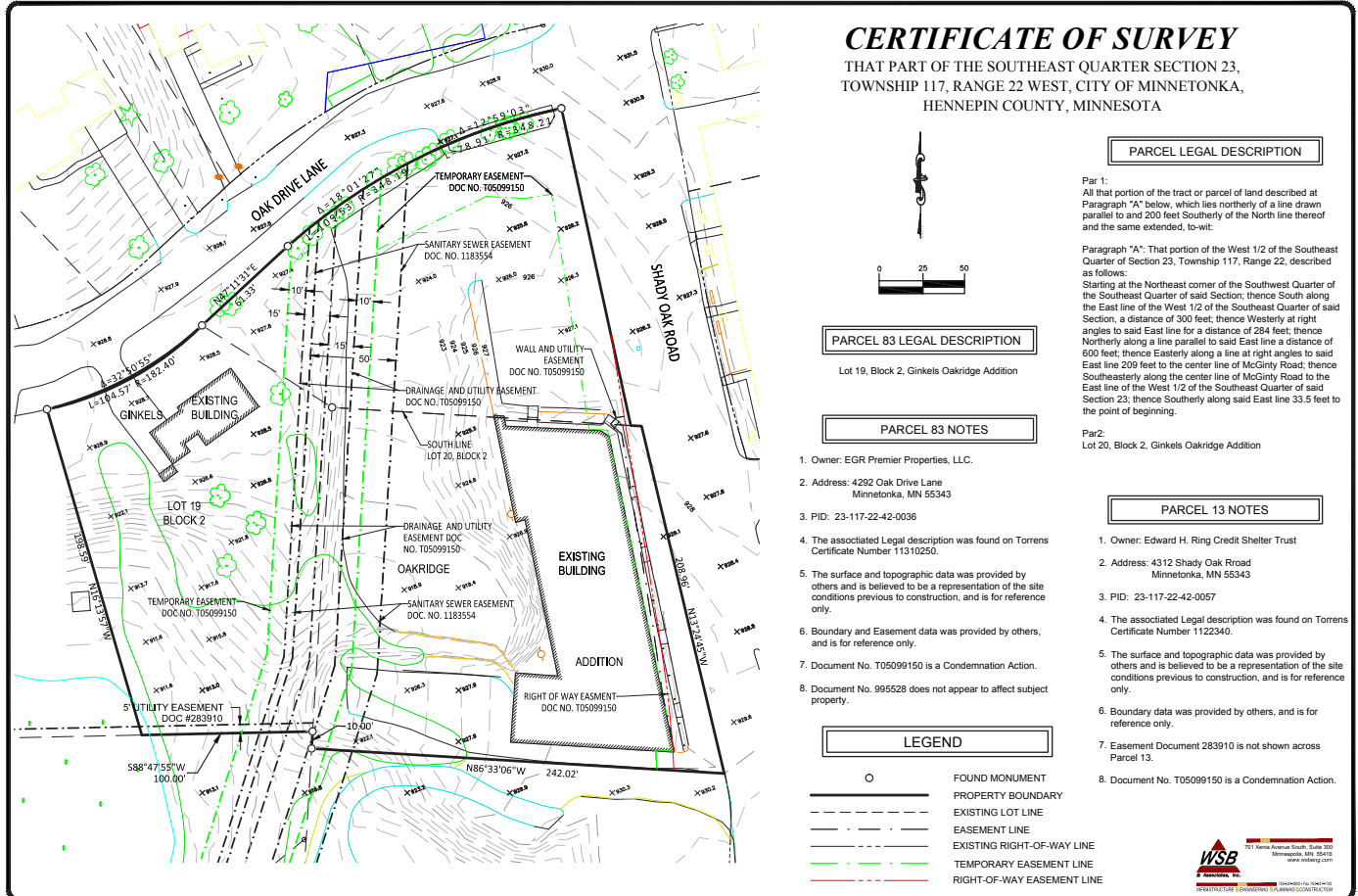
<http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment>.

- **Phase I ESA**
- **Phase II ESA (2014 and 2016 versions)**
- **2016 Geotechnical Exploration and Engineering Review**
- **Past Meeting Information:**
 1. January 13, 2016
 2. February 11, 2016
 3. March 21, 2016
 4. April 7, 2016

ATTACHMENT A: SITE LOCATION AERIAL



ATTACHMENT B: SITE SURVEY



CERTIFICATE OF SURVEY

THAT PART OF THE SOUTHEAST QUARTER SECTION 23,
TOWNSHIP 117, RANGE 22 WEST, CITY OF MINNETONKA,
HENNEPIN COUNTY, MINNESOTA

PARCEL LEGAL DESCRIPTION

Par 1:
All that portion of the tract or parcel of land described at Paragraph "A" below, which lies northerly of a line drawn parallel to and 200 feet Southerly of the North line thereof and the same extended, to-wit:

Paragraph "A": That portion of the West 1/2 of the Southeast Quarter of Section 23, Township 117, Range 22, described as follows:
Starting at the Northeast corner of the Southwest Quarter of the Southeast Quarter of said Section; thence South along the East line of the West 1/2 of the Southeast Quarter of said Section, a distance of 300 feet; thence Westerly at right angles to said East line for a distance of 284 feet; thence Northerly along a line parallel to said East line a distance of 600 feet; thence Easterly along a line at right angles to said East line 209 feet to the center line of McGinty Road; thence Southeastealy along the center line of McGinty Road to the East line of the West 1/2 of the Southeast Quarter of said Section 23; thence Southerly along said East line 33.5 feet to the point of beginning.

PARCEL 83 LEGAL DESCRIPTION

Lot 19, Block 2, Ginkels Oakridge Addition

PARCEL 83 NOTES

- Owner: EGR Premier Properties, LLC.
- Address: 4292 Oak Drive Lane
Minnetonka, MN 55343
- PID: 23-117-22-42-0036
- The associated Legal description was found on Torrens Certificate Number 11310250.
- The surface and topographic data was provided by others and is believed to be a representation of the site conditions previous to construction, and is for reference only.
- Boundary and Easement data was provided by others, and is for reference only.
- Document No. T05099150 is a Condemnation Action.
- Document No. 995528 does not appear to affect subject property.

Par2:
Lot 20, Block 2, Ginkels Oakridge Addition

PARCEL 13 NOTES

- Owner: Edward H. Ring Credit Shelter Trust
- Address: 4312 Shady Oak Road
Minnetonka, MN 55343
- PID: 23-117-22-42-0057
- The associated Legal description was found on Torrens Certificate Number 1122340.
- The surface and topographic data was provided by others and is believed to be a representation of the site conditions previous to construction, and is for reference only.
- Boundary data was provided by others, and is for reference only.
- Easement Document 283910 is not shown across Parcel 13.
- Document No. T05099150 is a Condemnation Action.

LEGEND

- FOUND MONUMENT
- PROPERTY BOUNDARY
- - - EXISTING LOT LINE
- - - EASEMENT LINE
- - - EXISTING RIGHT-OF-WAY LINE
- - - TEMPORARY EASEMENT LINE
- - - RIGHT-OF-WAY EASEMENT LINE



ATTACHMENT C: CONSENT

Form of Consent for Release of Response Data

_____, 20____

City of Minnetonka
Department of Community Development
14600 Minnetonka Boulevard
Minnetonka, MN 55345

Re: _____ Request for Information
Consent for Release of Response Data

_____, on behalf of
_____, hereby consents to the release of its development
proposal in response to the _____ Request for
Information and waives any claims it may have under Minnesota Statutes Section
13.08 against the City of Minnetonka for making such information public. The
foregoing consent and waiver does not extend to financial statements submitted under
separate confidential cover.

Print Name _____

Signature _____