

**Advertisement Date:** May 16, 2016  
**Proposal Due Date:** July 15, 2016



## **OPEN INVITATION**

FOR SUBMISSION OF DEVELOPMENT PROPOSALS (RFP) 2016-001

### **DEVELOPMENT SITE IN DOWNTOWN HUTCHINSON**

**Advertisement Date:** May 16, 2016

**Proposal Due Date:** July 15, 2016 (4:00 PM)

#### **Issued by**

Hutchinson Economic Development Authority

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

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

**Email:** [mseppelt@ci.hutchinson.mn.us](mailto:mseppelt@ci.hutchinson.mn.us)

#### **Executive Summary**

The City of Hutchinson is soliciting proposals from potential developers for the redevelopment of a 1-acre city-owned parcel 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-acre commercial lot known as the "Old Medical Center" 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, in July 2015 suggesting an appraised value for the lot of **\$350,000**.

## Community Overview

Hutchinson is *the* center for high-technology precision manufacturing in Minnesota.

World class companies such as Hutchinson Technology Inc., 3M, Hutchinson Manufacturing, MITGI, Goebel Fixture Company, Warrior Mfg. and NuCrane Manufacturing provide ample proof that Hutchinson is a “technology town” and a great place to do business.

In addition to being a center for precision manufacturing, Hutchinson serves as the regional hub for work, education, shopping and entertainment – accounting for about 75% of retail sales and 73% of population growth in McLeod County over the past two decades. Location and a high-technology-based economy are the primary catalysts that have kept Hutchinson growing at a rate twice as fast as the State of Minnesota as a whole.



**Library Square in downtown Hutchinson**

With more than 25 parks and 375 acres of playgrounds, Hutchinson has one of the largest park systems in the State of Minnesota. In addition, the 63-mile Luce Line Trail provides an unrivaled opportunity for hiking, horseback riding, snowmobiling and cross-country skiing.

Because of Hutchinson’s high quality of life, the community can offer prospective residents and employees a lot more than just salary & benefits.

Hutchinson offers the rare combination of big-city amenities and small-town charm.

Excellent shopping opportunities, a wide variety of restaurants and a multitude of entertainment options provide residents of Hutchinson with all the amenities of much larger cities without the crime, traffic and pollution often found in metro areas.

At the same time, big-city entertainment opportunities such professional sports, the theater, concerts and museums are just an hour away in the Twin Cities.



**The scenic Crow River runs through downtown Hutchinson.**



## **Area Economy**

Hutchinson, Minnesota's Manufacturing City, is home to an industry cluster of precision high-tech manufacturers.

Local companies are heavily engaged in both national and international trade – producing everything from components for offshore oil drilling, nuclear power plants & computer hard-drives to ingredients for the food in your pantry and the office supplies found on your desk. If you shop at a high-end department store in New York City chances are those store fixtures came from Hutchinson, Minnesota.

Hutchinson companies manufacture products in a huge variety of economic sectors: defense, energy, food, computers, agriculture, medical devices, store fixtures, office supplies – and more!

When one considers how many other companies exist between the Gulf of Mexico, or New York City and central Minnesota, and Hutchinson companies still get that work – that says something: our local companies are world-class.

Hutchinson companies and their hard-working, high-skilled workers have the knowledge and experience needed to successfully compete for and deliver projects on a global basis.



**Department store fixtures & equipment for offshore oil drilling: all made in Hutchinson – Minnesota's Manufacturing City!**

### Major Private Sector Employers

Company	Products	NAICS	Emp.
<b>3M</b>	Adhesive tape, office supplies	325520	1,650
<b>Hutchinson Technology, Inc.</b>	Computer hard drive suspension assemblies	334118	855
<b>Customer Elation, Inc.</b>	Call center services	n/a	210
<b>Hutchinson Manufacturing</b>	Fabricated metal products for energy & defense sectors	332999	180
<b>Ag Systems, Inc.</b>	Fertilizer & chemical Application farm equipment	333111	115
<b>Goebel Fixture Company</b>	Wooden store fixtures	337212, 337215	90
<b>Warrior Manufacturing</b>	Structural support equipment	332312	70
<b>Impressions, Inc.</b>	Commercial printing	323100	60
<b>Midwest Industrial Tool Grinding, Inc.</b>	Industrial tool grinding	333517	56
<b>Ohly</b>	Yeast products	311999	50
<b>NuCrane Manufacturing</b>	Nuclear power plant cranes	333923	40
<b>RD Machine</b>	General machining	332710	30
<b>3D C-N-C</b>	Precision tooling	333500	28
<b>Pride Solutions</b>	Farm equipment accessories	333111, 326199	24
<b>Stearnswood</b>	Transport packaging	321920	23

**Source:** Hutchinson Economic Development Authority, 2015

## Demographics

Hutchinson, with a population of 14,178 makes up just more than 39% of McLeod County's overall population of 35,918. 51.16% of the population in the city is female while 48.84% is male.

95.4% of the population is white with 3.8% being Hispanic or Latino and the remainder being Asian, African-American and / or with multiple backgrounds.

According to 2010 Census data, Hutchinson has 6,393 housing units and a total of 5,950 households, of which nearly 30% have children age 18 or younger. Average household size is 2.34.

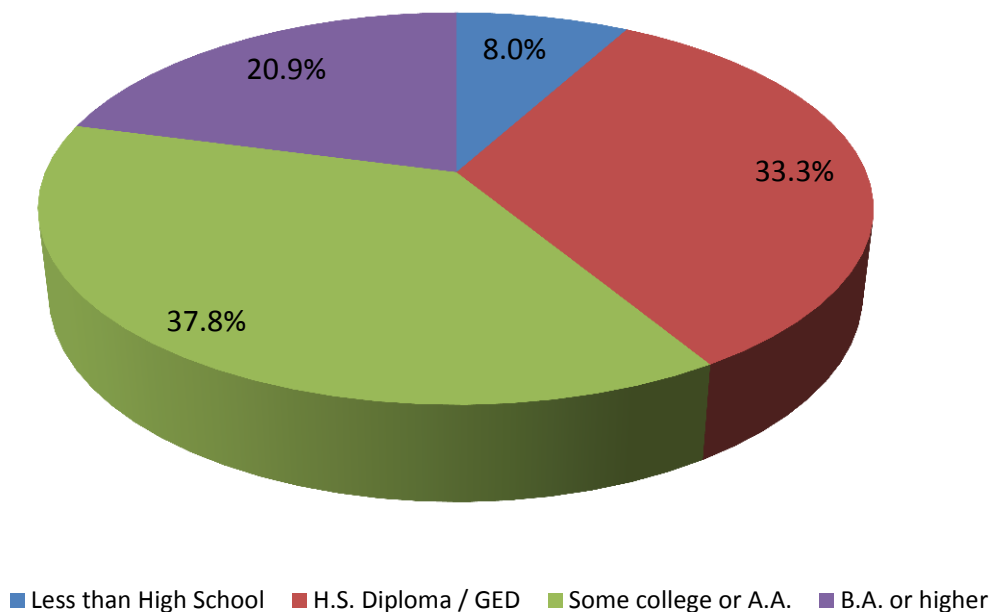
Median household income in Hutchinson is \$49,209 while in McLeod County it is \$55,170, compared to \$59,836 for Minnesota as a whole.

### Population Breakdown by Age Group

Age Group	Number	Percent
0 – 4	961	6.78%
5 – 17	2,666	18.8%
18 – 64	8,352	58.91%
65 +	2,199	15.51%
<b>TOTALS</b>	<b>14,178</b>	<b>100%</b>

In 2014 Hutchinson had a total workforce of 9,848 while McLeod County had a total workforce of 16,753. Hutchinson's workforce participation rate is just over 66%, while the corresponding rate for McLeod County is approximately 57%.

### Local Educational Attainment, 2013



**Source:** American Community Survey, 2013



## Entertainment

Downtown Hutchinson offers a variety of entertainment options. A huge number of parks and trails are located in and around the downtown, including the Luce Line State trail.

Downtown also features a variety of retail shopping options, restaurants and movies at the historic State Theatre.

Fine dining, the performing arts, movies and a variety of shopping opportunities are within easy walking distance of the development site.

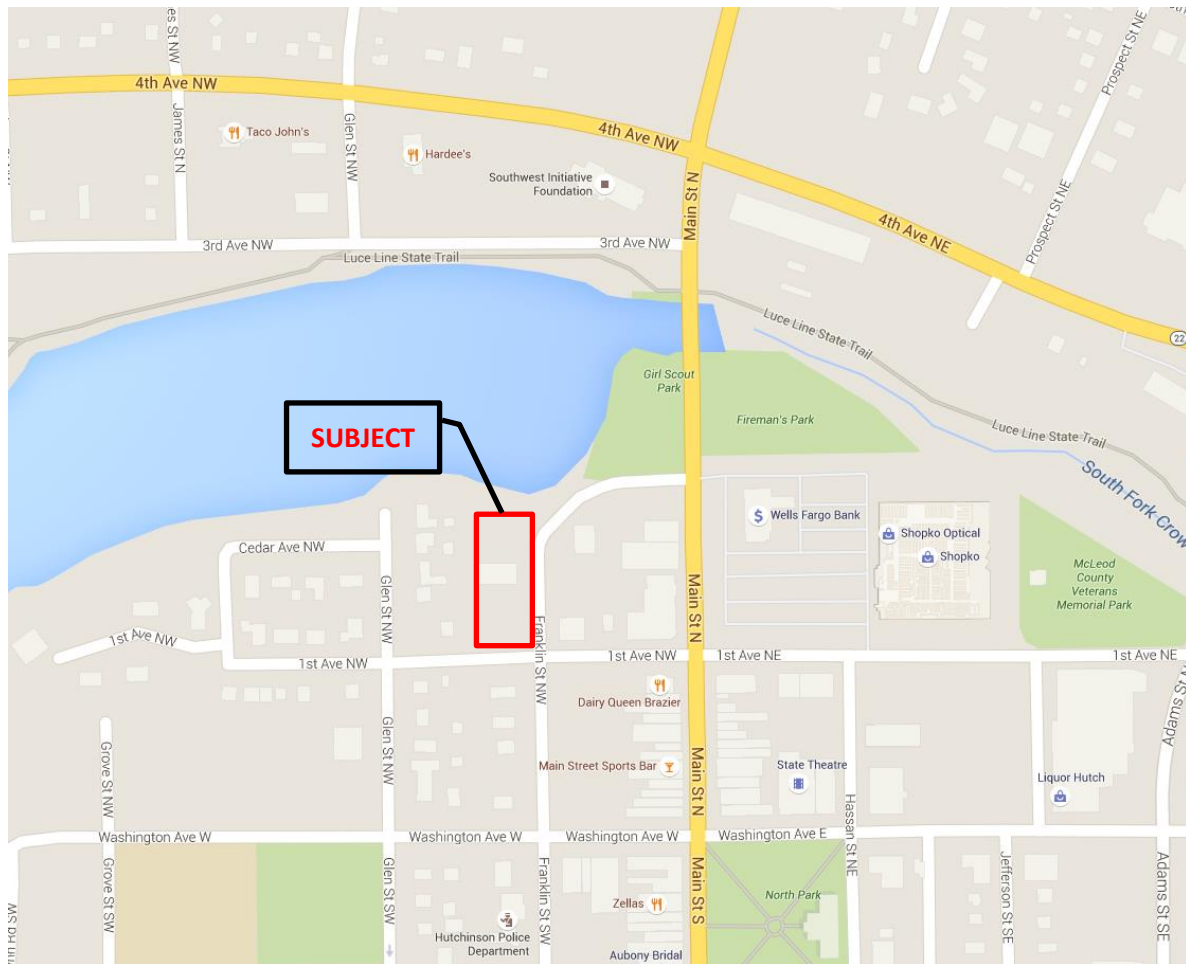
Events and festivals in downtown Hutchinson include the Riversong Music Festival (July), Water Carnival Week (June) and the Hutchinson Arts & Crafts Festival (October)





## Transportation

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 (paved in 2015) passes two blocks to the north of the site.



## **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 known as the “Old Medical Center,” which has since been demolished. Totalling 1-acre, 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, abundant free downtown parking and is visible from 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:

- 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.

## Property Description

**Owner:** City of Hutchinson

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

**Acreage:** .9999 acre of vacant land  
(43, 555 square feet)

Buildable footprint is approximately 38,000 square feet

**Zoning:** C-3 “Central Commercial”

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

**NOTE:** Site is in the 100-year FEMA floodplain, so the finished floor elevation of any building would have to be built 1-foot above that level. Working with the developer, the Hutchinson EDA will take additional actions on the site to raise the building footprint above the 100-year floodplain.

**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

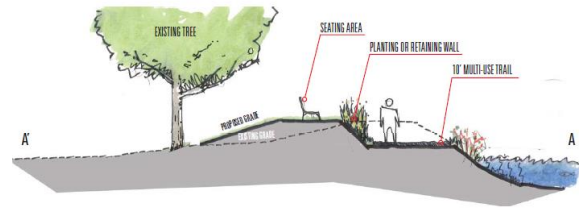
**Public Parking:** 25 stalls across the street (east)  
100 stalls (approx.) across the street (south)  
200+ stalls one block east  
On-street parking

**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

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

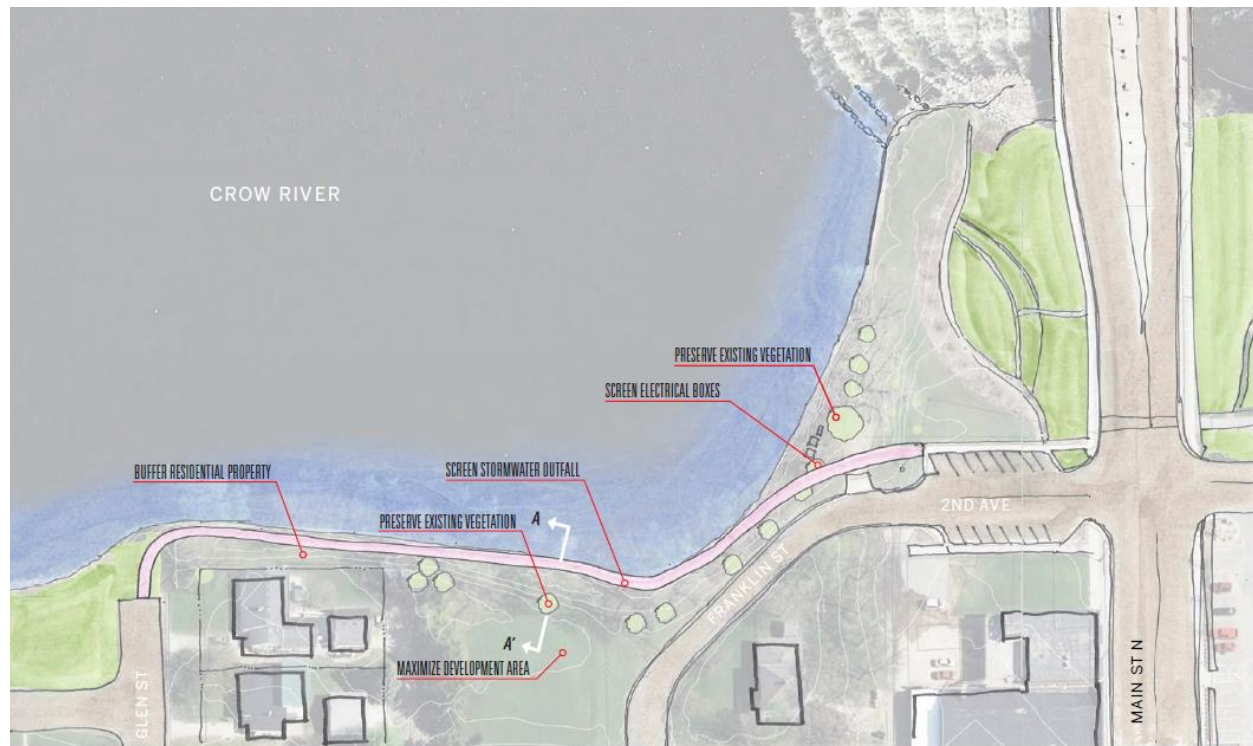


**HUTCHINSON TRAIL CONCEPT DEVELOPMENT**  
CONCEPT 1: RIVER WALK, CLOSEST TO RIVER AND MOST INTERACTIVE

### 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)
- 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 (2016)



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

### **Proposal Review & 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

Proposals will be reviewed by 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. Estimated project time-line
- 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 Schedule**

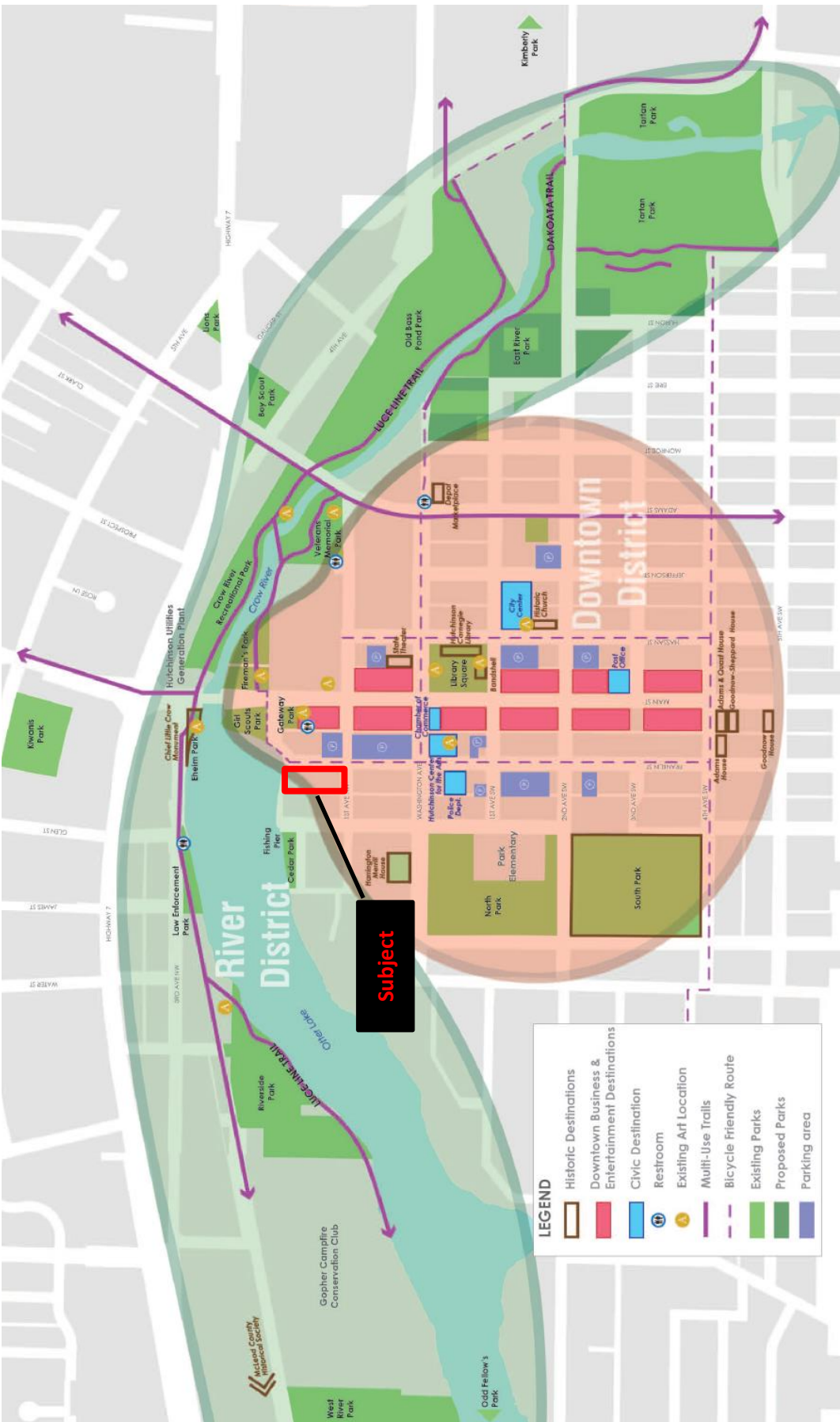
<b>May 16, 2016</b>	Advertisement of RFP
<b>July 15, 2016</b>	Due date for proposals (4:00 PM)
<b>July 20, 2016</b>	Review by EDA Finance Team
<b>July 27, 2016</b>	Review & Final recommendation by EDA Board
<b>August 9, 2016</b>	Final selection by Hutchinson City Council
<b>TBD</b>	Negotiation of Development Agreement
<b>July 1, 2017</b>	Construction begins on or before
<b>December 31, 2018</b>	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@ci.hutchinson.mn.us](mailto:mseppelt@ci.hutchinson.mn.us)



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



## Appendix A

### 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](#)