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City of Fairmont, Minnesota

Request for Proposals

Sale by City of Real Property

Senior Center Building (Parcel # 23-281-0050)

Proposal Submission Deadline: March 15, 2021 at 4:00

Introduction and Overview:

The City of Fairmont (the “City”) is exploring the potential sale and development of real property owned by the City located at 414 Downtown Plaza, Fairmont, MN. The property consists of approximately 3,750 sq ft of total land; of which approximately 1875 sq ft is building.

At this time, the City is considering selling the Property to benefit Fairmont taxpayers through the Property purchase price, but also the amenities and tax base proposed to be added to the Property by the successful proposal selected by the City. The Property will not be sold for speculative purposes. Proposals will be evaluated on a number of factors, including but not limited to:

1. The purchase price offered for the Property
2. Economic Development generated by the Property proposal
3. Quality of development offered in the Property proposal

The City will accept proposals until 4:00 p.m. on March 15, 2021 (the “Due Date”). Information relevant to this Request for Proposals (the “RFP”) and potential sale will be posted on the City’s website at www.fairmont.org.

The City reserves the right to waive any irregularity or defect in any submission, request clarification or additional information regarding Proposals, to cancel this RFP, and to reject any and all Proposals at its sole discretion. The City shall assume no liability for expense incurred by a Bidder in replying to this RFP.

RFP Timeline:

- February 9, 2021: Release Date
- February 22, 2021: Questions due by 1:00 pm. All questions must be submitted in writing to lpreuss@fairmont.org. Questions after this date will not be answered so that all applicants have the same opportunity to review questions and answers for consistency in information.
- March 1, 2021: All Questions and Answers will be posted publicly at Fairmont.org
- March 15, 2021: Proposals due by 4:00 p.m.
- Anticipated March 22, 2021: City Council to consider a recommendation for sale. NOTE: If the City Council decides to proceed with a Proposal, such decision shall be subject to the negotiation and execution of a mutually satisfactory Purchase and Development Agreement.

Proposal Packages must include:

- Proposed developer name, address, contact information and key personnel in the proposed project.
- Proposed development plan narrative outlining the proposed use of the Property, timing of development completion, demonstration of use compatibility with B-3, General Business District zoning and building regulations.
- An offer of payment for the Property including all payment terms.
- A document providing evidence of Bidders' financial capability to complete the Proposal project.
- A statement indicating how your Proposal represents the highest price and/or highest value to the City in terms of direct or indirect financial, economic, or community benefits.
- Detailed Action Plan
 - Construction cost estimate
 - Timeline
 - Condensed business plan
- Any proposed incentives, assistance, or discounts that Bidder would seek from the City as part of the development.

Please review the evaluation criteria when responding. Failure to provide any of the above requested information may result in disqualification of Proposal. The City reserves the right to request additional information pertaining to the Proposal Package or any other matters related to the Request for Proposal.

Property Inspection:

Bidders are encouraged to inspect the Property on February 11, 2021 from 9:00 to 10:00 am; and 2:00 to 3:00. The building will also be available for inspection on February 16, 2021 from 9:00am to 10:00am; and from 2:00pm to 3:00pm.

Method of Award and Selection Criteria

Complete responses to the RLF will be evaluated by City staff and consultants and will be reviewed by the City Council. Decisions to sell the Property are at the sole discretion of the City Council. This RFP process shall not create binding obligation on the part of the City Council to sell the Property unless and until a Purchase and Development Agreement has been executed.

The selection criteria will include, but not be limited to, the following:

- Completeness of the Proposal Package
- Proposal recognized the highest value to the City
- Proposal meets or exceeds standards of Planning and Zoning and Building Code
- Proposal timing is achievable and favorable.

Terms and Conditions

Bidders shall be responsible for their own due diligence in preparing a Proposal. No representation or warranty is made by the City with respect to the conditional of the Property, the suitability of the Property for a Bidder's potential use or the information provided herein.

- I. Bidders shall be responsible for the accuracy of the information they provide to the City in connection with this RFP
- II. The City Council reserves the right to reject any and all Proposals, to waive any irregularities or defects in any Proposal, to issue additional RFPs, and to either substantially modify or terminate the proposed sale at any time prior to final execution of a Purchase Agreement.
- III. The City shall not be responsible for any costs incurred by a Bidder in connection with the preparation, submission or presentation of its Proposal.
- IV. Nothing contained herein shall require the City to enter into exclusive negotiations with any Bidder and the City reserves the right to amend, alter and revise its own criteria in the selection of a Bidder without notice.
- V. The City reserves the right to request clarification of information submitted in a Proposal and to request additional information from any Bidder.
- VI. The City will not accept any Proposal after the time and date specified in this RFP.
- VII. The City Council retains the sole discretion in the selection of a successful Proposal, if any.
- VIII. Upon selection of a Proposal, the City shall enter into negotiations with the successful Bidder for a Purchase and Development Agreement with terms and conditions acceptable to the City. Until the execution of the contract, the City is under no obligation to sell the Property and it reserves the right to cease negotiations at any time and retain the title to the Property. Except with respect to matters of title, the Property shall be conveyed to the party acquiring the same "AS IS" by quit claim deed.
- IX. The successful Proposal will become part of the contract file and will become a matter of public record subject to public disclosure, as will all other responses received.

The RFP process shall in all respects be governed by, and construed in accordance with, the laws of the State of Minnesota. Thank you for your interest in doing business with the City of Fairmont.

414 Downtown Plaza Information Sheet

The property consists of approximately 3,750 sq ft of total land, of which approximately 1875 sq ft is building.

Recent work that has been done to the building includes a new roof installed in 2018, and new interior lights. There has been other general maintenance as well.

The property is subject to an access easement over the East 64 feet, 4 inches.

The City of Fairmont has owned the property since 1968. There is a party wall on the north side of the building.



This handout is written as general information. It is not intended nor shall it be considered a complete description of the building.

Responses to Questions Regarding the Sale of Senior Citizen Center (Parcel #23-281-0050)

Linsey Preuss – City of Fairmont, MN

1. Why is the City selling this site?
 - a. The City is relocating the senior center to the Southern Minnesota Educational Campus (SMEC), leaving the City a unique opportunity to bring in new economic vitality and energy to Fairmont's downtown through the sale of this building.
2. What is the appraised value?
 - a. The City did not obtain an appraisal.
3. What is the assessed value?
 - a. According to Beacon, the 2020 Total Market Value is \$39,600.
4. Are any special assessments foreseen?
 - a. Not in the next 5 years.
5. If using the facility as a hall, with office space, or in similar regards to the Senior Citizen Center use, what is rated occupancy?
 - a. A-3.
6. Has the City Inspector made any prior inspections? If yes, what are the findings or recommended improvements, including the heating and air conditioning?
 - a. No inspections have been made.
7. Will there be any requirements for new ownership, based on an inspection?
 - a. Requirements would be based on building usage.
8. Are there any immediate requirements necessary to meet current City code/s? Handicap access, restrooms, etc?
 - a. The building is compliant with state building code considering its current use. Any renovations would need to meet current building code standards.
9. Are food or liquor licensing required?
 - a. Food and liquor licensing will depend upon buyers' intended use. Any questions regarding a specific use should be directed to Patty Monsen, City Clerk, at pmonsen@fairmont.org or 238-3935.

10. What were the annual utility expenses when the site was occupied?
 - a. The building has not been used since March 2020. The 2019 sewer, water, and electric bills totalled \$1,646.57.
11. Are contents included in the sale of this building, i.e. furniture, fixtures, appliances, pictures, wall hangings, kitchen pots/pans, and utensils?
 - a. Those items listed above are not included with the sale of the building and would have to be negotiated with the senior center nonprofit group.
12. The front window on the north side of the entrance door is cracked. Will the City repair that?
 - a. The property is being sold 'AS IS' as discussed in the RFP.