



## City of North Mankato, Minnesota

### REQUEST FOR PROPOSALS FOR LAND DEVELOPMENT

December \_\_, 2014

The City of North Mankato is soliciting proposals from qualified Contractors to purchase and develop, as single-family residential, 12 parcels of land in a subdivision referred to as Northgate No. 2. All parcels are currently in tax forfeiture and will be transferred to the Contractor under the conditions proposed and negotiated for development, unless purchased by another party prior to selected Contractor. Parcel numbers are as follows:

Parcel Number	Description	Parcel Number	Description
18.172.0080	Lot 3, Block 2	18.172.0320	Lot 8, Block 5
18.172.0150	Lot 5, Block 3	18.172.0330	Lot 9, Block 5
18.172.0260	Lot 2, Block 5	18.172.0350	Lot 11, Block 5
18.172.0270	Lot 3, Block 5	18.172.0360	Lot 12, Block 5
18.172.0280	Lot 4, Block 5	18.172.0420	Lot 18, Block 5
18.172.0310	Lot 7, Block 5	18.172.0040	Lot 4, Block 1

The successful proposal must include the following information:

- Name, address, phone and email of the Contractor provided on the attached form.
- A list of the Contractor's principles or owners.
- A list of at least two other single or multi-family developments that have been previously completed by the Contractor including name of development, number of housing units and location.
- Contractor should identify through narrative and illustration (map, pictures, and concept drawings) the type of housing that is proposed. Illustration of housing and type is suggested.
- Building design shall match the existing design and character of the surrounding neighborhood buildings; this shall include the implementation of comparable architectural and landscaping features.
- A timeline for development completion should be proposed, including building of housing and the type of housing proposed. (Example .... "We plan to build 12 homes on parcel numbers xxx-xxx the first 6 of which will be ready for occupancy by June of 2015 and the last 6 of which will be ready for occupancy by the end of December of 2015".)
- Contractor should include information that it believes helps the City Council understand how the Contractor will achieve completion of the proposed project.
- Contractor must provide a letter from a Federal or State Chartered Bank that confirms the financial ability of the Contractor to meet the proposed terms of transaction. The bank correspondence must state whether the Contractor has sufficient assets (i.e. money) to complete the purchase based on the terms proposed.
- A Bid Bond or certified check payable to the City of North Mankato is required at time of

proposal in the amount of \$10,000. If the proposal is withdrawn within sixty (60) days of submission the bid bond/certified check shall be forfeited to the City. Bidsecurity submitted by Contractors not selected by the City of North Mankato will be returned within 30 days of the selection or (Month) \_\_\_\_\_ (Day) \_\_\_\_\_ (Year) \_\_\_\_\_, whichever comes first.

- Favor will be provided to Contractors that can provide a letter of credit to encompass the full value of each of the twelve lots.
- The Council would prefer to see all 12 homes constructed within the period between 2015 and 2017.
- The Council intends to partner with one developer on the purchase and development of all parcels.

The Contractor shall be responsible for meeting the following terms:

- Pursuant to the North Mankato City Code §150.02; D, work authorized by building permits shall be completed within 365 days following the issuance of a permit.
- Pursuant to the North Mankato City Code §156.035; JJ, landscaping, including seed or sod, shall occur within 1 year after a building permit is issued.
- As this is a Request for Proposals, the City asks that Contractor specifies what they believe to be reasonable as to the price, terms and conditions of sale. This must include the maximum price per lot the contractor is willing to pay.

The City Council has a number of articulated goals for use of this RFP process. Those goals are:

- Promote development that meets the needs and goals as set out in the City of North Mankato's Comprehensive plan.
- Return the parcels to the tax rolls as quickly as possible.
- Enhance speed and opportunity to receive past due and future taxes, assessments and fees for the City, County and the School District.
- Provide for a process that is open and provides opportunities for all interested parties to solicit a proposal.
- Once purchased, property maintenance of vacant properties becomes the responsibility of the owner.

All proposals submitted shall be valid for a period of sixty (60) days. The City process for transaction will be to enter into a Development Agreement that will be used as the legal document to articulate the agreed to plan for development. Transfer of property will be made via a process that includes the Development Agreement, a Purchase Agreement and then a deed provided at time of closing. Other documentation may be requested and required depending on the nature of the Contractor's proposal.

The City reserves the right to reject any and all proposals, to waive irregularities and informalities therein and to accept the proposal to any Contractor if, in the City's discretion, the interest of the City would be best served thereby.

Deadline for receipt of proposals by the City Administrator's Office is 5:00 p.m. on \_\_\_\_\_ 2014.

Five copies of the proposals shall be submitted in an opaque envelope addressed as follows:

NORTHGATE NO. 2 DEVELOPMENT PROPOSAL  
ATTN: CITY ADMINISTRATOR  
1001 BELGRADE AVENUE  
NORTH MANKATO, MN 56003

For questions relating to this proposal, please contact John Harrenstein, City Administrator at City of North Mankato, 1001 Belgrade Avenue, North Mankato, Minnesota 56003 (507)625-4141.





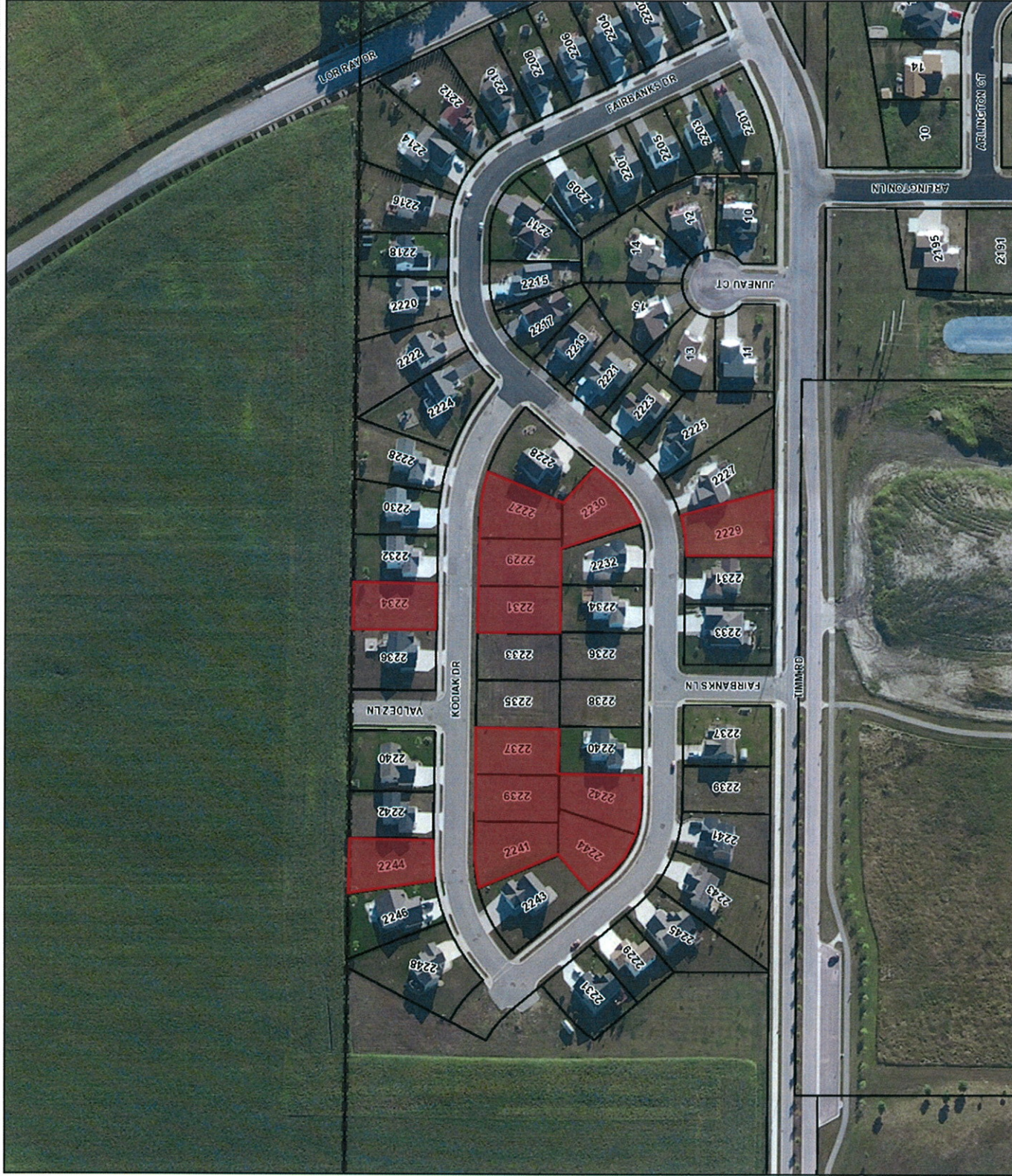
Legend

- City Limits
- Parcels (6-1-2014)
- Lakes & Ponds
- Minnesota River



Disclaimer:

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of North Mankato is not responsible for any inaccuracies herein contained.



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## Memorandum

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To: Mayor Dehen & City Council  
From: Clara Thorne, Finance Director  
Subject: Franchise Rates  
Date: December 10, 2014  
Cc:

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### Background

Franchise fees are assessed by the City to utility providers (i.e. electric, gas and cable) for the use of the public right-of-way such as streets, alleys, medians and other public property to deliver their services. The City of North Mankato franchise agreements (i.e. Xcel and BENCO) have provisions allowing for the collection of franchise fees and franchise revenue collections are recognized in the General Fund. In addition, the General Fund receives an annual transfer from city utility funds, reflecting that all utilities private and public share in the use and maintenance of the right-of-way.

In 1994, North Mankato granted franchises to Xcel Energy Company and BENCO Electrical Cooperative to provide electrical service and collect fees for the service within the City of North Mankato for a period of 20 years. In December 2013 the electric and cable franchise agreements expired. Due to the long-standing agreement for parity of rates with Mankato, in April 2014 staff negotiated a one-year extension through December 31, 2014 of the electric franchise agreements, because both cities needed more time to negotiate with Xcel and BENCO. Council adopted the electric franchise ordinances on October 6, 2014, thus allowing the City to set rates by resolution.

Both Cities continue to negotiate with Charter in regard to transition of public access to Bethany Lutheran College.



## Memorandum

### Current and Proposed Rates

Electric Monthly Rates		
Customer Class	Proposed Rates Effective April 1, 2015	Current Rates Effective June 1, 2008
Residential	\$ 1.00	\$ 0.75
Small C & I Non-demand	\$ 1.55	\$ 1.10
Small C & I Demand	\$ 16.50	\$ 9.25
Large C & I	\$ 223.00	\$ 125.00
Public Street Lighting	\$ 13.25	\$ 13.25
Municipal Pumping Non-demand	\$ 1.10	\$ 1.10
Municipal Pumping Demand	\$ 9.25	\$ 9.25

Staff is proposing a flat rate, not a percentage based on the utility providers' preference for a more stable customer monthly cost. The effective date of the franchise fee would be April 1, 2015, after adoption of the fee schedule by resolution. There is a ninety (90) day publication period that must occur upon notification to the franchisee. To meet the April 1, 2015 effective date Council should approve the rates at the January 5, 2015, meeting.

Actual and estimated collections of franchise fees are as follows.

Projected Franchise Revenue					
	2011 Actual	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
Electric	\$ 129,649	\$ 131,514	\$ 131,763	\$ 131,100	\$ 181,885

(\*) Please note Xcel and BENCO 2015 estimates have been updated from the 2015 Proposed Budget. The City is currently in negotiation with Charter and the estimate for 2015 PEG fees may change.



## Memorandum

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### Right-of-Way Expenditures

City costs estimated for 2014 and 2015 for maintaining right-of-ways are as follows.

Right-of-Way Expenditures		
	2014 Estimate	2015 Estimate
Street/ROW Maintenance Costs	\$ 1,108,575	\$ 1,681,946
ROW Management/Engineer	\$ 100,000	\$ 100,000
Total	\$ 1,208,575	\$ 1,781,946

### Attachments

Resolution Setting Electrical Franchise Fees

RESOLUTION NO.

RESOLUTION ADOPTING FRANCHISE FEES  
PURSUANT TO ELECTRIC FRANCHISES

WHEREAS, Section 33.06 of the City Code regulates electric franchise; and

WHEREAS, after due deliberation, the Council has determined that the following franchise fees are reasonable and necessary in the circumstance; and

WHEREAS, the affected utilities have requested that the City implement a flat monthly meter charge in lieu of a percentage franchise fee;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of North Mankato, Minnesota, pursuant to Section 33.06 of the City Code, that the following monthly franchise fees shall be effective as of April 1, 2015:

Electric Rates

<u>Customer Class</u>	<u>Monthly Fee</u>
Residential	\$1.00
Small C & I Non-Demand	\$1.55
Small C & I Demand	\$16.50
Large C & I	\$223.00
Public Street Lighting	\$13.25
Municipal Pumping Non-Demand	\$1.10
Municipal Pumping Demand	\$9.25

Adopted this 5<sup>th</sup> day of January 2015.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk