



STAFF REPORT

DATE: 3/18/2025

REGULAR

TO: Mayor and Council
FROM: Jason Stopa, Community Development Director
AGENDA ITEM: Approve the Request for Proposal for Disposition of the former Fire Station and PW/Parks Building
REVIEWED BY: Nicole Miller, City Administrator
Sarah Sonsalla, City Attorney

CORE STRATEGIES:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Vibrant, inclusive, connected community | <input type="checkbox"/> Efficient, reliable, innovative services |
| <input type="checkbox"/> Responsive, transparent, adaptive governance | <input checked="" type="checkbox"/> Balanced Finances now and future |
| <input type="checkbox"/> Managed Growth | <input type="checkbox"/> Resilient Infrastructure |

BACKGROUND:

The former Fire Station and Parks Building property, which is no longer used by the City is approximately 0.8 acres located in the Old Village area of downtown Lake Elmo. In 2024, the EDA voted to recommend selling the site through an RFP process to foster economic development. The parcels are zoned Village Mixed Use. The site address is 3510 Laverne Ave and 11200 Upper 33rd Street.

ISSUE BEFORE COUNCIL:

Should the city approve the RFP for disposition of the former Fire Station and Parks Building?

PROPOSAL DETAILS/ANALYSIS:

The current site is vacant, and the EDA has prioritized redevelopment through the sale to a third party. The City of Lake Elmo initiated a visioning study to ensure future development aligns with the City's objectives. Based on community feedback received in the Lake Elmo Village Vision Plan Study gathered in early 2024, residents strongly preferred the following uses for the subject property:

- Eating and drinking establishments
- Family friendly spaces
- Housing, including mixed use
- Community center
- Green spaces
- Recreational spaces
- Retail

The survey results indicated that residents want to preserve the charm and character of the Old Village as it currently exists. Residents indicated they would like to limit "big box" development. An RFP would ensure that the City could select and enforce a development agreement that would align with the goals of residents.

FISCAL IMPACT:

EDA recommends setting a \$100,000 reserve for the property.

OPTIONS:

- Approve the RFP
- Deny the RFP
- Amend the RFP
- Table for further information

RECOMMENDATION:

“Motion to approve the Request for Proposal for Disposition of the former Fire Station and Parks Building”

ATTACHMENTS:

- Draft RFP



DRAFT

**Request for Proposals (RFP) for
THE PURCHASE OF REAL PROPERTY OWNED BY THE CITY OF LAKE ELMO
THE PROPERTY IS COMMONLY KNOWN AS:
*The Former Fire Station and PW/Parks Building***



Tax Parcel IDs:

13.029.21.23.0028	0 .1 acre
13.029.21.32.0031 – 3510 Laverne Ave	0.4 acre
13.029.21.32.0028	0 .1 acre
13.029.21.32.0029	0 .1 acre
13.029.21.32.0030	0 .1 acre
13.029.21.32.0092	>0 .1 acre
13.029.21.32.0043	0 .1 acre
13.029.21.32.0044 - 11200 Upper 33rd St	0 .1 acre
13.029.21.32.0045	0.2 acre
Total Acres:	~1.2 acre

All proposals and other communications must be addressed and returned to:

City of Lake Elmo

Attn: COMMUNITY DEVELOPMENT DIRECTOR

3880 Laverne Ave N, Suite 100

Lake Elmo, MN 55042

PROPOSALS MUST BE RECEIVED NO LATER THAN 3:00 PM LOCAL TIME

ON Thursday, June 26, 2025

REQUEST FOR PROPOSALS FOR CITY OF LAKE ELMO

I. PURPOSE OF THE REQUEST FOR PROPOSALS

The City of Lake Elmo, Lake Elmo, Minnesota (the “City”) will accept proposals for the purchase of City owned property known as the former Fire Station and Parks Building (the “Property”). The property for sale is approximately 1.2 acres (~0.8 acres not including right of way dedication). The City has the right to reject any or all proposals.

Responses to this Request for Proposals (“RFP”) must address each component as set forth herein. Proposals must be in writing.

II. PROPERTY INFORMATION

The Property is approximately 0.8 acres in the Old Village area of downtown Lake Elmo. Small town character and quaint, charming aesthetics are key strengths of downtown. The parcels are zoned Village Mixed Use.

The respondent will be required to plat the property so that it is consistent with the Village Mixed Use guiding in the 2040 Comprehensive Plan during the development process. The respondent will be responsible for seeking any land use or other governmental approvals necessary for its intended use of the Property at its own expense. The respondent will also be required to combine lots and dedicate portions of the property as public right-of way, as determined by the city, to support infrastructure improvements. Municipal water and sewer are currently available to the site.

A listing of the permitted and conditional uses for properties that are zoned as Village Mixed Use in the City is attached to this Request for Proposals as Exhibit 1.

A. BACKGROUND

In recognition of the significance of the Old Village Area to Lake Elmo’s economic vitality and overall identity, the City of Lake Elmo initiated a visioning study to ensure future development aligns with the City’s objectives. Based on community feedback received in the Lake Elmo Village Vision Plan Study gathered in early 2024, residents strongly preferred the following uses for the subject property:

- Eating and drinking establishments
- Family friendly spaces
- Housing, including mixed use
- Community center
- Green spaces
- Recreational spaces
- Retail

The survey results indicated that residents want to preserve the charm and character of the Old Village as it currently exists. Residents indicated they would like to limit “big box” development.

B. LAND USE

This district is intended to continue the traditional mixed-use development that has occurred in the Old Village by allowing retail, service, office, civic and public uses as well as residential units. The mixture of land uses within the district is essential to establishing the level of vitality and intensity needed to support retail and service uses. Development within areas zoned VMX will occur at a residential density of 5 - 10 units per acre. Senior congregate care facilities may exceed this density maximum with a range not to exceed a total of 16 units per acre, provided the facility can satisfy all zoning and applicable conditional use permit review criteria. The placement of building edges and treatment of building, parking, landscaping, and pedestrian spaces is essential to creating the pedestrian friendly environment envisioned for the VMX district.

III. CONDITIONS GOVERNING THE SALE OF THE PROPERTY

A. Offer

All offers submitted to the City in response to this RFP shall remain valid for 90 days from the submittal deadline set forth in this RFP. This time period may be extended by mutual agreement of the City and any of the proposer(s). The Property is being sold by the City "AS IS."

B. Purchase Price

The minimum purchase price for the Property is \$100,000. The purchase price must be paid in full to the City either by wire transfer or certified check at closing. The property will be appraised after being awarded but prior to signing the purchase agreement. The difference between the value and the purchase price will be considered a benefit that the developer will receive in equity based on post-closing performance measures (Section VIII). The benefit may be considered a business subsidy per the standards in the state statutes.

While the purchase price is not a primary factor in the decision, the City may consider the offer amount when selecting a proposal.

C. Closing Fees and Costs

The successful respondent will be solely responsible for paying all closing fees and costs, including, but not limited to, a survey, any tests desired by the respondent, title commitment fees, title search and examination fees, any title insurance premiums or the cost of any endorsements, closing fees charged by the closing company, any brokers' fees or commissions, the respondent's attorneys' fees, the state deed tax, the cost of recording the deed, and any escrow fees. The City will be responsible for the cost of making title to the Property marketable and the City's attorneys' fees.

D. Commission

The City agrees and acknowledges that it has not engaged the services of any agent or broker for the sale of the Property. In the event that the successful respondent has engaged an agent or broker, the respondent will be solely responsible for the payment of said agent or broker, and said fees must not be deducted from the purchase price.

E. Earnest Money Deposit

Within five business days after all parties signing a purchase agreement, the successful respondent will be required to deposit 10 percent of the purchase price, as earnest money, with a title company who will hold the earnest money in escrow. The earnest money will be applied to the purchase price and will be refundable except in the event of a breach of the purchase agreement by the respondent.

F. Proposal Submission

To be considered, a written proposal must be submitted by the respondent to the City either by email, mail or personal delivery no later than 3:00 p.m. on 6/26/2025. No proposals submitted by facsimile will be accepted. If submitting by email, the proposer shall confirm that the proposal has been received by City staff. If submitting by mail or personal delivery, the outside of the envelope must be marked "PURCHASE OF REAL PROPERTY RFP- FIRE STATION" and delivered to:

City of Lake Elmo

Attn: Community Development Director

3880 Laverne Ave N, Suite 100

Lake Elmo, MN 55042

All submissions are subject to the Minnesota Data Practices Act, Minnesota Statutes Chapter 13. Pursuant to Minnesota Statutes Section 13.591, subdivision 3 (b), data submitted in response to a request for proposals by

a government entity are private or nonpublic until the time and date specified in the solicitation that proposals are due, at which time the name of the responder becomes public. All other data in a responder's proposal are private or nonpublic data until completion of the evaluation process. "Completion of the evaluation process" means that the City has completed negotiating the purchase agreement with the selected respondent. After the City has completed the evaluation process, all remaining data submitted by all responders are public with the exception of trade secret data as defined in Minnesota Statutes Section 13.37. If all proposals are rejected prior to completion of the evaluation process, all data, other than the names of the responders, remain private or nonpublic until a re-solicitation of the request for proposals results in the completion of the evaluation process or a determination is made to abandon the sale. If a re-solicitation of proposals does not occur within one year of the proposal opening date, the remaining data become public.

G. Provision of Contact Information

Those interested in submitting a proposal are encouraged to provide contact information to Jason Stopa, Community Development Director at: jstopa@lakeelmo.gov and Ashley Monterusso, City Planner at: amonterusso@lakeelmo.gov. This will allow the City to contact interested parties in the event that there are any addenda or changes to this RFP. Individuals who do not submit contact information to the City shall be solely responsible for independently verifying if any addenda or other changes have been issued for this RFP by contacting the City in writing prior to the submission deadline.

H. Selection

The City will select the proposal that is in the best interests of the City and will support the best use of the Property in the City's sole discretion. The sale of the Property is subject to the approval of a purchase agreement between the successful respondent and the City Council. The City reserves the right to negotiate with respondents and to reject any and all offers.

I. Committee

A selection committee will be established to evaluate proposals and ensure a fair review process. The committee will consist of a maximum of ten representatives comprised of the city's EDA, one Planning Commissioner, and city staff.

J. Schedule – (*The schedule could change based on the results of the environmental assessment*)

The schedule includes initial milestones for submission and review; however, some dates are currently to be determined (TBD). These dates pertain to stages of the process that occur later such as finalist presentations and City Council's final selection. Finalists will receive updated schedule details as they advance in the selection process. The city is committed to providing all respondents with timely updates to ensure transparency and allow adequate preparation time. Subject to change.

RFP Timeline		
Request for Proposal Issued	Thursday	4/17/2025
Building Open House	Thursday	5/1/2025
Preapplication Conference	Thursday	5/8/2025
Inquiries due	Friday	5/16/2025
Inquires Answered	Monday	6/2/2025
Proposals due	Thursday	6/26/2025
EDA Review of Proposals and at least 3 Recommendation	TBD	
Finalist Present at EDA special meeting	TBD	
City Council Selection	TBD	

K. Questions

All questions or requests for clarification should be submitted in writing via email to Jason Stopa, Community Development Director at: jstopa@lakeelmo.gov and Ashley Monterusso, City Planner at: amonterusso@lakeelmo.gov. Additionally, the City will hold a building open house to interested parties. The City shall not be responsible for the delay in the transmission of any request for clarification or other communication. The City will make all questions and answers available to all interested parties.

L. Conflict of Interest

Any respondent who has a conflict of interest or potential conflict of interest shall disclose the same in its offer. The City will review any potential conflicts of interest in its evaluation of the proposals. Evaluation processes and final recommendations will be made available.

IV. SUBMISSION REQUIREMENTS

A. Required Content

At a minimum, the following information must be included in all proposals:

1. Cover Letter

The respondent must submit a cover letter committing the respondent to purchasing the Property on the terms and conditions set forth in this RFP and providing information regarding the respondent's intended use of the Property.

Applicants must submit one digital file and one physical copy of their proposal containing the following information:

- a. A cover page including the following information:
 - Developer/team's name and mailing address
 - Name, mailing address, telephone number and email address of the primary contact person
 - Signature of authorized representative of responding developer or team
 - Address of the property(s) included in the proposal
- b. A narrative that describes the proposed project and how it meets or exceeds the City's development goals and benefits the community.
 - Explain how proposed plans promote historic preservation and traditional building design
 - Explain how the proposed development will encourage people to live near the Village Area
 - If a proposer only wants a portion of the site or would like to split the site with a partner, then as much detail as possible should be provided
 - The specific businesses that would occupy the site should be listed. If the proposal has speculative businesses, then a list of business types/land uses should be provided
- c. List of two or more development projects of similar nature or scale that you have completed

2. Preliminary Site Plan

- Basic site plan is encouraged and description of the proposed design
- List of project components, stories, square footages, and building materials
- Acknowledgement that developer must consolidate city lots and dedicate ROW

3. Project's estimated economic benefits

- Community benefits resulting from the project like job creation
- Projected timeline for land use approvals, purchase of site and construction of project

- Developer's current legal status: corporation, partnership, sole proprietor, etc.
- Supporting evidence of financial ability to complete project with references

4. Description of how the development team will provide updates to the community to assure the project aligns with city's vision

5. Any other information that is critical to the City's ability to evaluate the proposal

V. EVALUATION CRITERIA

The City reserves the right to contact some or all respondents to clarify non-material aspects of their offers. In evaluating the proposals, the City's selection will be based upon the alignment with the city's goals and its potential interests and welfare of the City, the neighborhood, and the community, including, but not limited to: the best use of the Property, change in tax valuation, and quantity/quality of jobs created. Points will be awarded across several categories, with particular emphasis on the community benefits that the proposal can provide. Based on scoring, the committee will select finalists. Regardless of the initial score, the City retains the right to award the property to the proposer that it believes best meets the goals of the City.

In addition to purchase price, all proposals must include information related to:

a. Community Benefits (65 pts)

This section evaluates how well the project aligns with the city's goals to foster a vibrant community at a pedestrian-scale. Proposals should aim to create a long-term positive impact on the neighborhood aligning with community needs. Points in this section will be awarded as follows:

- **Land Use (30 points)**– The Village Area Study supports uses at the site that range from a place that can be enjoyed by residents to uses that promote a gathering space for residents. Examples include retail, restaurants, bakeries, taprooms, brew pubs, markets, etc. Mixed use development with dwellings above commercial are encouraged at the site in the area outside of the Fire Station footprint. Buildings should not exceed two stories.
- **Preservation & Design (15 points)** – The City encourages developers to preserve the Fire Station through adaptive reuse. If the Park's building is proposed to be demolished, the developer would not lose points. Since the site is in the Old Village Area, a design district, the developer should include how their plans promote historic preservation and traditional building design. Quality of architectural design, including aesthetics and sustainability will also be taken into consideration.
- **Public space & Streetscape Improvements (10 points)** – The Village Area Study supports promoting public space in and around the site. Additional ideas to enhance the public space will be considered and should be included by the developer. Enhancements to the surrounding streetscape, such as landscaping, pedestrian safety improvements and other improvements on the site and along the public right of way should be included.
- **Parking (10 points)** – Due to limited parking in the Old Village, a parking plan should be submitted that retains spaces (some public) and enhances landscaping and traditional neighborhood development. A creative plan to

retain some public parking would be awarded points if determined that it enhances the public space.

b. Economic Impact (10 pts)

This section evaluates the anticipated economic impact of the proposal to the community. Points will be awarded based on projected job creation, support for local businesses, tax revenue generation, and long-term economic success. Points will be awarded as follows:

- **Proposed Use and Job Creation (5 pts)** – The proposed use should consider small businesses.
- **Draw to the Old Village (5 pts)** -- The type of development should attract residents from Lake Elmo and surrounding areas to the Old Village. Explain how the development will encourage people to live near the Village Area.

c. Developer Qualifications (25 pts)

This section examines the developers' capabilities to execute the project effectively. Points will be awarded as follows:

- **Experience and Success (10 points)** – Demonstrated success with similar projects. Provides references.
- **Approach & Timeline (5 points)** – Plan includes a clear timeline and development plan with outlined costs (rough estimate).
- **Proof of Funds (10 points)** – Evidence of financial capability to complete the project as proposed.

VI. REJECTION OF PROPOSALS

A. Selection does not Guarantee a Purchase Agreement

This RFP shall not create any legal obligation of the City to evaluate any proposal that is submitted or to enter into any purchase agreement with a respondent who submits a proposal except on terms and conditions that the City deems, in its sole and absolute discretion, to be satisfactory and desirable. All proposals should contain an affirmative statement regarding whether there is any "conflict of interest" with the City, its elected and appointed officials, and the respondent.

The City reserves the right to reject any and all proposals received and the right to waive non-material formalities and technicalities according to the best interests of the City. The City reserves the right to select a respondent or multiple respondents for the purchase of the Property. The City is not obligated to select the proposal with the highest offering price, as it is considering other factors that are outlined in this RFP in addition to price.

By submitting a proposal, the Respondent acknowledges its understanding of the requirements of this RFP and agrees to be bound to the same when negotiating the purchase agreement, if its proposal is selected by the City.

B. No Liability for Expenses or Costs

The City is not responsible for expenses or costs incurred by respondents in connection with this RFP process and submitting a proposal. This includes, but is not limited to, costs associated with preparing the proposal and of participating in any site visits, oral presentations, or negotiations.

VII. SELECTION

A. Completion

The Respondent's proposal must be complete in order to be considered by the City for selection. Proposals will be reviewed by the Community Development Director for completeness in addressing the criteria listed in the submission requirements set forth.

B. Purchase Agreement

The selected proposer will be required to enter into a purchase agreement with the City for the purchase of the Property. The purchase agreement is subject to the approval of the City Council.

VIII. POST-CLOSING PERFORMANCE MEASURES AND COMPLIANCE

The project will be required to meet certain compliance requirements. Not meeting them could result in the property being returned to the City. More details will be provided prior to signing a purchase agreement.

EXHIBIT 1 – City of Lake Elmo Zoning Regulations for Village Mixed Use

The following table lists permitted and conditional uses relevant to the subject property. Some uses have been removed based on community feedback received in the Lake Elmo Village Vision Plan Study gathered in 2024. Preferred uses are listed in section IIA.

Permitted and Conditional Uses, VMX as shown in [105.12.780 Permitted And Conditional Uses](#).

Table 11-1: Permitted and Conditional Uses, Village Districts	
	VMX
Residential Uses	
Household Living:	
Single-family detached dwelling	P
Two-family dwelling	P
Single-family attached dwelling	C
Multifamily dwelling	C
Secondary dwelling	P
Live-work unit	P
Group Living:	
Group home	P
Group residential facility	C
Congregate housing	C
Semi-transient accommodations	C
Public and Civic Uses:	
Community services	P
Day care center	P
Public assembly	C
Religious institutions	C
Schools, public and private	C
Services:	
Business services	P
Business center	-
Offices	P
Communications services	P
Education services	P
Financial institution	P
Funeral home	-
Lodging	C
Medical facility	C
Membership organization	C
Nursing and personal care	C
Personal services	P
Repair and maintenance shop	C ²
Trade shop	C

Veterinary services	C
Food Services:	
Standard restaurant	P
Restaurant with drive-through	C
Drinking and entertainment	P
Sales of Merchandise:	
Retail trade ¹	P
Farmer's market	P
Garden center	C
Neighborhood convenience store	P
Shopping center	C
Wayside stand	P
Automotive/Vehicular Uses:	
Automobile maintenance service	C ²
Gasoline station	C ²
Parking facility	C
Outdoor Recreation:	
Outdoor recreation facility	C
Parks and open areas	P
Indoor Recreation/Entertainment:	
Indoor athletic facility	C
Indoor recreation	C
Transportation and Communications:	
Broadcasting or communications facility	C
Accessory Uses:	
Home occupation	P
Bed and breakfast	P
Family day care	P
Group family day care	C
Temporary sales	P
Parking facility	P
Solar equipment	P