



**City Council- Special Meeting Agenda  
August 27, 2024 - 5:30 P.M. - Foley City Hall**

1. Call the meeting to order.
2. Pledge of Allegiance.
3. Approve the agenda.
4. Discuss/Approve RFP for Development Services.
5. Other Business
6. Adjourn



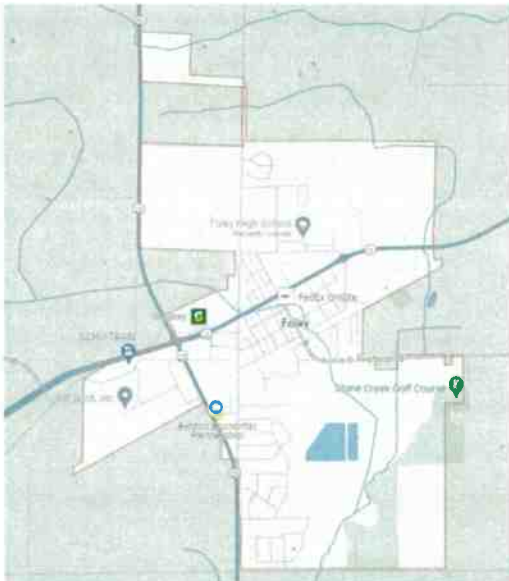
## Request for Proposals for Single Family and Multi-Family Housing Development on City-Owned Land

The City of Foley (the “City”) is a thriving rural community with traditional family values located 50 minutes north of Minneapolis. It is the Benton County seat, centrally located in one of the original nine counties of the first territorial legislature.

Our diversified economic base, strong educational system, and many area recreational activities make the town a great choice whether you are looking to open a business, raise a family, or a new place to call home.

You’ll find us one hour from the northern lakes area of Brainerd, or, if big city life is what you crave, the Twin Cities and St. Cloud are only a short drive away. Highways 23 and 25 intersect in Foley, making travel in any direction easy.

Looking to stay close? We offer two city parks with playgrounds, a ball field, and park shelters, perfect for family gatherings. We also have a Municipal Swimming Pool, golf course, walking trails, and our historic movie theater! With so much to offer, our town is a great place to live and visit!



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## Introduction

The City is exploring the potential sale and development of a portion of real property owned by the City consisting of approximately 23 acres (the “Property”). The Property is guided for residential development. As such, the City is requesting proposals (the “Proposals”) from a housing developer with experience in single-family and multi-family development in rural communities, coupled with professional management capacity or in partnership with a professional management firm. 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 best offer price for the Property; (2) the proposed increase in the City’s tax base as a result of the development; and (3) the quality of the development offered in the Property proposal.

The Property is located next to Stone Creek Golf Course and near other housing developments. The location is well suited for housing and should be well received by the general public and businesses.

The City, in collaboration with Benton County and Benton Economic Partnership, Inc., has invested in a housing study, conducted by Maxfield Research in 2023.

The housing study recommends, “[t]he study projects housing demand from 2022 through 2035 and provides recommendations on the amount and type of housing that could be built in Benton County and the individual submarket to satisfy demand from the current and future residents over the next decade and beyond. The study identifies a potential demand for about 3,800 new housing units.”

The City prides itself as a bedroom community for individuals and families who choose to live in Foley and work in nearby cities such as the City of St. Cloud.

## About Foley

The City traces its roots back to the 19th century lumber barons and the four Foley brothers who settled in Benton County in the late 1800s. The brothers originally came from Lanark in eastern Ontario, Canada. Their Irish immigrant family made Lanark their home during the second administration of President Andrew Jackson during the turbulent 1830s.

Michael Foley was the first brother to come to Minnesota. He arrived in 1870 and immediately saw the huge economic opportunities Minnesota had to offer. He was catapulted into the lumber industry through his business contacts with James J. Hill, “the empire builder.”

Michael later returned to Lanark to persuade his brothers, Thomas, Timothy, and John to join him in seeking their fortune in the Land of Sky-Tinted Water. They agreed and the four brothers formed a partnership that would last a lifetime.

### Lumber Barons and Railroads

The Foley brothers bought 80 acres of land in Gilmanton Township and set up a logging camp and steam sawmill at the site of the present-day village along with other camps throughout Benton County. The brothers contracted with the Great Northern Railroad to cut the white oak trees in the surrounding area into lumber.

The sawmill produced high-grade lumber for bridge timbers and frames for railway cars. Second-grade oak was made into railway ties. Wood from the Foley mill helped to build the railroad, which extended through the logging camp westward from St. Cloud in 1882.

To supply the needs of the lumber and railroad workers, businesses moved to the camp and set up shop. By 1898, the Foley brothers filed the original plat of the village and the economy boomed. A hotel was built and stores opened. A bank, newspaper, drug store, livery stable, meat market, machinery dealer, cafes, and saloons lined the streets.

By the beginning of the 20th century, the supply of big logs from the heavy timber of Benton County came to an end. Though the big trees were gone and logging ended, there was still an unlimited supply of trees ready to be manufactured into wood products that were much in demand.

### New Industry

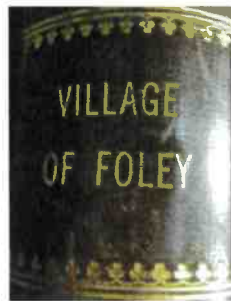
John Foley foresaw the end of the logging and sawmill business and made plans for a new wood industry in Foley. He donated several acres of his land for new businesses. Three mills sprung up south of the railroad tracks. These mills, or pail factories, became known as the Wood and Stave Mills and Heading Mills.

The Village of Foley was incorporated on March 21, 1900.

The new mills manufactured wood staves for pails, barrels and wood boxes of all sizes. Ash and basswood were in great demand and was the most suitable for making pails and barrels. Oakwood was used extensively in making whiskey kegs and beer barrels, which were used for shipping liquor and beer. At the time, every saloon served tap beer and sold whiskey in bottles from the kegs. Wood barrels of various sizes were used to ship everything from flour, salt, coffee, fruit, vinegar, and groceries.

By March 21, 1900, when the population was 172, the community was incorporated as a village. It was named for John Foley, whose many generous contributions had helped to build the town.

On March 4, 1901, the citizens of Foley circulated a petition to be presented to the county commissioners pledging \$12,000 to build a new courthouse and move the Benton County offices from Sauk Rapids to Foley. John Foley deposited \$12,500 in the Foley Bank to cover the pledges and other costs of the new courthouse. The election was held in June, and it was reported that there were 788 votes for keeping the county seat at Sauk Rapids and 1,284 votes for moving it to Foley.



Benton County Government Center – Foley, MN

By the time Foley became the Benton County Seat, lumbering had decreased in importance in the area. The surrounding land was soon cleared and made into farms. The region, once referred to as oak country, became dairy country and the businesses of Foley, which had served for the lumber industry, now served the farmers.

The City in Benton County, MN is located about an hour north of Minneapolis and just 18 minutes north of St. Cloud — offers families and retirees an opportunity to own a home for less than nearby major metros like the Twin Cities. Our median home value is just \$171,296 — well below the national average. Compared to the rest of the country, the City's cost of living is 13.6% lower than the U.S. average. The City has a strong economic base and many of Foley's residents have a college education and work in sectors like public administration and healthcare.

The three largest employers in Foley are Foley Public Schools (400 employees), Benton County (260), and Blow Molded Specialties (100).

Major roads are U.S. Trunk Highway 10, a four-lane divided highway connecting St. Cloud to the west and Mora to the west; and Minnesota State Highway 25, a two-lane secondary road running north and south from the city.

## Market Feasibility Study

In 2023, Benton County engaged Maxfield Research and Consulting, Inc. to conduct a housing, market feasibility study for Benton County area housing supply and demand, completing an analysis of the area, conducting interviews with local housing professionals and implementing in-depth research on the local economy & demographics, Maxfield Research and Consulting, Inc. concluded the demand was divided between general-occupancy housing (65%) and age-restricted senior housing (35%). Our inventory of general-occupancy rental housing found a vacancy rate of under 2% indicating pent-up demand for rental units while senior housing properties posted a vacancy of just above 6% (at market equilibrium) however service-intensive product has elevated vacancies since the pandemic. The vacant lot supply is low in most submarkets, whereas the Sauk Rapids and St. Cloud submarket have available lots in the short-term. As a result, new platted lots are needed immediately in most of the county. A copy of this study is available upon request.

## Financial Incentives

The City is able to provide the following financial incentives to assist with the development of this project.

### Land Subsidies

The City has offered reductions and land subsidies to housing developers creating housing that:

- Is affordable to households at 60% of the Area Median Income and lower;
- Is intended for seniors or those 55+;
- Is moderate to higher density, multi-family housing.

### American Rescue Plan Act Funding

- Funding through the American Rescue Plan Act is available.

In July of 2021, the City received Federal funds through the American Rescue Plan Act (ARPA). The City (in partnership with Benton County) has committed \$1 million of its ARPA funds toward the development or redevelopment of new housing, specifically targeting workforce or middle-income housing. The City recognizes the high cost and logistics challenges in the current development market; the ARPA funds are intended to fill financing gaps and enable the development of these housing units by providing funds to assist with the cost of sanitary sewer and water. The City is interested in proposals that include residential development with as many housing units as possible targeting workforce; for the purpose of this RFP, the term “workforce” means unit rents that are no more than 30% of a household’s income that is 80% or less of the area median household income, as published annually by Minnesota Housing Finance Agency (<https://www.mnhousing.gov/sites/multifamily/limits>).

## Project Proposals

The City is soliciting responses to this Request for Proposal (RFP) for the design, financing, construction of housing on the City owned site located next to Stone Creek Golf Course with frontage on CR51 in Foley. The Foley City Council will select the development team and enter into a Development Agreement.

After a development team is selected, there will be an additional due diligence period. Ultimately, the selected development team, (“Developer”) and the City shall enter into a Development Agreement providing for the development of the project pursuant to a development site plan, schedule and financing plan.

## Proposal Requirements

Proposals should include the following:

Identifying Information – A completed and signed letter which includes background information such as developer name, address, contact and key personnel.

Proposal Narrative with Conceptual Site Plan – A written and graphic summary of the proposed development, which shall include an explanation of how the proposed development is intended to be integrated into its surroundings and will support broad principles of neighborhood development. The City does not expect detailed design or architectural documents.

Statement of Qualifications – Include descriptions of relevant example projects completed within the past 5 years that are comparable in scope to the project, as well as financial capacity to ensure project success. Include references of previous clients/projects.

Development/Building Programming - including type, size, and mix of proposed dwelling units. Conceptual-level renderings and/or preliminary elevations of proposed

structures.

Budget and Pro Forma – Securing estimates from local companies is encouraged.

- Note: Successful respondents will become “subrecipients” of ARP State and Local Fiscal Recovery Funds and will fall under the City’s Business Subsidy Policy. To be awarded, respondents must have an active SAM.gov registration.
- Selected proposals must adhere to all related compliance and reporting requirements.
- Selected proposals must enter into a development agreement and are subject to requirements of city code.

## Proposal Process

### Objective for the Site

The City and the Foley Economic Development Authority are looking for an experienced rural housing developer for the 22-acre site in the City of Foley. The site is located adjacent to Stone Creek Golf Course (see Figure 2) and is owned by the City of Foley.

### RFP Process and Timeline

#### Process

Submit specific, sealed proposal outlining responses to each section below, along with a vision and qualifications to Sarah Brunn, City Administrator at City Hall. Proposals will be reviewed and presentations arranged for a short list of finalists.

**Proposal must be received on or before the November 1, 2024.**

Proposals received after this date will not be considered.

Developers shall submit one (1) clearly marked written and one (1) electronic version (either via email or on a flash drive) of their proposal package (the "Proposal Package"). Proposal Packages must be received in one envelope or box marked "PROPOSAL -- Single Family and Multi-Family Housing Development on City-Owned Land" and address to the City Administrator at the address indicated below.

## Design and Architecture

### Design Approval:

The design concepts submitted by the Developer will be reviewed by the Foley Planning Commission and the City Council, along with the City's consultants. The Foley Planning Commission and the City's consultants will make recommendations to the City Council.

### Statement of Qualifications:

Please submit a statement of qualifications and portfolio samples for a project of this nature.

### Construction & Architect:

Please provide the names of the proposed developer, architect and any and all contractors that you intend to work with on this project.

### Site Plan

#### Development Size:

Provide a site plan showing units and unit counts, number of bedrooms and bathrooms, square footage of each room by type and approximate square footage.

#### Architecture & Site:

Please provide as much information as possible about proposed plans including site map, floor plans, parking plan, landscape & lighting plan, amenities and exterior and interior renderings. Please include a narrative outlining the proposed use of the Property.



## Business Plan

### Rates and Occupancy:

Please provide information related to your business plan for the development including expected average rent rate and occupancy, if applicable.

### Property Management:

Please provide information about the proposed property management company.

### Financial Qualifications:

Please include financial qualifications for the developer and the developer's financial capability to complete the proposed development. Additionally, please include a proposed budget based on contractor estimates, sources and uses, and 15-year income projection. Please note that the sources and uses format must adhere to the example in Attachment D, or the proposal may be disqualified; additional detail is welcome.

### Schedule:

Please include information on proposed timing information on the preliminary schedule, including timing for site plan development, regulatory approvals, and construction activities. Please also be sure to include timing for platting, construction, and buildout process.

### Capital Structure and Financing:

Please include information concerning the proposed capital structure, including amount of cash equity contribution, and information concerning construction and permanent financing for the proposed project.

### Offer of Payment

Please include an offer of payment for the Property, including all payment terms. The City may consider offers below market value. Any Proposal accepted below market value may be subject to business subsidy laws and agreements with the City. If the Property is conveyed to a Developer with a Purchase Agreement that is subject to a business subsidy agreement with the City, the City will also require a right of reversion

in favor of the City upon the Property.

Additionally, please include 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.

### Proposed Incentive

Please provide a narrative of any proposed incentive, assistance, or discounts that you would seek from the City as part of the development, including whether you have the ability to pay for standard platting fees, trunk charges, parkland dedication fees, infrastructure costs, sewer and water connection fees, and any other development or construction fees or expenses.

### No Press Release

The parties hereto expressly agree that there shall be no press release or other publicity originated by the parties hereto, or any representatives thereof, concerning the subject without prior consent of both parties.

### Submittal:

Should you decide to respond to this inquiry, please do so in writing (either electronically or in paper format) and provide your response to each section in the order in which they are presented herein. Responses will be taken until a Development Agreement is executed.

*If you have questions regarding the RFP, please contact:*

City of Foley  
Sarah Brunn, City Administrator  
[sbrunn@ci.foley.mn.us](mailto:sbrunn@ci.foley.mn.us)  
Office: 320-968-7260  
251 4<sup>th</sup> Ave N  
PO BOX 709  
Foley, MN 56329

Please review the evaluation criteria when responding. Failure to provide any of the above requested information may result in disqualification of the proposal. The City reserves the right to request additional information pertaining to the applicant's proposal, or any other matters related to the Request for Proposal. Proposal documents, including the Offer of Payment, must be signed by persons authorized to contractually bind the applicant.

## Timeline

**August 28, 2024** – RFP Release Date

**September 13, 2024** - Questions due by 1:00 p.m. All questions must be submitted in writing to Sarah Brunn at [sbrunn@ci.foley.mn.us](mailto:sbrunn@ci.foley.mn.us). 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.

**September 17, 2024** - Questions and answers will be posted publicly at <https://www.ci.foley.mn.us>.

**November 1, 2024** - Proposals due by 4:00 p.m.

**Anticipated November 8, 2024** - Developers with complete, qualified proposals under consideration will be notified.

**Anticipated November 12, 2024** - 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 Agreement.

During the evaluation process, the City may, at its sole discretion, request one or more firms to make presentations to staff, consultants, the Foley Economic Development Authority, or to the City Council. Such presentations will provide firms with an opportunity to answer any questions the review committee may have on a firm's proposal and may be virtual or in-person. Not all firms may be asked to make such presentations.

## Method of Award and Selection Criteria

Complete responses to this RFP will be evaluated by City staff and consultants and will be reviewed by the City Council based upon City subcommittee review and recommendation. Decision to sell the Property are at the sole discretion of the City Council. This RFP process shall not create a binding obligation on the part of the City Council to sell or transfer the Property unless and until a Purchase and Sale Agreement has been executed. The City reserves the right to reject any and all Proposals.

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

- Completeness of the proposal package;
- Proposal recognizes the highest price and/or highest value to the City;
- Proposal meets or exceeds City standards for development;
- Proposal timing for development is achievable and favorable.
- Developer/development team responsiveness to this RFP and demonstrated understanding of the City's goals and objectives;
- Level and number of workforce units and duration of affordability;
- Status of site control at proposed project location;
- Project timeline and ability to complete proposed project by no later than December 30, 2025.
- Financial capability, including resources available as equity for the project and strength of financial commitments;
  - Demonstrated ability to procure financing and complete projects on schedule and within budgetary assumptions;
  - The quality of the proposed site layout and the relation of the layout to the surrounding neighborhood context (parking, pedestrian impacts, activation of street levels, access, etc.);
  - Qualifications and experience of the Developer and team members with projects of similar scale and magnitude;
  - Past performance of the Developer/development team as verified by references of previous clients/projects;
  - Demonstrated success in embracing and implementing the highest standards of sustainability and environmental sensitivity;
  - Past successes in dealing with elected officials, municipal boards and commissions, community advisory committees, and neighborhood residents;
  - History of legal actions and disputes;
  - Quality, creativity, and feasibility of development proposal.

## Property Inspection

Applicants are encouraged to inspect the Property, but

to protect the peace and enjoyment of neighboring property owners, you are asked to schedule your inspection with the City.

#### Terms and Conditions

All information contained within this RFP and supporting documents is based upon information from a variety of sources. Additional information may be made available via written addenda throughout the RFP process. Developer 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 condition of the Property, the suitability of the Property for a Developer's potential use or the information provided herein. Additionally:

- A. Developer's shall be responsible for the accuracy of the information provided to the City in connection with this RFP.
- B. The City Council reserves the right to reject any and all Proposal Packages, 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.
- C. The City may to cancel, revise, or extend this solicitation.
- D. The City shall not be responsible for any costs incurred by a Developer in connection with the preparation, submission, or presentation of its proposal.
- E. Nothing contained herein shall require the City to enter into exclusive negotiations with any Developer, and the City reserves the right to amend, alter, and revise its own criteria to the selection of an applicant without notice.
- F. The City reserves the right to request clarification of information submitted in a proposal and to request additional information from any Developer.
- G. The City will not accept any Proposal Packages after the time and date specified in this RFP.
- H. The City Council retains the sole discretion in the selection of a successful Proposal Package, if any.

- I. The City reserves the right to request clarification of information submitted and to request additional information from any Respondent.
- J. The City reserves the right to select the proposal it deems is in the best interests of the City, even if it is not the highest purchase price nor provides the greatest financial benefit to the City.
- K. Upon selection of a Proposal Package, the City shall enter into negotiations with the successful Developer for a Purchase Agreement and Development Agreement, which may include business subsidy provisions, with terms and conditions acceptable to the City. Until the execution of a contract, the City is under no obligation to sell the Property and it reserves the right to cease negotiations at any time and retain 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 and without warranty as to quality, physical condition or environmental condition.
- L. The successful Proposal Package 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.
- M. The RFP process shall in all respects be governed by, and construed in accordance with, the laws of the State of Minnesota.

***The City encourages and welcomes bids from women and minority owned businesses.***

This Request for Proposals does not obligate the City of Foley to pay any costs incurred by any Developer or respondent to the RFP in the submission of qualifications and/or proposals or in making necessary studies or designs for the preparation of any proposal, or for procuring or contracting for the services to be furnished under this request.

Any proposal accepted by the City shall be subject to approval by the Foley City Council.

The City of Foley appreciates your consideration of this Request for Proposals and welcomes all responsible Developers.

Additional Information surrounding Benton County housing market and resources includes:

<https://www.bentonpartnership.org/housing/benton-county-housing-study>

Thank you for your interest in doing business with the City of Foley.

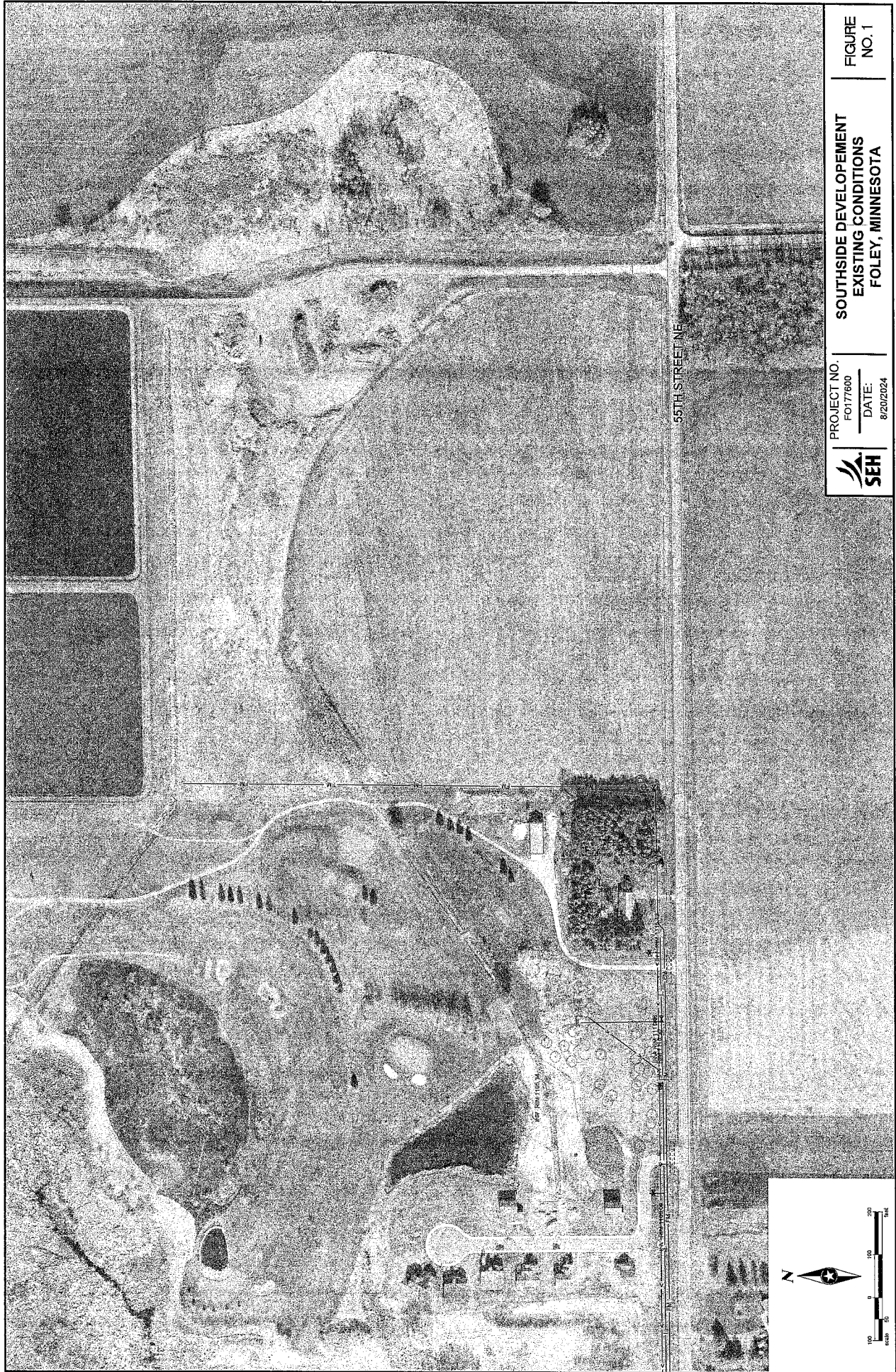
**Exhibits:**

**Figure 1 – Existing Conditions – Utilities**

**Figure 2 – Development Area**

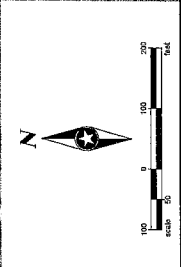
**Figure 3 – Potential Mixed-Use Concept**

**Figure 4 – Wetland Delineation**



55TH STREET/NE

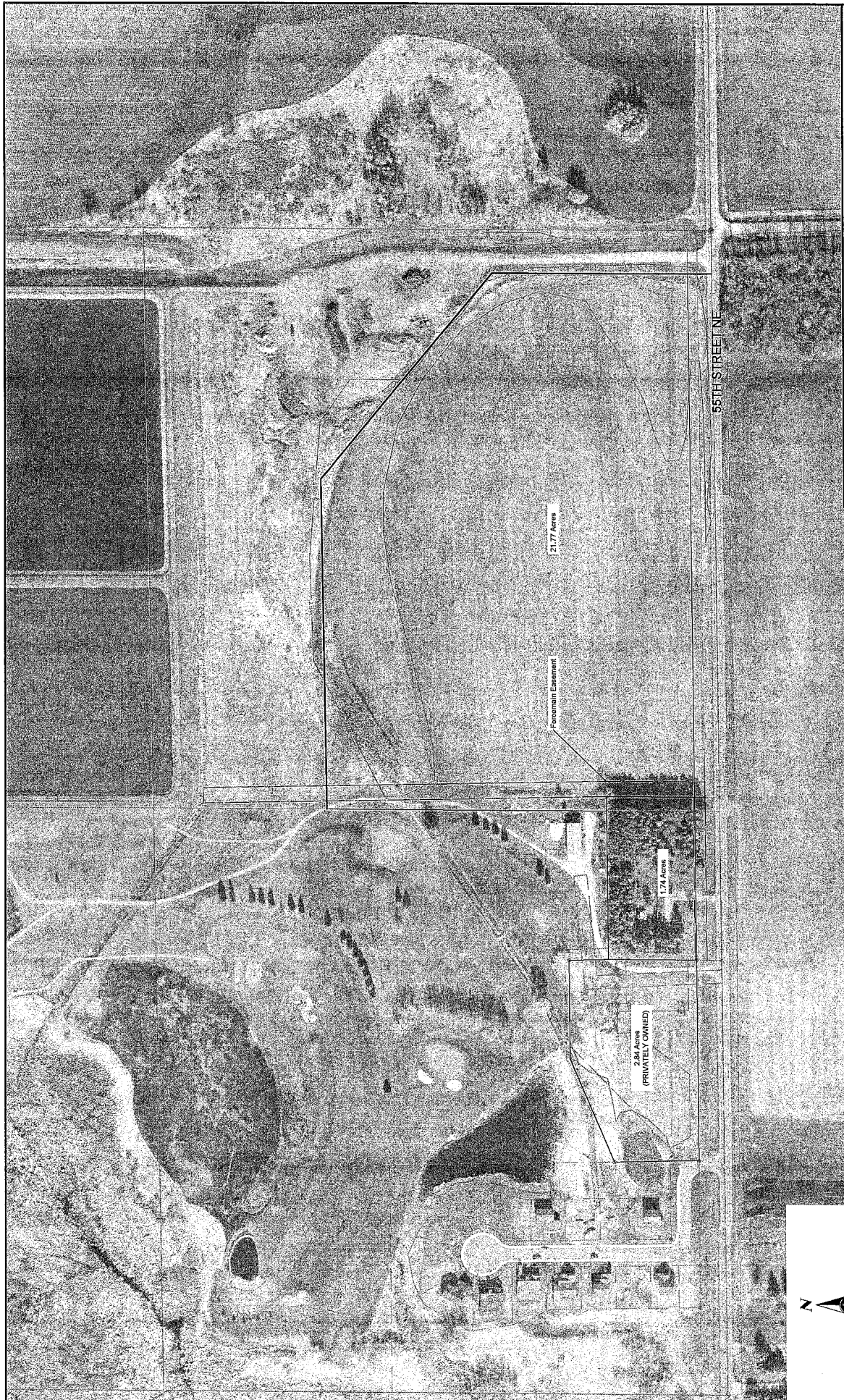
Rte 1105 W



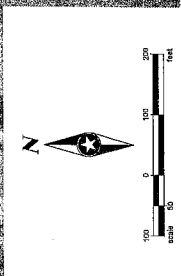
PROJECT NO:  
FO177600  
DATE:  
8/20/2024

SOUTHSIDE DEVELOPMENT  
EXISTING CONDITIONS  
FOLEY, MINNESOTA

FIGURE  
NO. 1




**PROJECT NO. FO177600**  
**DATE: 8/20/2024**  
**SOUTHSIDE DEVELOPMENT DEVELOPMENT AREA FOLEY, MINNESOTA**  
**FIGURE NO. 2**





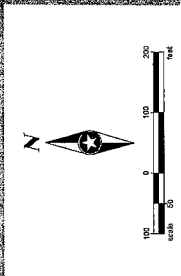
PROJECT NO.  
FO177600

DATE:  
8/20/2024

**SEH**

SOUTHSIDE DEVELOPMENT  
POTENTIAL MIXED USE CONCEPT  
FOLEY, MINNESOTA

FIGURE  
NO. 3





**Legend**

Area of Investigation: Circular 39

2' Contours Index: Type 1, Type 3, Type 6

Intermediate: (Symbol)

Sample Point: (Symbol)

**Figure 4**

**DELINEATION RESULTS**  
**2024 SOUTHSIDE CONCEPT**  
**FOLEY, BENTON COUNTY, MN**

Project: FOLEY 177600  
 Print Date: 5/16/2024  
 Map by: amack  
 Projection: NAD83 UTM Zone 15N  
 Source: SEH, ESRI, MN DNR,  
 USGS, MiGEO, Benton County

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