



22-5504 Request for Proposals

Historic Restoration Pastoret Terrace

Duluth, Minnesota

Release Date: March 21, 2022

Proposals Due: April 21, 2022

Overview

The Duluth Economic Development Authority (“DEDA”) is seeking viable proposals from qualified development entities to perform historic restoration of the Pastoret Terrace, Kozy Bar and Robison Ballroom buildings (“Pastoret”) in downtown Duluth. DEDA is interested in residential or mixed-use proposals that take great care in preserving the site’s historic integrity into the future. Located on an approximately 14,000 square foot parcel at the corner East 1st Street and 2nd Avenue East in Duluth, the Pastoret property is situated near Essentia Health and St. Luke’s and just one block uphill from Superior Street (downtown’s main street) which hosts many amenities such as restaurants, brew-pubs, hotels, theatres and retail establishments.



Bird's Eye View of Project Site 010-0930-00270

Development entities responding to this proposal must have experience with substantial restoration projects that meet the Secretary of the Interior’s Standards for the Treatment of Historic Properties (<https://www.nps.gov/tps/standards/four-treatments.htm>). As a contributing resource to the Duluth Commercial Historic District, proposed restoration must maintain historic integrity and will be reviewed by the Minnesota State Historic Preservation Office (MN SHPO). The Duluth Economic Development Authority’s (“DEDA”) conveyance of the property will be contingent on selected entities’ historic preservation experience and financial readiness. DEDA encourages Respondents to pursue Historic Tax Credits; other financial assistance, such as tax increment financing, may be available subject to funding gaps and DEDA and City Council support. Proposal selection will be based on the

Respondent's background, previous experience, proposed restoration project design, project timeline, financial capability, and ability to develop the site a way that meets DEDA and the City's goals. Questions regarding project scope should be directed to the Planning and Economic Development Department.

Questions about this RFP should be directed to the City of Duluth Purchasing Office:

purchasing@duluthmn.gov

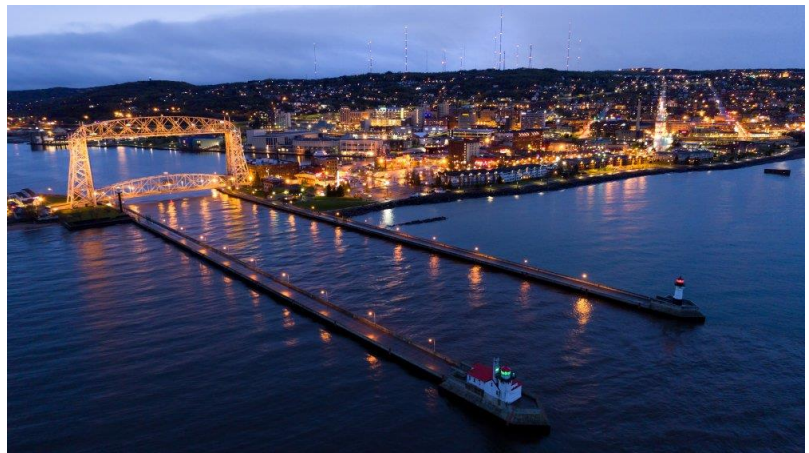
The Duluth Community

The fourth-largest city in Minnesota, Duluth has a population of approximately 87,000 and over 6.7 million visitors annually. Duluth is the largest metropolitan area on the shores of Lake Superior: home to more than 250,000 people, 25 to 34-year old residents are the fastest growing demographic, increasing by 25% over the last 5 years.



Duluthians enjoy a high quality of life in a vibrant place that boasts great tasting, clean water and a spectacular landscape along the entire 26-mile stretch of the city. Offering more than 11,000-acres of greenspace within city limits, Duluth offers access to over 250 miles of hiking and world-class biking trails, sailing, cross country and downhill skiing, fly and deep-sea fishing, rock and ice climbing, inspirational arts and entertainment performances, a mix of local and nationally recognized retailers, and diverse culinary options.

Duluth has three highly ranked college institutions that are rated among the best in the nation for liberal arts education. They offer a medical school and top-notch engineering programs. Duluth is the home of two regional medical centers that are investing a combined \$1 billion over the next few years. The Port of Duluth-Superior is the farthest-inland freshwater seaport, connecting the heartland of the U.S. and Canada to the global economy. Duluth's economic outlook is promising as aviation, education, healthcare, engineering, tourism and information technology companies continue to grow and flourish here.



In summary, Duluth is home to abundant natural resources and outdoor recreation, robust industry clusters, top-notch educational campuses, and some of the most breathtaking natural scenery in the country – qualities that make it an unrivaled place to live, work, and explore.

Objective

DEDA is seeking a qualified developer whose project will preserve the Pastoret buildings to historic standards while creating reuse opportunities for the currently vacant and blighted property, while adhering to the Governing Principles in Duluth's comprehensive plan, Imagine Duluth 2035 (<https://imagineduluth.com/document>). Projects that include demolition of existing structures will not be considered.

The primary purpose of this RFP process is to identify a qualified entity that clearly has the experience, vision, and financial capability to design and complete a quality historic restoration project consistent with DEDA's objectives stated above on the Property.

Site Information

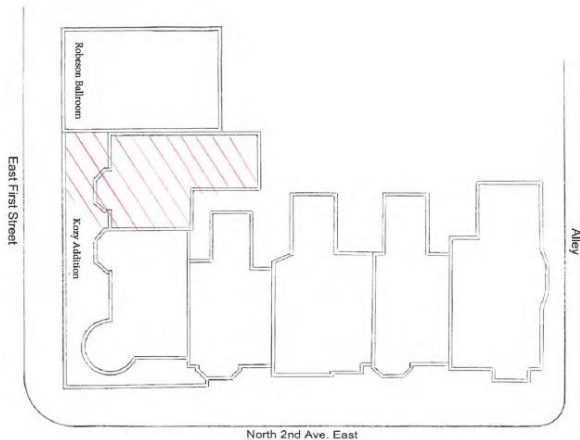
The Pastoret Terrace site is an approximately 14,000 square foot site that has past historical uses that range from residential to commercial. Designed by renowned Architect Oliver Traphagen and constructed in 1887 by Michael Pastoret, the Romanesque Revival style building is a contributing resource to the Duluth Commercial Historic District. Originally constructed as six town homes, the building was divided into apartment units over time, with 50 units created by 2009. In 1924, a restaurant was added to the first floor and the prominent corner tower was removed. The tavern became the Kozy Bar in 1960. The building next door at 125 E. First Street was purchased by the buildings previous owner and renamed to Paul Robeson Ballroom. The existing buildings that makeup the Pastoret Terrace combined are approximately 20,000 square feet. In 2010 and 2011, the structure caught fire and repairs were too costly for the property owner. The building has remained vacant since that time and beginning in 2016 the property was tax forfeited to the State of Minnesota after which time DEDA purchased. The Pastoret Terrace property experienced an additional fire on November 1, 2020, that further compromised the building's overall structural stability.

The site is zoned Downtown Mix (F-8) and has utilities nearby along East 2nd Street Alley and North 2nd Avenue East. For more site information, please see Appendix C. For information on zoning regulations in the F-8 district, visit "Land Use Zoning" on the City's website at <https://duluthmn.gov/planning-development/land-use-zoning-and-applications/zoning-regulations/>.

The site is currently owned by the Duluth Economic Development Authority (DEDA). The DEDA is looking to sell the Property; purchase price will be negotiable based on the community benefits of the project.

Building Information

The building complex is comprised of three basic elements: the Pastoret Terrace component of housing units with frontage on First Street and Second Avenue East, the Kozy Bar extension on First Street and the Paul Robeson Ballroom structure to the west fronting on First Street.



Photos courtesy of 2020 LHB Fire Assessment Report



Photo courtesy of Duluth Public Library

The two-and-a-half-story Pastoret Terrace portion is constructed with exterior and interior brick masonry bearing walls with wood floor and roof joists spanning between the masonry. The building featured brownstone-trimmed windows, wrought iron details on the roof, and a round corner tower. Within this building, there are numerous wood partition walls that break the original units into smaller apartments. The overall complex footprint is an L shape with the southern five sections served by a non-original internal double loaded corridor that steps down at each section change. The most northerly structure does not connect to the internal hall used by other units but does share a common masonry wall. On the southeast there is a one-story addition that contains the Kozy Bar. This 10-foot extension of the lowest level of the southern townhome in the Pastoret Terrace wraps around two sides of the original Pastoret Terrace building. Exterior walls are either wood or brick masonry, with a wood roof structure. On the southwest corner of the complex there is a two-story structure, the Paul Robeson Ballroom, that shares a common wall with the westernmost townhome. The building has exterior brick masonry bearing walls and the floor and roofs are frame with wood joists that span across the building.

Due to previous fires and vandalism, the roof system of the southerly Pastoret Building is entirely failed and in a collapsed state. The building is presently open to the elements from the roof and unbarricaded window openings. Extensive structure damage to the westerly building portion timber wall and floor framing compromises the stability of the building. Access to the interior is currently unsafe as the stability of the floors and exterior walls is unpredictable. The upper regions of the south and east exterior masonry walls contribute to further stability concerns. Restoration of the building's interior will require significant removal of non-historic demising walls, plaster wall and ceilings, flooring and windows and replacement with furnishings that meet Secretary of the Interior's Standards for the Treatment of Historic Properties. It is presumed that any future building restoration would require completely new electrical, mechanical and plumbing systems. DEDA has remediated all known hazardous materials in the property. See appendix A for results of a Phase I Environmental Site Assessment.

Proposal Requirements and Format

All proposals must include the following to be considered:

- Conceptual plan
 - City does not expect detailed design or architectural documents
 - If residential use proposed; please include unit type/count information
- Budget and pro forma that includes:
 - Sources and Uses based on estimate from experienced GC or CM
 - Securing estimates from local companies is encouraged
- Examples of previous successful projects of a similar nature
 - Specific to historic preservation/rehabilitation

Proposals should submit the above information in the following format:

1. Proposal Cover Sheet – A completed and signed Proposal Cover Sheet (Appendix A).
2. Proposal Narrative with Conceptual 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 and historic restoration.
3. 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.
4. Project Schedule – Information on the preliminary schedule, including timing for site plan development, regulatory approvals, and construction activities.

Evaluation Criteria

DEDA will evaluate the development proposals based on the following criteria:

- Project timeline and ability to begin project in 2023.
- Financial capability, including resources available as equity for the project and strength of financial commitments.
- The quality of the proposed development and how it contributes to the surrounding neighborhood context (parking, pedestrian impacts, activation of street levels, access, etc.).
- Qualifications and experience of the Respondent and team members with projects of similar scale and magnitude.
- Quality, creativity, and feasibility of historic preservation development proposal.

DEDA encourages and welcomes bids from women-owned and minority-owned businesses.

DEDA reserves the right, at its sole discretion, to reject any or all submittals if, in its opinion, it is determined to be in the public interest to do so; to waive minor irregularities and informalities of a submittal; to cancel, revise, or extend this solicitation; and 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. The City reserves the right to request clarification of information submitted and to request additional information from any Respondent.

This Request for Proposals does not obligate the City of Duluth to pay any costs incurred by any respondent in the submission of qualifications and/or proposals or in making necessary studies or designs for the preparation of any proposal, nor for procuring or contracting for the services to be furnished under this Request for Proposals. Any proposal accepted by DEDA shall be subject to approval by the Duluth Economic Development Authority.

DEDA appreciates your consideration of this Request for Proposals and welcomes all responsible Respondents.

Questions, Answers, & Addenda

Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov **no later than** April 8th, as indicated in the calendar of events listed below. Answers to questions will be posted as an Addendum to the RFP.

If the City deems it necessary to revise and part of the RFP before the proposal response date, the City will post an addendum to its website <https://duluthmn.gov/purchasing/bids-request-for-proposals/>. Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for and new information.

Appendices

Appendix A – Proposal Cover Sheet

Appendix B – Phase I Environmental Assessment summary and findings

Appendix C – Site Maps (utilities, current and future zoning)

Appendix D – Pastoret Terrace Assessment: Terrace, Kozy Bar, and Ballroom (2016 structural condition assessment report prepared by LHB, Inc.)

Appendix E – Pastoret Terrance – 11-01-2020 Fire Initial Assessment (2020 report documenting findings concerning fire damage sustained at the property November 2020 prepared by LHB, Inc.)

Schedule

The following summarizes the expected schedule for this RFP process:

- Request for Proposals issued –March 21, 2022
- Deadline for questions for the City– April 8, 2022
- Development proposals due – April 21, 2022
 - **Please send a digital copy of your proposal with the title “[entity name]” 22-5504 Pastoret RFP” to:**
 - Purchasing@DuluthMN.gov
- Notification of selected proposal to occur in late April

APPENDIX A - PROPOSAL COVER SHEET

DEDA

22-5504 Historic Restoration Pastoret Terrace

Respondent Information:	
Company Name	
Mailing Address	
Website	
Principal Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Federal ID Number	

<i>Signature</i>	
Signature of authorized official. Signatory consents and agrees to adhere to the terms outlined in this proposal:	
Printed Name	
Title	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM MAY RESULT IN THE REJECTION OF THE PROPOSAL

The Signatory hereby represents upon all of the penalties of law for the purpose of inducing the Duluth Economic Development Authority review a proposal for development, that all documentation herein and attached are true and that all work herein described, if selected, will proceed in accordance with the Ordinances of the City of Duluth and the laws of the State of Minnesota. Signatory also understands that all documents provided to DEDA may be considered public data, per Minnesota Government Data Practices Act.

APPENDIX B

Phase I Summary

Executive Summary

Barr Engineering Co. was retained by the City of Duluth to perform a Phase I Environmental Site Assessment (Assessment) of property currently owned by the Duluth Economic Development Authority, which is currently vacant. The property is located at 109 North Second Avenue, City of Duluth, St. Louis County, Minnesota (Property). The Assessment was performed in conformance with ASTM, International (ASTM) Practice E 1527-13 and all federal All Appropriate Inquires rule (40 CFR Part 312) together with procedures and methods required by the cooperative agreement with the U.S. Environmental Protection Agency (EPA).

Property Use

The Property is currently owned by the Duluth Economic Development Authority and is approximately 0.32 acres in size. The property is currently vacant and one building including the former Paul Robeson Ballroom, Kozy Bar, and Pastoret Apartments/Annex is located on the property.

Physical Setting

The Property is currently vacant and is zoned Downtown Mix (F-8). Located in East Downtown, the topography at the Property significantly slopes southeastward towards Lake Superior and shallow groundwater flow direction at the Property is considered to be to the southeast. The current use of adjoining properties includes commercial, residential, and light industrial. Native soil at the Property consist of urban land-Mesaba-Rock outcrop complex. Bedrock at the Property is the Duluth complex.

Environmental Site Assessment Results

Barr identified the following findings and recognized environmental conditions (RECs) in connection with the Property:

Finding ID #	Description of Finding	Opinion with Respect to Finding	REC ID #
1	<p>Upgradient Sites</p> <ul style="list-style-type: none"> Several potentially up-gradient sites or adjoining/nearby sites with regulatory database listings that identified soil and/or groundwater contamination were found. These sites include 112 E 2nd Street, which is active in the WIC program and the Hemlock Garage, located at 110 E 4th Street which has not received a closure letter. 	Based on the presence of leak sites located adjacent to and/or in the near vicinity of the Property, there is a potential for contamination at these sites with the potential to adversely impact the Property, and this finding is a REC.	1
2	<p>Current Site Use</p> <ul style="list-style-type: none"> The Property is currently vacant; however, household debris and waste material are present throughout the interior of the buildings. The debris consists of microwaves, clothing, dishes, household chemicals, mattresses, and furniture. The debris is inert and would not likely cause a release to soil or groundwater. 	Based on the type of debris present throughout the Property, this finding is considered de minimis and not a REC.	2

APPENDIX C

Site Maps

