



REQUEST FOR PROPOSALS

Residential Development Opportunity: Roverud Park Neighborhood

About Spring Grove

Spring Grove is a scenic town in Southeast Minnesota of approximately 1,300 people. Located along State Highway 44, Spring Grove has convenient access to Rochester, Decorah, and La Crosse, and the Mississippi River is only a short drive away.

Despite its small size, Spring Grove boasts a number of amenities that many small towns seek, including a local grocery store, pharmacy, healthcare clinic, nursing home facilities, cinema, public aquatic center, several childcare options, an award-winning school district, and much more. The town features a robust business and non-profit presence, with a charming historic downtown, an expansive network of parks, and a high level of civic engagement and pride. With numerous opportunities for recreation and business development, Spring Grove is an ideal location for people from all walks of life to live, work, and play.

Overview of Development Opportunity

Spring Grove is a town poised for growth. According to the City's housing study completed in 2020, Spring Grove will need to add an additional 82 housing units by 2030 to accommodate the projected population growth. The City has identified the City-owned public works property overlooking scenic Roverud Park as a prime location for new housing development. This is due to several factors favorable to both the City and a potential developer:

- Utilities are already present on the property, reducing upfront cost to extend infrastructure
- The property is City-owned, so there are no third party land-owners to contend with
- The site is ideal for building small housing units, which have been identified as a critical need in Spring Grove's tight real estate market as seniors age out of their homes and are looking to downsize while maintaining independence
- The site is located in a quiet, established residential area only a block from downtown, with lovely views of Roverud Park to the west and farmland to the south

Spring Grove is looking for an interested party to develop this space into residential units.

Current Site Conditions

The site is located at approximately 167 1st Street SW in Spring Grove (parcel 260523000). Buildable area measures approximately 1 acre (roughly 105 x 435 ft). A 40 x 100 ft quonset hut sits on the northern half of the property and is currently used as a storage facility for the City's public works department. The demolition of the building would be the responsibility of the developer. The development would need to somehow maintain pedestrian access to Roverud Park; there is currently a sidewalk trail that runs along the east side of the property into the park.

Site photos can be found in the addendum.



Feasibility Study Results

Spring Grove commissioned a study on the potential construction costs of creating a housing development on the property. The following is an overhead look at the property and shows how it could be developed:



Please note: This illustration is an example of a set of four duplex homes, but the City and housing subcommittee are open to other ideas including smaller “patio” or “cottage” homes that do not share walls. All ideas for residential unit development will be accepted for consideration.

Engineer's Opinion of Probable Construction Costs						
CEDA Cost Estimates						
Spring Grove, MN						
6693.21						
City Shop - Quonset Hut						
DRIVEWAY CONSTRUCTION, WATER SERVICES, AND SANITARY SERVICES (DRIVEWAYS NOT INCLUDED)						
Line	Item Description	Approx. Quantities	Unit of Measure		Unit Price	Total Amount
1	MOBILIZATION	1	LUMP SUM	@	\$10,000.00	\$10,000.00
2	TRAFFIC CONTROL	1	LUMP SUM	@	\$2,000.00	\$2,000.00
3	REMOVE EXISTING BUILDING	1	LUMP SUM	@	\$0.00	\$0.00
4	REMOVE SANITARY SEWER	150	LIN FT	@	\$10.00	\$1,500.00
5	REMOVE SANITARY MANHOLE	1	EACH	@	\$1,000.00	\$1,000.00
6	REMOVE BITUMINOUS PAVEMENT	60	SQ YD	@	\$4.00	\$240.00
7	REMOVE CURB & GUTTER	30	LIN FT	@	\$5.00	\$150.00
8	SITE GRADING	4,000	CU YD	@	\$2.00	\$8,000.00
9	GEOTEXTILE FABRIC, TYPE V	1,160	SQ YD	@	\$3.00	\$3,480.00
10	COMMON EXCAVATION	325	CU YD	@	\$12.00	\$3,900.00
11	ROCK EXCAVATION	80	CU YD	@	\$45.00	\$3,600.00
12	AGGREGATE BASE CLASS 5 (10")	325	CU YD	@	\$35.00	\$11,375.00
13	BREAKER RUN (6")	200	CU YD	@	\$35.00	\$7,000.00
14	4" BITUMINOUS PAVEMENT	250	TONS	@	\$110.00	\$27,500.00
15	CONCRETE CURB & GUTTER	340	LIN FT	@	\$25.00	\$8,500.00
16	CONCRETE PAVEMENT	25	SQ YD	@	\$65.00	\$1,625.00
17	1" WATER SERVICE	8	EACH	@	\$1,500.00	\$12,000.00
18	6" WATERMAIN	470	LIN FT	@	\$50.00	\$23,500.00
19	6" HYDRANT	1	EACH	@	\$4,500.00	\$4,500.00
20	6" GATE VALVE & BOX	2	EACH	@	\$3,000.00	\$6,000.00
21	WATERMAIN FITTINGS	150	POUNDS	@	\$10.00	\$1,500.00
22	8" SANITARY SEWER	375	LIN FT	@	\$45.00	\$16,875.00
23	10" SANITARY SEWER	170	LIN FT	@	\$50.00	\$8,500.00
24	SANITARY SERVICE	26	EACH	@	\$1,000.00	\$26,000.00
25	SANITARY MANHOLE	2	EACH	@	\$4,000.00	\$8,000.00
26	EROSION CONTROL	1	LUMP SUM	@	\$2,000.00	\$2,000.00
27	TURF RESTORATION	1	LUMP SUM	@	\$5,000.00	\$5,000.00
			Construction Subtotal			\$204,000.00
			Contingencies 10%			\$20,000.00
			Engineering 15%			\$34,000.00
			Estimated Total Cost			\$258,000.00

Please note: All costs listed above are estimates. It is the responsibility of the buyer to do their own due diligence.

Terms of Sale

In response to this request for proposals, the developer will be required to provide an initial offer for purchase of the Quonset Hut property. Any agreement between the City and Developer will include the real estate and structure thereon being sold “as is.” Demolition and disposal of the existing structure would be the responsibility of the developer. The City will remove all personal property from the real estate prior to closing. The City will reserve an easement for public access to Roverud Park. A development agreement between both parties would need to be signed before the work can begin.

PROPOSAL CONTENT

Please include the following in your proposal.

Scope and Layout

Indicate what kind of housing project you will be pursuing and how you intend to use the space. Also indicate your reasons for choosing a particular unit type, whether it be townhomes, patio homes, or some other variety. Provide data indicating what kind of demographic will be making use of the units. Renderings or sample photos of the type of homes you aim to build are highly encouraged.

Sources and Uses

Provide a rudimentary estimate regarding the sources of funding you intend to use for the project and how those funds will be used. Please also indicate if assistance with financing or incentives will be needed from the City, and describe what that may entail. If you have a need for assistance from the City please be specific about what assistance will be needed and costs the City may incur.

Execution Strategy

Indicate a strategy for completing the project. Provide as much information as possible, including an estimated timeframe for completion.

Past Performance

Provide a list of similar jobs performed in the last five years with the name of each client and their contact information as well as a brief description of the project, noting any difficulties encountered. The listing shall also include the assigned project manager and job superintendent involved in each project.

TO SUBMIT

Deadline

The deadline to submit proposals is open-ended, but developers are strongly encouraged to submit as early as possible.

After securing a number of proposals, the Spring Grove Housing Subcommittee will review them and follow up with any questions. Following this process, the Subcommittee intends to recommend a proposal for approval to the City Council based on the information provided shortly thereafter, at which point a public hearing would be called. The sale of the property and the development agreement terms would be contingent upon final city council approval after the public hearing.

Submission of Proposal

An electronic, PDF-format response is preferred. Please send to Rebecca Charles, Economic Development Coordinator, via email at rebecca.charles@cedausa.com.

If you cannot submit electronically, you may mail or drop off your proposal to:

Rebecca Charles, Economic Development Coordinator
City of Spring Grove
118 1st Avenue NW
PO Box 218
Spring Grove, MN 55974

Any submitted proposals become property of the City. Following submission, reference checks and interviews may be conducted. The City of Spring Grove reserves the right to request revision where deemed necessary and/or interview only those firms which appear to be the most responsive to the RFP. Selection will be based upon the most favorable combination of professional qualification, experience, reference response, and financial transparency for a project that fits best within the community's residential needs.

Additional Information

Requests for additional information should be directed to:

Rebecca Charles, Economic Development Coordinator
City of Spring Grove
rebecca.charles@cedausa.com
605-695-6765

Reservation of Rights

The City of Spring Grove will conduct a comprehensive and impartial review and evaluation of all proposals meeting the requirements of this solicitation. Please note that the City, at its sole discretion, reserves the right at any time during this process to reject any or all proposals that are not in the best interest of the City. Only timely submitted proposals shall be reviewed and evaluated by staff to determine if each complies with the requested forms, documents, and submission requirements listed in the RFP. This will be a pass/fail review. Failure to meet any of these requirements may render a proposal to be a failing response and the result in rejection of the entire proposal. The City reserves the right to not enter into an agreement with any firm responding to this RFP, to request additional information, and/or solicit new proposals if deemed necessary. The City of Spring Grove reserves the right to reject any and all proposals and to waive minor irregularities.

Responses to RFP are to be submitted electronically or in physical format to:

Rebecca Charles, Economic Development Coordinator

City of Spring Grove, MN

118 1st Avenue NW

PO Box 218

Spring Grove MN, 55974

rebecca.charles@cedausa.com

605-695-6765



View of the site from First Street SW looking south



View of the site from the southeastern corner looking north



First Street SW entrance and sidewalk trail leading to Roverud Park



Views of Roverud Park to the east