



CITY OF DULUTH
PURCHASING DIVISION
Room 100 City Hall
411 West First Street
Duluth, Minnesota 55802-1199
218/730-5340 218/730-5922 FAX

September 15, 2009

REQUEST FOR PROPOSAL
09-27DS
Lease of Endion Station
Canal Park

Please provide the City of Duluth with a proposal for **City Owned Property-Endion Station** per the attached description, plans, requirements and goals.

Please mark your proposal with the above number and title on the outside of the envelope and return to: City of Duluth, Purchasing, Room 100, 411 West 1st Street, Duluth, MN 55802 by **2 PM, Tuesday, October 13, 2009.**

All proposals will be opened and acknowledged aloud in room 106A of City Hall. After review, the ones best addressing all the criteria listed will be invited back for a further interview and answers.

The City of Duluth reserves the right to reject all proposals, to select more than one to give presentations if so desired by the City of Duluth, or to select the best one and enter into further negotiations with the vendor.

RFP information can be obtained by calling City of Duluth Purchasing or personally stopping at Room 100 City Hall.

Contact: Dennis Sears (218) 730-5003
Purchasing Agent

Thank you.

**REQUEST FOR PROPOSAL
TO OPERATE
ENDION STATION
FOR THE
CITY OF DULUTH**

I. Introduction:

A. Overview:

The City of Duluth owns the Endion Station Building. The City is seeking written Requests for Proposal from interested parties or joint proposals from interested parties willing to enter into a single lease agreement or joint use lease agreement for the use of said building for an approved business activity or other use which contributes public value to this facility and the adjoining area. Any such approved use shall include responsibility for the operation and maintenance of the Endion Station Building. A single lease agreement will be executed with the successful party, or joint lease with a successful multiple party proposal which includes negotiated expectations, terms and conditions upon which the Endion Station Building shall be operated.

There are two (2) separate entrances to the Endion Station building with access to two (2) separate areas - as shown on the attached floor plan. The larger area could be used as a business and/or concession operation while the smaller area may be suitable for office space, for example. Thus, this building has the potential of housing one (1) single contiguous business or two (2) separate uses simultaneously.

The maximum period of the lease agreement shall not exceed five (5) years (2009-2014) at which time the City shall determine whether another Request For Proposal shall be initiated.

B. Purpose and Intent:

It is the purpose and intent of the City to select one or more lessees who will be diligent in the operation and maintenance of the Endion Station Building and to do those things necessary to provide the general public with adequate and proper service at a price appropriate with other similar entities providing similar services in Duluth and/or the surrounding area while maintaining the integrity and historical character of Endion Station.

II. Background:

A. Description of Site and Facilities:

The Endion Station Building is located at 100 Lake Place Dr, Duluth, Minnesota 55802. It is a former railroad depot building constructed of brownstone and is listed in the National Register of Historic Places. Endion Station was relocated to its present location in the 1980's and fully rehabilitated at that time.. It is situated adjacent to the City's Lakewalk at the Corner of Lake Superior. It is also located at the northerly end of the Canal Park Business District. The Canal Park Business District maintains a heavy focus on year round tourism with the busiest period being summer (i.e June 1- Sept 15). The main Downtown Duluth Business District is approximately 1/4 mile away from Endion Station

and separated by Interstate highway 35.

Endion Station is a 2-story building. The total main floor area to be leased is approximately 1625 sq ft. The larger main floor space is approximately 1315 sq ft and the smaller main floor space is approximately 310 sq ft. The second floor space which will most appropriately adjoin the larger main floor space is approximately 800 sq ft. A basement space including the heating system, water heater, etc. is also available for storage. The basement can be accessed equally from either the larger space or the smaller space and is approximately 285 sq ft. The building has a year round heating system (natural gas boiler) along with full indoor plumbing, city water, city sewer, and electrical. The second story is not handicap accessible and thus cannot be considered for use by the general public without structural alteration. The second story is most appropriately utilized by the successful candidate utilizing the larger of the two spaces as it can only be accessed from the larger space.

Metered public parking is available immediately adjacent to the Endion Station Building and a limited number of signed spaces are available for lessee use adjacent to the Endion Station building.

B. Brief History of Operations:

Since being relocated to its present location, Endion Station has housed the Duluth Convention and Visitors Bureau (aka Visit Duluth), Midnight Sun Adventure Company (an outdoor high adventure business), Fresh Air Fitness and a district substation of the Duluth Police Dept.

C. Dates / Hours of Operation:

It is the intent of this Request For Proposal that Endion Station be operated on a full-time, year round basis with specific dates and hours of operation being negotiable with the successful candidate.

D. Cleaning and Maintenance:

The successful candidate will be responsible for the ongoing maintenance and cleanliness of the building interior along with exterior areas adjacent to the building. The City is responsible for ongoing grass cutting, trimming and general landscape maintenance as needed. The City is also responsible for all non-routine capital maintenance requiring skilled trades people such as plumbing and electrical.

E. Site and/or Building Improvements:

The successful candidate may not make any temporary or permanent improvement to any part of the building or adjoining grounds without first securing the joint written approval of the City's Property Manager. Any improvements made by the successful candidate shall be maintained by same and the future ownership of any improvement shall be determined during the review process and prior to its final approval and acceptance.

F. Utilities and Supplies:

The successful candidate must make proper billing application for all necessary utilities such as electric service, City water service, sewage, telephone, trash collection, etc. and shall be responsible for the direct periodic payment direct to each utility vendor as required. The successful candidate is expected to furnish all office supplies, office machines, office furniture, cleaning supplies or other supplies as may

be necessary in maintaining safe and sanitary conditions including sanitizing solutions, floor detergents, hand washing soap, and toilet paper.

G. Concession / Restaurant / Food Service:

The building lacks a full kitchen. However, candidates may submit proposals for the sale of food products.

H. Licenses and Permits:

The successful candidate must operate in strict compliance with the laws of the United States of America, State of Minnesota, St. Louis County, City of Duluth, and State and Federal Bureaus. The successful candidate shall be required to procure and maintain in force at all times, at the successful candidate's cost and expense any licenses or official permits required for the carrying out of its activities. The successful candidate must secure all necessary permits from the St. Louis County Health Dept prior to preparing or serving food items. Also any license as may be required from the City Treasurer for the collection of sales taxes

I. Marketing and Advertising:

The successful candidate shall be responsible for its own marketing and/or advertising. Due to the unique historical character of the Endion Station Building, exterior signage or advertising shall be limited as determined by the City and DWMX (Downtown Waterfront Mixed Use) committee.

III. Insurance and Indemnification Requirements:

A. Insurance:

The successful candidate must provide evidence of a Comprehensive General Liability Insurance Policy, including Products Liability Coverage. Current minimum coverages, as per Minnesota Statutes, are \$1,500,000.00 for Bodily Injuries in any year and not less than \$300,000.00 for Property Damage in any year or \$1,500,000.00 Single Limit Coverage. All policies of insurance shall be issued by a company approved by the City Attorney, name the City of Duluth as an additional insured, and contain a clause that the policy cannot be cancelled without a 30-day written notice to the City of Duluth. Should changes in Minnesota Statutes occur at any time during the 5-year effective period of the lease agreement, the successful candidate shall adjust the insurance coverage limits appropriately upon written notification by City.

The successful candidate(s) must carry their own content insurance. Building insurance only is provided by the City of Duluth under their self insured program.

B. Indemnification:

The successful candidate shall be expected to defend, save harmless and indemnify the City of Duluth, its agents and employees from any loss, cost of damage by reason of personal injury or property damage of whatever nature or kind arising out of, or as a result of, the performance of the work by the successful candidate, its employees, agents, or subcontractors. At no time shall there be sold on the premises by the successful candidate or others, with or without the successful candidate's consent or

knowledge, any items which may be prohibited by law.

C. Workers Compensation:

The successful candidate shall provide evidence of Workers Compensation Coverage, if needed, as required by Minnesota Statutes.

IV. Financial Considerations:

A. Lease Fee:

As consideration for an operational lease for the Endion Station Building, the leasing party shall be responsible for the monthly payment to the City of Duluth of a minimum amount of \$1500.00 plus utilities and real estate taxes. (See attached floor plan for space available) Proposals should identify their financial proposal such as rent plus percentage of gross sales or other formula as suggested by proposer. The amount of rent to be paid by proposer is one factor but, not the final determining factor in the selection process.

C. Payment Schedule:

The successful candidate shall submit the monthly payment due to the City of Duluth on or before the first (1st) day of each month and will cover lease operations for the current month. The monthly payment shall be sent or delivered to the City of Duluth, Dept of Administrative Services, 411 West First St, 208 City Hall, Duluth, MN 55802-1192.

D. Reporting:

Accounting records, books, or ledgers appropriate for the proposed operation must be maintained on an ongoing and orderly basis. The format for the accounting of all revenues and expenses for such operation shall be subject to review and approval by the City Auditor. All accounting records must be made available to the City Auditor for inspection and audit upon request. In addition, the successful candidate shall be required to prepare an itemized monthly financial report disclosing all revenues and expenses for the preceeding month and shall submit such report to the City along with the payment as indicated above.

V. Criteria for Selection:

The following criteria shall be used in candidate evaluation and selection. Other creative/innovative ideas provide by a candidate(s) will also be given some consideration.

1. Occupancy of the Endion Station Building with a business or other activity which add value to the tourist experience and Duluth's general citizenry.
2. Potential for income to the City.
3. Previous experience in the operation of a business or activity serving the public.

4. Value and innovativeness of ideas proposed.
5. Staffing and operational plans which demonstrate a strong commitment to providing the highest quality experience possible to visitors or patrons.
6. Marketing plans for Endion Station.
7. Ability to assisting tourists or patrons with:
 - * General tourist inquiries for directions, lodging accommodations, etc
 - * Lakewalk user information.

VI. Instructions for Submission of Proposal:

Note: The contact list of interested parties for the operation and/or use of Endion Station will be distributed and shared among all interested parties so that there can be communication among interested parties in the event there is an opportunity for a joint proposal and use or sharing of space within the Endion Station building.

The format for the submission of formal proposals for the operation of Endion Station may be determined by each candidate or candidate team but should include at a minimum the points listed below:

- * Full disclosure of proposing organization, individuals, etc. complete with addresses and phone numbers.
- * Resume of each individual or partner involved.
- * Past experience in the operation of a business related to tourism.
- * General business plan for the operation of Endion Station including marketing and staffing plans.
- * Other relevant information not specifically mentioned here but which may be helpful or essential in assessing the abilities and capabilities of candidate(s) to successfully and satisfactorily operate Endion Station.

VI. Schedule for Submission of Proposals and Selection of Lessee:

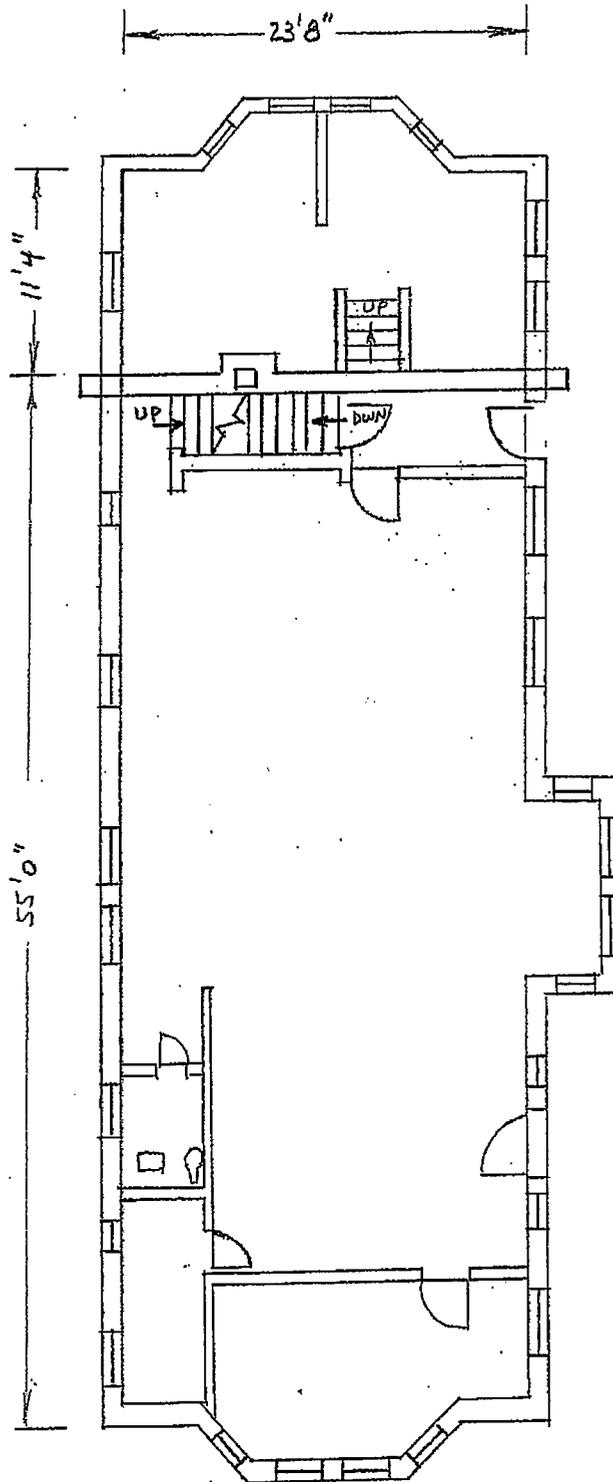
A. Two copies of the formal proposal must be submitted and received not later than **2:00pm Tuesday, October 13, 2009** to the City Purchasing Office, Room 100 City Hall, Duluth, MN 55802. All proposals will be acknowledged aloud as having been officially received.

B. Proposals will be screened and interviews arranged with the top candidates identified by a committee from the City of Duluth. Those proposals ranking below those candidates being interviewed will be notified in writing within ten days after the submission deadline date indicated above.

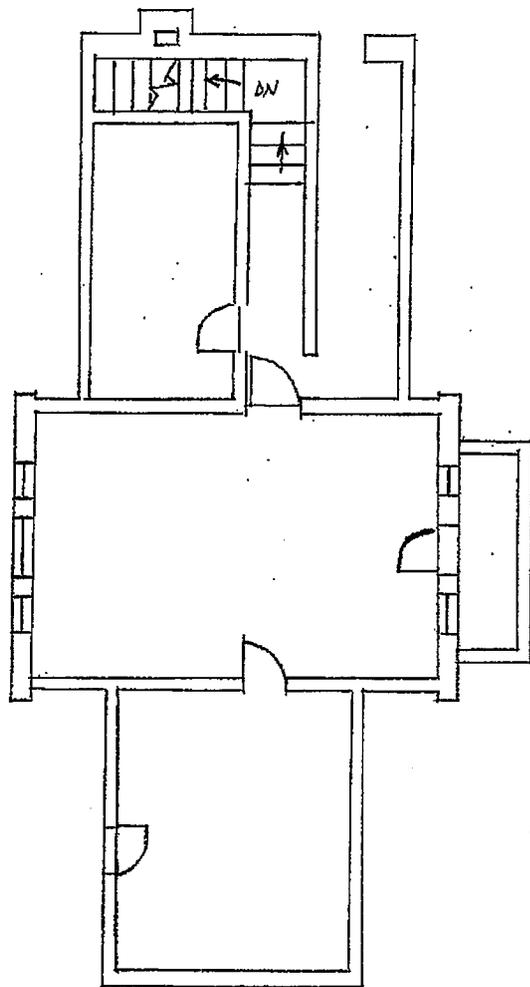
C. Upon completion of the interview and final selection process, all candidates not selected will be notified in writing within ten days of the completion of the final candidate interview.

D. It is the intent of the City of Duluth to complete final lease negotiations with the successful candidate not later than **the last week of October, 2009**.

Note: The final lease agreement must be approved by the Duluth City Council prior to becoming effective. **Appointments for site visits can be made between the hours of 9-3 from September 27 to October 9, 2009, Monday thru Friday. Contact Property Management at 730-5430.**



ENDION STATION
MAIN FLOOR



ENDION STATION
2ND FLOOR