



VENETA

oregon

inc. 1982

CITY OF VENETA

Request for Proposals
for a community-engaged

**Craft Brewery, Cidery, Distillery,
Winery or Brewpub**

Issued January 15, 2020

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Overview

One of the youngest cities in Oregon, Veneta is also among the fastest-growing cities in the state. As our population grows, Veneta continues to invest in making the downtown a vibrant location that residents and tourists seek out to have fun with friends and family. A craft brewery, brewpub, cidery, distillery, or winery is just the kind of centerpiece we want to add to Veneta's thriving economy.

The City seeks market interest and development options for a fermentation operation to be located downtown. Depending on the proposals made, the City reserves the right to follow up with any and all applicable public processes, including, but not limited to compliance with public contracting law, the surplussing and sale of real property, and/or a prevailing wage rate analysis.

With a generous package of incentives to help a downtown operation get started, Veneta is excited to invite well-qualified entrepreneurs and established business owners to submit a proposal to be our craft brewing, craft cider, craft distilling, or craft wine-making anchor.



The Fern Ridge Reservoir is an iconic feature of Veneta and the Fern Ridge area.

About Veneta

Located just a few miles west of Eugene next to the Fern Ridge Reservoir and Fern Ridge Wildlife Area, Veneta is a small and vibrant rural community. At the doorstep of the Willamette Valley and the Coastal Range, Veneta boasts the largest commercial district between Eugene and the coastal city of Florence, and is the hub of a region that more than 25,000 people call home.

But Veneta is more than a breathtaking location. As the home of the Oregon Country Fair, Veneta is the epicenter of the weird, wild, and wonderfully creative culture that makes Oregon among the most sought-after places to relocate. Our community is made up of makers, creators, artists, and innovators who have an uncanny knack for finding beauty in the world around them and transferring it to their lives, their work, and to our community.

Within the Fern Ridge area along the historic Applegate Trail are eight of the Willamette Valley's world-renowned vineyards. Throughout the area, farmers are lauded for their vegetables, berries, hazelnuts and hops – exactly the right ingredients and right location to make unique fermented blends pop.



The vineyards located in Veneta and the Fern Ridge Area produce award-winning pinot gris and pinot noir wines.



Since 1969, Oregon Country Fair has drawn tens of thousands of people to Veneta every summer.



Local band “Most Wanted” performs next to the beer garden at Downtown Veneta’s Pop-up Retail District in 2019, a City-led initiative to support local startups.



The beer garden at Downtown Veneta's Popup Retail District.

Funding Incentives

The City of Veneta's urban renewal area is broad, and incentives exist for businesses seeking to develop within its boundaries. This request for proposals is specific to those businesses seeking to open a craft brewery, brewpub or similar operation in the downtown core.

The Business Assistance Fund provides gap loans or grant funding for local businesses seeking to expand or to begin operations. Funds can be distributed as a micro-loan (up to \$5,000), business assistance loan (\$5,000-\$50,000 to leverage funds from primary lenders), or business assistance grants (up to \$25,000). Any funding is subject to Veneta City Council's approval and authorization.

The City also owns two properties within the Fermentation Incentive Area that may be available for development. Potential buyers of one or more of these properties may be eligible for flexible terms from the City, given:

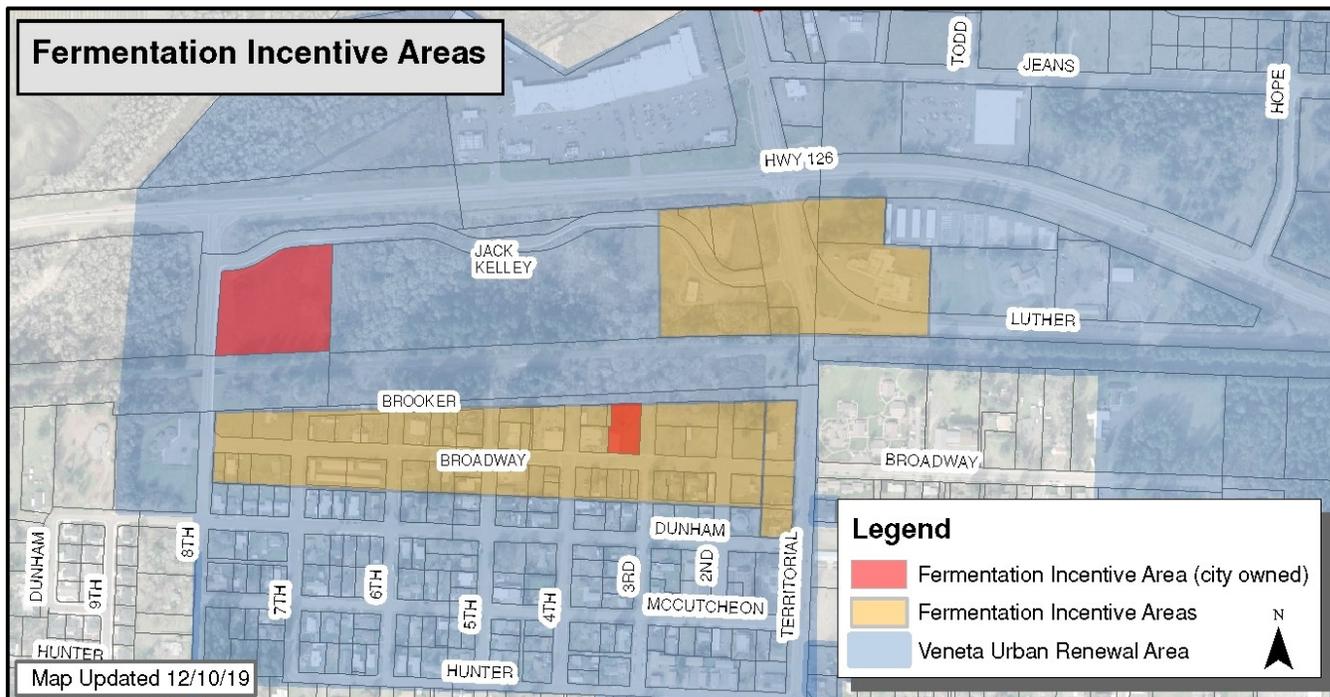
- 1) A bona fide intent to acquire and develop such property as a craft brewery, brewpub, or similar operation; and
- 2) A demonstrable need to reduce development costs that may be a barrier to development or redevelopment.

FERMENTATION INCENTIVE AREAS

A developer or property owner seeking to open a craft brewery, brewpub or similar operation within the identified Fermentation Incentive Areas, (see map), may apply for assistance from the Urban Renewal Agency (URA). Requests for assistance will be subject to review and approval by the URA, as well as any terms or conditions imposed by the agency.

Provided the proposed location is within the areas identified for fermentation incentive funding, assistance from the URA may include the following:

- Design assistance
- Aesthetic/façade improvements including signage
- City-funded infrastructure to support development
- Loan rate buy down
- System Development Charge fee reduction
- Regional marketing assistance
- Development or redevelopment funding assistance



HIGHLIGHTED PROPERTIES

The City owns two properties within the Urban Renewal Area that are available for development. The first property is located in the heart of downtown Veneta.

Lane County Assessor's Map & Tax Lot	Size (acres)	Zoning	Google Maps Link to Property
17-06-36-14-00700	0.5	Broadway Commercial	https://goo.gl/maps/CawrJ4SuipM9QQj6



City will incur costs of building removal and complete abatement as necessary.

The second property is level and currently unimproved with access from the Jack Kelley Drive frontage road, which runs parallel to Highway 126.

Lane County Assessor's Map & Tax Lot	Size (acres)	Zoning	Google Maps Link to Property
17-06-36-00-00600	3.62	Residential Commercial	https://goo.gl/maps/Q3J2MBvEB5NfKBqEA



Submittal Requirements

The City will be evaluating three tiers of proposal submission, which are outlined on the following page. Recognizing that some respondents may be entrepreneurs at an early stage of their business, the City will evaluate submissions in phases and welcomes materials submitted all at once or as described in the timeline.

The letter of intent and Tier 1 materials may be submitted via email to mmichel@ci.veneta.or.us. The proposal materials for all other phases may only be submitted via mail or courier. No other form of submission will be accepted for Tier 2 or Tier 3 materials. Deliver proposals to the Veneta Administrative Center located at 88184 8th Street in Veneta or mail to PO Box 458 Veneta, OR 97487.

To be considered, please submit three (3) copies of Tier 1 materials or email as an attachment marked "CONFIDENTIAL: Fermentation RFP Proposal" no later than **3p.m. on March 16, 2020**. The City assumes no responsibility for delayed or undelivered mail or express packages. Proposals which are not delivered by the above-specified time and date will not be considered. No oral, faxed, or e-mailed submittals will be considered for Tier 2 or Tier 3. Proposers responding to this RFP do so solely at their own expense.

The format of submitted proposals is flexible as long as all of the submittal requirements are addressed.

Submit all materials to:

Matt Michel, City Administrator
City of Veneta
88184 8th St
P.O. Box 458
Veneta, OR 97487

Tiered Submissions

Tier 1

Project Concept — Describe the team’s vision for the finished project through a combination of narrative and visual references or inspiration.

Team — Identify the team members involved and each member’s relevant experience in fermentation and/or restaurant operations and management. Provide resumes and two references for each individual. Describe how the team members have worked together effectively in the operation, management, or development of similar projects in the past and how the team will ensure it will continue to work effectively in developing and operating the proposed project.

Tier 2

Request for Assistance — Specify any incentives or assistance to be requested for the development.

Financial Capacity — The URA seeks evidence from proposers that they have the ability to secure the funds required to meet the financial commitments to construct and/or renovate the proposed site.

Business Plan — Provide an estimate of development costs and an outline of the financing strategy. This should include a pro-forma with estimated costs and revenues, the total amount of capital required to develop and operate the project, and identify key assumptions in the financial analysis.

Tier 3

Specific Concerns — Identify any potential obstacles or concerns to the success of the project with examples wherever possible as to how these may be resolved. This information is requested to allow the URA to better understand the challenges associated with opening and operating a craft brewery, brewpub or similar , and to the extent that they are able, respond in an effort to address these challenges.

Marketing Plan — Provide a sample marketing plan for the proposed craft brewery, brewpub or similar with examples of how it would be marketed to locals and tourists. Describe the extent to which the craft brewery, brewpub or similar will participate in local, regional, or other events.

Community Involvement — Describe how the proposed project will integrate with the community and the importance of community involvement to the project’s success.

Evaluation Criteria

The City will review the submittals by applying the following selection criteria:

Criteria		Weight
Tier 1	Project Concept – Preference will be given to distinctive designs that speak to Veneta’s rural charm and enhance the character of the area using timeless, durable, and high quality materials.	60%
	Team – The qualifications and experience of the developer team, including key investors, project managers of similar projects, the builders and design teams involved. Demonstrated experience of the development team and its members in the successful development, operation, and economic performance of a similar type of project of comparable size and scale.	40%
	Total	100%
Tier 2	Request for Assistance – The amount of incentives or assistance to be requested for the proposed project.	40%
	Financial Capacity – The strength of evidence showing the ability to secure the funds required to meet the financial commitments to construct and/or renovate the proposed site.	30%
	Business Plan – The thoroughness and feasibility of the proposal based on the estimated development costs and an outline of the financing strategy.	30%
	Total	100%
Tier 3	Specific Concerns – The clear and specific identification of any potential obstacles or concerns to the success of the project with examples wherever possible as to how these may be resolved.	40%
	Marketing Plan – An outline for how the project will be marketed that details strategies for attracting both tourists and locals.	30%
	Community Involvement – Preference will be given to proposals that indicate knowledge and understanding of the local community and how the project will tap into local resources for success.	30%
	Total	100%

Team Composition

The developer may submit as an individual, a corporation, or a partnership. Team members may include:

- Development entity (lead team member);
- Architect;
- Civil engineers;
- General contractor;
- Marketing/sales support;
- Financial partner;
- Any other partner deemed appropriate.

Timeline

The schedule is tentative and provided as an outline, which is subject to change at the City’s sole discretion. The City reserves the right to change the timeline, insert additional milestones, or terminate the solicitation at any point in the proposal process for any reason. Any changes made to the dates stated below shall be updated on the project’s web page at www.venetaoregon.gov/urbanrenewal/page/rfp-fermentation-incentives.

Upon receipt of proposal responses, the City may convene an evaluation committee to review the submittals. At a minimum, the selection committee will include the city administrator, management analyst, and other key staff, but may be expanded to include other key representatives from the City. If time and distance allows, the City may also make site visits to projects referenced by the submitting teams.

City issues Request for Proposals	January 15, 2020
Intent to submit due	February 15, 2020
Tier 1 materials due	March 16, 2020 by 3pm PST
Notifications to teams proceeding to Tier 2	March 30, 2020
Presentation to the Urban Renewal Agency	April 27, 2020, time TBD
Tier 2 materials due	May 15, 2020 by 3pm PST
Notifications to teams proceeding to Tier 3	May 29, 2020
Tier 3 materials due	June 17, 2020 by 3pm PST
Preferred developer selected	By mid-July 2020
Completed MOU agreement	By mid-August 2020

Developer Responsibilities

Depending upon how the City decides to proceed, proposers may need to participate in additional formal solicitation procedures, as reflected in the anticipated timeline prior to selection. The selected developer will negotiate with the City to reach mutually agreeable terms for any incentives requested and, if applicable, the sale and development of any City property. It is envisioned that these terms will first be outlined in a memorandum of understanding (MOU) and may then be finalized in a development and disposition agreement (DDA), as outlined below.

Post-Selection Process

Should the selected developer opt to purchase one of the City-owned lots, the following process will be used to move forward.

EXCLUSIVE RIGHT TO NEGOTIATE – The selected developer shall enter into an Exclusive Right to Negotiate (ERN), submitting a to be determined amount in earnest money. Once entered into an ERN, there will be a 60-day period to finalize a Term Sheet for the presentation to the Urban Renewal Agency Board for approval.

TERM SHEET – The Term Sheet will have the negotiated terms and conditions of the development transaction between the Agency and selected developer. These terms shall include the business deal points and performance milestones, financial obligations, schedules, and purchase terms.

DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) & CLOSING – Once the Term Sheet is approved by the Urban Renewal Agency, the developer and Agency staff will negotiate a Disposition and Development Agreement (DDA) containing all terms and conditions of the Site's disposition transaction and development of the site. The DDA is subject to the approval by the Agency and the City's attorney. The Agency reserves the right to reject the recommended DDA.

Financial Background Review

After final selection, the selected developer and development organization will be required to provide detailed financial statements. Control of sensitive financial documents will be reviewed by an independent agent (e.g., CPA) under attorney client privilege and will not be made public. Further, the selected developer must agree to an "open book" process in which the City can review ongoing financials and assure that there is no inappropriate windfall profit arising from public property.

Contact

City of Veneta

Administrative Services Center
88184 8th St.
P.O. Box 458
Veneta, OR 97487

Phone

541-935-2191

Hours

Monday-Friday, 9:00 a.m.— 5:00 p.m.

Questions about this RFP or Incentives

Matt Michel, City Administrator

Questions about Properties, Permits, and Development

Lisa Garbett, Associate Planner

The City of Veneta welcomes proposals from all people, including individuals with disabilities, veterans, women, racial, ethnic and religious minorities, and LGBTQ people.