

Request for Proposals

City of Muskegon, Michigan

Restaurant Location Development – L.C. Walker Arena



Publication Date: March 11, 2019

Submittal Due Date: April 1, 2019

All Submittals to:

**City of Muskegon, attn. Frank Peterson, City Manager
933 Terrace Street, Muskegon MI 49440**

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I. INTRODUCTION

The City of Muskegon is seeking developers with experience and capability in implementing quality restaurant and/or craft alcohol locations. The City's objective is to negotiate and enter into an agreement with the selected developer to construct and operate a gastropub, sports bar style restaurant, or micro distillery in the southwest corner of the L.C. Walker Arena, fronting Western Avenue and directly adjacent to Rad Dad's Tacos and Tequila Bar. The total development area is negotiable, but can be as large as 3,500 square feet of developable space. The ideal proposal will include ingress/egress on both Western Avenue as well as to the interior of the arena in order to maximize accessibility and operation during events. Outdoor seating areas are highly encouraged.

The objective of this RFP is to determine the level of interest and number of qualified available developers for the concept identified above. Responses to this RFP should provide general ideas and strategies for the development of the site including resumes and relevant qualifications for the development team. The City will review qualification packages to select experienced and qualified developers to advance to the final selection process which may include a more detailed proposal leading to the selection of a preferred developer, and the eventual disposition of the development site through sale or lease under mutually beneficial financial terms. The City will look favorably on respondents that possess the capacity and interest to carry their development from concept to implementation, including design/build capability, menu genre concepts, access to capital, and management strategy.

The City of Muskegon has experienced significant growth and development in all sectors, including its traditional downtown corridors. The selected development team will successfully demonstrate how their concept will bring new and valuable offerings to this environment and what benefit their development will bring to the further redevelopment of the Muskegon community. The City will favorably review developments which satisfy the listed Areas of Interest, which are listed in detail in the following section.

Depending on the number and quality of responses received, the City reserves the right to request additional information from some or all respondents, or to issue additional requests to advance the review process. This process does not obligate the City of Muskegon or any of its agents, assigns, or employees to select or negotiate with any development team or to accept offers which the City, in its sole judgment, determines not to be in the best interest of the City and its residents. Thank you for your interest in this development opportunity.

II. OVERVIEW OF DEVELOPMENT OPPORTUNITY

A. Site Description

The site is located in the southwestern portion of the existing and functioning L.C. Walker Arena, which is owned and administered by the City of Muskegon. The arena has recently undergone extensive interior renovations, including the addition of a new leased restaurant bay which houses Rad Dad's Tacos and Tequila Bar. The site will occupy similar square footage directly adjacent to this development. The development area is composed of several active parcels of similar use, including Rad Dad's, Dr. Rolf's Barbeque, Pigeon Hill Brewing, Top Shelf Pizza, and others which has established a strong consumer market for restaurant locations in this corridor. As previously stated, the objective of the City is to activate this space through an agreement with a qualified developer that will repurpose and develop the site into a destination sports bar/restaurant, micro distillery, or gastropub. The site does not currently include access or opening to Western Avenue, and is essentially boxed square footage in the interior of the arena. Successful responses will include a proposed method to incorporate the development into the pedestrian environment on Western.

B. Zoning & Development Standards

The development site is within the City's "Downtown" Form Based Code District. Form based code focuses more on the aesthetic and design of the structure in question rather than the use, so as to create a more diverse, unique, and vibrant built environment. The Downtown FBC District is characterized by mixed use buildings set next to the sidewalk in order to create a street wall and promote commerce and shopping. These buildings contain street level retail and restaurant uses with residential and office uses on the upper floors. This area also has a high level of transit service that can help off-set the need for off-street parking and promote walkability.

The following are generally appropriate form elements in this district:

- Attached buildings
- Medium to large building footprint
- Building at the Right-of-Way
- No side setbacks
- Storefront frontages with transparency between the interior and public realm

C. Redevelopment Objectives

This RFP seeks and favors a creative developer of urban restaurant/craft alcohol projects to construct a development that meets the following goals and objectives. The City's desired development of the site is a restaurant/entertainment/sports bar venue that will serve as a further catalyst for gains in the consumer market share for the downtown corridor. The

successful development proposal will incorporate forward-thinking approaches to urban design, architecture, and the public realm. The City envisions a destination point for the space, and as such the development should:

- Create a sports bar type restaurant/craft alcohol venue with seating for at least 50 patrons. Development should be unique in nature and developed with outdoor dining capacity.
- Create a dynamic urban destination that encourages public gatherings and takes into account the importance of the pedestrian environment.
- Create unique signing, merchandizing, and branding for the development.
- Create substantial positive economic value for the City by increasing the consumer attraction potential at the L.C. Walker Arena, and the downtown generally.
- Provide a source of permanent jobs for area residents.
- Interacts well with existing Arena tenants and events – including other restaurants, concessioners, sports teams, concert performers, and event planners.

D. Specific Areas of Interest

The City is specifically interested in a food and beverage venue that will complement the existing options in the downtown space, while adding a unique selection for consumers. The downtown already features several high quality craft alcohol and restaurant establishments, but does not currently offer a full-menu sports bar style location. The market demand for this type of development has been articulated by residents, visitors, and neighboring commercial partners. The City is also specifically interested in and will favor a qualified development which features local ownership and management with a unique concept and design.

Secondarily, the City is also interested in expanding its offerings in the craft alcohol sector through the addition of one or more additional micro-distilleries. This location is a possible option for such a development as long as such a concept also fulfilled the other stated goals in this RFP, including food options and accommodation to indoor/outdoor seating.

III. DESIRED DEVELOPER QUALIFICATIONS

The City is seeking responses from developers who are interested in undertaking one or both of the development concepts described in this RFP. In this context, the terms “Developer” and “Developer Qualifications” apply to the development entity itself and the proposer’s professional team assembled to execute and manage the project. It is the City’s expectation that the site be repurposed and developed into a destination restaurant option in the main downtown corridor. Although we reserve the right to select a development group with less experience, or non-traditional experience, the City is seeking a developer and supporting professional team that possesses a strong combination of the following qualifications and experience:

- Experience developing and managing mixed venue restaurants, preferably including in shared space or indoor/outdoor settings in the West Michigan area.
- Experience in the adaptive reuse of a commercial space in a downtown or key commercial corridor.
- Experience operating and managing properties in an urban downtown setting including functions and services on land under easement or owned by a local municipality.
- Experience working with municipal government in business, community events, or other public/private collaborative ventures.
- Clearly defined qualifications regarding the design and buildout of unique commercial spaces, particularly in the food service and/or craft alcohol sectors.
- A concept offering unique products that will attract a diverse customer base into the arena.

IV. SUBMISSION FORMAT AND CONTENTS

Submittals must include one (1) original of the response, two (2) unbound hard copies and one (1) electronic copy (PDF) of the response. Every effort should be made to make proposals as concise as possible. Submissions must address the following sections in order to be considered complete and ensure consideration.

Section I – Qualifications and Experience - Cover Letter

RFP responses should include a cover letter providing an introduction to the company and resumes of the respondent’s professional team and the firm’s areas of expertise. The letter should clearly show how the development team meets the minimum qualifications as outlined in SECTION III of the RFQ.

Section II – Proposed Development Vision and Program

Responses should describe the overall vision and a recommended development program to bring the concept to fruition. This section should include introductory plans regarding design, scope, buildout, menu, theme, and other relevant details related to the proposed development. This section should also illustrate the desired timeline requested by the developer to implement the proposed project.

Section III – Conceptual Financial Structure/ Financial Stability

Provide a conceptual financial structure, including private sources of funding and a proposed structure for providing compensation for the City owned real estate (e.g., real property purchase,

ground lease, other proposed site control agreement etc.) The City has significant flexibility with respect to disposition options and methods for compensation and as a result encourages and welcomes financial proposals which maximize the value of the resulting developments and their positive economic and community impacts to the downtown corridor. Justification for the use of public fund contributions and proposed repayment mechanisms should be provided if public financing is included as part of the proposal.

Provide evidence of the developer's financial capability to undertake the project. Evidence should cover the last (5) years. If your proposal is being submitted by a partnership of two or more entities, provide evidence for each firm or individual that would be a part to the project. Suitable documentation includes audited or reviewed financial statements, partnership or corporation tax returns, bank or financial institution commitments, or other verifiable information demonstrating financial stability necessary to support a project of this scope. Submission of this RFP provides consent to the City or its assigns to confirm the information provided in response to this question.

All respondents will be required to allow the City to inspect and examine their company operating information and financial statements during the selection process. Each firm shall submit its legal firm name or names, headquarters address, local office addresses, state of incorporation, and key firm contact names.

V. EVALUATION CRITERIA

The City of Muskegon supports the further creation of a vibrant downtown and retail/restaurant district to complement current and future downtown business enterprises. Accordingly, City staff will evaluate responses based on the criteria stated within this document. Given the uniqueness of the anticipated development, developer qualifications and experience will be assigned the greatest value including but not limited to the following;

- Developer qualifications and experience (as identified in Section of this RFQ)
- Creativity and unique concepts in proposed development vision and program (as identified in Section IV of this RFQ)
- Conceptual financial structure (as identified in Section IV of this RFQ)
- Financial history/stability (as identified in Section IV of this RFQ)
- Ability to attract a diverse customer base into the LC Walker Arena representative of the Muskegon community.

VI. RESPONSE DEADLINE

Responses to this Request for Proposals must be submitted (one original, two unbound copies, and one electronic copy) by no later than 5:00pm on April 1st. Responses received after this date and time will not be considered. Please address responses to:

City of Muskegon
Attention: Ann Meisch, City Clerk (Ann.Meisch@shorelinecity.com)
933 Terrace Street
Muskegon, MI 49440

VII. INQUIRIES

Any inquiries regarding this Request for Proposals or the desired project generally must be submitted in writing via email. All such written inquiries must be submitted by 5:00pm on March 31st, no further inquiries will be accepted after this date and time. Inquiries should be submitted to:

Jake Eckholm
Economic Development Director
City of Muskegon, Michigan
Jake.Eckholm@shorelinecity.com

VIII. SELECTION PROCEDURE AND TIMELINE

After the submission deadline, responses to this RFP will be reviewed by city staff. Those shortlisted for further consideration will be invited to answer any requests for additional information or clarification of their submittal. A preferred developer will then be selected and recommended to the City Commission. Pending approval, all respondents will be notified of the outcome of the selection process. From this point the preferred developer will be asked to enter negotiations for more specific terms and obligations on behalf of both parties, the developer and the City. Upon successful completion of these terms, the City and the developer will enter into a binding Development Agreement following final review and approval by the City Commission of the City of Muskegon.

The following is a preliminary schedule and general timeframe for the RFP response and selection process. Any and all of these dates are subject to change at the discretion of the City.

3/11/2019: RFP Issued

3/31/2019: Inquiries on RFP due by 5:00pm

4/1/2019: Responses to RFP due by 5:00pm

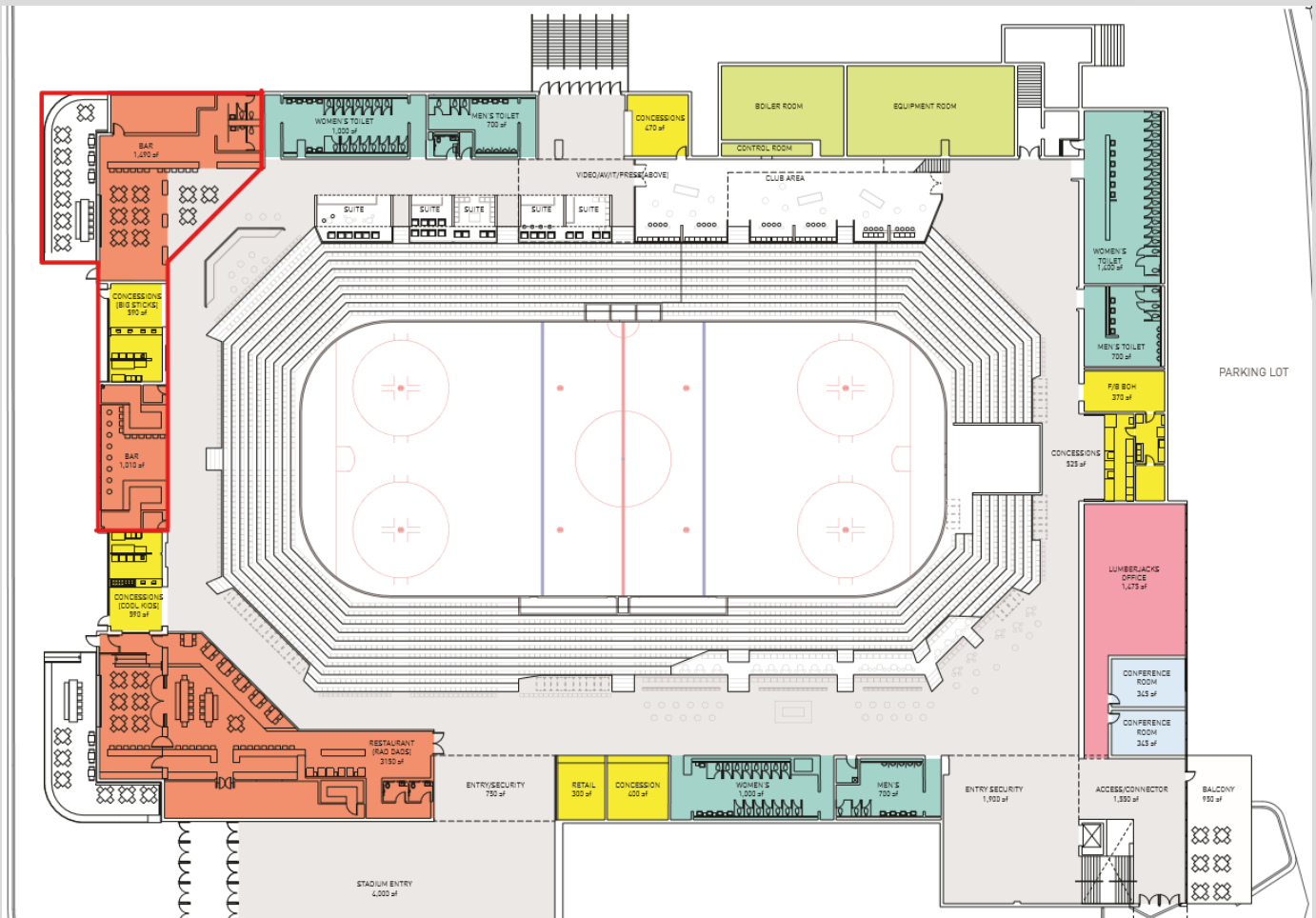
4/9/2019: Preferred Developer recommended to City Commission

4/10/2019: Negotiations between Preferred Developer and the City

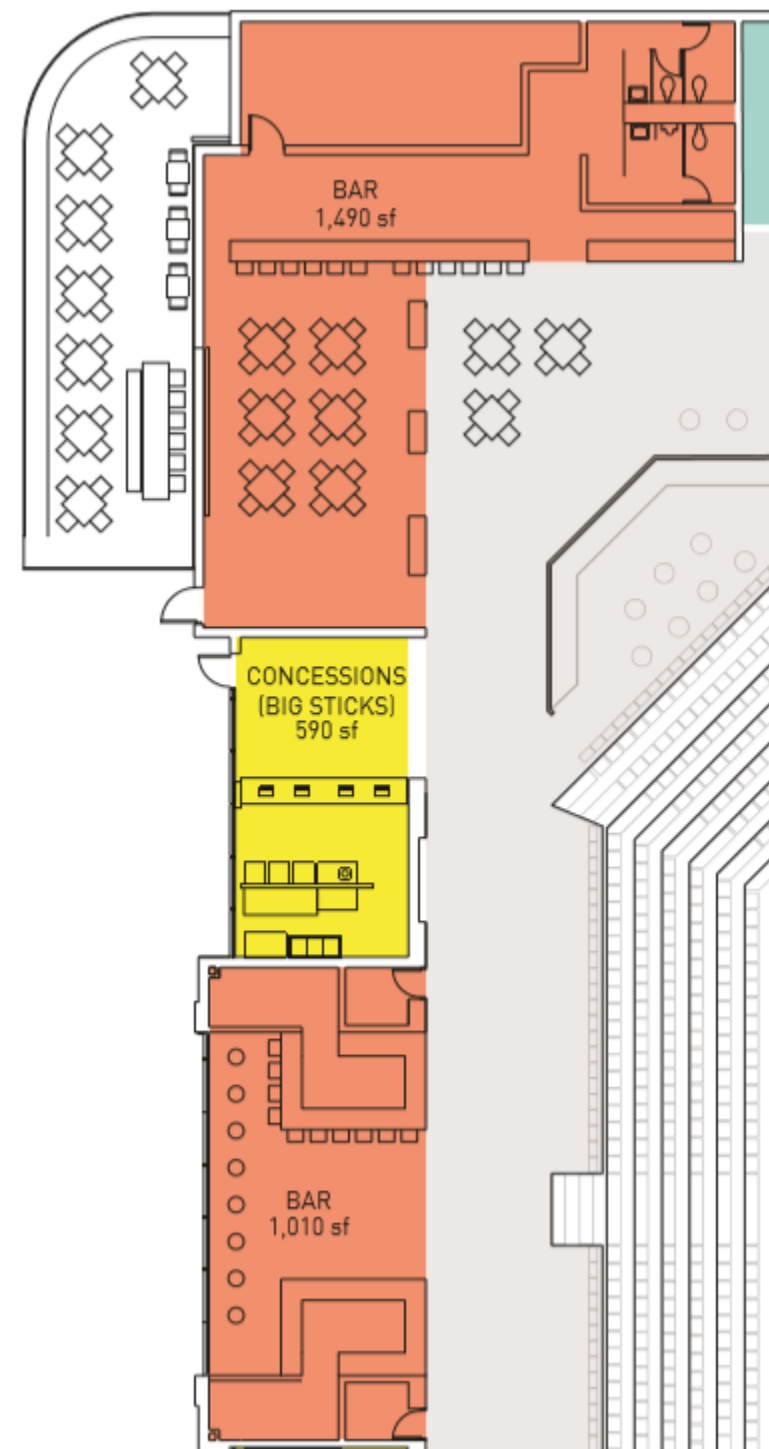
4/23/2019: Development Agreement presented to City Commission for final approval

IX. EXHIBITS

A. Full Scale Overhead (Site bordered in RED)



B. Site Cutaway Overhead



C. Existing Exterior Profile





D. Existing Interior Profile



E. LC Walker Event Attendance Information

Event	Event Nights	Event Attendance	Total Attendance
Muskegon Lumberjacks Hockey	40	2,875	115,000
Muskegon Ironmen Football	6	2,000	12,000
Muskegon Risers Soccer	5	2,000	10,000
NRHL (projected)	14	1,500	21,000
Jr Lumberjacks	50	200	10,000
Reeths-Puffer Hockey	12	500	6,000
Norton Shores Hockey	30	200	6,000
Circus	3	2,500	7,500
High School Graduations	7	3,500	24,500
College Graduations	2	4,500	9,000
Mercy Health Seaway Run	1	6,000	3,500
Mercy Health Ride	1	2,000	2,000
Concerts	3	3,500	10,500
Wedding Receptions (Conv. Center)	15	300	4,500
Conferences (Conv. Center)	10	250	2,500
Local Events (Conv. Center)	15	400	6,000
Misc Events	10	1,000	10,000