

Request for Proposals

City of Muskegon, Michigan

880 First Street Redevelopment Project



Publication Date: June 11, 2019

Submittal Due Date: August 12th, 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 building and implementing high quality mixed used developments. The City's objective is to negotiate and enter into an agreement with the selected developer to construct and manage a new commercial/residential development at 880 First Street, a 5 story city owned building adjacent to mixed use market rate developments HighPoint Flats, Heritage Square Townhomes, and Lakeview Lofts. The total development area is negotiable, but can be as large as 40,000 square feet of developable space. The ideal proposal will include multiple commercial bays with ingress/egress to both First and Clay Street, as well as a market rate residential unit proposal for upper floors. Outdoor seating areas and shared greenspace 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, aesthetically pleasing design 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 described 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 on the northeast corner of Clay and First Street in downtown Muskegon, Michigan. The building was formerly owned and operated as the regional headquarters of AmeriBank, but is now publicly owned and has been vacant for several years. In 2018, the City of Muskegon removed all interior finishes and fixtures as well as exterior coverings which were severely deteriorated in order to expedite redevelopment opportunities and avoid unseen costs such as asbestos abatement and undiscovered structural deficiencies. The 5 floors make up 37,500 square feet, and the basement level is an additional 3,500+/- . This redevelopment opportunity is adjacent to many key features and attractions in the downtown area, such as the Muskegon Farmers Market, LC Walker Arena, and the key shopping and dining district on Western Avenue.

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 commercial and housing projects to construct a development that meets the following goals and objectives. The City's desired development of the site includes a diverse set of commercial bays that will serve as a further catalyst for gains in the consumer market share for the downtown corridor. It is also a goal of the City to create more market rate ownership and rental housing opportunities in the downtown space, and so a residential development component for this site will be crucial to consideration and selection of any proposal. The successful development proposal will incorporate forward-

thinking approaches to urban design, architecture, and the public realm. The City values a development that will bring additional amenities and opportunities for working, living, and recreating downtown, and as such the development should:

- Create either owner-occupied or rental housing opportunities at a competitive market rate to encourage downtown living.
- Create a dynamic urban destination that encourages commercial investments 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 for the site and the downtown generally.
- Provide a source of permanent jobs for area residents through leasable or site condo commercial spaces.
- Interacts well with existing downtown businesses, institutions and events.

D. Specific Areas of Interest

The City is specifically interested in a development which is capable of activating this important corner in the downtown corridor. Currently there are several smaller commercial and residential areas in the downtown that do not organically connect to Western Avenue due to blank spaces in the street grid such as this site. The selected development should incorporate spaces and amenities that will liven up this section of the downtown area with activated storefronts and additional residents.

III. DESIRED DEVELOPER QUALIFICATIONS

The City is seeking responses from developers who are interested in undertaking the development concept 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 commercial/residential location immediately adjacent to 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 building, developing, and managing large scale multi-story mixed use buildings, preferably 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 retail, office, food service, and housing sectors.
- A concept offering spaces that will attract a diverse customer/resident base into the area.

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 RFP.

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, 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 commercial/housing 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 clientele 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 July 12th. 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, including site walkthroughs, must be submitted in writing via email. All such written inquiries must be submitted by 5:00pm on July 5th, 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 successfully 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.

6/11/2019: RFP Issued

7/5/2019: Inquiries on RFP due by 5:00pm

7/12/2019: Responses to RFP due by 5:00pm

7/22/2019: Preferred Developer recommended to City Commission

7/23/2019: Negotiations between Preferred Developer and the City

8/13/2019: Development Agreement presented to City Commission for final approval

IX. EXHIBITS

A. Existing External Condition



