

Request for Developer Qualifications (RFQ)

Kalamazoo, Michigan, seeks a development partner for the former public safety building at 116 West Cedar Street. The ideal project will combine adaptive reuse and new construction to create an active destination at the southern edge of downtown.

116 West Cedar Street
Kalamazoo, Michigan 49007

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Development Opportunity

The city of Kalamazoo, Michigan, seeks developers for the property at 116 West Cedar Street, located at the southern edge of downtown Kalamazoo near the growing Bronson Healthcare campus. The 0.77-acre parcel includes an existing 15,000 square foot building, previously used as a public safety training facility, and is owned by the city's Brownfield Redevelopment Authority (BRA).

The site offers an opportunity to combine adaptive reuse with new construction to create a lively entrance into downtown from the historic Vine neighborhood and health campus to the south.

Kalamazoo's preferred development for this site would:

- Rehabilitate and creatively reuse the existing public safety building with an active commercial use on the main floor
- Activate Cedar Street as southern entry into downtown by using the existing front setback for an outdoor use, or an indoor/outdoor use that takes advantage of the building's garage bay doors
- Consider adding additional floors or expanding the footprint of the building, especially to provide downtown housing options
- Incorporate arts into the redevelopment, whether through on-site gallery, studio, or performing spaces, or via prominent public art installations
- Create a destination that can anchor an extension of the pedestrian retail character of the Kalamazoo Mall

A proposal may also consider the adjacent publicly-owned parking lot at the corner of Cedar and Burdick as a potential expansion of the site, though the loss of public parking at this location would require the approval of the Downtown Development Authority.

Interested development teams are invited to submit qualifications to the city by **December 1, 2017**; please refer to page 8 for submittal details.



Site Context: Kalamazoo, Michigan

Kalamazoo is a vibrant West Michigan community of around 75,000 people, midway between Chicago and Detroit. The City's thriving downtown and historic neighborhoods host three higher learning institutions, two major hospitals, industries ranging from life sciences to manufacturing to craft brewing, and a variety of urban and natural parks connected by the Kalamazoo River Valley Trail.

Nearby assets include:

- The **Kalamazoo Mall**, just east of the site on Burdick Street, is a pedestrian-focused street lined with shopping, dining, and arts destinations.
- **Bronson Park**, two blocks north, serves as a town green and casual event space.
- **Arcadia Creek Festival Place**, at the northern end of the mall, hosts larger festivals.
- The **Vine Neighborhood** to the south is made up of historic homes and small businesses, hosting a mix of families, professional households, and students.
- **Bronson Healthcare Group** employs 3,500 people within a 10-minute walk of this site, at their campus two blocks away.
- The **Kalamazoo Farmers Market**, about a mile to the southeast, features over 100 vendors every Saturday from May to November, with smaller markets Tuesday and Thursday afternoons during the summer.
- The **Kalamazoo Valley River and Kal Haven Trails** connect to over 140 miles of regional biking and hiking trails from Battle Creek to Lake Michigan.
- The **Kalamazoo Promise** provides up to 100 percent of tuition to any Michigan state college for graduates of Kalamazoo Public Schools.

The site offers great access to these and other destinations with a WalkScore of 88, as well as local bus service (Metro Transit) and Amtrak connections to Chicago, Ann Arbor, and Detroit from the transit center half a mile north of this site. Both Grand Rapids and the Lake Michigan shoreline can be reached in under an hour's drive.



The Cedar Street site connects the Kalamazoo Mall (left) with the historic Vine Neighborhood (right).

Site Vision

The City of Kalamazoo's ideal development would rehabilitate the façade and first floor of the existing structure for public-facing use, with structural reinforcement to add additional floors to the structure for office or residential use. The front apron of the public safety building should be activated as part of the first-floor use, with rear parking potentially reconfigured in coordination with adjacent properties.

Preferred site concept and massing: Adaptive reuse with additional stories



These images are intended to be illustrative, and the city is open to alternative approaches that advance the goals for the site and fit the neighborhood context.

Site Vision, continued

The defining characteristics of the existing building are the large garage doors opening onto the front setback. A public open house in August 2017 found strong support for development concepts that take advantage of these features to support active, indoor/outdoor uses on the site.



This community feedback also showed strong support for:

- Use of the front setback for vibrant, high-visibility uses such as patio café, biergarten, or food truck court.
- Restaurant or entertainment uses that add to downtown as a destination
- Multi-tenant concepts for the large first floor space, such as a public market, shopping arcade, or small retailer incubator
- Office or studio space may be appropriate for the second floor
- A mix of housing sizes and price points in upper stories

Proposals do not need to include all of these activities in a single plan, but should clearly incorporate active, public-facing first floor uses.

Above: an ideal development would combine streetscaping and active front yard uses to create a destination.

Below: precedent images show examples of similar site reuses for dining and multi-tenant retail.



Development Process

Upon selection of a qualified developer, the city anticipates entering into a letter of intent / pre-development agreement to allow for due diligence activities and completion of a final development agreement. The City expects this pre-development agreement to be in effect for six months or until a final development agreement is reached.

Master Plan and Zoning

Master Plan: The city has recently completed a new “Imagine Kalamazoo 2025” master plan¹; in addition to the site-specific goals and concepts in this document, the master plan’s *Chapter 4: Downtown Life* includes a number of recommendations relevant to development of this site.

Zoning: The site is currently zoned CCBD – Commercial Central Business District. That designation allows for mixed-use downtown development of the type envisioned for this site, and does not require dedicated off-street parking. Refer to the full zoning ordinance for details.²

Utilities

The site is served by public streets to the south (Cedar) and west (Rose). Full access to utilities is provided from the Cedar Street right of way.

- Water/Sewer: City of Kalamazoo Public Services, <http://www.kalamazoocity.org/water-hookup>
- Gas/Electric: Consumers Energy, <https://www.consumersenergy.com/>
- Streets, Storm Sewer and Right-of-Way: City of Kalamazoo Engineering Division, <http://www.kalamazoocity.org/construction-engineering>

Redevelopment Ready Community

The City of Kalamazoo is engaged in the Redevelopment Ready Communities program by the Michigan Economic Development Corporation and expects final certification by the end of 2017. The RRC certification recognizes the city’s development regulations and processes as up-to-date, clear, and predictable, as determined by a rigorous external assessment.

Environmental Conditions

The city is aware of asbestos contamination throughout the building; this contamination qualifies it as a “facility” for the purpose of brownfield redevelopment programs

The City is not aware of other existing environmental conditions. The City recommends a full environmental assessment by the selected developer to determine whether any additional conditions require action to suit the final site plan.

Please note that the interior of the building is not accessible prior to a formal due diligence agreement.

¹ Final draft master plan available at <http://www.imaginekalamazoo.com/> ; adoption anticipated Fall 2017.

² Zoning map and ordinance available at <http://www.kalamazoocity.org/component/content/article?id=506>

Market Conditions

Retail/Commercial Market Potential

Downtown commercial rental rates (2017 survey by city staff):

- Retail space: \$14.50 modified gross to \$20.00 NNN
- Office space: \$15.00 modified gross to \$20.00 NNN

Downtown vacancy rates (2016 Downtown Kalamazoo Inc. occupancy report):

- Retail: 5.3%
- Office: 13.4%
- Residential: 0.9%

A 2017 retail market study performed by Gibbs Planning Group found downtown Kalamazoo could support approximately 19,000 square feet of additional retail and 8,800 square feet of additional retail uses at present. With future policy and infrastructure changes, the study finds a total potential of 156,000 square feet of new retail and restaurant uses in downtown Kalamazoo.³

Residential Market Potential

A target market analysis completed (TMA) in December 2014 shows strong demand for new housing in and around downtown Kalamazoo. The TMA⁴, prepared by Zimmerman Volk Associates, showed these key findings:

- An annual rental market absorption of 113-135 new units annually, primarily in the downtown area, with rents of \$1.35-\$1.77 per square foot. (Median monthly rents estimated at \$1,250-\$1,500.)
- Annual condo/for-sale loft demand of 18-22 new units annually, with sale prices ranging from \$140,000-\$350,000. (Per square foot sale price \$159-\$224.)

Available Incentives

The following incentives may be leveraged by the developer:

- **Negotiable purchase price** may be considered to support an excellent development proposal.
- **Brownfield Tax Increment Financing** is available through the City of Kalamazoo BRA, which can potentially reimburse eligible activities including environmental activities, demo, site prep and other covered by Act 381.
- **Obsolete Property Rehabilitation** tax abatement may be used to support economic reuse of the existing public safety building.
- The **Downtown Development Authority** may use TIF to support streetscape improvements and installation of elevator in existing buildings.
- **Michigan Community Revitalization Program** grants or loans may be applicable to the subject site, and the City will support an application to MEDC.

³ 2017 Retail Market Study: <http://tinyurl.com/ybnde4a4>

⁴ 2015 Residential Market Analysis: <http://www.downtowndevelopment.com/pdf/KalamazooFinalTMA2015.pdf>

Selection Process and Criteria

The City of Kalamazoo will review and evaluate all complete proposals in response to this Request for Qualifications (RFQ) to identify and engage with qualified developers for 116 W. Cedar St. An initial response to this RFQ must include the following information:

- **Letter of Interest:** Provide a letter (up to 3 pages) identifying the development team and providing a brief description of the team's vision for the site.
- **Concept plans or renderings.**
- **Development Experience / Portfolio:** Provide a short description of past projects of a similar nature completed by the development team (up to 10 pages). Include a description of the projects, cost, completion date, and references.
- **Evidence of development team's fiscal capacity** to undertake the proposed project.
- **Resume** of firm and lead team members.

City of Kalamazoo staff may seek additional information upon receipt of a development proposal.

The RFQ and responses should not be considered a legally binding agreement. Upon selection of a qualified development team, the city of Kalamazoo will enter into a pre-development agreement including purchase price, due diligence period, and other terms.

Proposal Format

Six (6) printed proposals and a PDF version shall be submitted by 5:00 P.M., December 1, 2017, to:

Sara Jo Shipley, Redevelopment Project Manager
City of Kalamazoo
City Hall
241 West South Street
Kalamazoo, MI 49007
shipleys@kalamazoocity.org

Schedule for Review and Selection

The schedule for receipt and evaluation of proposals is anticipated to be as follows:

- **RFQ posted:** September 20, 2017
- **Deadline for proposals:** December 1, 2017
- **Evaluation period:** December 1 – December 14, 2017
- **Finalist team notified:** December 15, 2017
- **Finalist presentation to evaluation committee:** January 2018
- **Finalize terms of a redevelopment and purchase agreement:** February 2018

Contact / Questions

Questions may be directed to:

Sara Jo Shipley, Redevelopment Project Manager
City of Kalamazoo Brownfield Redevelopment Authority
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269-337-8082