

Request for  
**DEVELOPER  
QUALIFICATIONS**  
(RFQ)



101 Brady Street  
Allegan, Michigan



The City of Allegan seeks a development partner for a 0.4-acre site in the historic downtown district. The currently assessed value of the parcel is \$25,912; asking price for this property is negotiable and the city is eager to work with interested respondents deemed qualified on negotiating a mutually beneficial arrangement.





*The subject site viewed from the south. The Kalamazoo River is on the left, and Brady Street is on the right.*



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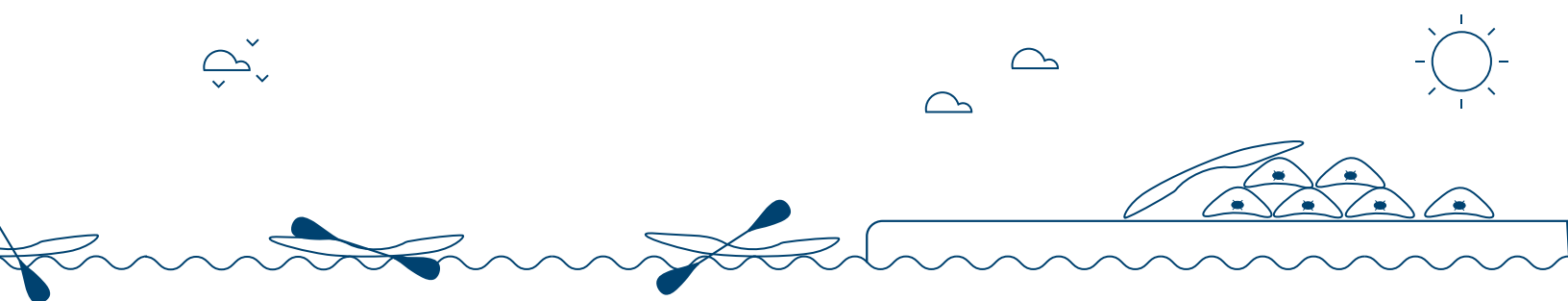
### Contact / Questions

Questions may be directed to:  
Jordan Meagher  
Community Development Director,  
City of Allegan  
112 Locust Street  
Allegan, MI 49010  
269.673.5511 x231  
[jmeagher@cityofallegan.org](mailto:jmeagher@cityofallegan.org)

# DEVELOPMENT OPPORTUNITY

The City of Allegan, Michigan, seeks developers for a city-owned property at 101 Brady Street. This 0.41-acre parcel provides an opportunity to offer new-build retail/restaurant space, as well as housing and lodging options with riverfront views, in formats that are currently underserved by the local market.

The subject site is the eastern gateway to Allegan's historic downtown shopping and entertainment district. It includes 150 feet of frontage on the Kalamazoo River and Allegan Riverfront Boardwalk, offering unobstructed views of the river and the iconic 2nd Street Bridge—a National Historic Civil Engineering Landmark. It is the eastern anchor to Allegan's riverfront district, which contains placemaking amenities including an amphitheater, canoe/kayak launch, and zipline course.







*The subject site viewed from Brady Street. The historic 2nd Street Bridge, the eastern gateway to downtown Allegan, is in the background.*

The city's preferred development for this site would:

- Create new residential and/or lodging options in a multiplex or "Missing Middle" housing format;
- Provide a mix of uses to create vibrancy and year-round activation. The ground floor is an ideal location for high-visibility restaurant and/or retail space;
- Incorporate a creative design process that respects the historic character of downtown Allegan and its legacy buildings;
- Provide a connection between Brady Street and the Allegan Riverfront Boardwalk through incorporation of a plaza or similar amenity;
- Consider the important location of the subject site relative to the 2nd Street Bridge

and Kalamazoo River in the building's design. Proposals incorporating signature architectural treatments of the south and west façades are encouraged.

The city's asking price is negotiable, and it is open to all reasonable offers in support of an optimal development plan. A range of incentives, at the local and state levels, may be leveraged as part of a negotiated predevelopment agreement. Preference will be given to projects with a mix of uses that creatively incorporate some or all of the provisions described above.

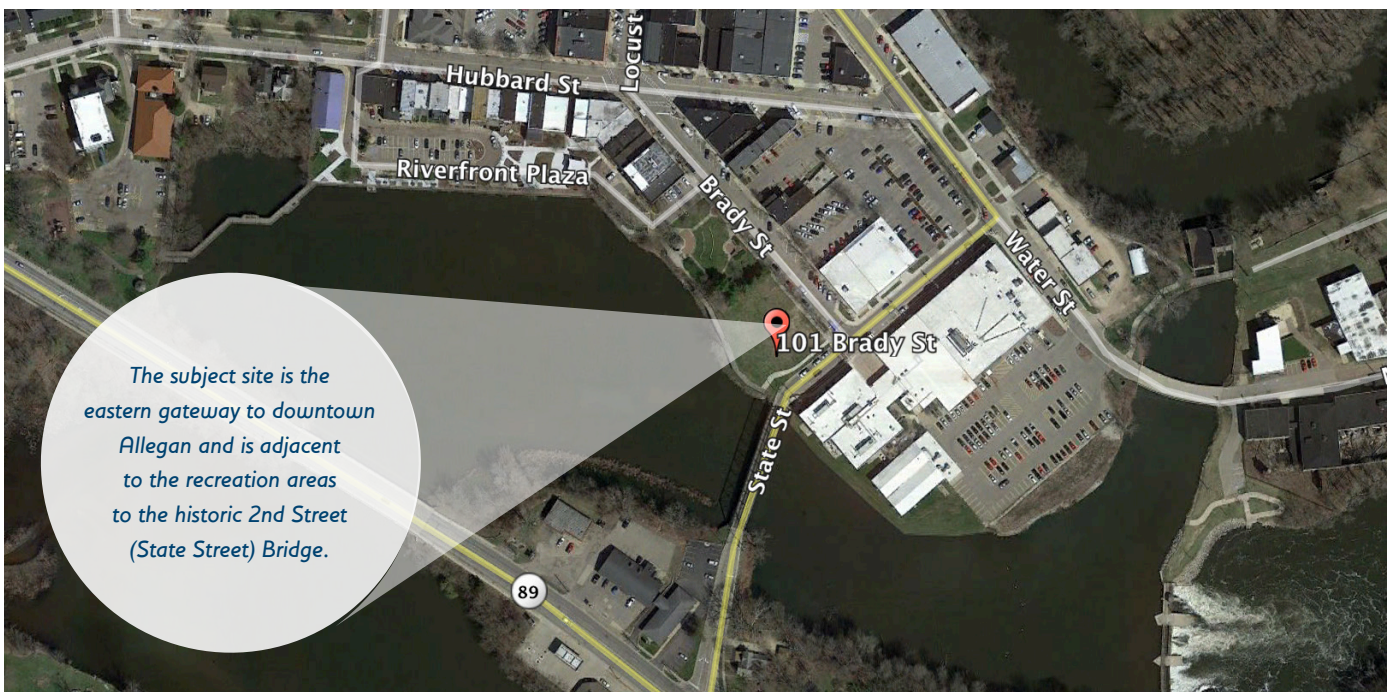
**Interested development teams are invited to submit qualifications by February 6, 2019. Please refer to page 15 for submittal details.**

<sup>1</sup>Refer to *Missing Middle: Responding to the Demand for Walkable Urban Living* by Opticos Design for a detailed description of associated housing formats: <http://missingmiddlehousing.com/>



# SITE OVERVIEW

In addition, short videos of the subject site, filmed by commercial drone, have been made available to provide a detailed understanding of the subject site and its surroundings. The videos are available on request from the City of Allegan.





# SITE CONTEXT: ALLEGAN, MICHIGAN

Allegan is a historic community in the western Lower Peninsula of Michigan, situated 20 miles northwest of Kalamazoo, 20 miles southeast of Holland, and 40 miles southwest of Grand Rapids. Centrally located in the region, Allegan attracts residents and visitors employed in the Grand Rapids, Kalamazoo, and Holland markets, including nearly 11,000 daytime workers. Allegan has a population of approximately 5,000; it is located inside Allegan County, which has a population of approximately 116,000 and is coterminous with the Holland Micropolitan Statistical Area.<sup>2</sup>

Allegan's history is tied to industry and manufacturing, and its largest private sector employer today is Perrigo Corp., a pharmaceutical manufacturer. In addition to industry, Allegan is the Allegan County seat, and its revitalized riverfront area attracts locals and tourists seeking recreation and entertainment. Downtown Allegan features local businesses and restaurants, including artisan retail, antiques, and an active historic movie theater. The subject site is opposite Brady Street from a downtown visitors' center featuring public restrooms, Wi-Fi, and local information, and is located within the boundaries of Allegan's Downtown Development Authority (DDA) district. Nearby assets include:

- **Downtown Allegan** historic commercial district, which extends to the north and west of the subject site. This walkable, traditional downtown features historic buildings containing restaurants, a brewery, a historic operating movie theater, and a range of retail options;
- **Cultural Institutions** and historic sites including the Regent Theatre, Allegan County Historical Museum, Griswold Memorial Auditorium, and 2nd Street Bridge;
- **Kalamazoo Riverfront**, which has been the recipient of over \$1 million in investment since 2013. Connected by a scenic boardwalk, the riverfront features a canoe/kayak launch, amphitheater, public plaza, and privately-operated zip line course;
- **Farmers' and Antiques Markets** operating regularly during the spring, summer, and fall, attracting visitors from throughout western lower Michigan;
- **Allegan County Fair**, held annually in September, is the among the largest and most popular county fairs in Michigan, featuring nationally-famous entertainers and regularly attracting over 250,000 visitors during its week-long run.

<sup>2</sup>The City of Holland straddles the border between Allegan County and Ottawa County to the north. The majority of Holland's population is located in Ottawa County, and is instead included in the Grand Rapids-Wyoming Metropolitan Statistical Area.





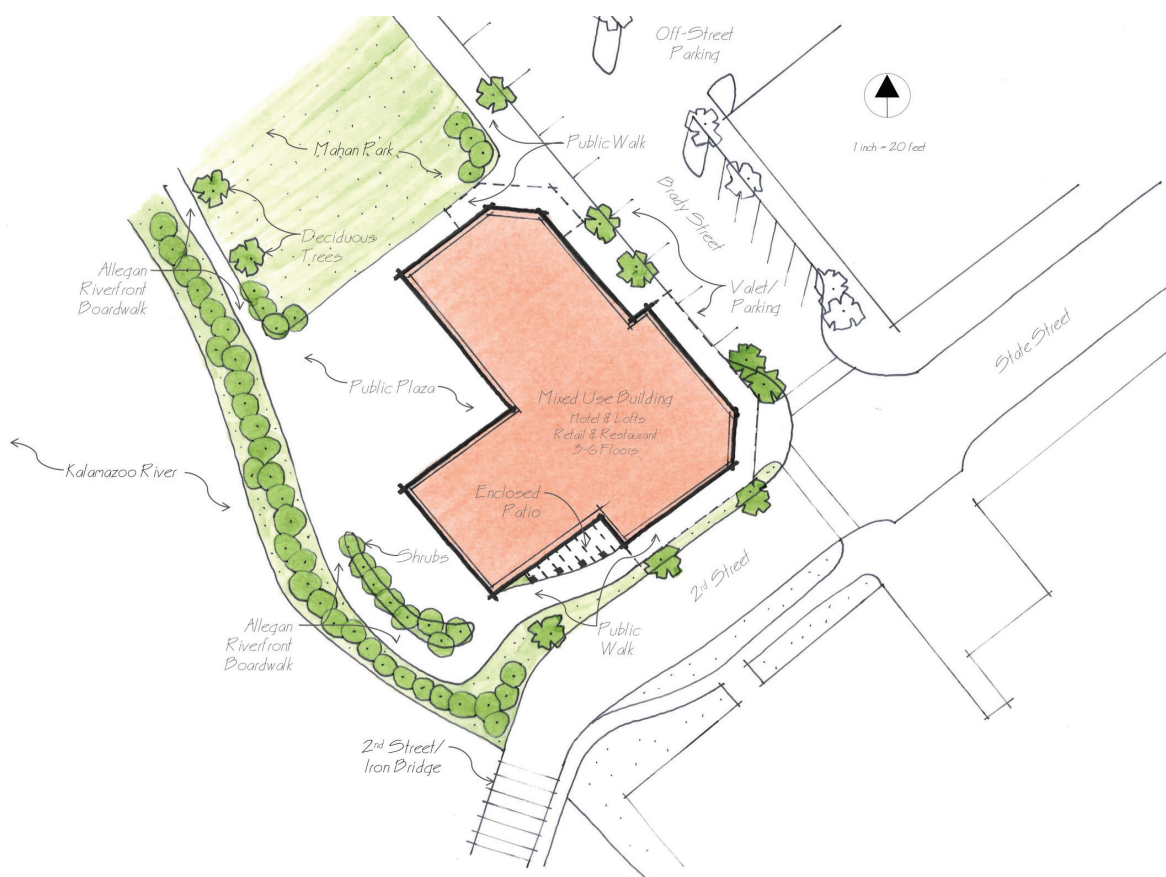
# SITE VISION & PRELIMINARY COST ESTIMATE

To provide a concept of the type of development the City of Allegan would like to see on the site, a sample site concept has been prepared. This concept is based on feedback from community stakeholders that was given in a workshop format in August 2018. It is intended to be an illustrative example of the desired level of creativity in design and range of functional elements included on the site. The city is nevertheless open to receiving alternative approaches that fit the site and neighborhood context in keeping with the parameters expressed in the illustrations.

In addition, several site precedent images are provided. These are images of recently completed projects located in Michigan that embody various aspects of the sample site concept.

Following the images, a preliminary cost estimate has been prepared by East Arbor Architecture of East Lansing, Michigan, for two variations of the illustrated sample site concept. The cost estimate is included as a preliminary reference for a project similar in scope to the site vision.

Again, all of these images are intended to be illustrative, and the city is eager to consider alternative approaches that advance the goals for the site and fit the neighborhood context.



*Mixed-use building with lofts and/or hotel above indoor-outdoor waterfront event space.*





# POTENTIAL LAND USE

*Precedent Image 1: 309 Cass Street in Traverse City, Michigan, is an example of a new riverfront mixed-use building at the gateway to a historic downtown. The building overlooks the Boardman River Boardwalk, and is designed to give residents beautiful views of the river. The scale of the development is contextually appropriate for the building's gateway location, and the site design incorporates access to both Cass Street and the adjacent Boardman River Boardwalk.*





*Mixed-use building with lofts and/or hotel above indoor-outdoor waterfront event space.*



*Uptown Bay City in Bay City, Michigan, is an example of how publicly accessible waterfront can be creatively designed into a privately owned mixed-use development.*



## ALLEGAN PRELIMINARY BUILDING CONSTRUCTION COST ESTIMATE

Preliminary Building Construction Cost Estimate: \$3.0-\$5.8 million (not including site improvements)

### Mixed-Use Building

#### **Option A: 4 Floor Mixed-Use Building: Floor Plate: approx. 10,000 sf**

Floor 1: Retail + Hotel Lobby + Restaurant

Floor 2: Hotel Rooms

Floor 3-4: Lofts

**Preliminary Estimated Construction Cost: \$3.0 million**

#### **Option B: 6 Floor Mixed-Use Building: Floor Plate: approx. 10,000 sf**

Floor 1: Retail + Hotel Lobby + Restaurant

Floor 2-4: Hotel Rooms

Floor 5-6: Lofts

**Preliminary Estimated Construction Cost: \$5.8 million**

*Important note: These costs are intended only as a guide to possible project cost. Actual project cost may vary greatly depending on many factors. East Arbor Architecture does not make any warranty or guarantee as to the accuracy, correctness, sufficiency, or completeness of the data or resulting project cost estimates. East Arbor Architecture shall have no liability for any loss, expense, or damage arising out of or in connection with the information contained herein.*



*408 Eagle Street in South Haven, Michigan, is an example of a 3-story mixed-use building with traditional architectural design elements that is respectful of the historic character of the downtown district.*



# MARKET CONDITIONS

A Market Analysis pertaining to the development site was prepared in August 2018, and is presented as an additional attachment to this document. The analysis, prepared by LandUseUSA of Laingsburg, Michigan, shows these key findings:

- The development site is highly visible, with the opportunity to benefit from a signature-type building that provides views of the river and downtown. The site is ideal for revenue-generating activities including multiplex housing, hotel, retail, and restaurant;
- The development site is easily walkable from all nearby riverfront attractions and can leverage cross-marketing synergies to attract additional visitors;
- The development site provides an opportunity to develop new attached housing choices that are currently underserved in the local market. The ideal format for revenue maximization would consist of 3-6 stories of lofts with vista views of the Kalamazoo River above a restaurant with patio;
- There are gaps in the local market in the categories of lodging and restaurants. There is market potential in Allegan for new entrants in these categories that take advantage of creative and trend-setting business practices to serve the existing, unmet demand.

Additionally, LandUseUSA completed a Residential Target Market Analysis (TMA) study for Allegan County in 2016. This study is also presented in the attachments. The TMA showed these key findings:

- For the years 2016-2020, at least 175 households are moving into and within Allegan each year, seeking housing in buildings with at least 10 units.
- When restricting housing formats to those including five or more units, and examining only upscale target market segments with a propensity to move into or within Allegan County, there is a maximum annual market potential of 61 units for years 2016-2020.
- New loft units should be offered for lease, with market-rate contract cash rents of \$800 to \$950 supportable in the current market. Lofts should be “right-sized” with units varying in size between 550 and 1,250 square feet.
- A variety of loft sizes and configurations can provide the flexibility to offer some of them as short-term rentals on a seasonal basis to satisfy an unmet demand for lodging options in Allegan. Potential guests include business travelers associated with the adjacent Perrigo Corporation headquarters, as well as seasonal recreational visitors to the region.





# DEVELOPMENT PROCESS

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

## Current Property Ownership

The subject site consists of one legal parcel, which is currently owned by the City of Allegan.

## Master Plan and Zoning

**Planning Documents:** A mixed-use development on this site is supported by several planning documents and studies. It is specifically envisioned in the 2013 *Downtown Allegan Riverfront PlacePlan*, the product of a successful planning effort that has guided the significant investment in the Kalamazoo Riverfront in the five years since its creation. The 2015 *Allegan Master Plan* includes the development site as Central Business District on its Future Land Use Map, a designation which supports high-density mixed uses and building form. The aforementioned documents may be accessed at the city's website at: <http://cms7.revize.com/revize/alleganmi/departments/planning.php>.

**Zoning:** The development site is currently zoned as "Central Business District (C-1)". Mixed-use buildings with ground floor commercial below residential uses are permitted by-right in this district. The city is open to making zoning changes and/or granting variances to support a development project that is commensurate with the Site Vision described above.

Specifically, the city is amenable to granting a variance for proposed buildings exceeding the current height limitation of fifty (50) feet, provided that upper stories are "stepped back" to ensure visual access to the waterfront is not impaired.

## Utilities

The site is served by public streets to the east (Brady Street) and south (2nd Street). Full access to utilities is provided from the adjacent streets.

- Water/Sewer: City of Allegan, Water Department—Doug Sweeris, Water Utilities Director. Tel.: 269.686-1117, [dsweeris@cityofallegan.org](mailto:dsweeris@cityofallegan.org).
- Electric: Consumers Energy, 3030 M-40, Hamilton, MI 49419. Tel.: (800) 805-0490.
- Gas: Michigan Gas Utilities, 742 E Allegan St., Otsego, MI 49078. Tel.: (844) 889-3500, [njkrzeminski@michigangasutilities.com](mailto:njkrzeminski@michigangasutilities.com).
- Streets, Storm Sewer and Right-of-Way: City of Allegan, Public Works Department—Aaron Haskin, Director. Tel.: 269.686.1115, [ahaskin@cityofallegan.org](mailto:ahaskin@cityofallegan.org).

## Redevelopment Ready Community

Allegan has been Certified in the Redevelopment Ready Communities® program by the Michigan Economic Development Corporation. 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.



# AVAILABLE INCENTIVES

There are currently no structures on the development site. The site was once occupied by structures housing a variety of downtown retail businesses.

## Site Assessment

Allegan has been awarded a 2018 Hazardous Substance Assessment Grant from the United States Environmental Protection Agency. Grant funds will be used to verify that the site is clean and buildable during early 2019, including completion of a Phase I Environmental Site Assessment if required.

As noted previously, the City of Allegan and the Michigan Economic Development Corporation (MEDC) are committed to ensure that all available incentives may be leveraged to ensure the selected developer can achieve a quality outcome commensurate with the site vision and goals.

Such incentives include:

- Negotiable land purchase price to ensure support of an excellent development proposal.
- Allegan's designation as a Core Community gives the advantage of further flexibility to use existing brownfield incentives for functionally obsolete sites with no environmental contamination. These incentives include a Brownfield TIF program administered by the city, which could be used for site improvements.
- Michigan Community Revitalization Program grants or loans may be available to fill financial gaps. MEDC and the city are committed to partnering with the selected developer to ensure this tool is used effectively.





# SELECTION PROCESS & CRITERIA

The City of Allegan will review and evaluate all complete proposals in response to this Request for Qualifications (RFQ) to identify and engage with qualified developers for 101 Brady Street. 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** of a vision for site development.
- **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.
- **Résumé** of firm and lead team members.

City of Allegan staff may seek additional information upon receipt of a development proposal. Additionally, the city reserves the right to refuse or reject any or all proposals, or to abstain from selecting any proposal.

The RFQ and responses should NOT be considered a legally binding agreement. Upon selection of a qualified development team, the City of Allegan will enter into a predevelopment agreement including purchase price, due diligence period, and other terms.

## Proposal Format

All proposals shall be submitted by email in a PDF format to [jmeagher@cityofallegan.org](mailto:jmeagher@cityofallegan.org) by 11:59 PM, Eastern Daylight Time, on Wednesday, January 30, 2019. Additionally, either a paper copy or digital copy on a USB drive shall be sent to the address below, postmarked no later than January 30, 2019:

City of Allegan

ATTN: Community Development Department

112 Locust Street

Allegan MI 49010

## Schedule for Review & Selection

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

- RFQ posted, questions period: **December 5, 2018**
- Deadline for proposals: **February 6, 2019**
- Evaluation period: **February 7-March 8, 2019**
- Finalist teams notified: **March 19, 2019**
- Finalist teams presentation to evaluation committee: **March-April 2019**
- Finalize terms of a redevelopment and purchase agreement: **May 2019**

## Contact / Questions

Questions may be directed to:

Jordan Meagher

Community Development Director

City of Allegan

112 Locust Street

Allegan, MI 49010

269.673.5511 x231

[jmeagher@cityofallegan.org](mailto:jmeagher@cityofallegan.org)





