

Request for  
**DEVELOPER  
QUALIFICATIONS**  
(RFQ)



111 North 3rd Street  
Escanaba, Michigan

CITY OF  
*Escanaba*



The City of Escanaba seeks a development partner for a 3.82-acre waterfront site at the eastern gateway to the historic downtown district. 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 east. The existing Delta County Administration Building is located immediately south of the former Delta County Jail building. Ludington Street, Escanaba's main street, extends across the photo from bottom to top.*



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### Contact / Questions

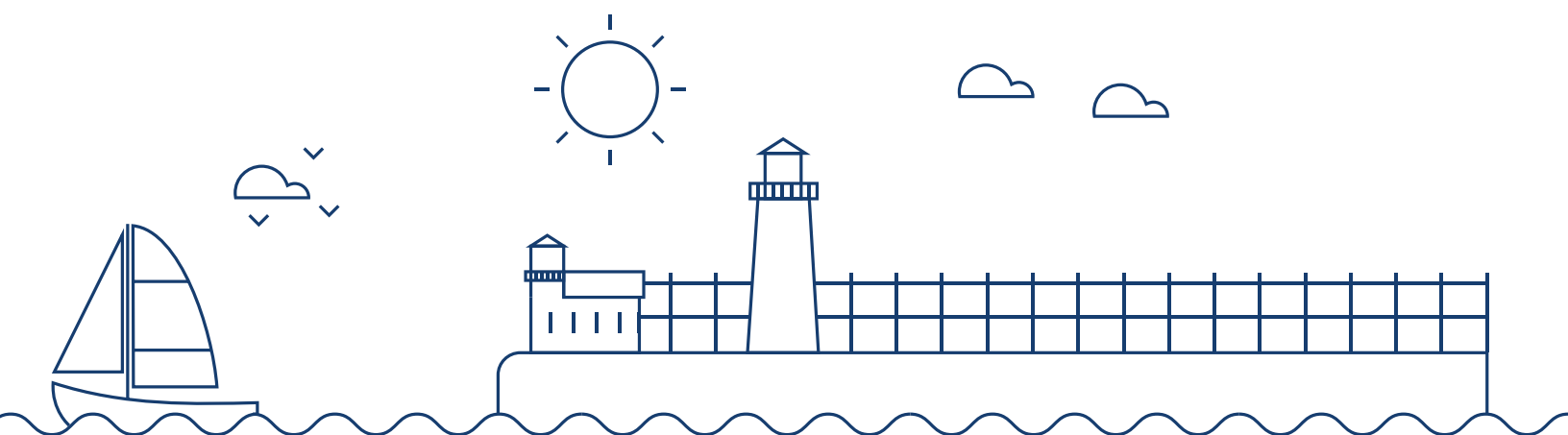
Questions may be directed to:  
Blaine DeGrave  
Community Development Director,  
City of Escanaba  
410 Ludington Street  
Escanaba, MI 49829  
[bdegrave@escanaba.org](mailto:bdegrave@escanaba.org)

# DEVELOPMENT OPPORTUNITY

The City of Escanaba, in partnership with Delta County, Michigan, seeks developers for a group of city- and county-owned properties at 111 North 3rd Street. These parcels, totaling 3.82 acres, provide an opportunity to offer new-build housing and lodging options with waterfront views, in formats that are currently underserved by the local market.

The subject site—upon a portion of which sits the former Delta County Jail facility—is the eastern gateway to Escanaba’s historic downtown shopping and entertainment district. It includes 265 feet of water frontage on Little Bay de Noc, which empties into Lake Michigan. It is adjacent to Escanaba’s unrivaled recreation district including Sand Point, Ludington Park, and Municipal Dock Park.

The subject site is adjacent to additional development-ready, waterfront real estate parcels to the east. Though not offered as part of this Request, the city is open to considering development concepts that have potential to include future phases extending eastward.







The subject site viewed from the southwest.

The city's preferred development for this site would:

- Create new residential options in a multiplex or "Missing Middle" housing format;<sup>1</sup>
- Strive to provide a mix of uses that create vibrancy and year-round activation. Complementary uses could include short-term rental units or hotel rooms integrated into long-term housing, restaurant space, or event space offered on a for-rent basis;
- Incorporate a creative design process that respects the historic character of downtown Escanaba and its legacy buildings;
- Preserve the public viewshed of Little Bay de Noc while providing accommodation for public foot access to the water through incorporation of a plaza or similar amenity;

- Include connections to an east-west public bicycle/walking trail that will border the development to the west and south.

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, and that creatively incorporate provisions for waterfront access by future residents and patrons of the proposed development, as well as members of the larger community.

**Interested development teams are invited to submit qualifications. The timeline will be determined in 2019.**

<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/>

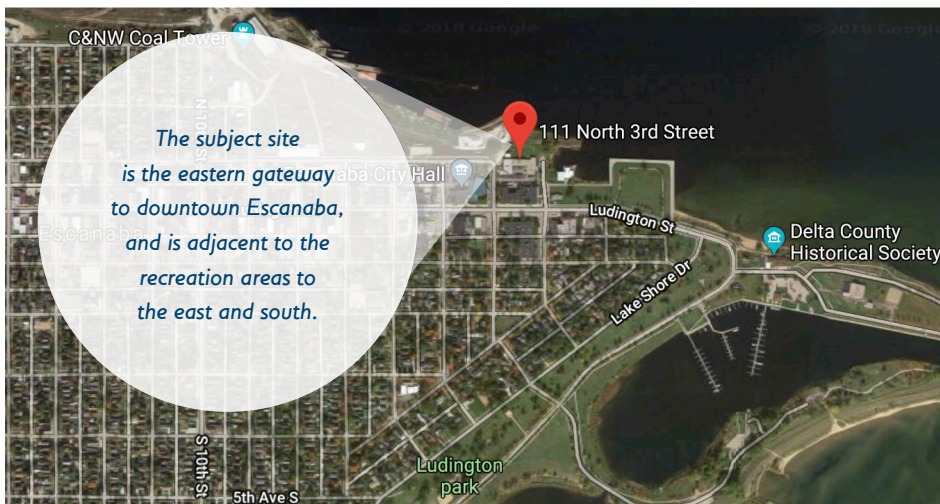


# SITE OVERVIEW

The following aerial photographs show the location of the subject site and parcel boundaries.

In addition, several interactive tools have been made available to provide a detailed understanding of the subject site and its surroundings. Potential respondents are encouraged to view and study the following resources:

- A 3-D interactive photo tour, sourced from commercial drone imagery, is available for viewing at: <https://roundme.com/tour/316181/view/1033372/>
- An interactive aerial map, with site analysis tools, is available at: <https://bit.ly/2NNMtbM>
- Site videos are available on request from the City of Escanaba.





# SITE CONTEXT: ESCANABA, MICHIGAN

Escanaba is a small, historic port community with roots in the lumber and shipping industries. Located on an outcropping on the western edge of Little Bay de Noc, the city is surrounded by water to the north, east, and south. Escanaba has a population of approximately 12,000; it is located inside Delta County, which has population of approximately 36,000 and is coterminous with the Escanaba Micropolitan Statistical Area.

In addition to industry, Escanaba is the Delta County seat, and is a hub for arts, culture, and recreation in the southern central Upper Peninsula. Located approximately 100 miles north of Green Bay, Wisconsin, Escanaba attracts tourists interested in boating, maritime culture, history, and sporting. Escanaba notably hosts the annual Upper Peninsula State Fair, the largest festival in Michigan's Upper Peninsula.

Nearby assets include:

- **Downtown Escanaba**, a historic commercial district that extends 0.75 miles west from the development site along Ludington Street. This walkable, traditional downtown features historic buildings containing restaurants, a brewery, and a range of retail options;
- **Cultural institutions** and historic sites including the Bonifas Arts Center, Delta County Historical Museum, and Sand Point Lighthouse;
- **Ludington Park**, a municipal waterfront park stretching one mile in length to the south and east of the development site, which contains amenities including a marina, swimming beach, and tennis courts;
- **Escanaba Marketplace**, a multiple-use public gathering place opened in 2017. The Marketplace includes performance space and kitchen facilities, and is home to the Escanaba Farmers Market.
- **Delta County Airport**, which provides daily commercial passenger service to Detroit, in addition to cargo and general aviation facilities.
- **Delta County recreational amenities**, including a comprehensive system of non-motorized and snowmobile trails, and nearly 300 acres of county-maintained parks.





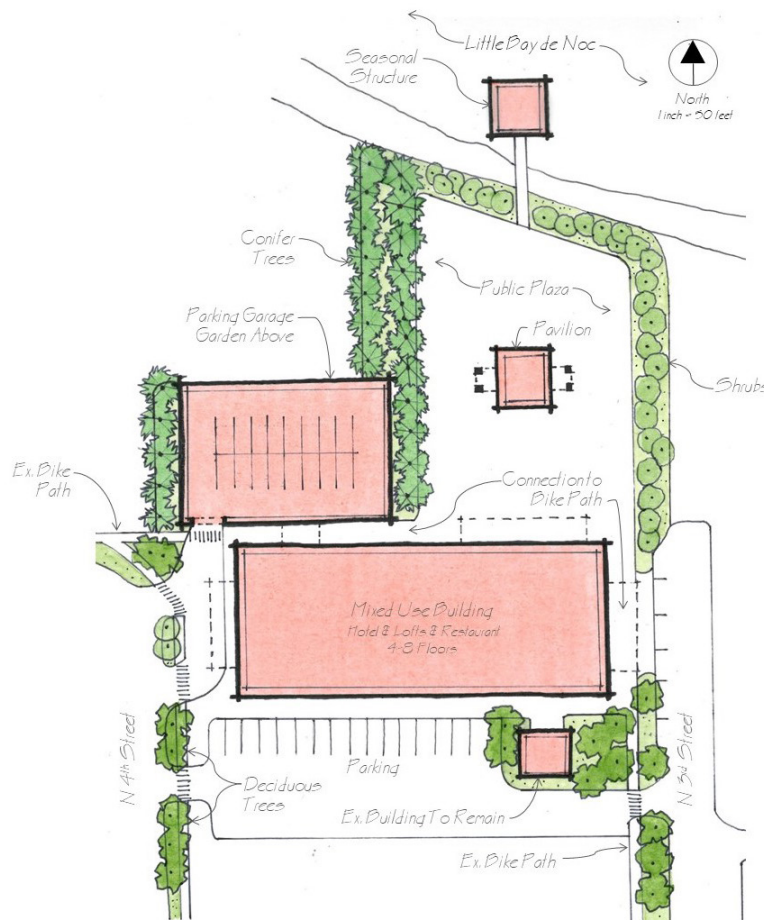
# SITE VISION & PRELIMINARY COST ESTIMATE

To provide an example of the type of development the City of Escanaba 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 July 2018. It is intended to be an illustrative example of the desired level of creativity in design and of the 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 or hotel above indoor-outdoor waterfront event space.*



# POTENTIAL LAND USE

*South Shore Village in Holland, Michigan, is an example of a new waterfront residential community at the gateway to a historic downtown. The scale of the development protects views of Lake Macatawa for existing neighbors, and the character of the architecture is commensurate with the community's history and future vision.*





*South Shore Village in Holland, Michigan, is an example of a new waterfront residential community at the gateway to a historic downtown. The scale of the development protects views of Lake Macatawa for existing neighbors.*



*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.*



## ESCANABA PRELIMINARY BUILDING CONSTRUCTION COST ESTIMATE

Preliminary Building Construction Cost Estimate: \$12.0-\$21.1 million (not including site improvements)

### Mixed-Use Building

<b>4 Floor Mixed-Use Building:</b>	Floor Plate: approx. 26,000 sf
	Floor 1: Retail + Hotel Lobby
	Floor 2-3: Hotel Rooms
	Floor 4: Lofts
	<b>Preliminary Estimated Construction Cost: \$11.0 million</b>
<b>8 Floor Mixed-Use Building:</b>	Floor Plate: approx. 26,000 sf
	Floor 1: Retail + Hotel Lobby + Restaurant
	Floor 2-5: Hotel Rooms
	Floor 6-8: Lofts
	<b>Preliminary Estimated Construction Cost: \$20.0 million</b>
<b>Parking Garage &amp; Garden:</b>	Floor Plate approx. 13,000 sf
	Floor 1: Parking
	Floor 2: Garden
	<b>Preliminary Estimated Construction Cost: \$598,000.00</b>
<b>Pavilion:</b>	Floor Plate approx. 2,000 sf
	<b>Preliminary Estimated Construction Cost: \$230,000.00</b>
<b>Seasonal Structure:</b>	Floor Plate approx. 2,000 sf
	<b>Preliminary Estimated Construction Cost: \$312,000.00</b>

*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.*



*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.*



# MARKET CONDITIONS

A market analysis pertaining to the development site was prepared in August, 2018. The analysis, prepared by LandUseUSA of Laingsburg, MI, shows these key findings:

- The development site is ideal for revenue-generating activities including multiplex housing, hotel, townhouses, office space, and other niche event space;
- The development site is easily walkable from all nearby waterfront attractions, and can leverage cross-marketing synergies to attract additional visitors;
- Several established Lifestyle Clusters have been identified with a propensity to choose urban housing formats. Four specific clusters are either currently present in the city, or would otherwise have the inclination to move to Escanaba if the housing market began providing options that met their preferences;
- There are gaps in the local market in the categories of lodging and restaurants. There is market potential in Escanaba for new entrants in these categories who 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 Delta County in 2016. The TMA showed these key findings:

- In Escanaba, there is a maximum annual market potential for up to 601 units in formats excluding detached single-family homes, for the five-year window of the study (years 2016-2020);
- When restricting housing formats to those including five or more units (townhouse, rowhouse, and multiplex), there is a maximum annual market potential of 316 units in Escanaba for years 2016-2020;
- 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 Delta County, there is a maximum annual market potential of 40 units in Escanaba for years 2016-2020.





# 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 two legal parcels. The southern parcel, the site of the former Delta County Jail building, is currently owned by Delta County. The northern waterfront parcel is currently owned by the City of Escanaba. Upon execution of any predevelopment agreement, Delta County will transfer ownership of its parcel to the City of Escanaba to ensure both parcels can be purchased simultaneously from the city.

## Master Plan and Zoning

**Planning Documents:** Multiple established planning documents support the concept of reinvesting into shoreline properties while creating public access to Little Bay de Noc: the *2010 Northshore Master Plan*, *2011 DDA Master Plan*, *2016 Master Plan*, and *DDA Vision Plan 2020*. The development site is classified as Mixed-Use on the Future Land Use Map.

The aforementioned documents may be accessed at the city's Land Development Toolbox site at: [www.escanaba.org/ldt](http://www.escanaba.org/ldt).

**Zoning:** The portion of the development site immediately adjacent to the waterfront is currently zoned as "Light Manufacturing (F)", while the area

to the south containing the former jail site is currently zoned as "Commercial (E)". 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, with the provision that visual access to the waterfront is not impaired.

## Utilities

The site is served by public streets to the west (North 4th Street), south (Ludington Street), and east (North 3rd Street). Full access to utilities is provided from the adjacent streets.

- Water/Sewer: City of Escanaba, Water Department—Jeff Lampi, Water Superintendent. Tel.: 906.786.3291, Fax: 906.789.3790, [water@escanaba.org](mailto:water@escanaba.org)
- Gas/Electric: City of Escanaba, Electric Department—1711 Sheridan Road, Escanaba, MI 49829. Tel.: 906.786.0061, Fax: 906.786.0791, [cityelectric@escanaba.org](mailto:cityelectric@escanaba.org)
- Streets, Storm Sewer and Right-of-Way: City of Escanaba, Engineering Department—Robert Becotte, PE, City Engineer. Tel.: 906.786.1842, [rbecotte@escanaba.org](mailto:rbecotte@escanaba.org)

## Redevelopment Ready Community

Escanaba 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

The existing building on the southern portion of the subject site has served as the Delta County Jail since its construction in the 1960s. In early 2019, Delta County will open a new Sheriff's Department complex in the northern portion of Escanaba, and the existing jail facility will be vacated.

## Demolition of Existing Jail Facility

Demolition of the existing jail building has been estimated to cost \$400,000. While the county does not have funds immediately available to cover the cost of demolition, the city and county are eager to work with respondents to include demolition as part of a predevelopment agreement. The county, city, and Michigan Economic Development Corporation (MEDC) are committed to working together with potential developers to leverage various incentive programs, detailed in the section below, to ensure demolition costs are not a barrier to quality redevelopment on the site.

## Site Assessment

The city and county have not completed a Phase I Environmental Site Assessment (ESA) on the subject site. The city and county, through their respective Brownfield Redevelopment Authorities, are open to including the costs of necessary environmental due diligence in a predevelopment agreement with the selected developer. The cost of this due diligence can be leveraged with a variety of incentives.



As noted previously, the City of Escanaba, Delta County, 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.
- **Brownfield assessment grants** are available through the city and county, and may provide up to \$10,000 towards preparation of a Baseline Environmental Assessment (BEA) or Phase I and II ESA.
- **Brownfield TIF** is available through the Escanaba Brownfield Redevelopment Authority (BRA) to support remediation, due care, and other activities for any environmental conditions found on the site.
- **Escanaba's designation as a Core Community** gives further flexibility to use the existing brownfield incentives for functionally obsolete sites with no environmental contamination.
- **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.
- The subject site is fully located within Escanaba's **Downtown Development Authority (DDA) District**. The DDA is committed to leveraging its resources, including a TIF program, to ensure the success of the selected developer.



# SELECTION PROCESS & CRITERIA

The City of Escanaba, in cooperation with Delta County, will review and evaluate all complete proposals in response to this Request for Qualifications (RFQ) to identify and engage with qualified developers for 111 North 3rd 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 Escanaba 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 Escanaba 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 [bdegrave@escanaba.org](mailto:bdegrave@escanaba.org)

Additionally, either a paper copy or digital copy on a USB drive shall be sent to the address below:

City of Escanaba

ATTN: Community Development Department

410 Ludington Street

Escanaba, MI 49829

## Schedule for Review & Selection

The timeline will be determined in 2019.

## Contact / Questions

Questions may be directed to:

Blaine DeGrave

Community Development Director,  
City of Escanaba

410 Ludington Street

Escanaba, MI 49829

[bdegrave@escanaba.org](mailto:bdegrave@escanaba.org)







michigan municipal league

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