

Request for
**DEVELOPER
QUALIFICATIONS**
(RFQ)



112 East Main Street
Middleville, Michigan



VILLAGE OF
MIDDLEVILLE



The Village of Middleville seeks a development partner for a 0.24-acre site in the historic downtown district. The current assessed value of the parcel is \$40,000; asking price for this property is negotiable and the village is eager to work with interested respondents deemed qualified on negotiating a mutually beneficial arrangement.



The subject site viewed from the south. East Main Street is in the background of the photo.



The subject site viewed from the south. East Main Street traverses the background from left to right; the Middleville Village Hall is the building on the far left. The two-story building in the background, 101 East Main Street, is currently being renovated with assistance from MEDC and will contain four lofts over rehabbed commercial space.

CONTENTS

Development Opportunity.....4

Site Overview.....6

Site Context: Middleville, Michigan.....7

Site Vision & Preliminary Cost Estimate.....8-11

Market Conditions.....12

Development Process.....13

Available Incentives.....14

Selection Process & Criteria.....15

Acknowledgments.....16



Contact / Questions

Brian J. Urquhart, AICP
Planning and Zoning Administrator,
Village of Middleville
100 East Main Street, PO Box 69
Middleville, MI 49333
269.795.3385

UrquhartB@villageofmiddleville.org

DEVELOPMENT OPPORTUNITY

The Village of Middleville, Michigan, seeks developers for a village-owned property at 112 East Main Street. This 0.24-acre parcel provides an opportunity to offer new-build retail/restaurant space, as well as housing and lodging options with views of the adjacent Thornapple River, in formats that are currently underserved by the local market.

The subject site is centrally located in Middleville's historic downtown district. It includes 130 linear feet of frontage on East Main Street, and is adjacent to the Middleville Village Hall. The site has direct access to a 72-space municipal parking facility, and views of the Thornapple River to the southwest. Middleville's downtown district is benefiting from recent investments in nearby amenities to the site, including the Paul Henry Thornapple Trail, Middleville Farmers Market, and Veteran's Park. Additionally, several existing buildings on East Main Street are benefiting from new private investment.





Aerial view of 112 East Main Street. When approaching from the western end of town, the subject site is on the right side of East Main Street, adjacent to the Middleville Village Hall.

The city's preferred development for this site would:

- Create new residential or lodging options in a multiplex or "Missing Middle" housing format;¹
- Provide a mix of uses to create vibrancy and year-round activation. The ground floor is an ideal location for high-visibility restaurant or retail space;
- Incorporate a creative design process that respects the historic character of downtown Middleville and its legacy buildings;
- Provide creative accommodation for connectivity between East Main Street, the municipal parking area, and the Thornapple Riverfront area through incorporation of a public walk, 'green alley,' or similar amenity;

- Consider the important location of the subject site on Middleville's main street in the building's design. Proposals incorporating front façades compatible with existing downtown buildings are encouraged.

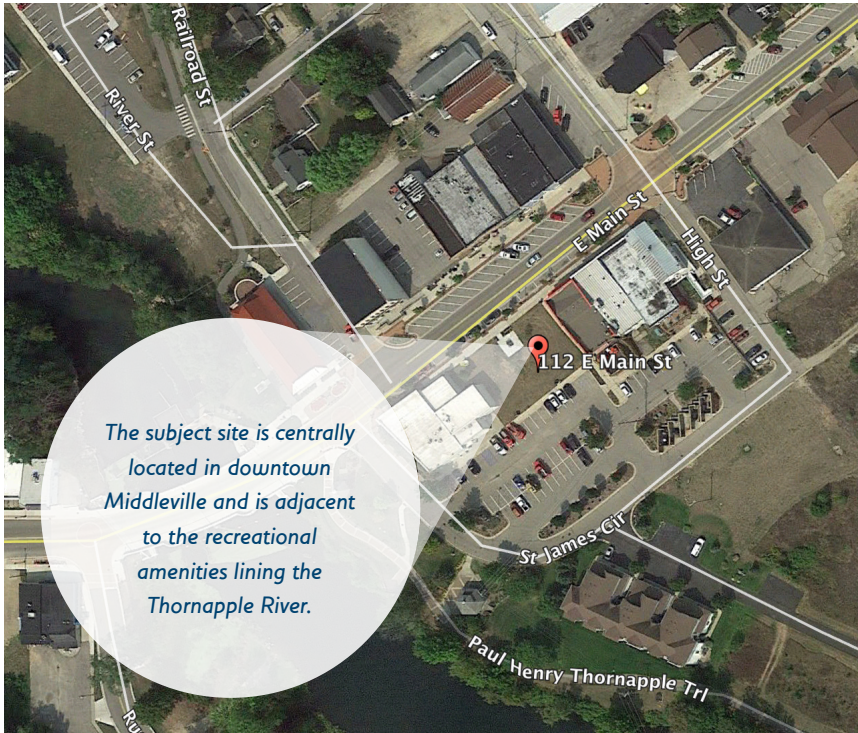
The village's asking price is negotiable, and it is open to all reasonable offers in support of an optimal development plan. A range of incentives, at the local and state levels, may be leveraged as part of a negotiated predevelopment agreement. Preference will be given to projects with a mix of uses,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

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

¹Refer 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.



SITE CONTEXT: MIDDLEVILLE, MICHIGAN

Middleville is a historic community in the western Lower Peninsula of Michigan, situated 20 miles southeast of Grand Rapids, and 30 miles northeast of Kalamazoo. Centrally located in the region, Middleville attracts residents and visitors employed in the Grand Rapids and Kalamazoo markets. Middleville employs over 2,000 daytime workers total, including nearly 1,600 daytime workers within walking distance of the subject site.

Middleville has a population of approximately 3,400, and surrounding Thornapple Township has a population of approximately 9,400. Both are located inside Barry County, which has population of approximately 60,000 and is included in the Grand Rapids-Wyoming Metropolitan Statistical Area. Middleville and Barry County are attracting new residents, with the latter experiencing a 15% year-over-year growth rate.

Middleville's history is tied to manufacturing, and its largest private sector employer today is Bradford-White Corp., a manufacturer of water heaters. Bradford-White's main manufacturing facility employs 1,500 people and is located 0.5 mile from the subject site, integrated into the village's walkable fabric. Headquarters of H&L Manufacturing and the Thornapple Kellogg School District are additional drivers of local employment. Major employers within a 20-minute drive include the Switch Data Center in Kentwood, and the new Amazon Fulfillment Center in Gaines Township, projected to open in 2019.

In addition to manufacturing, Middleville's revitalized riverfront area attracts locals and tourists seeking recreation and entertainment. Downtown Middleville is becoming a regional destination for local food, featuring a cluster of local restaurants and the Middleville Farmers' Market, housed in a pavilion dedicated in 2016.

The subject site is opposite East Main Street from the pavilion, and is adjacent to Middleville Village Hall, which features public restrooms. It is located within the boundaries of Middleville's Downtown Development Authority (DDA) district.

Nearby assets include:

- **Downtown Middleville** a historic downtown district, in which the subject site features prominently. This walkable, traditional downtown features historic buildings containing restaurants, small retailers, and personal services;
- **Thornapple Riverfront**, on which is located amenities including the Middleville Farmers Market, Stagecoach Park, Lions Sesquicentennial Park, and Veteran's Park. The latter features the only ADA-compliant canoe/kayak launch on the river;
- Middleville is the first designated **Trail Town** in Michigan, served by the 4,600-mile **North Country National Scenic Trail**, extending from the New York-Vermont border to North Dakota. Middleville's paved segment of this trail is known as the **Paul Henry Thornapple Trail**, which will provide direct non-motorized connections to Grand Rapids and Hastings when complete;
- **Annual events**, including a weekly summer music series, the summer Heritage Days Festival, Taste of Middleville, a Fall Color Tour, and the popular Holiday Holly Trolley.
- **Growing downtown residential population**, with new residential units in the adjacent Mill Pond Condominiums, and four new loft units currently under development at 101 East Main Street. Over 50 housing starts were recorded in Thornapple Township in 2017.
- **Downtown momentum** resulting in new restaurants, coffee shop, and retailers, and a small business incubator on East Main Street to be opened in 2019.

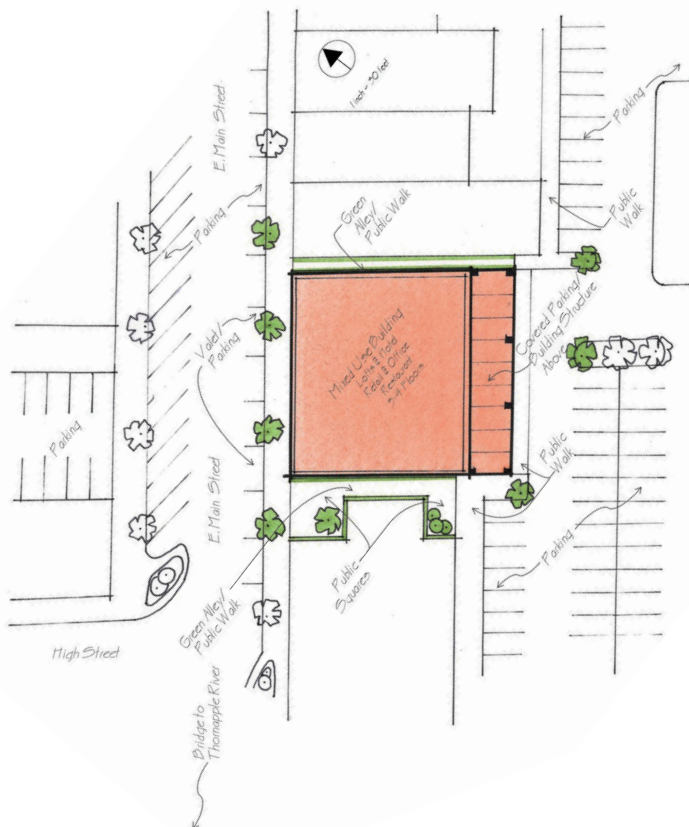
SITE VISION & PRELIMINARY COST ESTIMATE

To provide an example of the type of development the Village of Middleville 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 village is nevertheless open to receiving alternative approaches that fit the site and neighborhood context in keeping with the parameters expressed in the illustrations.

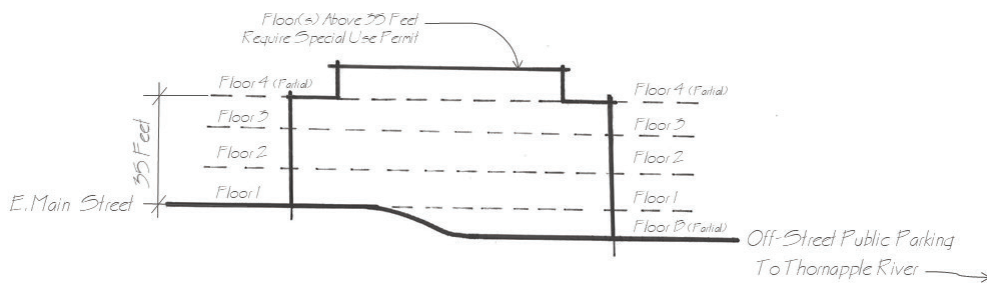
In addition, several site precedent images are provided. These are images of recently completed projects located in Michigan that embody various aspects of the sample site concept.

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 village 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 retail or restaurant space. This sample concept incorporates creatively designed mid-block public walks to provide connectivity between East Main Street and the municipal parking area, as well as the Thornapple River immediately south.



Sample elevation for a four-story building, taking into account the change in elevation on the subject site, and stepping back the top story. Creative accommodations such as this may allow a larger total floorplate for the building, and may be an acceptable means of obtaining a variance to exceed the 35-foot building height limit in existing zoning.

POTENTIAL LAND USE

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 location, and the site design incorporates access to both Cass Street and the adjacent Boardman River Boardwalk.



POTENTIAL LAND USE

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. The building occupies a site with dimensions similar to the subject site.



POTENTIAL LAND USE

150 West Center Street in Douglas, Michigan, is an example of a building on a traditional village main street employing a recessed upper story to allow for greater floor area while lessening the visual impact of the building.

MIDDLEVILLE PRELIMINARY BUILDING CONSTRUCTION COST ESTIMATE

Preliminary Building Construction Cost Estimate: \$3.4-\$4.01 million (not including site improvements)

Mixed-Use Building

3 Floor Mixed-Use Building:

Floor Plate: approx. 10,000 sf

Floor B: Office + Parking

Floor 1: Retail + Hotel Lobby + Restaurant

Floor 2: Hotel Rooms

Floor 3: Lofts

Preliminary Estimated Construction Cost: \$3.4 million

4 Floor Mixed-Use Building:

Floor Plate: approx. 10,000 sf

Floor B: Office + Parking

Floor 1: Retail + Hotel Lobby + Restaurant

Floor 2: Hotel Rooms

Floor 3: Lofts

Floor 4: Lofts

Preliminary Estimated Construction Cost: \$4.0 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.



23-25 East Center Street in Douglas, MI is an example of mixed-use buildings that incorporate traditional architectural elements and allow for local businesses to create active, engaging spaces along a village main street.

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 highly visible, with the opportunity to benefit from a building that provides views of the river and downtown. The site is ideal for revenue-generating activities including 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 could leverage connections with the growing cluster of local restaurants on East Main Street, or fill needed gaps in the local retail market. With the exception of the Home Furnishings category, significant retail export in retail categories conducive to traditional downtowns was identified in Middleville. These findings are reinforced by a county-wide retail market study completed in March 2018 by Colliers International for the Barry County Chamber of Commerce;
- 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 2-3 stories of for-lease lofts with views of the Thornapple River, at or above market rates;
- There is an identified gap in the local market in the lodging category. A built-to-suit, boutique-style hotel on the upper stories with riverfront views could attract recreation tourists accessing Middleville by trail or river. Bradford-White Corp. attracts regular visits from out-of-town employees and clients, who must currently stay at properties in the Grand Rapids market. There is market potential in Middleville for new entrants who take advantage of creative and trendsetting business practices to serve the existing, unmet demand.
- 260 households across six moderate-income Lifestyle Clusters were identified as having an inclination to move to or within Middleville, which belong to Target Market groups with a propensity to seek housing in buildings with four or more units. For example, there are 83 households in the 'Bohemian Groove' cluster which would be inclined to move to or within Barry County, and 15 of these households would be inclined to specifically move to or within Middleville—assuming housing of their preferred format were available. Nearly half of the households in this cluster prefer to live in buildings with three or more units.
- Barry County is growing modestly, benefiting from a yearly net in-migration rate of approximately 15%. The bulk of this in-migration is attributable to households moving from neighboring Kent County. It can be safely assumed that these households have stable employment in the nearby Grand Rapids market, and would seek to choose Middleville over other places within the county, due to Middleville's relative proximity to Grand Rapids and the suburb of Kentwood.

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 Village of Middleville. The portion of the parcel containing the Middleville Village Hall will be split off pending execution of a development agreement.

Master Plan and Zoning

Planning Documents: New infill development on this site is supported by the *2012 Village of Middleville Master Plan*, which identifies the parcel as a candidate for a new mixed-use building. The stakeholder engagement process leading to creation of this RFQ identified a desire for a building greater than two stories, modifying the language used in the Master Plan (page 7-4).

Other supporting policies in the *Master Plan* include transforming the historic downtown into a “multi-use, economic center” of the community (page 8-6), and requiring “high quality design and aesthetic standards” to “enhance community character” (page 8-11). The Future Land Use Map identifies the development parcel as Central Business District, indicating a mixed-use building with residential upper stories. The village’s commitment to facilitating quality redevelopment projects is detailed in the *2017 Village of Middleville Economic Development Strategy*. The aforementioned documents may be accessed at the village’s website at <https://www.villageofmiddleville.org/master-plans/>.

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 village 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 village is amenable to granting a variance for proposed buildings exceeding the current height limitation of thirty-five (35) feet, provided that upper stories are “stepped back” to ensure visual continuity with the surrounding buildings.

Utilities

The site is served by a public street to the north (East Main Street) and a municipal parking lot to the south. Full access to utilities is provided from the adjacent streets.

- Water/Sewer: Village of Middleville, Department of Public Works—Alec Belson, Director, belsona@villageofmiddleville.org
- Electric: Consumers Energy, 1606 W Green St, Hastings, MI 49058. Tel.: **800.805.0490**.
- Gas: Consumers Energy, 1606 W Green St, Hastings, MI 49058. Tel.: **800.805.0490**.
- Streets, Storm Sewer, and Right-of-Way: Village of Middleville, Department of Public Works—Alec Belson, Director. belsona@villageofmiddleville.org

Redevelopment Ready Community

Middleville 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 previously occupied by the Middleville Hotel, a two-story building built in 1915 that was lost to fire in 1981. The building contained retail and restaurant uses on the ground and basement levels. The site had been occupied by two other hotel buildings since 1852: the Exchange Hotel (1852-1876), and the St. James Hotel (1876-1913), both of which were destroyed by fires.

Site Assessment

It is highly unlikely that any site contamination exists, and the village and county have not completed a Phase I Environmental Site Assessment (ESA) on the subject site. Barry County, through its Brownfield Redevelopment Authority, would be open to including a portion of the costs of 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, detailed below.

As noted previously, the Village of Middleville 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 Barry County Brownfield Redevelopment Authority (BRA) to support remediation, due care, and other activities for any environmental conditions found on the site.
- **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.
- Middleville village staff have prior experience successfully leveraging **Community Development Block Grant** funds to assist with redevelopment projects.
- **Barry County Impact Investment Program** provides local grant funding to fill financial gaps in catalytic projects that will increase taxable value in the county.
- The subject site is fully located within Middleville'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 Village of Middleville will review and evaluate all complete proposals in response to this Request for Qualifications (RFQ) to identify and engage with qualified developers for 112 East Main 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.

Village of Middleville staff may seek additional information upon receipt of a development proposal. Additionally, the Village 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 Village of Middleville 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 UrquhartB@villageofmiddleville.org. Additionally, either a paper copy or digital copy on a USB drive shall be sent to the address below:

Village of Middleville

ATTN: Planning and Zoning Department

100 East Main Street, PO Box 69

Middleville MI 49333

Schedule for Review & Selection

The timeline will be determined in 2019.

Contact / Questions

Brian J. Urquhart, AICP

Planning and Zoning Administrator,
Village of Middleville

100 East Main Street, PO Box 69

Middleville, MI 49333

269.795.3385

UrquhartB@villageofmiddleville.org



