

# REQUEST FOR PROPOSALS

## FOR THE PURCHASE AND DEVELOPMENT OF CITY-OWNED PROPERTY

The City of Grand Rapids is seeking proposals to secure a development partner to acquire and develop a City-owned property located at 1350 Cesar E. Chavez Ave SW (the “Property”). This request for proposals (RFP) is being issued pursuant to City Commission Policy 900-63 and defines the City’s goals for the development as well as the process for soliciting, evaluating, and selecting proposals.

The Property is currently owned by the Michigan State Land Bank Authority (SLBA) but is subject to a Land Banking Agreement between the SLBA and the City of Grand Rapids. The City has the authority to issue this RFP and to direct the disposition of the Property.



### PROPERTY DETAILS

- Size:** 0.318 acres
- Current Zoning:** TN-TBA (Traditional Neighborhood – Traditional Business Area)
- Primary Frontage:** Approximately 100’ on Cesar E. Chavez Avenue SW (formerly Grandville)
- Neighborhood:** Roosevelt Park Neighborhood Association (RPNA)
- Business Association:** Southwest Business Association
- Development Area:** South Division/Grandville Corridor Improvement Authority

## OVERVIEW

The City is seeking development proposals and desires a mixed-use project consistent with the highest and best use of the property, the [Grandville Avenue Area Specific Plan](#) (ASP), and the priorities of the South Division-Grandville Corridor Improvement Authority's [Development Plan](#) (also available in [Spanish](#)). The Property is in an important location on a priority corridor and has the potential to serve as a catalyst for other community and economic development in the area. A high level of importance will be placed on the value of the project by its ability to serve the needs and desires of the neighborhood.

The City is offering the property on an as is, where is basis, and has not conducted any environmental or geotechnical investigation of the Property and therefore makes no representations about its suitability for any proposal. If selected, proposers should assume all responsibility for undertaking the appropriate due diligence to validate the suitability of the Property.

The Property is currently zoned Traditional Neighborhood-Traditional Business Area (TN-TBA). The City of Grand Rapids [zoning ordinance](#) defines the purpose and intent of the TN-TBA district which is generally to reinforce a pedestrian and transit-friendly environment in a compact area characterized by a mix of uses (i.e. residential, retail, office, etc.). The minimum height for a building on the Property is two stories and the maximum is four stories. There are also concise reference tables that can inform your proposed project which is linked below:

[Table 5.6.06.B](#). Uses: Mixed-Use Commercial Zone Districts

[Table 5.6.07.A](#). Site Layout and Building Placement: Mixed-Use Commercial Zone Districts

[Table 5.6.08.A](#). Building Elements: Mixed-Use Commercial Zone Districts

In each of the tables linked above, reference the column for the "TN" Neighborhood Classification, and "TBA" for the Zone District.

Neighborhood Classification	TN				MCN		MON		NOS
Zone District	CC	TCC	TBA	TOD	C	TOD	C	TOD	

## Grandville Avenue Area Specific Plan

Cesar E. Chavez Avenue SW was formerly known as Grandville Avenue SW. This property is located within the [Grandville Avenue Area Specific Plan](#) (ASP). This plan establishes the land use and development goals for Grandville Avenue while protecting the culture and character of the neighborhood. The diversity of this area encourages and promotes a unique sense of community, one that provides equal access and opportunities for all.

Respondents should review the ASP and consider strengths, weaknesses, opportunities, and threats that were defined by residents and business owners and clearly define how their project is responsive to the vision and equity priorities defined by the community in the ASP. The Property is specifically located in the "Flower Hill" segment of Cesar E. Chavez, and the priorities for this segment are detailed on pages 42 – 44 of the ASP.

## South Division – Grandville Corridor Improvement Authority

The [South Division Grandville Corridor Improvement Authority](#) (SDG-CIA) is a public body created by the City of Grand Rapids and directed by a board made up of business and neighborhood stakeholders. The SDG-CIA has a development area that includes Cesar E. Chavez Avenue from Logan Street on the north to Clyde Park on the south as well as portions of Division Avenue connected by Hall Street.

The SDG-CIA operates according to its Tax Increment Finance (TIF) and Development Plan (available in both [English](#) and [Spanish](#)). That plan describes the role of the CIA within the Development Area and sets forth the projects to be undertaken by the CIA over their plan's duration. In addition, the SDG-CIA has engaged in an effort to evaluate the Property and has defined its vision and priorities for the Property.

A variety of uses are permitted including retail, commercial and residential, and not less than two nor more than four stories are required in this zoning district. The SDG-CIA's desired outcome of this RFP is to identify a development partner that will undertake a mixed-use project that provides an inclusive and safe environment that increases access to community resources, affordable housing and green space for residents and visitors in the Roosevelt Park neighborhood.

## EVALUATION

All qualified proposals submitted by the deadline will be evaluated by a committee comprised of City staff from the Economic Development Department and the Planning Department, representatives from the South Division Grandville CIA, Roosevelt Park Neighborhood Association, and two additional stakeholders with relevant professional experience.

The committee will evaluate proposals using the following criteria which have been assigned three weightings for review in terms of priority as shown on the attached Exhibit A:

1. Weighting group 1:
  - a. Consistency with the [Grandville Avenue ASP](#). Specifically, a project that aligns with the five enumerated Vision statements (see page 16), and proposes a project that is consistent with the Flower Hill vision (see page 44 and following) that includes incremental infill with mixed-use storefronts and residential uses.
  - b. Consistency with the SDG-CIA goals, vision and priorities. Specifically, how the project advances the goals of the SDG-CIA as defined in the [TIF and Development Plan](#) (goals identified as *a – j* on pages 3-4).
  - c. Inclusion of residential development and inclusion of potential concepts for reserving units for affordable housing with priority placed on long-term affordability and rental rates in alignment with average incomes in the area.
  - d. Demonstrated ability to finance the proposed project, and timeline for development.
2. Weighting Group 2:
  - a. Developer/development team record for successful similar developments and their impact on the community, OR, if no prior project experience, the development team's

description and plan for implementation of the proposed project and opportunity for long-term community impact.

- b. Commitment to establish and evidence ability to achieve goals for utilization of Micro Local Business Enterprises, and Women or Minority Business Enterprise participation in the development of the project (see attachment)
  - c. Environmental sustainability, including but not limited to third-party certifications (i.e., LEED, Green Globes, etc.), renewable energy, energy efficiency, climate resilience, electric vehicle charging infrastructure, and stormwater management, all as applicable to the proposal.
3. Weighting Group 3:
    - a. Sales price

The committee will review all proposals and select the proposal which best meets the criteria enumerated above. The committee will detail its recommendation to the City Commission. The City Commission will be asked to consider the committee's recommendation and approve authorizing the sale of the Property to the recommended proposer.

Upon approval by the City Commission, it is expected that the selected developer will enter into a one-year option agreement with the City, during which time the City and Developer will negotiate the terms and conditions of the development agreement. The selected proposer will be required to pay \$10,000 for the first year of the option agreement, and an additional \$10,000 for a subsequent year, or any portion thereof. The City will use the option fee to pay for the costs associated with preparing the Property for development. Any unused portion of the option fee may be applied to the purchase price at the time of closing.

These negotiations are expected to lead to a development agreement with the City to include, but not be limited to provisions related to the submission of plans and specifications for review and acceptance by the City, the details of any economic incentives requested, development milestones, due diligence, and performance requirements including project financing. Closing will occur once all requirements have been met and the selected developer is prepared to commence construction of the development.

#### **SALE PRICE**

The sale price of the property will be the greater of the amount offered by the selected proposer or the fair market value determined by an independent appraisal of an MAI appraiser mutually agreeable to the buyer and seller. In no event will the City agree to sell the property for less than fair market value.

#### **FINANCIAL INCENTIVES**

The City of Grand Rapids and its related authorities have various incentive programs which may assist in proposing a financially viable project. Other than the Environmental Site Assessment Grant Program, all programs are performance-based (meaning the financial incentive is approved in advance, but only exists once a project has been completed). Links to all available incentive programs can be found at <https://growgr.grandrapidsmi.gov/Incentives>. The City will also assist in the exploration of any potential state or federal development and/or housing support programs that are applicable based on the eligible development activities associated with the selected development plans.

Programs most likely to be applicable include the following:

1. Environmental Site Assessment Grants
2. Neighborhood Enterprise Zone (for residential rental projects)
3. Brownfield Redevelopment Program
4. Local Brownfield Revolving Fund
5. South Division-Grandville Development Support Program

Respondents to this RFP should list any assumptions included in their development's financial proposal as it relates to necessary financial incentives.

**INCLUSION PLAN (MBE, WBE AND MLBE participation)**

The City requires all projects to complete an Inclusion Plan detailing specific goals for the participation of Minority-owned, Women-owned, and Micro-local business enterprises in the construction of a project and describes the efforts that will be undertaken to achieve that goal. All proposers must acknowledge this requirement and may include details of their past performance as it relates to inclusive contracting and/or initiatives that have produced significant positive outcomes in previously completed projects.

An overview of the Inclusion Plan program and the associated processes can be found [HERE](#) and the initial submission form for the Inclusion Plan program may be downloaded [HERE](#). Additional information can be found at [www.growgr.org](http://www.growgr.org).

## **PROPOSAL REQUIREMENTS, PROPOSED TIMELINE, AND SUBMISSION INSTRUCTIONS**

Those interested in the property should compile and submit the following information:

1. Letter of Interest that describes the proposed project and details elements from the evaluation criteria listed above, including at a minimum:
  - a) Conceptual site plan, including massing and scale of the project
  - b) Description of proposed uses, including square footage allocated to each use
  - c) Description of how the proposed project is consistent with the Grandville Avenue ASP as defined in the Evaluation Criteria listed above.
  - d) Description of how the proposed project is in alignment with the SDG-CIA goals, vision and priorities as described in the Evaluation Criteria listed above.
  - e) Details, if applicable, of the housing component of the proposed project including anticipated unit size, number of bedrooms, and rental rates.
  - f) If the proposed project includes affordable housing, details of how rental rates are determined, income verification processes and expected duration of affordability. If affordability is required by an anticipated funding source, you may reference the relevant requirements of the funding source.
  - g) Details on sustainable elements of the proposed project, including but not limited to third-party certifications (i.e., LEED, Green Globes, etc.), renewable energy, energy efficiency, climate resilience, electric vehicle charging infrastructure, and stormwater management, all as applicable to the proposal.
2. Qualifications of the development team, including:
  - a) Examples of previous project experience, if any, and their outcomes that are relevant to the goals of this RFP as defined in the Evaluation Criteria.
  - b) If no prior project experience, describe your plan for implementation of the plan and how the project will contribute to long-term community impact.
  - c) Names and resumes of the team members that would be involved in the project
3. Plan and means to acquire the property and finance the project, including:
  - a) estimated total development cost for the proposed project, which identify the source of cost estimates.
  - b) list of sources of funding for the project, and documentation of the current status of each source including at a minimum, debt, and equity.
4. Anticipated timeline for development, including key milestones
5. Any specific experience or achievements relevant to advancing the City's goal for participation from diverse contractors as described in the Inclusion Plan program.
6. Purchase price offer which shall not be less than the fair market value as determined by a certified appraiser mutually agreed upon by the City and the selected development partner.

Please submit one electronic and eight (8) printed copies of the proposal to the City of Grand Rapids Economic Development Office on or before 5:00 pm on February 10, 2023.

City of Grand Rapids  
Economic Development  
300 Monroe Avenue NW, 9<sup>th</sup> Floor  
Grand Rapids, MI 49503  
[econdevshrd@grcity.us](mailto:econdevshrd@grcity.us)

Proposals will be kept confidential until the submission deadline.

The City reserves the right to accept or reject any proposal and may negotiate the terms with one or more proposers. The City may request additional information from one or more proposers to assist in the selection process. The City reserves the right to interview one or more proposers as part of the evaluation process.

The Economic Development Office will evaluate the submissions with the committee and present the selected proposal to the City Commission. The committee may request interviews and/or presentations as part of the review process. The City Commission, in its sole discretion, may request presentations to assist in the selection process.

**Proposed timeline (subject to change):**

RFP Release Date	December 14, 2022
Questions due	January 13, 2023, by 12:00 pm
All Questions responded to	January 20, 2023, by 5:00 pm
Proposal Submission Deadline	February 10, 2023, by 5:00 pm
Proposals Reviewed	February – March 2023
City Commission considers approval of the proposal	March – April 2023

If you have additional questions regarding this property and the request for proposals, submit them to [econdevshrd@grcity.us](mailto:econdevshrd@grcity.us) no later than January 13, 2023. All questions and answers will be posted at [www.growgr.org](http://www.growgr.org) by January 20, 2023.

**Communication Restriction:**

The Grand Rapids Office of Economic Development shall be the sole point of contact for purposes of information concerning this RFP. From the date this RFP is issued until the date the RFP is awarded, interested parties shall not contact any South Division Grandville CIA board members or its Design & Development Committee members, City of Grand Rapids appointed or elected officials, or employees of the City of Grand Rapids for additional information concerning this RFP, except in writing directed only to the contact listed herein. If a prospective Proposer engages in any unauthorized communication, the Grand Rapids Office of Economic Development may unilaterally reject that Respondent’s proposal(s).

**Reserved Rights:**

The Grand Rapids Office of Economic Development reserves the right to request any additional information which might be deemed necessary after responses are submitted as it deems in its own best interests to do so.

Further, the Grand Rapids Office of Economic Development, as it deems in its own best interest, reserves the right to:

1. Reject any or all RFPs.
2. Issue subsequent RFPs.
3. Postpone opening for its own convenience.
4. Remedy technical errors in the RFP process.
5. Approve or disapprove the use of subcontractors.
6. Solicit best and final offers from all or some of the Proposers.
7. Award an agreement in its own best interests.
8. Waive informalities and irregularities in responses and/or services proposed.

The Office of Economic Development reserves the right to check all references furnished and consider responses received in determining the award. The Office of Economic Development reserves the right to perform investigations as may be deemed necessary to assure that competent persons will be and are utilized in the performance of any Agreement and to verify the accuracy of the contents of responses.



**Exhibit A**

**Evaluation Criteria Scoring Rubric**

Proposals will be evaluated and assigned a Ranking in each category. The Ranking will be multiplied by the Weight to determine the proposals Total score in each category. Higher scores are more favorable.

HIGHEST WEIGHTING (X3)	Consistency with the <b>Grandville Avenue ASP</b>				
	(A)Weight:	3	(B) Ranking:		Total (A x B):
	Consistency with the <b>SDGV-CIA vision and priorities</b>				
	(A)Weight:	3	(B) Ranking:		Total (A x B):
	Inclusion of residential development and inclusion of potential concepts for reserving units for <b>affordable housing</b>				
	(A)Weight:	3	(B) Ranking:		Total (A x B):
	Demonstrated <b>ability to finance</b> the proposed project, and the <b>timeline</b> for development.				
	(A)Weight:	3	(B) Ranking:		Total (A x B):
(X2)	Developer/development team record of <b>successful similar developments</b>				
	(A)Weight:	2	(B) Ranking:		Total (A x B):
	Commitment to establish and evidence the <b>ability to achieve goals for utilization of Micro Local Business Enterprises, and Women or Minority Business Enterprise participation</b> in the development of the project				
	(A)Weight:	2	(B) Ranking:		Total (A x B):
	<b>Environmental sustainability</b> (i.e., renewable energy, stormwater management, etc.)				
	(A)Weight:	2	(B) Ranking:		Total (A x B):
(X1)	<b>Sales Price</b>				
	(A)Weight:	1	(B) Ranking:		Total (A x B):
				<b>GRAND TOTAL</b>	