

REQUEST for DEVELOPER QUALIFICATIONS



HOTEL HAYES

228 WEST
MICHIGAN
AVENUE
**Jackson,
Michigan**

TIMELINE

RFQ released:
08/03/2021

Site Showcase
event: **08/18/2021**

RFQ proposals due:
10/01/2021

Evaluation period:
10/04 – 10/29/2021

Finalists teams notified:
11/01/2021

Finalist teams
presentation to
evaluation committee:
November 2021

Finalize terms of a
development and
purchase agreement:
December 2021



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



REDEVELOPMENT READY SITE

THE HOTEL HAYES JACKSON, MICHIGAN

Request for Developer Qualifications

DRAFT July 26, 2021



EXPERIENCE JACKSON. SO MUCH TO DISCOVER. COME BE PART OF THE ENERGY.

TABLE OF CONTENTS

TABLE OF CONTENTS

DEVELOPMENT OPPORTUNITY	01
COMMUNITY OVERVIEW	02
MARKET CONDITIONS AND OPPORTUNITIES	06
SITE OVERVIEW	10
CURRENT PLANS	14
SITE UTILITIES	15
PREFERRED DEVELOPMENT SCENARIO	16
PROJECT INCENTIVES	23
SELECTION PROCESS AND CRITERIA	24
SCHEDULE FOR REVIEW AND SELECTION	25



THE HOTEL HAYES JACKSON, MICHIGAN

The City of Jackson and the Jackson Anchor Initiative seek a development partner for the rehabilitation of the historic Hotel Hayes located in the heart of Downtown Jackson. The city is eager to work with qualified respondents in negotiating a mutually beneficial arrangement for this one-of-a kind opportunity.



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

DEVELOPMENT OPPORTUNITY

JACKSON ENVISIONS A VIBRANT, SUSTAINABLE, AND COLLABORATIVE FUTURE FOR THIS ICONIC BUILDING IN THE HEART OF DOWNTOWN

Opened in November 1926, the Hotel Hayes is a 10-story brick and limestone Federal-style treasure in the heart of Downtown Jackson. The building offers over 100,000 sq. ft. of redevelopment opportunity, unique character, and incredible support from the community.

This historic hotel sits at the intersection of West Michigan Avenue and Hayes Court in the same block as the Jackson Carnegie Library (1906), overlooking the expansive Blackman Park and the beautiful Romanesque Revival First Congregational Church (1856) to the east.

Designed by the renowned Chicago architecture firm, Holabird & Roche, the 200-room Hotel Hayes was the city's crown jewel and the epicenter of Jackson's social scene. Through the decades the hotel has hosted numerous community gatherings, weddings, and gala events.

From commercial redevelopment to new apartments, Downtown Jackson has over \$100 Million in recent and planned private investment over the last 5 years, not to mention significant investment in the public realm including art, open space, streetscape, and utilities. Given this incredible energy and investment in the revitalization and activation of downtown, it's time for this grand lady to reclaim her place as the heart and soul of the city.



The original architects **Holabird & Roche** were influential in the architectural movement known as the "Chicago School." They designed skyscrapers and large hotels for cities across the country.

COMMUNITY OVERVIEW

CITY OF JACKSON

THERE IS ALWAYS SOMETHING TO DO IN THIS TOWN.

Jackson is buzzing with music, art, breweries, wineries, food, festivals, nature and history, combined with Midwest charm. It's a friendly, hardworking city with so much to discover—past, present, and future. The city has a rich history including a significant role in the abolishment of slavery. Jackson also has the oldest continually operating passenger rail station in the United States. Today, the city is doubling down on its central location, natural and recreational amenities, locally owned businesses, creative entrepreneurs, and blossoming arts and culinary scene by investing locally in the people and places that make this community uniquely Jackson.

Located along Interstate 94 and US-127, the City of Jackson is approximately 40 miles west of Ann Arbor, 35 miles south of Lansing, and 200 miles east of Chicago. When it comes to getting here and getting around town, Jackson is steps ahead of many mid-west communities in terms of mobility and public transit options, including a stop on the Amtrak Wolverine line between Chicago and Detroit, a Greyhound bus station, great local bus service and coverage through

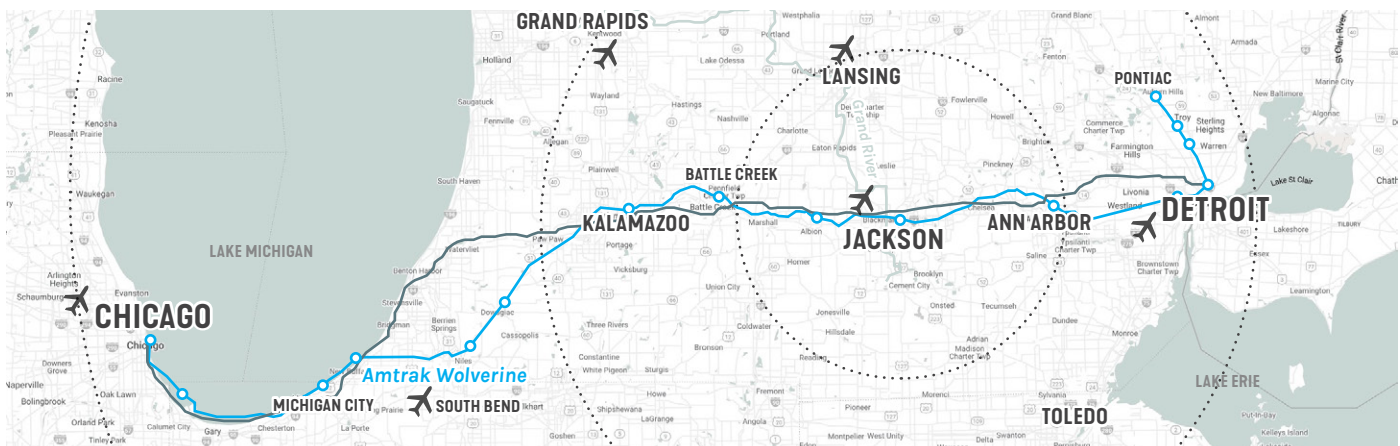
the Jackson Area Transportation Authority (JATA), and hundreds of miles of existing and future non-motorized walking and biking facilities in the Jackson area.

Home to Consumers Energy, Henry Ford Allegiance Health, and Eaton Corporation as well as several other major employers that make up the Jackson Anchor Initiative, Jackson is a great place to live, work, and play. (More info on page #)

Jackson has a total area of almost 11 square miles and a population of 32,000 people. Surrounded by rural land and smaller towns, Jackson is the county seat of Jackson County.

Jackson is the furthest upstream of any major city on the Grand River, which begins in Jackson County at Williams Lake and flows through Lansing and Grand Rapids before emptying into Lake Michigan at Grand Haven. Boating, bird watching, golfing, hiking, or concerts in the park; whatever recreation you're looking for, Jackson has it!

The Jackson area has exceptional parks and public spaces including more than 125 big and small lakes, 20 golf courses, miles of trails, and thousands of acres of protected forest surround Jackson's city center.



.....

Other nearby recreational opportunities include the Cascades in Sparks Park, the Michigan International Speedway, wineries and breweries, and numerous museums and tours.

DOWNTOWN

A CITY JAM-PACKED WITH LOCAL CHARM.

Downtown Jackson is the ideal place for young professionals, traveling executives, families, and visitors from all walks of life. The independent niche and boutique retail shops, great amenities, unique dining experiences, and urban atmosphere enhanced by employers and loft apartments are drawing people into the downtown and captivating them.

Downtown Jackson is highly walkable, boasting a recent multi-million dollar investment in downtown Michigan Avenue streetscape, which included paving, lighting, street trees, 30 additional on-street parking spaces, and the replacement of the city’s water and sewer lines.

Thanks to the hard work and dedication of the Jacksons Young Professionals group and their innovative Bright Walls program, the downtown streets and alleys are vibrant and welcoming. In just two years, the festival has hosted artists from across the globe and brought 36 murals to the downtown district—creating an authentic destination and an inspiring backdrop to daily life in Jackson.

Immediately adjacent to the Hotel Hayes is Blackman Park. The park offers green space, benches, fountains, CP Federal Square amphitheater, and a canopy of shade trees and cafe lights, and is host to a variety of events including Friday concerts and Food Truck Tuesdays. Other amenities in the downtown include the library, Grand River Farmers Market, Jackson Symphony Orchestra, and the planned \$25 million YMCA facility just 4 blocks from the Hotel Hayes.



COMMUNITY OVERVIEW

LOCAL ECONOMY

HEADQUARTERS AND HOMEGROWN BUSINESSES.

Downtown Jackson boasts 7,000 employees and 196 downtown businesses. The most common employment sectors for those who live in Jackson are Health Care & Social Assistance (17.6%), Manufacturing (17.4%), and Retail Trade (12.9%). As the headquarters location for Consumers Energy, Jackson's highest paying industry by median earnings is utilities, followed by transportation and public administration.

Downtown Jackson's specialties reside in engineering, IT, and health services, while manufacturing technologies and entrepreneurial interests round out the opportunities for innovation. More businesses are moving into downtown every day—investing in its thriving sense of community and culture and catering to the increasing number of people who are making Downtown Jackson their home.

Downtown is already a hub of activity. With a retail vacancy rate of 4.4%, the Hotel Hayes is the truly missing link in street level activation for the downtown district. Recent investment includes Axe Play, Blue Julep, Book Exchange, Crazy Cowboy, Dirty Bird, Gilbert Chocolates, Grand River Brewery, Junk Yard Dog, Lean Rocket Lab, Manpower, Metropolitan Ice Cream, Night Light, Ogma Brewing Co., Peach Market, Ruby Slipper, Rustic Market, Tilted Arcade, Town Bar, Veach's, and Veritas.

With all these great amenities, urban living is in high demand in Downtown Jackson and the demand just keeps growing as units come on line. Some recent residential projects include Albert Kahn Lofts, Armory Artswalk Apartments, Lofts of Jackson, Lofts on Louis, and The 200. Despite the impacts and uncertainty of COVID-19, rental demand remains strong, with an occupancy rate around 95%.

JACKSON ANCHOR INITIATIVE

LIVE. INVEST. INNOVATE. LOCALLY.

Jackson's Anchor Initiative, modeled after Midtown Detroit, is working to create a collaborative atmosphere, from the heavy-hitting businesses as well as the non-profit and government entities to move forward the goals to Live Local, Buy Local, and Innovate Local. They are a key piece of downtown Jackson's success and continue to push for innovation and collaboration. From the Smart Energy District, an efficient and affordable clean energy hub, to the Food Innovation Center, a ground-breaking vertical farming endeavor, the Anchor Initiative is always working to bring business and investment that will benefit the greater Jackson community.

Anchor Initiative Members include:

- Alro Steel
- Anesthesia Business Consultants
- Consumers Energy
- Commonwealth Associates, Inc.
- True Community Credit Union
- Baker College of Jackson
- Spring Arbor University
- Dawn Food Products
- Gerdau
- Henry Ford Allegiance Health
- Jackson County Chamber of Commerce
- MACI
- TAC Manufacturing, Inc.
- Enterprise Group of Jackson, Inc.
- Flagstar Bank
- City of Jackson

.....

5 FACTORS DRIVING ECONOMIC GROWTH IN JACKSON

Private and city-funded developments in Downtown Jackson have been booming in the last 5-6 years thanks to our vibrant area that includes housing, plenty of businesses, restaurants, and places to shop.

Investors have seen the great opportunities presented to revitalize iconic buildings, rebuild, and re-purpose spaces to create a thriving investment opportunity.

DEVELOPMENT OF THE ENTREPRENEURIAL ECOSYSTEM

We are creating an environment where people want to do business. We work hard to support our entrepreneurs.

HUMAN INVESTMENTS DRIVING NEW ECONOMY GROWTH

We recognize that our vitality is dependent on new innovations, enhanced educational opportunities and strong human capital.

STRONG SOCIAL CAPITAL

We are cultivating a strong, diverse social fabric with relationships that go deep and are durable over the long-term.

STRONG QUALITY OF SPACE

We are all in—top down and bottom up—creating a vibrant downtown environment where people want to be.

DEDICATION TO PROGRESS

We keep pushing forward, no matter how small the steps. Simple, short-term projects build momentum for larger revitalization efforts.



PLACES WANT TALENT. TALENT WANTS PLACE.

MARKET CONDITIONS AND OPPORTUNITIES

THE HOTEL HAYES IS ALL ABOUT THE EXPERIENCE; BOUTIQUE HOTEL, DINING, RETAIL & DOWNTOWN LIVING

The preferred development scenario for the Hotel Hayes involves rehabilitating the existing structures for mixed-use, including commercial, residential, and hotel uses, but most significantly creating a unique destination in the heart of Downtown Jackson. The potential development alternatives assessed in this Request for Qualifications (RFQ) include hotel, rental apartments, for-sale condominiums, and retail space.

HOTEL

A boutique hotel feasibility study for the site was prepared by **Hospitality Advisor Consulting Group** in July 2019 and is included as an appendix to this RFQ. Key findings are included herein.

This hotel feasibility study was prepared prior to COVID-19 and does not consider the significant impacts the pandemic has had on the hotel industry or provide any projections on the future state of business travel and tourism. The Hotel Hayes embodies potential for a unique lodging experience that is currently not available in Jackson County.

The existence and support of several corporate headquarters in Jackson County as well as the revitalization of Downtown create the atmosphere for a solid hotel market.

"We believe that a boutique hotel developed in Downtown Jackson would allow the opportunity for local tourism and economic development officials to market the area for commercial activity and capture demand that is currently escaping."

The study looks at three (3) demand segments:

- Corporate
- Group
- Leisure

Corporate demand is the largest segment (71%) and is greatest during the week Monday through Thursday. Group demand includes both social and corporate demand which covers most seasons of the year and is estimated at 13% of the total demand. Leisure demand is greatest during the summer months and occurs primarily on Fridays and Saturdays in all seasons and is estimated at 16% of the total demand.

Due to the of quality of existing properties, rate structures, and location to downtown amenities, there are no fully competitive hotels in the Jackson market. Introducing a full-service hotel property in

TABLE 1. 5 YEAR DEMAND BUILD- UP ANALYSIS

Segment	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Corporate</i>	12,875	13,519	14,195	14,904	15,650
<i>Group</i>	2,307	2,422	2,470	2,544	2,646
<i>Leisure</i>	2,997	3,146	3,209	3,273	3,339
<i>Total</i>	18,178	19,087	19,874	20,722	21,635
<i>Est. Occupancy</i>	<i>50%</i>	<i>52%</i>	<i>54%</i>	<i>57%</i>	<i>59%</i>

the downtown district will pull room night demand from the existing supply, including those staying in Ann Arbor. A creative hotel concept, strong marketing, and solid operations will drive new demand and grow tourism for the city.

MARKET OVERVIEW

A highest and best use analysis for the site was prepared by **Bowen National Research** in February 2021 and is included as an appendix to this RFQ. Based on the findings of the market study, there is a development opportunity for residential units at the site, with modest support for retail space. Key findings are included herein.

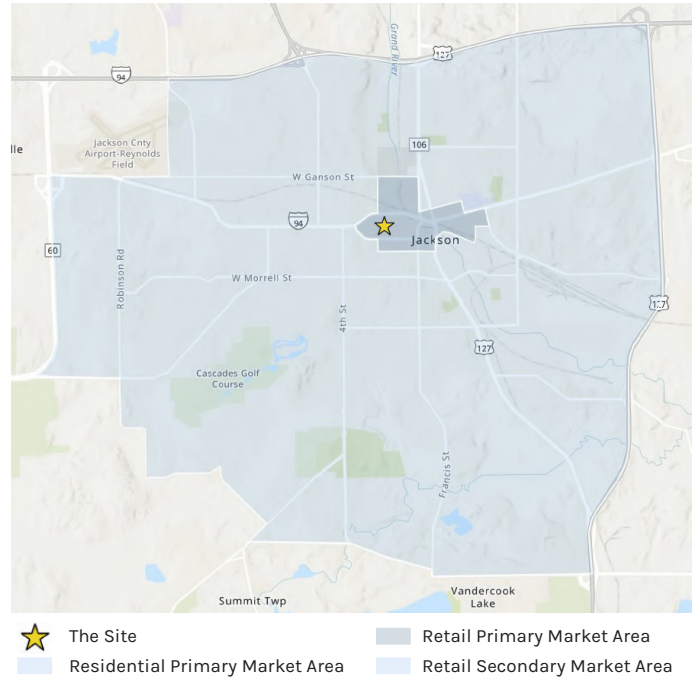
There are many positive characteristics and trends occurring in the Jackson market, including positive demographic growth among higher income households; a large number (over 25,000) of commuters traveling into the county for work on a daily basis; notable public and private sector investment; high apartment occupancy rates and relatively short sales periods for condominiums; positive growth in consumer expenditures, and a high level of demand for retail space in the downtown area.

Contributing to the marketability of the subject site is the subject project's historic nature and architectural appeal and its downtown location with numerous social, cultural, recreational and economic opportunities.

DEMOGRAPHICS

POPULATION TRENDS

Between 2010 and 2020, both the Residential PMA and Retail PMA witnessed a decline, accounting for a total decline of 786 residents. Projections for the period of 2020 to 2025 indicate a projected population decline of just 0.4% for the Residential PMA, while the Retail PMA has a projected population growth of 5.7% over the



same period. The positive projected population growth in the Retail PMA demonstrates the growing interest in residing in the downtown area.

INCOME TRENDS

The greatest growth between 2020 and 2025 is projected to occur among renter households earning between \$60,000 and \$99,999. This group is expected to witness an increase of 18.6% within the Residential PMA. Based on this data and the projected trends, it is likely that future housing will need to account for the growth in higher income renter households, though the large base of low-income renter households suggest that housing that is affordable will remain important.

HOUSEHOLD TRENDS

The distribution of households by size is not expected to change significantly over the next few years. One- and two-person households comprise the majority of households, which will lead to a likely need for smaller unit types (studio, one-bedroom and two-bedroom).

.....

LABOR FORCE PROFILE

The labor force within the Jackson Site PMA is based primarily in three sectors, namely, Health Care & Social Assistance (27.2%), Retail Trade (12.3%) and Utilities (11.7%). Most occupational types within the Jackson MSA have typical wages that are comparable to Michigan's typical wages. However, two occupations of note are Healthcare Practitioners and Protective Services which exceed the state average salaries by 11.0% and 14.8%, respectively, and potentially indicate a high spending capacity among persons with these occupations.

EMPLOYMENT TRENDS

Since 2010, the unemployment rate in Jackson County has ranged between 3.8% and 12.2%. Prior to the 2020 COVID-19 related increase, the unemployment rate for Jackson County was 3.8% for 2019, which was the lowest rate over the past decade and registered below the state average for the same year by 0.3 of a percentage point.

Following the initial spike, the unemployment trend has gradually returned to near pre-COVID-19 levels to approximately 4.6% (November 2020).

EMPLOYEE MOBILITY PATTERNS

While small in number, 10.7% of employees currently living in the Retail PMA (downtown) walked to work, indicating that residential units developed at the subject site will likely draw a notable amount of support from households working downtown.

RESIDENTIAL

There are a variety of residential products that could be offered at the site. It is our conclusion that the subject site could support the development of a market-rate apartment community that includes up to 58 units with base rents starting at \$800.

Affordable/workforce housing could also be marketable at the site, with potential support for as many as 66 units, with base rents starting at \$700. Assumes household incomes of up to 80% of Area Median Income (AMI).

Up to 67 for-sale condominium units could be supported at the subject site, though the depth of support varies depending upon the pricing of the units. While a variety of price points could be supported, it does appear that the market has a limited supply of condominium product priced between \$150,000 and \$215,000, which may represent a development opportunity at the site. Some higher end, penthouse-style units could be considered if done on a very small scale (possibly two to four units) and if floor plans are large and amenities and finishes are high-end.

The subject site is among the city's tallest structures, providing upper levels with excellent views of much of the city, including the adjacent Blackman Park. Any development at the site should take advantage of and promote its proximity to nearby community assets such as the various parks, the city library, Jackson Symphony Orchestra and other social and cultural attractions, along with its proximity to employment opportunities in the downtown area.

Should the developer include both condominium and apartment units, we recommend that the condominium units be placed on the highest floors, with the apartments on the lower floors.

RETAIL

Overall, there is at least 97,000 square feet of retail space in the development pipeline for Downtown Jackson. This includes a grocery store, a retail/restaurant project, a few retail and apartment redevelopments utilizing the Michigan Community Revitalization Program, and at least six new retail/office/warehouse small businesses to open in downtown which are currently in the planning and design phases.

While we believe approximately 9,200 square feet of retail space could be supported at the subject site, it is strongly encouraged that the retail space be occupied by retailers that will offer a product or service that is relatively unique to the area, particularly in downtown. Such uses could be high-end eateries and/or boutique shops that help to make the subject site a destination location.

The present level of downtown development is described in a January 2020 report entitled, [Jackson's Downtown Street Level Space](#), as the second "tipping point" since Jackson's golden years, which were marked by the construction of the Hotel Hayes in 1925 and extended through 1938. The report also states that the current wave of revitalization began in 2015 with The Grand River Brewery and is anticipated to continue through at least 2025.

In terms of the demand for a certain retail class, stakeholders indicated that the retail space downtown is generally well-balanced, with the most common types including restaurants, clothing stores, home décor, and specialty gift shops. The prominence of these types of retail users led most stakeholders to conclude that similar categories should be considered for the subject project.

RESTAURANT

All respondents approved of a new restaurant, since locals are always seeking new restaurants and were accustomed to eating out in downtown Jackson prior to the pandemic, indicating that there is pent-up demand. Since 2016, there have been various new theme restaurants in downtown (i.e., Dirty Bird, Junk Yard Dog, Chilcangos). A [Jackson Shopability Analysis report](#) from May 2018 conducted by the Gibbs Planning Group indicated that the western portion of downtown

centered around the immediate site neighborhood can accommodate a variety of retailers, with suggested categories including the following: bakery, butcher, brew pubs, ethnic foods, family apparel, take-out, florist, financial services, grocery, hardware, office supplies, home furnishings and salon, or personal care.

Although this study was not intended to focus on a specific retail market sector that could be supported at the subject site, various local market metrics (large projected growth in "food away from home" and "beverages" consumer expenditures and the disproportionately low share of full-service restaurants in Jackson) and the subject site's unique building structure and downtown location point to a potential opportunity to support a full service, possibly fine dining restaurant.

EVENT & MEETING SPACE

While the 2021 market study did not consider uses such as event and/or meeting space, shared workspace or office uses, redevelopment of the subject building should consider such space.

Particularly, the utilization of the second floor should consist of event/meeting space that will be complementary to both the first-floor retailers and residential occupants/hotel guests. This may include a fitness center, meeting space, business center, and event or entertainment space.

TABLE 2. HIGHEST AND BEST USE ESTIMATES & RECOMMENDATIONS

Primary Use	Market Potential by Affordability Level		
	Low	Moderate	High
Apartments (Affordable/Workforce)	Up to 66 Units Base Rent of \$700	Up to 50 Units Base Rent of \$800	Up to 34 Units Base Rent of \$900
Apartments (Market-rate)	Up to 58 Units Base Rent of \$800	Up to 48 Units Base Rent of \$1,000	Up to 37 Units Base Rent of \$1,200
For-Sale Condominiums	Up to 26 Units \$150,000-\$199,999	Up to 15 Units \$200,000-\$249,999	Up to 26 Units \$250,000+
Retail Space	Not Studied	Not Studied	~ 9,200 square feet @ \$13.00+ Triple Net

Note: All estimates are approximations. The actual number of residential units or amount of retail space is contingent upon a variety of factors such as design, finishes, features, amenities, complementary uses, layouts, etc.

SITE OVERVIEW

.....

The Hotel Hayes is a 10-story, 113,366 square foot building, including a basement. It is addressed to 228 W. Michigan Avenue and is sited on a rectangular shaped 0.382 acre parcel. The main facade of the hotel faces south towards West Michigan Avenue, with a secondary entrance facing Blackman Park. The building site has significant grade changes that impact entry and access throughout the site. The southwest corner of the site sits highest and falls away towards the northeast, creating a 12 foot grade change on the site.

The first floor of the subject building includes approximately 11,220 square feet of space, while the second floor includes approximately 6,685 square feet of space. Floors three through ten include footprints of approximately 9,850 square feet of space on each floor. The first four floors of the building's interior are composed of an intricate combination of single, double height, and split level spaces and contain the hotel lobby, a ballroom, and office space created by a later addition mezzanine level.

In 2004, the Hotel Hayes was purchased by the City of Jackson for redevelopment once Consumers Energy consolidated in a new headquarters on the east end of downtown. While the building has been vacant since 2003, the city has put significant time and resources into keeping the building secure and dry. The historical integrity of the building facade is largely intact and many original features are still present on the interior.

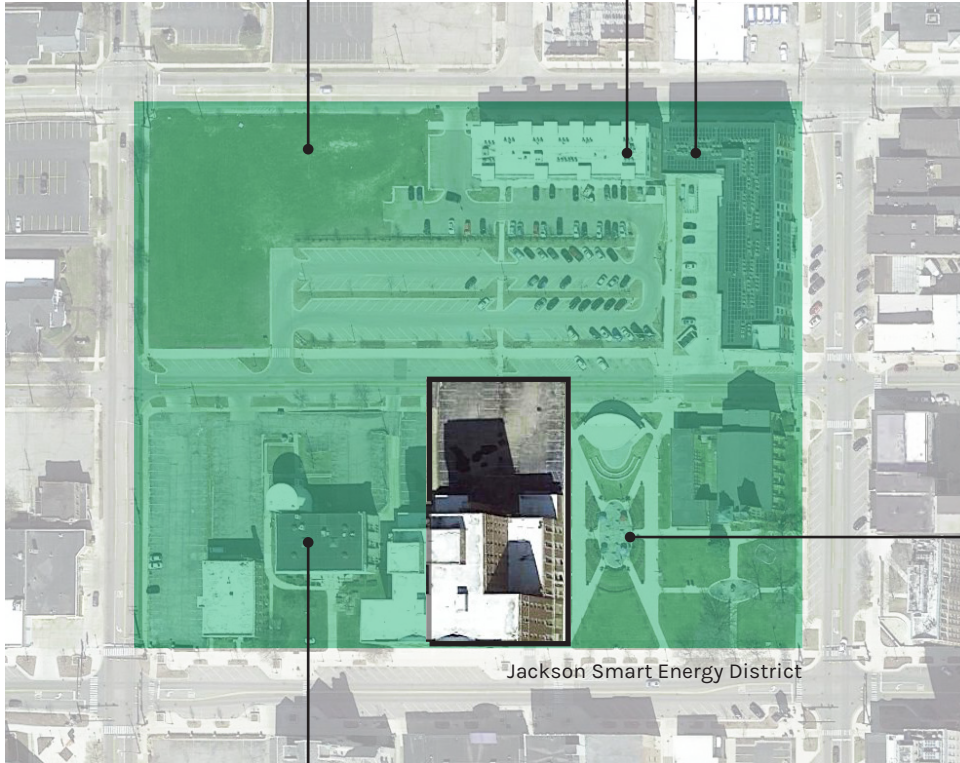
Restoring the Hotel Hayes is a legacy project that will be celebrated for decades to come. The building offers an incredible investment opportunity to restore historic elements and finishes, while improving the connectivity of the interior and exterior spaces, introducing modern amenities, and ultimately creating a vibrant anchor on the west end of downtown.



FUTURE RESIDENTIAL
30 APARTMENTS/RETAIL
(2022 OR BEYOND)

LOFTS ON LOUIE
30 APARTMENTS/RETAIL
(2018)

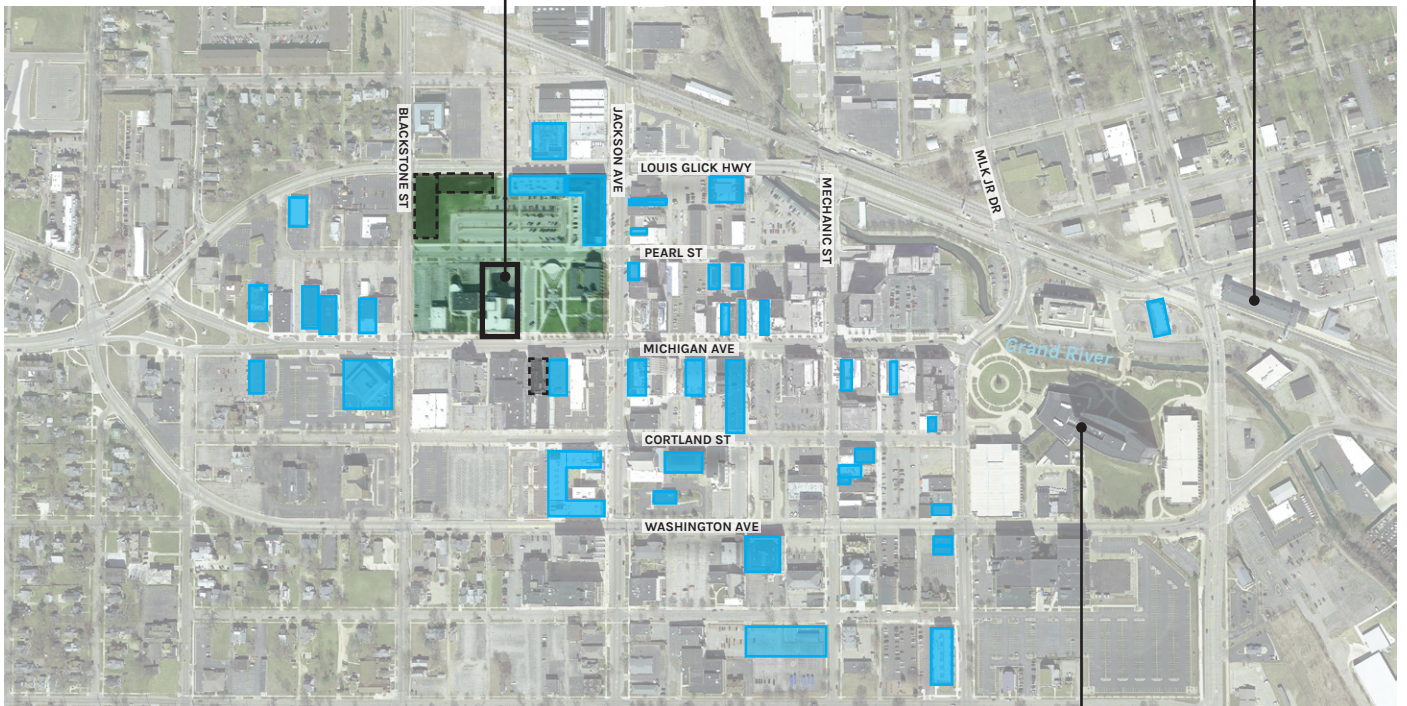
THE 200
86 APARTMENTS/RETAIL
(2020)



LIBRARY + ANNEX
PLANNED ADDITION
(2022 OR BEYOND)

HOTEL HAYES
HISTORIC RENOVATION

JACKSON STATION



HOTEL HAYES SITE

RECENT (RE)DEVELOPMENT

JACKSON SMART ENERGY DISTRICT

FUTURE (RE)DEVELOPMENT

CONSUMERS ENERGY HEADQUARTERS

SITE OVERVIEW

HISTORICAL INFORMATION

THE HOTEL HAYES RETAINS A HIGH DEGREE OF INTEGRITY.

Similar to the support of Jackson Anchor Initiative, the initial concept for the Hotel Hayes began with a passionate group of Jackson leaders in 1924. Completed in 1926, the Hayes quickly became the city's leading hotel; eventually gaining a reputation for being the best in the state. Named after Clarence B. Hayes, this community financed hotel featured over 200 rooms, lavishly decorated ballrooms and upscale dining.

Historically, the building's four-story square based held the public venues, such as the ballrooms and kitchens, as well as room for six retail shops at street level. The upper six floors are T-shaped and housed the hotel guest rooms. The principal facade faces Michigan Avenue to the south and features towering multi-paned windows. Some of the decorative elements from the front facade are replicated around the entire build, but become significantly simpler. The facades remain largely intact, aside from the missing marquee, suspended awnings, and the 1964 additions on the north side of the building.

The Hayes was designed with ornate finishes to mask the industrial look of the construction type. Guests were welcomed with a white marble-walled vestibule with a vaulted ceiling and glimmering chandelier. Straight ahead a wide broken grand staircase and an impressive double-height lounge lobby beyond.

The building has undergone three major renovations in 1953, 1964 (The Civic Center Hotel Corp.), and 1975 (Consumers Energy). Consumers Energy had intended to integrate the building as part of their headquarters next door, but they ended up leaving the building after the construction of their new headquarters was finished in 2003.



The Georgian Ballroom



While the hotel remained active well into the 1970s, its most significant historical association is with the roaring '20s.

HISTORICAL DESIGNATION

LOCAL SIGNIFICANCE. PROMINENT HOTEL ARCHITECTS.

The site is not part of a locally or nationally designated historic district. However, the building has been previously researched and studied by Commonwealth Cultural Resources Group, Inc. (2004) and Quinn Evans (2019), and is deemed historically significant with many of its historic elements and spaces intact. The period of significant for Hotel Hayes is 1926 to 1945. At the local level, the Hotel Hayes is significant as Jackson's dominant civic and hospitality center from the 1920s and beyond. The Hotel Hayes is also significant as a highly intact example of a 1920s purpose-built hotel designed by the Chicago architecture firm, Holabird & Roche. Holabird & Roche were nationally known as hotel experts and the country's most prolific designers of business hotels until the 1950s.

ENVIRONMENTAL ASSESSMENT

The City of Jackson contracted Environmental Testing & Consulting, Inc. (ETC) to perform a renovation/demolition survey of the Hotel Hayes building. This survey was conducted March 5-9, 2019.

The purpose of this survey was to determine the presence and quantity of friable or potentially friable asbestos containing materials (ACMs). The survey also documented the location and type of other hazardous materials including mercury switches, fluorescent lighting tubes and ballasts, halogen lights, Freon in refrigeration units, pesticides, herbicides, paints, and solvents. The total estimated cost of asbestos abatement and removal of other hazardous items is \$148,900 in 2019 dollars.

Reference documents are available upon request.



The Drumroom



CURRENT PLANS

MASTER PLAN

VIBRANT, THRIVING DOWNTOWN.

The [Master Plan](#) sets the vision and goals for the community including a vibrant downtown, through redevelopment and significant investment in the public realm. The City of Jackson has made good on their promise and continues to draw more people and private investment to the downtown core. Downtown residents are a critical piece of the economy. They constitute a built-in customer base for downtown businesses and expand the diversity of goods and services in demand.

ZONING

The site is [zoned as C-3, Central Commercial](#). The central commercial district represents the focal point of the city's commercial, office and civic activity. It is designed to provide retailing, personal services, parking and business services for the entire urban area. The district also supports mixed-

use developments that include residences as well as commercial and office space. Residential use is encouraged on the upper level floors of structures. The district, located at the area of convergence of arterial streets and highways, is surrounded on all sides by districts which are given over to general business, light industrial, office and high density residential uses or some combination. Recognized as the "central business district" of the metropolitan area, the regulations are designed to:

- Encourage a strong, compact central core.
- Realize and enhance the existing character of certain areas.
- Encourage primary parking areas in proximity to the uses they serve, and to discourage auto and pedestrian interaction.
- Provide and maintain green spaces that can act as activity areas for employees and shoppers.



Downtown Streetscape Plan

SITE UTILITIES AND LOCAL SUPPORT

The site is served by public streets including W. Michigan Avenue, Hayes Court, and Pearl Street. Full access to utilities is provided from these adjacent streets. A developer should assume an administrative review process. A developer should assume a two-week time frame for the city review and action.

- **Electric/Natural Gas:** Consumers Energy, (800) 805-0490
- **City of Jackson**
 - **City Manager’s Office:** Jonathan Greene, City Manager, (517) 788-4035
 - **Streets, water, sewer, and right-of-way:** City of Jackson, Public Works, (517) 788-4170
 - **Plan Review and Permits:** Shane LaPorte, Director of Neighborhood & Economic Operations/Assistant City Manager, (517) 788-4090, slaporte@cityofjackson.org
 - **Building Safety:** Brian Taylor, Chief Building Official, (517) 768-6415, btaylor@cityofjackson.org
- **Economic Development:** Scott Fleming, CEO, Jackson Anchor Initiative, (734) 765-8124, scott@jaxanchor.org, <https://www.jaxanchor.org/>
- **Downtown Development Authority:** Cory Mays, Executive Director, (517) 768-6410, <https://jacksondda.org/>
- **Chamber of Commerce:** Craig Hatch, President and CEO, (517) 782-8221, craig@jacksonchamber.org, <https://www.jacksonchamber.org/>

JACKSON SMART ENERGY DISTRICT

A HOMETOWN CLEAN ENERGY HUB.

The Hotel Hayes is located in the Jackson Smart Energy District. The Jackson Smart Energy District is a clean energy redevelopment, guided by public-private partnership. This redevelopment area will provide for up to 380,000 square feet of living and working space and feature high-performing buildings, solar panels, battery storage, and electric vehicle charging.

By 2040, Consumers Energy plans to reduce carbon emissions by 90% and increase renewable energy to 40%. The Jackson Smart Energy District, within its own boundaries, aims to meet those same levels and provide an overall grid benefit within the next few years.

The goals for the Jackson Smart Energy District are:

- Provide an overall grid benefit
- Satisfy 40% of the District’s electricity demand with on-site renewables
- Reduce the District’s carbon emissions by 90%



Downtown Streetscape Plan

PREFERRED DEVELOPMENT SCENARIO



The preferred development scenario for the Hotel Hayes is a mixed-use project with a restaurant and retail on the ground floor, an 80-100 room boutique hotel with full service amenities, and residential on the upper floors.

But this project is more than a rehabilitation of a building, it is the creation of a place, an experience, and a collaborative, dynamic energy will live another 100 years at the heart of Downtown Jackson. The co-location of investors, think-tanks, and innovative small businesses is not by chance, but instead driven by the same agglomerating forces that form cities themselves.

FLEXIBLE SPACES LINKED TO TALENT, IDENTITY, AND PLACE

The renovated Hotel Hayes ballrooms and hotel lounge will once again offer an incredible rental venue for weddings and other social events, but these spaces will also provide a flexible destination for business events and collaboration that help to reinforce vital networks for creative enterprise and innovation. In many cases, key funders and employers recognize such places provide a perfect environment in which to identify top talent and invest.

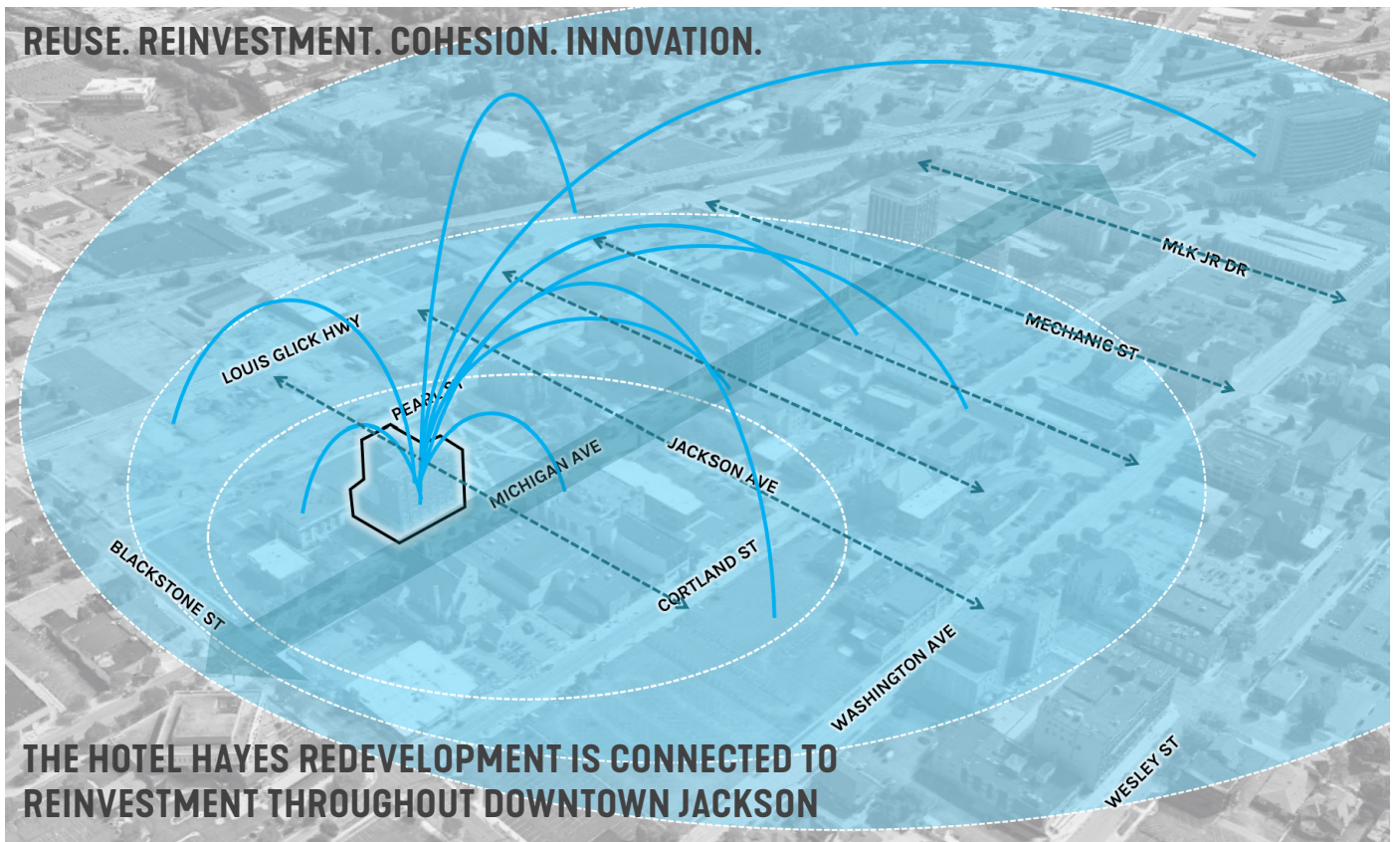


Knight Foundation | TechTown Detroit, MI



Consumers Energy Innovation Center | Downtown Jackson, MI

REUSE. REINVESTMENT. COHESION. INNOVATION.



CO-WORKING SPARKS SOCIAL NETWORKING AND IDEA GENERATION

When not in use, these ballroom spaces can be open for retail dining, hoteling, or meeting space. Innovation and co-working environments cultivate active and fertile spaces for idea generation, networking, and business development acting as catalytic investments that establish an anchoring value proposition that attracts additional tenants, talent, and cash flow.

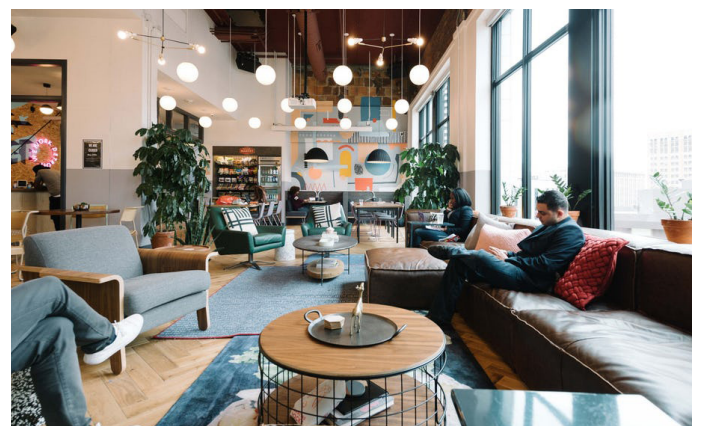
PLACE MATTERS – and places for collaboration and shared-idea generation will be a renewed priority in post-COVID.

SOCIAL NETWORKING AND IDEA GENERATION – are inextricably linked and help to stoke opportunities that might otherwise never materialize.

A large, flexible space with ample daylight, comfortable furniture, and modern technology in a desirable location are the foundation for a successful co-working space.



PonyRide | Corktown Detroit, MI



WeWork | Downtown Detroit, MI

PREFERRED DEVELOPMENT SCENARIO

DEVELOPMENT CONCEPT

The following building concept has been prepared to demonstrate the potential building program and desired elements that the City of Jackson is seeking in the future redevelopment of the Hotel Hayes. The final development may include a unique combination of program elements including hotel, residential, office, retail, restaurant, and event/meeting space.

- Level 1 Retail (2,500 SF)
- Level 1 Retail/Restaurant (3,200 SF)
- Level 1-2 Hotel lobby/support/amenities
- Level 2-3 Meeting spaces (5,800 SF)
- Level 3 Restaurant/Event venue (2,700 SF)
- Level 3-7 Hotel: 70 guest rooms
- Level 4-5 Resident support/amenities
- Level 8-10 Residential: 30-36 units
- Level 1, 4, 5 New patio and Roof decks (4,200 SF)

DEVELOPMENT ALTERNATIVES

- Level 1 Retail vs. Restaurant (3,200 SF)
- Level 3-7 Hotel: 70 guest rooms could be increased by utilizing more of Level 5 or decreased to accommodate additional rental units
- Level 8-10 Residential: 30-36 units could be rental units or condo units or a combination

BOUTIQUE HOTEL

The hotel is anchored in this building by utilizing the historic hotel lobby to serve the new hotel. The front desk, offices, lodge, and other back of house spaces are located at this level. The historic event spaces are also located on this level, allowing the option for hotel management of these spaces. This concept includes 70 guest rooms of 400-600 sq. ft. on levels 3-7.

RESIDENTIAL

The project will feature a total of 30-36 residential units on levels 7-10. The units range from 550-800 sq. ft. and include (14) 1-bedroom and (20) 2-bedroom units.

RESTAURANT

The ground floor presents approximately 3,200 sq. ft. of opportune restaurant space at the corner of Michigan Avenue and Hayes Court. The ballroom on the 4th floor overlooking Blackman Park offers an incredible space for a restaurant and/or event venue.

DESTINATION RETAIL

The ground floor presents approximately 2,500-5,000 sq. ft. of retail space along Michigan Ave. These spaces have high ceilings and are exposed to high volumes of foot traffic.

PARKING

On-site parking for approximately 41 vehicles is available on the north side of the building. Additionally, the recently completed park renovations incorporated diagonal public parking along Hayes Court and Pearl Street. The City will discuss off-site parking options for tenants and hotel guests.



BOUTIQUE HOTEL



Hotel Rowe | Grand Rapids, MI

EVENT SPACE



Ballroom @ City Flats | Port Huron, MI

URBAN LIVING

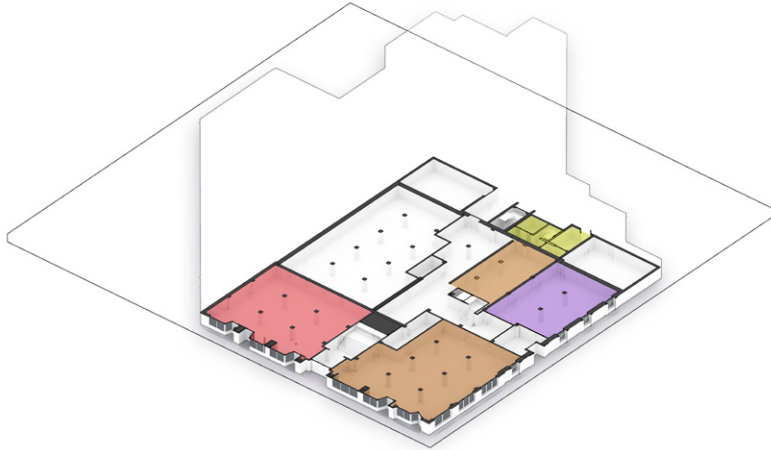


The Times Loft | Bay City, MI

DINING



Apparatus Room @ The Foundation Hotel | Detroit, MI

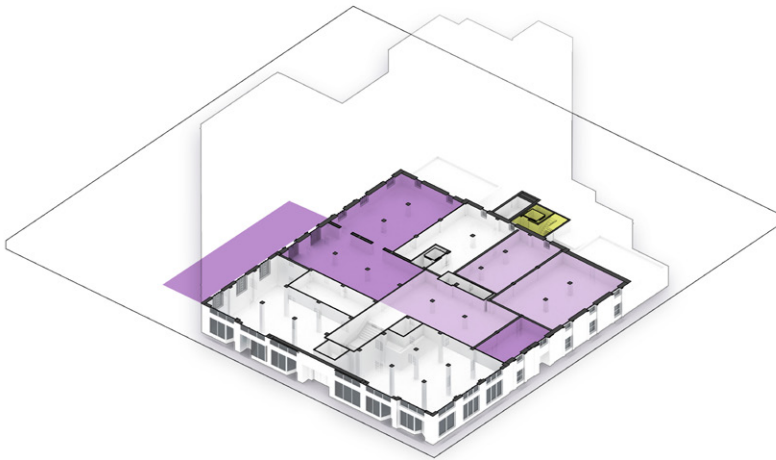


LEVEL 1

GROSS FLOOR AREA: 17,290 SF

NET FLOOR AREA: 15,860 SF

- 1-3 RETAIL TENANT SPACE(S)
- RESTAURANT
- TENANT/HOTEL FITNESS CENTER AMENITY

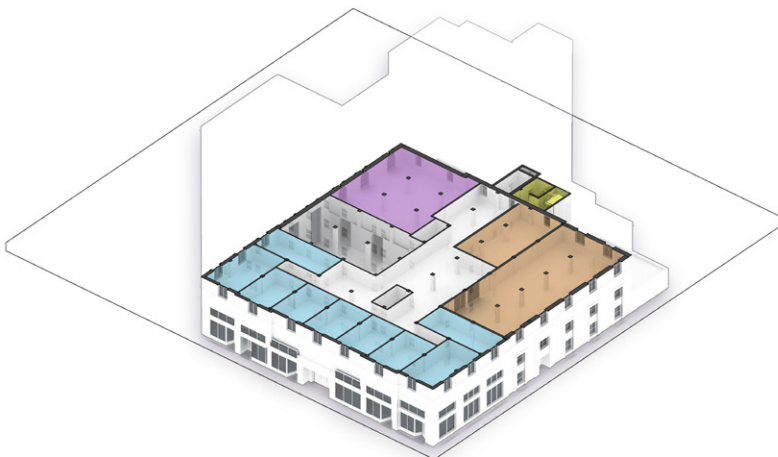


LEVEL 2

GROSS FLOOR AREA: 10,290 SF

NET FLOOR AREA: 9,580 SF

- PRESERVE/RESTORE THE HISTORICALLY SIGNIFICANT LOBBY, STAIR, AND BALLROOMS
- HOTEL LOBBY

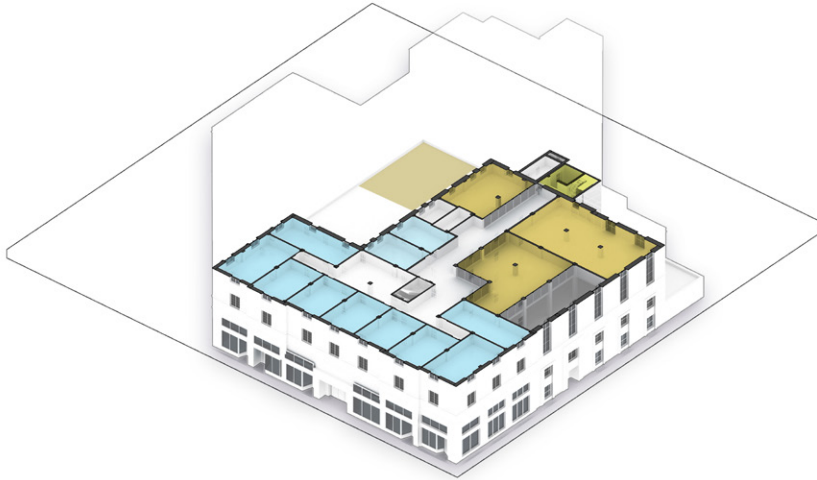


LEVEL 3

GROSS FLOOR AREA: 13,920 SF

NET FLOOR AREA: 13,000 SF

- 9 GUEST ROOMS

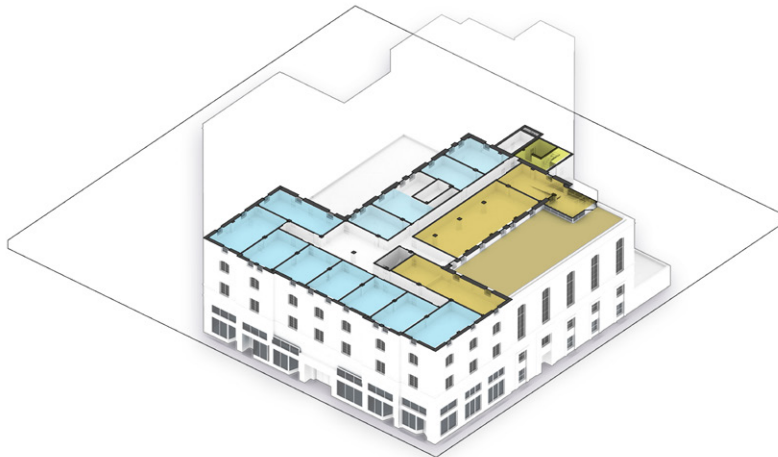


LEVEL 4

GROSS FLOOR AREA: 13,000 SF

NET FLOOR AREA: 12,000 SF

- ACCESS TO ROOF DECK
- 11 GUEST ROOMS



LEVEL 5

GROSS FLOOR AREA: 10,350 SF

NET FLOOR AREA: 9,400 SF

- ACCESS TO ROOF DECK
- 12 GUEST ROOMS

LEVEL 6-7

GROSS FLOOR AREA: 10,350 SF

NET FLOOR AREA: 9,400 SF

- 19 GUEST ROOMS PER FLOOR

LEGEND

- RETAIL
- RESTAURANT
- HOTEL AMENITY
- HOTEL SUPPORT
- HOTEL GUEST ROOM
- TENANT AMENITY

LEVEL 8-10

GROSS FLOOR AREA: 10,350 SF

NET FLOOR AREA: 9,400 SF

- ACCESS TO ROOF
- 10-12 RESIDENTIAL UNITS PER FLOOR

.....

DESIGN OBJECTIVES AND PRELIMINARY CODE CONSIDERATIONS

While portions of the buildings have been significantly modified over the years, many original features remain intact.

The information provided below is general in nature and intended to provide a general sense of prevailing design objectives and cursory code considerations for the redevelopment project. All interested parties are encouraged to visit the property and to review all relevant state and local codes to ensure compliance.

DESIGN OBJECTIVES

- Preserve the building exterior and activate the storefronts along Michigan Avenue.
- Look for opportunities to raise dropped ceilings.
- Preserve and restore windows. May require custom replication. The distinction between metal and wood windows may need to be retained.
- The stair and elevator tower addition should be simple masonry.
- Smaller stair to "nowhere" which remains may need to be retained.
- Remove the mezzanine level to restore the 4th Floor ballroom facing Blackman Park. The National Park Service (NPS) may require full removal of the mezzanine.
- Opportunity to create publicly accessible roof deck will need to accommodate a 36" railing that is held back from the parapet to accommodate sight lines and visual impact from the right of way.

CONSTRUCTION TYPE

The construction type has been identified as 1-B.

STRUCTURAL SYSTEMS

The primary structure of the building is comprised of a cast in place, post and beam, concrete system. Structural I beams and hollow steel framing can be found as secondary structure in select locations, introduced in more recent renovation efforts. Structural systems appear in good condition.

PRELIMINARY CODE CONSIDERATIONS

The following are preliminary code considerations for the rehabilitation of the Hotel Hayes.

- The building is currently not historic. Evaluated under the Michigan Rehab Code as not being historic.
- Under the 2012 Michigan Building Code the Hayes Hotel is identified as a high-rise existing building which will undergo a change in occupancy under the proposed alterations. These characteristics require full building sprinklers.
- The proposed use qualifies the building as a mixed use, non-separated occupancy type. The use groups include A-2 (Assembly - Restaurants), A-3 (Assembly - Recreation), B (Business), M (Mercantile), R-1 (Residential - Hotel), and R-2 (Residential - Apartments).
- The circulation tower addition will be comprised of two elevators and a continuous stair from grade to floor ten. Both elevators will be able to connect grade with the tenth floor, but their daily use may be arranged to more properly serve the hotel guests and residential tenants.

PROJECT INCENTIVES

The City of Jackson and the MEDC are committed to making sure that all available incentives may be leveraged to ensure the selected developer can achieve a quality outcome commensurate with the project vision and goals. Such incentives include:

- **Discounted purchase price** to ensure support of an excellent development proposal.
- **Brownfield TIF** may be available through the Jackson Brownfield Redevelopment Authority (BRA) to support remediation, due care, and other activities for any environmental conditions found on the site.
- **Neighborhood Enterprise Zone (NEZ)** allows for reduced property taxes for up to 15 years in designated areas to promote revitalization.
- Jackson has previously designated an **Obsolete Property Rehabilitation Act (OPRA)** district encompassing the site allowing the community to freeze taxable value on designated commercial and mixed-use properties for up to 12 years. Significant improvements may be made without increasing property taxes.
- This site is located in an **Opportunity Zone**.
- The subject site is fully located within **Jackson'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.
- Jackson may consider a **Personal Property Tax Exemption**.
- **New Markets Tax Credit** financing may be available.
- **Federal and State Historic Tax Credits.** Nearly 100 years old, the Hotel Hayes is associated with the events of the 1920s that made a significant contribution to the local and regional history of Jackson. The property also embodies the distinctive character of early 20th Century Revival architecture. A National Register of Historic Places application has been started by the Jackson Anchor Initiative. The project would likely be eligible for up to 20% tax credit on qualified expenditures as part of a historic rehabilitation as well as the new state historic preservation tax credit.

DEVELOPMENT COSTS

A full Michigan Economic Development Corporation development pro forma is available for review as well as a detailed site development cost estimate developed by Revitalize, LLC.

SELECTION PROCESS AND CRITERIA

The City of Jackson and Jackson Anchor Initiative will review and evaluate all complete proposals in response to this request for qualifications (RFQ) to identify and engage with qualified developers for project address. An initial response to this RFQ must include the following information:

- **Letter of interest:** Provide a letter (up to three 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 if different from the conceptual site plan contained in the RFP.
- **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 the development team's fiscal capacity** to undertake the proposed project.
- **Résumé** of the firm and lead team members.

The City of Jackson and Jackson Anchor Initiative 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 will enter into a pre-development agreement including purchase price, due diligence period, and other terms.

PROPOSAL FORMAT

All submissions should be submitted via email in PDF format to scott@jaxanchor.org,

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

Jackson Anchor Initiative
City of Jackson
161 W. Michigan Avenue
Jackson, MI 49203

CONTACT/QUESTIONS

Scott Fleming, CEO, Jackson Anchor Initiative,
(734) 765-8124, scott@jaxanchor.org

SCHEDULE FOR REVIEW AND SELECTION

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

- **RFQ released:** August 3, 2021
- **Site Showcase event:** August 18, 2021
- **FAQ posted to city website:** August 27, 2021
- **Deadline for proposals:** October 1, 2021
- **Evaluation period:** October 4 - October 29, 2021
- **Finalist team notified:** November 1, 2021
- **Finalist presentation to evaluation committee:** November 2021
- **Finalize terms of a development & purchase agreement:** December 2021

