REQUEST for DEVELOPER QUALIFICATIONS

LOVEGROVE BUILDING
Swartz Creek, Michigan

TIMELINE
RFO released: 07/15/2020
Site Showcase virtual event: 07/30/2020
RFO proposals due: 09/02/2020
Evaluation period: 09/03–09/18/2020
Finalists teams notified: 09/21/2020
Finalist teams presentation to evaluation committee: Sept/Oct 2020
Finalize terms of a development and purchase agreement: October 2020
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Acknowledgments

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**City of Swartz Creek, MI**

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**Michigan Economic Development Corporation**

Nate Scramlin – Manager, Redevelopment Services  
Charles Donaldson – Community Assistance Team, East Michigan Region
The City of Swartz Creek, Michigan, in partnership with a private owner, is offering a development opportunity for a 0.52-acre site at the western gateway to the city’s historic downtown district. The asking price for this property is $300,000; the owner and City are eager to work with interested respondents deemed qualified on negotiating a mutually beneficial arrangement.
Development Opportunity

The City of Swartz Creek, Michigan, in partnership with a private owner, seeks interested developers for a downtown property at 8053 Miller Road. The property, known within the community as the Lovegrove Building, is comprised of three adjacent parcels totaling 0.53 acres, and contains three traditional retail commercial buildings, which together total 8,133 square feet of floor area. The property provides an opportunity to bring desirable downtown amenities to the market, including retail and housing in formats that are currently underrepresented.

The subject site is located at the western gateway to Swartz Creek’s historic downtown district. It includes 172 linear feet of frontage on Miller Road, and is adjacent to a 0.3-acre City-owned parcel immediately to the east, currently in use as downtown public parking. Respondents to this RFQ are welcome to forward proposals incorporating this parcel in addition to the three on offer; if a concept is proposed that satisfies the parameters of the Preferred Development Scenario (discussed herein), the City is willing to offer this parcel for a nominal price as part of a predevelopment agreement.
The property owner, City staff, and municipal stakeholders have worked collaboratively to develop a Preferred Development Scenario for this site. Proposals meeting the goals of this scenario would:

- Create new residential options in a multiplex or “Missing Middle” housing format;
- Provide a mix of uses on the site to create vibrancy and year-round street activation. The ground floor is an ideal location for high-visibility restaurant and/or retail space;
- Incorporate a creative design process that respects the historic character of downtown Swartz Creek and its legacy buildings, as well as the architectural character of traditional “Main Street” mixed-use buildings found throughout the Midwestern United States;
- Incorporate an amenity feature that is accessible to the public, such as a designed green space or a plaza.
- Consider the important location of the subject site on Swartz Creek’s main street relative to proposed building and site design. Proposals incorporating pedestrian-oriented buildings with high-transparency front façades are encouraged.

The owner’s asking price is $300,000. The property owner, City of Swartz Creek, and Michigan Economic Development Corporation (MEDC) have worked collaboratively to develop this RFQ. 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.

1 Refer to “Missing Middle: Responding to the Demand for Walkable Urban Living” by Opticos Design for a detailed description of associated housing formats: missingmiddlehousing.com/
Community Overview

Swartz Creek is a historic community in the southern Lower Peninsula of Michigan, situated eight miles southwest of downtown Flint. Centrally located in the region near the intersection of Interstates 69 and 75, Swartz Creek’s residential neighborhoods attract residents employed in the Flint, Lansing, and Detroit Metro markets.

Swartz Creek has a population of approximately 5,500¹, and is surrounded by four Townships (Clayton Charter, Flint Charter, Gaines, and Mundy Charter), which together have a population of approximately 59,000. All are located inside Genesee County, which has population of approximately 409,000 and comprises the Flint Metropolitan Statistical Area. Swartz Creek’s population, as well as the population within a 7-mile radius, has held steady since 2010.

Swartz Creek’s history is tied to agriculture, and this influence is still felt in the community, with land to the north, west, and south being actively farmed. Since 1950, Swartz Creek has evolved to become a quality bedroom community in western Genesee County; nearly 30% of the city’s workers commute outside of the county. The City’s largest private employer is General Motors, whose 3.1 million-square foot Customer Care and Aftersales Parts plant is located in the northeastern corner of Swartz Creek. As of February 2020, the plant employed over 600 full-time hourly and salaried workers.

Swartz Creek is located on Interstate 69, 5 miles to the southwest of the Interstate 75 interchange and Bishop International Airport. Proximity to major transportation facilities results in Swartz Creek residents having access to jobs in the transportation and manufacturing industries that have clustered near the airport. Likewise, its equidistant location between the Lansing area and the northern Detroit suburbs in Oakland County (each within 50 miles) has established the City as a quality place to live for two-worker households.

¹ US Census Bureau, 2018 American Community Survey 5-year estimates.

The subject site fronts Miller Road, and consists of the three buildings shown in red and the surrounding area shaded in blue. The adjacent City-owned parcel is shown in purple. Existing downtown commercial buildings are shown in pink, and buildings comprising Swartz Creek’s Civic Center are shown in light blue.

Source: Esri, DigitalGlobe, Geoeye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community
Swartz Creek’s traditional downtown is centered on Miller Road, which serves as the City’s “Main Street”. Downtown Swartz Creek is becoming a regional destination for the arts, featuring a community gallery and education space as well as an annual summer concert series. The subject site is located opposite a cluster of community-serving businesses including a coffee shop, a full-service independent grocery store, pharmacy, and several restaurants. It is located within the boundaries of Swartz Creek’s Downtown Development Authority (DDA) district.

Downtown Swartz Creek is benefitting from over $11 million in recent public and private investments, including the development of 15 new townhomes in the downtown district, new downtown businesses, and recently enhanced streetscaping on Miller Road.
Market Conditions and Opportunities

A Financial and Market Analysis pertaining to the subject site was prepared by LandUseUSA of Laingsburg, MI in February 2020, and is presented as an Appendix to this document (Appendix A). This analysis and the conclusions drawn therefrom are summarized below:

- The subject site is highly visible, with the opportunity to benefit from buildings that provide views of the downtown district. The site is ideal for revenue-generating activities including housing, retail, and restaurant.

- The subject site is easily walkable to existing downtown businesses and adjacent neighborhoods, and can leverage cross-marketing synergies between these to attract additional visitors.

- The subject site could attract businesses that leverage synergies with the cluster of local restaurants on Miller Road, or fill needed gaps in the local retail market. There is significant export in those retail and restaurant categories that are conducive to traditional downtowns; this business is overwhelmingly being conducted three miles to the northeast in neighboring Flint Charter Township, where a large cluster of auto-oriented retail businesses and restaurants exists.

- The Genesee County region lacks a variety of retail, restaurant, and housing options located in a traditional, “Main Street” context. Small clusters of these options, or their subsets, exist in neighboring communities including Flushing, Linden, and Grand Blanc, as well as in downtown Flint. There is ample room for these options to be added to Swartz Creek, given changing consumer demand preferences, and a shift in the retail landscape away from suburban, auto-oriented store models.
• The development site provides an opportunity to create 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, at or above market rates.

• Estimated monthly per-square foot rents for commercial and office space are uniform throughout the Genesee County region. If the site’s existing buildings are renovated and sublet to merchants or restaurants with less than 2,000 square feet each, then the rents could be as high as $1.50 per square foot.

• If, however, the commercial space is located within a new mixed-use building with high quality design, then it might be reasonable to pursue rents that approach $2.00 per square foot.

• A total of 20 new renters are moving into the City of Swartz Creek each year, and seeking choices among buildings with at least five units (such as townhouses or lofts). In addition, at least 80 existing renters are moving within the city each year, searching for choices among buildings with at least five units. Therefore, the total movership and maximum market potential is 100 units per year.

• 280 households across five moderate-income Lifestyle Clusters were identified as residing within Swartz Creek, which belong to Target Market groups with a propensity to seek housing in buildings with four or more units. For example, there are 125 households in the ‘Family Troopers’ cluster (O55) residing in Swartz Creek. In a given year, 32 of these households would be inclined to move within Swartz Creek to a building with four or more units—assuming housing in their preferred format were available.

• New lofts in this market should be small and compact, including some studios, with sizes of 450 to 650 square feet. Units should be marketed as “For-Lease Lofts” rather than “For-Rent Apartments.” The smallest units can have the highest rents per square foot, and the largest units will command the lowest rents per square foot.
Site Overview

The following exhibits show the location of the subject site in the context of the immediate area and the region. An aerial photograph of the site with overlaid parcel boundaries is also provided. Aerial photography was completed in February 2020, and reflects site conditions present at that time.
Current Property Ownership

The subject site consists of three legal parcels, which are currently privately owned. The westernmost parcel 58-02-529-020 contains two buildings:

- A 2,543-square foot, one-story building originally built as a United States Post Office in the late 1950s, with a 336-square foot rear addition;
- A 1,904-square foot, one-story building built to house a retail store in the late 1950s.

Parcel 58-02-529-019 contains one building:

- A 3,350-square foot, one-story building originally built to house a Ben Franklin ‘Five & Dime’ store in 1947.

The three buildings share common interior walls. The easternmost building is believed to retain intact its original porcelain façade (as seen the historic photo on page 15) underneath the existing wooden siding.

Parcel 58-02-529-018 is vacant, and is paved in asphalt. It was most recently used as off-street parking for patrons of the former retail stores.

Parcel 58-02-529-017 is owned by the City, and is currently used as downtown parking. As discussed above, proposals utilizing this parcel, in addition to the three on the Lovegrove property, are welcomed.
Master Plan and Zoning

Planning Documents: New infill development on this site, as a replacement for or in combination with rehabilitation of the existing buildings, is fully supported by the goals of the 2016 City of Swartz Creek Master Plan, which include, “work[ing] to bring more residents and businesses to this area through programmed infill and new developments… promot[ing] or requir[ing] ‘traditional’ building construction and design that includes: multi-story buildings, construction to the right-of-way, the use of brick or other durable materials that reflect historical uses, alleys, rear or side yard parking, and mixed uses within buildings”. A public amenity on the City-owned parcel is also identified as a desire in the community. The Downtown Development Goals stated in the 2015 City of Swartz Creek Downtown Development and Tax Increment Financing Plan further reinforce the goals of the Master Plan.

The parcels on which the subject site sits are designated on the Master Plan’s Future Land Use Map as “Mixed Use”. This category is intended for development with “uses mixed within buildings and/or including residential uses and commercial uses in close proximity”.

Zoning: The subject site is currently zoned as “Central Business District (CBD)”. The intent of the CBD District is to, “promote the development of a pedestrian oriented and accessible district in which a variety of retail, commercial, office, civic and residential uses are permitted.” Further statements of intent include:

- Encourage innovative, neo-traditional residential/mixed use developments
- Promote the creation of urban places which are oriented to the pedestrian thereby promoting citizen security and social interaction;
- Promote developments where the physical, visual and spatial characteristics are established and reinforced through the consistent use of compatible urban design and architectural design elements. Such elements shall relate to the design characteristics of an individual structure or development to other existing and planned structures or developments in a harmonious manner, resulting in coherent overall development patterns and streetscape.

Mixed-use buildings with ground floor commercial below residential uses are permitted as a conditional land use in this district. The City is open to making zoning changes and/or granting variances to support a development project that is commensurate with the Preferred Development Scenario described below. Specifically, the City is amenable to granting a variance for proposed buildings exceeding the current height limitation of 40 feet or three stories, if it can be demonstrated that this height limit would constrain the feasibility of an otherwise successful project.

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1 2016 City of Swartz Creek Master Plan, p. 27.
2 2016 City of Swartz Creek Master Plan, p. 37.
3 2015 City of Swartz Creek Downtown Development Authority Development Plan and Tax Increment Financing Plan, pp. 3-4.
4 City of Swartz Creek Zoning Ordinance, Section 8.00.
5 City of Swartz Creek Zoning Ordinance, Section 8.01.
Additional Site Information

Alpine Engineering of Novi, MI, conducted an ALTA property survey for the subject site during February and March 2020. Additional details on the property are contained in the survey, which is presented as an Appendix to this document (Appendix B).

Environmental Considerations

The City owns a parcel on the southwest corner of Holland Drive and Miller Road that can potentially be incorporated into a proposed site redevelopment concept (see Preferred Development Scenario, below). This site (parcel number 58-02-529-017) was formerly occupied by an automotive service station. As a result, a plume of residual petroleum contamination exists largely on the northeast corner of the site. Based on environmental documentation, the plume appears to be traveling northeast under the Miller Road right-of-way at Holland Drive, at a depth of greater than 10 feet.

After the City took possession, the site was excavated by ExxonMobil Oil Corp. in 2016. As a part of the site transfer, deed restrictions were placed on the site prohibiting residential uses. Commercial uses—including office, retail, and personal service establishments—are permitted on the site. The restrictive covenant is to remain in place until the regulated substances no longer present a risk to public health.

Since the site contamination was predominantly located on the northeast area of the lot, additional environmental assessment could reasonably be warranted to determine if the southern portion of the lot could be removed from the deed restricted area, to be used as a buildable residential lot. Additionally, as a result of the contamination, Swartz Creek City Council placed a well-restriction around the entire subject area, placing limits on the use of groundwater. The full environmental report is available for review as an Appendix to this document (Appendix C).
Preferred Development Scenario

The property owner, City staff, and municipal stakeholders have worked collaboratively to develop a Preferred Development Scenario for this site. This design concept is rooted in stakeholder workshops that were carried out in January and February of 2020. It is intended to be an illustrative example of the desired level of creativity in design, and range of functional elements, included on the subject site. The property owner, in concert with City staff and municipal stakeholders, are nevertheless open to receiving alternative design approaches that fit the site and community 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 Preferred Development Scenario.

Again, renderings of the Preferred Development Scenario are intended to be illustrative, and the stakeholders are eager to consider any alternative approach that advances equally the goals for the site and fits the community context.
Design Concept Renderings

The design concept renderings illustrate a scenario that includes the following:

- The existing group of three buildings (A) has been retained and renovated to include micro-format retail and office spaces, such as in an open-plan incubator or co-working space format. While the Lovegrove name has a legacy in Swartz Creek, and invokes positive sentiments among long-time residents, stakeholders recognize that retention of these buildings may not be feasible under every proposed development scenario. In the case that these existing buildings are removed, however, recognition of the Lovegrove legacy should be incorporated into the new development—such as through a building name, educational plaque, or similar feature.

- Two new buildings are added to the easternmost parcel of the subject site, and to the City-owned parcel on the northwest corner of Miller Road and Holland Drive. As noted above, if a proposed concept sufficiently meets the parameters of this Preferred Development Scenario, the City is willing to offer this parcel for a nominal price as part of a predevelopment agreement.

- The westernmost of the new buildings (B) is a 3- to 4-story mixed-use building with a 5,300-square foot floorplate. It contains ground floor space suitable for an anchor tenant, and one to three smaller retail spaces, with market-rate residential lofts above.
- The easternmost of the new buildings (C) is a 2- to 3-story mixed-use building with a 4,000-square foot floorplate. It contains ground floor space suitable for retail and/or restaurant use, with market-rate commercial office space above.

- A public amenity is incorporated into the northeastern corner of the development, on the City-owned parcel (D). It consists of a plaza with a fountain and a small green space. This amenity should be designed to serve both the general public, as well as patrons of ground-floor businesses in the adjacent buildings, such as through incorporating outdoor restaurant seating.

- The two new buildings and plaza are sited to work as components of a unitary whole; the building façades “frame” the plaza, creating two sides of an “outdoor room”. Thoughtfully framing public spaces is a key element of urban design that creates places both memorable and functional. Though beyond the scope of this RFQ, and not illustrated here, it is assumed that future development opposite the subject site would reinforce this design gesture by completing the third and fourth sides of this “room”.

- Miller Road is illustrated with on-street parking (E). As depicted in the accompanying site photos in this document, Miller Road currently has a three-lane configuration with striped bicycle lanes. Miller Road is owned by the City; furthermore, it is understood by municipal stakeholders that the presence of on-street parking is critical for successful mixed-use development. Therefore, City staff is willing to discuss the reconfiguration of Miller Road to include on-street parking as a predevelopment agreement is negotiated.

- The existing service lane at the rear of the subject site has been retained and configured as a one-way westbound service lane incorporating 31 angled parking spaces (F), providing rear access to the buildings for residents and patrons. It is illustrated here with removable bollards installed at the eastern entryway from Holland Drive; these could be placed in the entryway to close off the lane during civic events (such as for staging of temporary food trucks, as shown).

- The service lane does not currently extend west to Hayes Street, as shown in the illustration. The City will acquire an easement to provide full cross-access at the rear of this block (G), which should be finalized by June 2020. The existing driveway along the western boundary of the subject site (H) is shown as an alternate means of egress to Miller Road; it is intended for one-way northbound operation to eliminate potential turning conflicts.
The historic village of Ada, 10 miles east of downtown Grand Rapids, developed a comprehensive plan to create several blocks of new, traditional “Main Street” development in their community in 2013. Construction of the New Village began in 2015, and is guided by a set of simple, type-based building standards. As the village had heretofore lacked a traditional Main Street with multi-story buildings, new blocks are lined with buildings exhibiting architecture consistent with precedents in nearby communities.

The new mixed-use buildings on these blocks are built to depths of between 40 and 60 feet. In contrast to the typical 100-foot building depth found in historic Midwestern main street buildings, the shallower depth provides greater flexibility for retail and office users seeking smaller floorplates.
Dr. Wax Building (2019 to present)

The City of Linden is located 10 miles south of Swartz Creek. In 2007, a fire destroyed a historic block of buildings on the City’s principal downtown corner. The site was purchased by a local orthodontist in 2017, and the new building is being developed for compatibility with the surrounding character of the area. When complete in 2020, the 14,800-sf building will house two commercial tenants on the ground floor, and the orthodontic practice on the second floor. MEDC assisted this project, providing gap funding to address preexisting site contamination.

Liberty Square Building (2018–19)

The Village of Milford, in southwestern Oakland County, has a traditional Main Street lined with one- to three-story mixed use buildings. The Liberty Square building at 304 North Main Street was designed to match the context of its surroundings, with features including arch-topped second story windows and a strong cornice line. The building incorporates 6,255 sf of ground floor commercial space and an equal amount of second floor office space.
Project Incentives

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

- **Nominal land purchase price** for the adjacent 0.3-acre City-owned parcel, if necessary to support an excellent development proposal.

- **Brownfield assessment grants** are available through the Genesee County Land Bank and Brownfield Redevelopment Authority (BRA), and may provide support toward preparation of a Baseline Environmental Assessment (BEA), or Phase I and II Environmental Site Assessment (ESA).

- **Brownfield Tax Increment Financing (TIF)** is available through the Genesee County Land Bank and 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.

- The subject site is fully located within Swartz Creek’s **Downtown Development Authority** (DDA) District. The DDA is committed to leveraging its resources, including a **Tax Increment Financing (TIF) program**, to ensure the success of the selected developer.


- **Water and Sewer Connection Fee Waivers** are also available as a local Incentive.

Additional details on abatements and incentives offered by the City of Swartz Creek are available in the City’s Tax Abatement & Incentive Policy document, which is presented as Appendix to this document (Appendix D).
Selection Process and Criteria

The property owner, in cooperation with the City of Swartz Creek, will review and evaluate all complete proposals in response to this Request for Qualifications (RFQ) to identify and engage with qualified developers. 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 RFQ.

- **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 property owner and/or Swartz Creek City staff may seek additional information upon receipt of a development proposal. Additionally, these parties reserve 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 property owner and/or City of Swartz Creek will enter into a predevelopment agreement including purchase price, due diligence period and other terms.

A schedule for the receipt and evaluation of proposals is appended to this document as Attachment A.

**Proposal Format:** All proposals should be submitted by email in a PDF format to azettel@cityofswartzcreek.org

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

City of Swartz Creek  
Attn: Adam Zettel, City Manager  
8083 Civic Drive  
Swartz Creek, MI 48473

**Contact/Questions:**

Adam Zettel, City Manager  
City of Swartz Creek  
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