

# CHINOOK PIER

301 NORTH HARBOR DRIVE

Grand Haven, Michigan

# **TIMELINE**

RFQ released: **09/14/2021** 

Site Showcase event: 09/29/2021

RFQ proposals due: **11/12/2021** 

Evaluation period: **11/15/21-01/17/22** 

City council work session: 12/06/2021

Public comment period: **12/06/21–01/09/22** 

City council meeting to select finalists: **01/17/2022** 

Finalists teams notified: **01/18/2022** 

Finalist teams presentation to evaluation committee: February 2022

Finalize terms of a development and purchase agreement: **April 2022** 



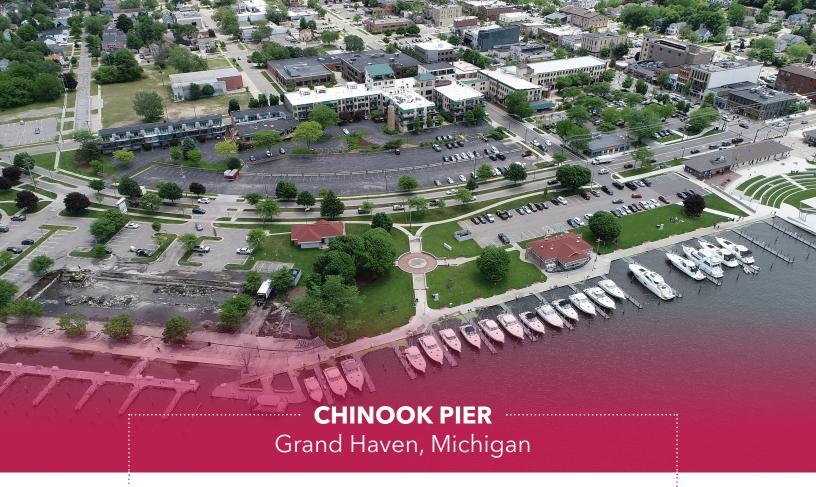
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The City of Grand Haven is rich in natural beauty and has built a waterfront that attracts visitors from near and far. The city has invested in the waterfront over many years, whether that be through the construction of popular public amenities, such as the waterfront stadium or splash pad, or through supporting local business growth downtown or at the Farmers Market. The removal of the former Chinook Pier Shops due to mold and water damage in 2020 has led the city to explore options for improvement along the river.

Chinook Pier was originally acquired by the city with the intent to expand the public waterfront and support pier activity through private investment. Approximately 3.4 acres of the northern half of Chinook Pier is anticipated for future growth through a public-private partnership. This opportunity area provides direct connections to the Grand River, waterfront trail, Bicentennial Park, trolley route, and Grand Haven's walkable downtown.

The city, with community input, has developed a vision for a project featuring commercial development with several secured retail tenants that would accommodate more dining and shopping options along the river, provide new parking, and be activated by a multi-use market facility. The city would like to partner with a visionary developer to build this project, working toward the common goal of economic vitality at Chinook Pier.

Interested development teams are invited to submit proposals in accordance with **the attached schedule**; please refer to **page 16** for submittal details.

## **DEVELOPMENT OPPORTUNITY**



Chinook Pier is bounded by the Grand River, Harbor Drive, Bicentennial Park, and the Grand Haven Yacht Club. The opportunity area presented in this RFP is located between the Train Park to the north and the Sailing Club to the south.

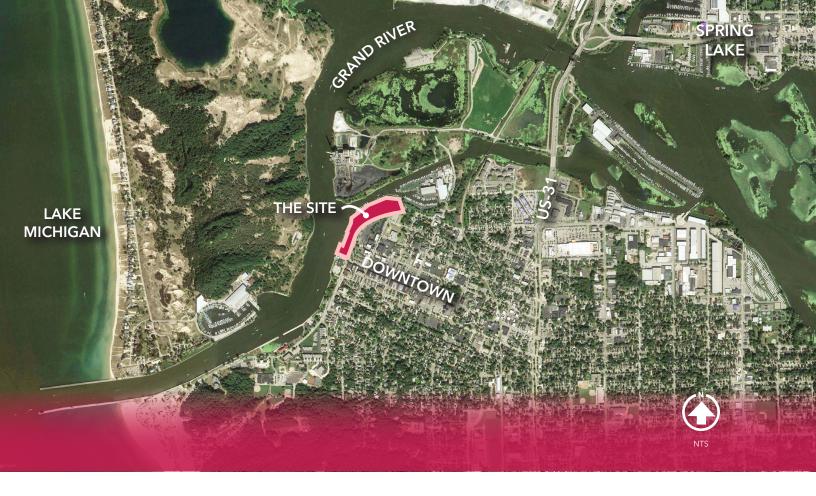
The 3.4 acre opportunity area is entirely owned by the City of Grand Haven. The area has been partially cleared but is currently home to the Farmers Market and Chinook Pier Mini Golf. The site address and parcel number are as follows:

#### • 301 N Harbor Drive (70-03-20-280-025)

It is anticipated that new development may occur in phases and could include multiple buildings or incremental approaches to knit this site into the existing waterfront fabric. The recently updated zoning ordinance allows for multi-tenant commercial, eating/drinking, and retail establishments as a special land use on this site. A public-private partnership is envisioned for development as close coordination between the city and developer will be needed to determine the removal and reconstruction of sensitive public infrastructure elements, such as the Farmers Market.

#### **Site Location Key**





## **COMMUNITY OVERVIEW**

Grand Haven is rich in cultural history and natural beauty, attracting visitors from near and far. Its historic downtown offers unique architecture, pedestrian amenities, and retail opportunities within walking distance of the Grand River and Lake Michigan. Along the waterfront, retail shops are woven into the fabric of a picturesque natural setting.

The Grand Haven community is an anchor in west Michigan, situated less than an hour from Grand Rapids, Holland, and Muskegon. The city has become an attractive location for high-quality housing, scenic views, and abundant activities, all located within a small-town, historic environment. Businesses appreciate the close proximity to U.S. 31 while being situated in a beautiful and quaint location.

Downtown Grand Haven is the city's principal location for tourism-related businesses and cultural features. With roots in lumbering, manufacturing, and tourism, the historic character of the city is valued and prominent. Charming downtown buildings are reminiscent of the

past while providing inspiration for the future, creating harmony between the old and new. The waterfront setting provides a respite for those seeking a place to relax, enjoy outdoor recreation, or meet with others. The downtown is walkable, safe, and well connected to the waterfront. Together, the downtown and Chinook Pier complement each other to establish an area where people can live, work, and play.

The City of Grand Haven is growing. Between 2010 and 2019, the American Community Survey estimated the city's population growth at almost 6%. In the study area for Grand Haven's Waterfront Master Plan (Beyond the Pier, 2021), the residential population was estimated to grow at an even greater rate of 11% according to the ESRI Demographic Forecast. New residential development around the downtown periphery is increasing the population and expanding the need for year-round retail, relaxation, and recreation opportunities within Chinook Pier and downtown. The city has planned strategic growth areas and anticipates a strengthened connection between Chinook Pier and the adjacent

downtown business district. As a Redevelopment Ready Community®, the city has demonstrated conformance to practices that promote effective redevelopment strategies.

Every season brings an occasion to celebrate in Grand Haven. Known as the "Coast Guard City, USA," the city is nationally renowned for its Coast Guard Festival during which over 350,000 people gather to honor the men and women who have served in the United States Coast Guard. Numerous other family-friendly events bring the community together, including the Kite Festival, Salmon Festival, and Winterfest. Throughout the summer, the Lynne Sherwood Waterfront Stadium provides a venue for regular live performances, the Farmers Market supports locally sourced products, and the Musical Fountain provides dramatic evening light shows across the Grand River. Local businesses benefit from the investment of both the local and tourist populations that visit the city's numerous events and activities.

Connectivity is valued in Grand Haven, as sidewalks, pathways, bike lanes, and roads connect people to both natural and built places. Several streets were transformed into outdoor dining spaces during the COVID-19 pandemic to help unite people and places in a safe environment. The riverfront boardwalk provides a beautiful setting for pedestrians to enjoy the Grand River while facilitating access to a variety of business and recreational spaces. Nearby, the historic trolley reinforces Grand Haven's small-town charm and diversifies transportation options in the city.

As people and places naturally change, the City of Grand Haven is committed to planning that balances strategy, flexibility, efficiency, and collaboration. Through extensive community engagement, city leaders strive to enact strategies that are both robust and responsible for the future development of the downtown and Chinook Pier.









# MARKET CONDITIONS AND OPPORTUNITIES

#### **Consumer Characteristics**

The city's growing population and presence as a major employment center are expected to increase retail potential and demand. An analysis of consumer behavior and spending patterns indicated a high market potential for those who are technologically inclined (often college-aged students), entertainment venues, and food-related businesses. Two major market segments exist: younger lower-wage professionals (<35 years) and older affluent residents. Retail may target these groups, such as through affordable services and niche, more expensive options.

The largest regional retail leakages within a 15-minute drive represent opportunities for development. In 2020, the most significant leakage was in grocery stores (\$1.3 million). While large retail grocery stores are not common in downtown centers, neighborhood-scale grocers have become more popular in recent years. Other leakages were identified for auto dealers, furniture stores, and department stores.

#### **Market Potential**

While tourism businesses are prevalent downtown, there is demand for everyday goods and services, such as personal care, groceries, and specialty retail. There is a concentration of multi-family units near the development site, including the existing high-income Harbourfront Condominiums and market-rate Peerless Flats apartments under development. The additional residences from Peerless Flats are expected to further increase the need for everyday goods and services in the immediate area.

The public also indicated a strong desire for waterfront dining and activities at Chinook Pier during engagement efforts for the Waterfront Master Plan, Beyond the Pier. Restaurants and entertainment establishments can tap into the two consumer market segments, such as through microbreweries, live entertainment venues, or unique cuisine. The area's strength as a dining destination provides a foundation for future business growth. New dining and entertainment businesses can be mutually beneficial by enhancing the downtown identity as a local and regional destination, attracting new people into the city.

A full market study report for the Waterfront Master Plan study area is available at www.beyondthepiergh.com/the-plan/

## SITE OVERVIEW

Located on Chinook Pier, the development site is situated along the Grand River with close proximity to downtown Grand Haven, residences, and major community attractions. The riverfront multi-use trail extends along the Grand River, connecting to Ferrysburg and Spring Lake. A network of pathways meander throughout the entire pier and connect to the downtown.

The development site was home to the former Chinook Pier Shops. The Chinook Pier Shops buildings were removed due to mold issues, creating a new development opportunity at this location. Originally a train yard, this site has been transformed over time while retaining aspects of its history, evidenced by the historic train, Coal Tipple, and public waterfront access. Today, this area is envisioned as a public space that continues to preserve waterfront access while providing for business partnerships that support the continued viability of waterfront activities.

Grand Haven's waterfront is a unique mix of sensitive natural features and urban fabric. While located close to downtown Grand Haven, the pier offers a natural setting with key views to critical dunes (Dewey Hill), the Grand River, and Linear Park. Scenic views are complemented by a variety of attractions, including the municipal marina, Farmers Market, mini golf, historic Coal Tipple, Lynne Sherwood Waterfront Stadium, and the Musical Fountain. This mix of built and natural areas attracts both residents and visitors.

Within a five-minute walk are the recently-approved Peerless Flats apartments and the existing Harbourfront Condominiums, providing residents with convenient access to Chinook Pier. The Old Town neighborhood is also nearby, containing mostly single-family homes. The mix of rental and permanent homes provides potential seasonal and year-round populations near the Chinook Pier development opportunity.





# SITE UTILITIES

The site is located along Harbor Drive, a city-maintained key street. On-street parking is envisioned in the future and additional public parking is supported on the pier.

#### Water/Sewer

Site is fully served. Derek Gajdos, PublicWorks Director, (616) 847-3493

#### Gas/Electric

Site is fully served by Michigan Gas Utilities and Grand Haven Board of Light & Power. Michigan Gas Utilities: (800) 401-6402 Grand Haven Board of Light & Power: (616) 607-1260

### Planning/Zoning

Jennifer Howland, (616) 935-3276,jhowland@grandhaven.org

#### **Harbor Board**

: Jeff Hawke, (616) 842-3460, : jhawke@grandhaven.org

# ADDITIONAL SITE INFORMATION

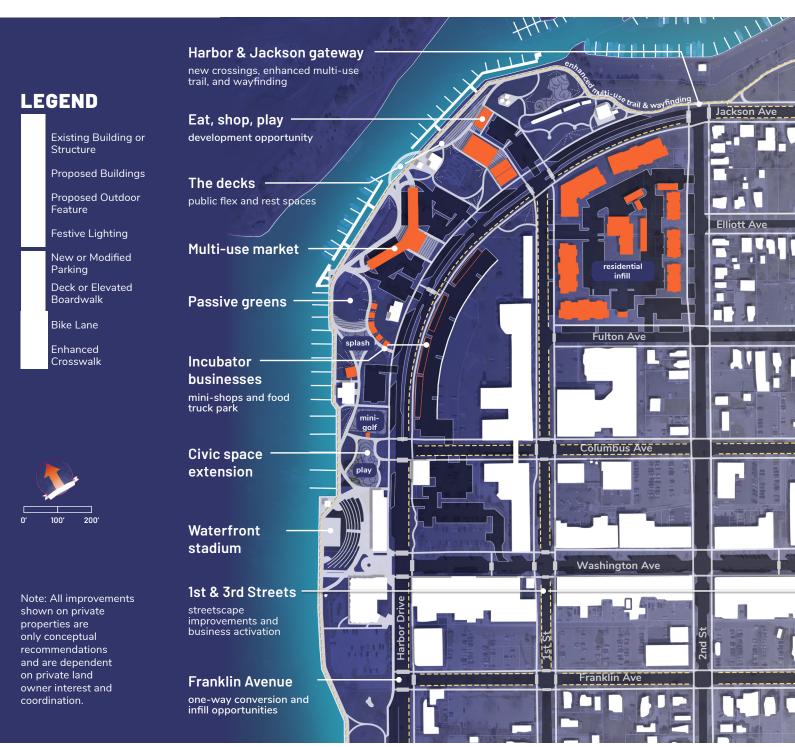
### **Zoning and City Master Plan**

The development site is well supported by the city's zoning ordinance and master plan. The site is located along a key street (Harbor Drive) and is entirely within the Waterfront zoning district. This district is intended to support water-related development and to provide ample opportunities for public access with a balance of recreational and retail opportunities along the waterfront. The Waterfront zoning district supports eating and drinking establishments, mixed-use developments, multi-tenant commercial establishments, and retail. Recent updates to the zoning ordinance have streamlined developmental reviews for a more expedited process and allows for greater flexibility in parking arrangements. The city may entertain the creation of a Planned Development.

The future land use plan, as defined in the city's Master Plan, places the site in the Downtown District. This district envisions that "the area will be characterized by an urban form that is scaled for convenient and safe pedestrian access and designed to take advantage of outdoor informal gathering places." Future development is proposed as a public-private partnership that will further enhance business activity on the pier while being sensitive to important natural areas.

#### **Grand Haven Waterfront Master Plan**

The proposed redevelopment of Chinook Pier is supported by the city's Waterfront Master Plan, Beyond the Pier. Strategies and recommendations in Beyond the Pier were founded in extensive community outreach and the input of local leaders. This Plan is meant to guide development along Chinook Pier while also making connections to the surrounding downtown. For a more detailed description of strategies for the broader area, please reference the Beyond the Pier document.



www.beyondthepiergh.com/the-plan/



# PREFERRED DEVELOPMENT SCENARIO

The City of Grand Haven is certified as a Redevelopment Ready Community® by the Michigan Economic Development Corporation. The RRC certification recognizes the city's development regulations and processes as up-to-date, clear, and predictable, as determined by a rigorous external assessment.

The city has undertaken an analysis of preferred uses for the site and surrounding areas through the creation of the updated Waterfront Master Plan, Beyond the Pier. To move elements of this plan forward, the city would like to partner with an interested developer on the creation of an activated space on Chinook Pier that would include two focus areas acting as one integral development area.

Building off of the adjacent Peerless Flats residential growth, the development area on Chinook Pier mirrors the intensity of use on the other side of Harbor Drive. This highly visible waterfront project is anticipated to further strengthen the gateway into Grand Haven and provide walkable access to food, entertainment, and essentials for nearby residents.

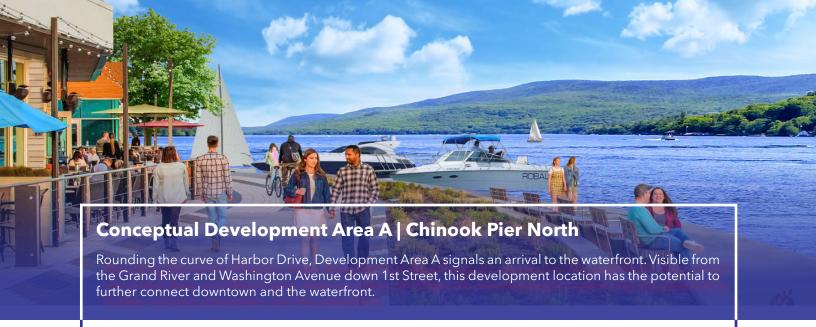
Development Area A has been defined as approximately 10,900 square feet of mixed commercial/retail space located at the site of the existing Farmers Market. This new development at the northern portion of Chinook Pier offers opportunities for riverfront dining, entertainment, and retail. Riverfront dining was a popular request during the Waterfront Master Planning process. Approximately 5,500 square feet of this development area has been envisioned for a sizable anchor restaurant. The remaining 5,400 square feet of mixed commercial space would provide new storefronts for the displaced Chinook Pier Shops businesses.

Development Area B is a multi-use market located at the site of the former Chinook Pier Shops. Envisioned as a destination market, this unique place would offer space for farmers to sell local produce at indoor/outdoor stalls and incubator spaces for small grocery retailers, such as meat and fish markets, wine and cheese shops, spice markets, or food and drink vendors. The new multi-use market proposed by this concept provides approximately 10,130 square feet of total space, with 6,830 square feet of dedicated stall space and 3,300 square feet of indoor small box retail, incubator retail, and food vendor spaces.



# Conceptual Site Plan Legend

- A Development Area A: Mixed commercial/retail with a riverfront anchor restaurant and retail space for former Chinook Pier Shops tenants
- B Development Area B: Multi-use market, with stalls for the bi-weekly Farmers Market, incubator spaces, food and drink vendors, and rentable event space
- C Point of entry
- Existing train park and playground
- E Existing mini-golf, future greenspace
- Existing fish cleaning station and public restroom
- G Existing riverfront trail and boardwalk
- H Existing municipal marina
- Open greens
- J Existing/upcoming residential development



**Site Elements** = Multi-tenant commercial (mixed-retail, dining), parking

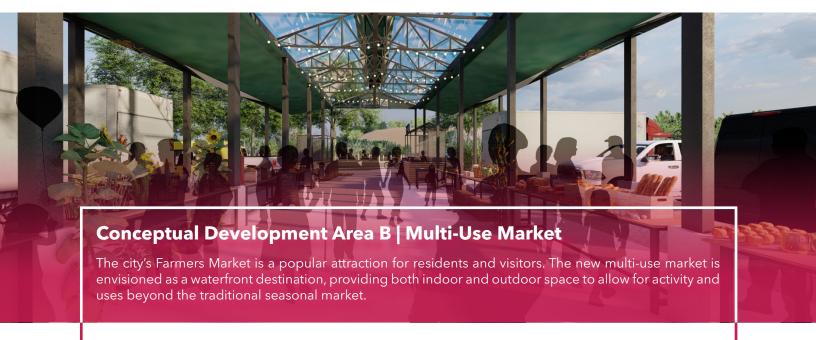
Number of Stories = 1 story or 30 ft\*\*

**Parking Estimate** = 36 Spaces

**Mixed Commercial/Retail Space** (ground floor) = 10,900 sf

**Restaurant Space** = 5,500 sf

**Retail Space** = 5,400 sf



**Site Elements** = Multi-use market, outdoor dining spaces, parking

Number of Stories = 1 story or 30 ft\*\*

Parking Estimate = 100 Spaces\*

Multi-Use Market Space (ground floor) = 10,130 sf

**Stall Space** = 6,830 sf

**Retail Space** = 3,300 sf

<sup>\*</sup>The conceptual site plan illustrates 100 parking spaces (including vendor parking) for the multi-use market to better accommodate the needs of the community and seasonal traffic.

<sup>\*\*</sup>The city is amenable to creative ideas regarding stories, such as rooftop uses, so long as they do not impede visibility to the Grand River. 30' is the maximum height allowed by the zoning ordinance in the Waterfront zoning district.

# PREFERRED DEVELOPMENT SCENARIO PROJECT COSTS

The preferred development scenario has been analyzed against local market conditions and typical development costs. A feasibility overview was generated as part of the city's Waterfront Master Plan, Beyond the Pier. Highlights from this overview are represented below in the *Project Costs & Income* section.

The City of Grand Haven currently has a ten-year maximum land lease for available public properties. A recommendation of the city's Waterfront Master Plan, Beyond the Pier, was to extend this land lease for a longer period of time. This lease period and rates may be negotiable with the city based on the public-private partnership determined.

The construction, development, and operating costs for a future project may differ greatly from this analysis depending on a number of factors. This feasibility overview should not be considered as final or approved by MEDC in any way. It has been created as a representative sample for a project similar to the size and shape of the preferred development scenario featured in the RFP.

## POTENTIAL PROJECT COSTS & INCOME

Using the conceptual site plan illustrated on page 12, a sensitivity analysis was conducted to determine the best, most likely, and worst-case scenarios based on financing, development, and lease characteristics. Most likely scenarios are presented below as a reference for potential project investment and returns.

#### **Development Area A | Chinook Pier North**

•	IRR = 9.43%	•	NOI = \$231,044
•	MIN. = 0.99%	•	FCF = \$10,496
•	DSCR = 1.04	•	WSJ (Jan. 15, 2021) = 4.00%
••••		Total project cost = \$4,812,114	
••••		Net sale proceeds (20 years) = \$3,120,757	

#### **Development Area B | Multi-Use Market**

		Valuation (20 years) = \$2,004,052	
		Total project cost = \$6,441,197	
•	DSCR = 0.58	•	WSJ (Jan. 15, 2021) = 4.25%
•	MIN. = -3.09%	•	FCF = -\$98,922
•	IRR = -5.17%	•	NOI = \$140,395

## **AVAILABLE INCENTIVES**

The City of Grand Haven is a Redevelopment Ready Community® and the following incentives may be leveraged by the developer:

- MEDC Community Revitalization Grants & Loans Up to 25% of site improvement and construction costs.
- Brownfield Tax Increment Financing Reimbursement through paid taxes of 100% of demolition, site preparation, public infrastructure, and lead and asbestos abatement, as well as environmental remediation.
- Public Spaces Community Spaces (PSCP) A grant match program from MEDC that is based on donation-based crowdfunding to generate public interest and funding.





The City of Grand Haven will review and evaluate all complete proposals in response to this Request for Proposals (RFP) to identify and engage with qualified developers. An initial response to this RFP must include the following information:

- Letter of Interest: Provide a letter (up to 3 pages) identifying the development team and providing a brief description of the team's vision for the site and timeline.
- Concept plans or renderings.
- Estimated land lease rate and potential incentives requested.
- Development Experience / Portfolio: Provide a short description of past projects of a similar nature completed by the development team (up to 10 pages). Include a description of the projects, cost, completion date, and references.
- Evidence of development team's fiscal capacity to undertake the proposed project.
- Resume of firm and lead team members.

City of Grand Haven staff may seek additional information upon receipt of a development proposal.

The RFP and responses should not be considered a legally binding agreement. Upon selection of a qualified development team, City of Grand Haven will enter into a predevelopment agreement including the negotiated land lease rate, due diligence period, and other terms.

### **Proposal Format**

Six (6) printed proposals and a PDF version shall be submitted by the deadline stated in the attached schedule to:

Jennifer Howland Community Development Manager 519 Washington Avenue Grand Haven, MI 49417

(616) 935-3276 www.grandhaven.org jhowland@grandhaven.org

# CONTACT / QUESTIONS

Questions may be directed to:
Jennifer Howland
Community Development Manager
(616) 935-3276
jhowland@grandhaven.org





**DEVELOPMENT REQUEST FOR PROPOSALS**