Request for Developer Qualifications (RFQ)

The city of Ypsilanti offers four acres of vacant land for residential development, adjacent to the Depot Town entertainment district and popular Historic East Side neighborhood.

Asking price $250,000

220 North Park Street
Ypsilanti, Michigan

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Development Opportunity

The city of Ypsilanti, Michigan seeks developers for the city-owned property at 220 North Park Street. The 4.46-acre vacant parcel provides an opportunity to offer new-build housing options in the midst of a thriving historic neighborhood in walking distance to downtown Ypsilanti, the Depot Town entertainment district, and Eastern Michigan University’s main campus.

The city’s preferred development for this site would:

- Create new, for-sale residential options in a combination of single-family detached, duplex, and townhome formats
- Include at least 10% of units as accessible and barrier-free
- Offer site layout and building design that respects and complements the adjacent Historic East Side Neighborhood
- Include east to west public access via a bike/walk path across the southern edge of the property and a street or alley through the property, aligned with existing Locust Street to the east
- Offer residences ready for occupancy within two years of property sale
- Not require a payment in lieu of taxes (PILOT) or other long-term tax abatement

The city’s asking price is $250,000. The city may consider reductions to this price in support of an optimal development plan. Preference will be given to projects with environmental sustainability components such as solar/alternative energy generation, green development techniques, etc.

Interested development teams are invited to submit qualifications to the city by June 1, 2017; please refer to page 8 for submittal details.
Site Context: Ypsilanti, Michigan

Ypsilanti, the home of Eastern Michigan University, is a creative and diverse community of around 20,000 people clustered in an historic 4.51 square miles in southeast Michigan. Just 30 miles from Detroit, and 15 minutes from Ann Arbor’s University of Michigan, Ypsilanti possesses a unique and solidly authentic urban vibe.

Nearby assets include:

- **Depot Town** historic commercial district, just two blocks from the development site, features cafes, destination restaurants, a microbrewery, farmers market, and small grocery store.
- **Riverside Park**, just beyond Depot Town, hosts annual events ranging from the Michigan Elvis Festival to the Michigan Summer Beer Festival, car and motorcycle shows, and the Color Run, as well as access to the Huron River.
- **Downtown Ypsilanti** offers unique retailers, restaurants, art galleries and live theater, the public library and post office, and EMU College of Business a mile from the site.
- **Eastern Michigan University's** main campus is an easy 20-minute walk from the site, with an enrollment of nearly 22,000 students. The Live Ypsi homebuyer program offers incentives to EMU faculty and staff to support living near campus.¹
- **Ypsilanti International Elementary School**, an International Baccalaureate preschool and elementary program, recently opened four blocks to the north, at 503 Oak Street. Ypsilanti’s IB middle and high schools have received acclaim in recent years, with the high school achieving the second highest SAT scores in Michigan last year.²

Ypsilanti is part of both the Ann Arbor and Detroit labor markets, with residents employed in medical, higher education, engineering, and IT fields throughout the region.³

The site offers great access to these and other destinations with a WalkScore of 77, local bus service (“TheRide”) connecting throughout the Ann Arbor/Ypsilanti area, and future commuter rail service linking Depot Town to Ann Arbor, Detroit Metro Airport (DTW), Dearborn, and Detroit.

¹ Live Ypsi Homebuyer Program, [https://www.emich.edu/liveypsi/](https://www.emich.edu/liveypsi/)
³ For an area labor market profile, refer to [http://cityofypsilanti.com/666/220-N-Park-RFQ](http://cityofypsilanti.com/666/220-N-Park-RFQ)
Site Vision

To provide a concept of the type of development the City of Ypsilanti would like to see on the site, sample site concepts have been prepared. These images are intended to be illustrative, and the city is open to alternative approaches that fit the site and neighborhood context.

*Site Concept and building type inspirations: 44-unit townhome development*
Site Vision, continued

Alternative site scenarios: 25-unit single-family and duplex; 54-unit 4- and 6-plex condo

![Site Vision Diagrams]

Market Conditions

Residential Market Potential

A target market analysis completed in 2015 shows demand for new housing in and around downtown Ypsilanti. The TMA\(^4\), prepared by LandUse USA, showed these key findings:

- A minimum potential of 99 new owner-occupant households annually, totaling 495 new owner-occupant households over the 2016-2020 period. A more aggressive scenario suggested the potential of 1,505 new owner-occupant households over the 5-year period.
- Home values for this demand have been primarily projected in the range of $75,000-$200,000, though with some demand up to $300,000; this range is skewed by the current absence of new-build home options within the city to compare.
- A comparison of the target market demographics to existing housing supply shows gaps in both single-family detached home and townhome formats.

Sales figures compiled by the Ann Arbor Area Board of Realtors confirm strong demand in the Ypsilanti submarket, with 2016 average sale prices 13.3% higher than 2015—a gain more than twice as high as the Ann Arbor area as a whole.\(^5\) The subject neighborhood, in particular, has seen very strong year-over-year home value growth in the city, with the city assessor calculating a nearly 30% increase from 2016 to 2017.


Development Process

Upon selection of a qualified developer, the city anticipates entering into a letter of intent/pre-development agreement to allow for due diligence activities and completion of a final development agreement. The city expects this pre-development agreement to be in effect for six months or until a final development agreement is reached.

Master Plan and Zoning

Master Plan: The city of Ypsilanti’s 2013 Master Plan\(^6\) prioritizes a diversity of housing options and products, stating, “Anyone, no matter what age or income, can find a place to call home in Ypsilanti,” among the city’s guiding values. The city’s zoning ordinance was updated in 2014 to reflect the new master plan.

Zoning: The site at 220 N. Park is zoned “Core Neighborhood Mid.” This form-based designation is described in part as a walkable urban place “supported through a network of interconnected, tree-lined streets, a diversity of housing choices and a mix of appropriate commercial and residential uses in a compact form. These areas also support public transit due to their compact nature...Housing types range from mansions to cottages, with multiple-family and single-family uses.” Refer to the full zoning ordinance for details on building types and site development standards.\(^7\)

Historic District: The site is located in the Ypsilanti Historic District. The city’s historic preservation ordinance provides guidance for new construction in the district.\(^8\)

Utilities

The site is served by public streets to the west (Park), north (High), and east (Grove). Full access to utilities is provided from the adjacent streets.

- Water/Sewer: Ypsilanti Community Utilities Authority.
- Gas/Electric: DTE.
- Streets, Storm Sewer and Right-of-Way: City of Ypsilanti Department of Public Services. Engineering standards and procedures manual is available on the city’s website\(^9\), and engineering reviews are performed by OHM Advisors.
- The rail right-of-way to the south of the site is owned by MDOT, and carries Amtrak and limited Norfolk-Southern traffic.

Redevelopment Ready Community

The city of Ypsilanti has been certified as a Redevelopment Ready Community\(^\text{®}\) 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.

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\(^8\) City of Ypsilanti Historic Preservation Ordinance, Sec. 54-82: [http://cityofypsilanti.com/DocumentCenter/View/384](http://cityofypsilanti.com/DocumentCenter/View/384)

Available Incentives

The city of Ypsilanti demolished an existing obsolete structure on the property in 2016, and has completed initial environmental investigations. Additionally, the following incentives may be leveraged by the developer:

- **Reductions in land purchase price** may be considered in support of an excellent development proposal.
- **Brownfield assessment grants** are available to the city through the Downriver Community Conference, and may provide up to $10,000 towards preparation of a BEA or Phase II ESA.
- **Brownfield TIF** is available through the Washtenaw County Brownfield Redevelopment Authority 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 applicable to the subject site, and the city will support an application to MEDC.
- **Recreation Grants** may be available to support public access and greenspace along rail right-of-way; the city will work collaboratively to identify and apply for these opportunities.

Environmental Conditions

A Phase I Environmental Site Assessment (ESA) was completed in October, 2015, by AKT Peerless. The ESA found no evidence of known Recognized Environmental Conditions (RECs) on the site except for an area of fill material along the southern edge of the property (adjacent to the railroad tracks) and a history of industrial use on adjacent properties. The city recommends additional assessment by the selected developer to determine whether any conditions require action to suit the final site plan.

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[View of site from southwest (North Park Street near MDOT rail right-of-way)](http://cityofypsilanti.com/666/220-N-Park-RFQ)
Selection Process and Criteria

The City of Ypsilanti will review and evaluate all complete proposals in response to this RFQ to identify and engage with qualified developers for 220 N. Park Street. An initial response to this RFQ must include the following information:

- **Letter of Interest**: Provide a letter (up to 3 pages) identifying the development team and providing a brief description of the team’s vision for the site.
- **Concept plans or renderings**, if available.
- **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.
- **Resume** of firm and lead team members.

City of Ypsilanti staff 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 of Ypsilanti 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 bernat@cityofypsilanti.com, as well as a hard copy or CD / USB drive sent to City of Ypsilanti, ATTN: Beth Ernat, 1 S. Huron, Ypsilanti, MI 48197.

Schedule for Review and Selection

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

- **RFQ posted, questions period**: April 10 – May 5, 2017
- **FAQ posted to city website**: May 12, 2017 (if any questions received)
- **Deadline for proposals**: June 1, 2017
- **Evaluation period**: June 1 – July 1, 2017
- **Finalist team notified**: July 1, 2017
- **Finalist presentation to Ypsilanti City Council**: July or August 2017
- **City Council approval of predevelopment agreement**: September 2017

Contact / Questions

Questions may be directed to:

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