

Request for Proposals



To develop housing at 535 Woodmere and 715 Beitner,
Traverse City, Michigan

November 27, 2024

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The Opportunity

The City of Traverse City is seeking qualifications-based proposals from developers interested in developing housing in the heart of Traverse City. The City is looking for interest in purchasing and developing two contiguous lots located at 535 Woodmere and 715 Beitner. This is part of an effort to add more workforce housing within the City limits. These properties are centrally located across Woodmere Avenue from the Traverse Area District Library and near the growing NOBO District.

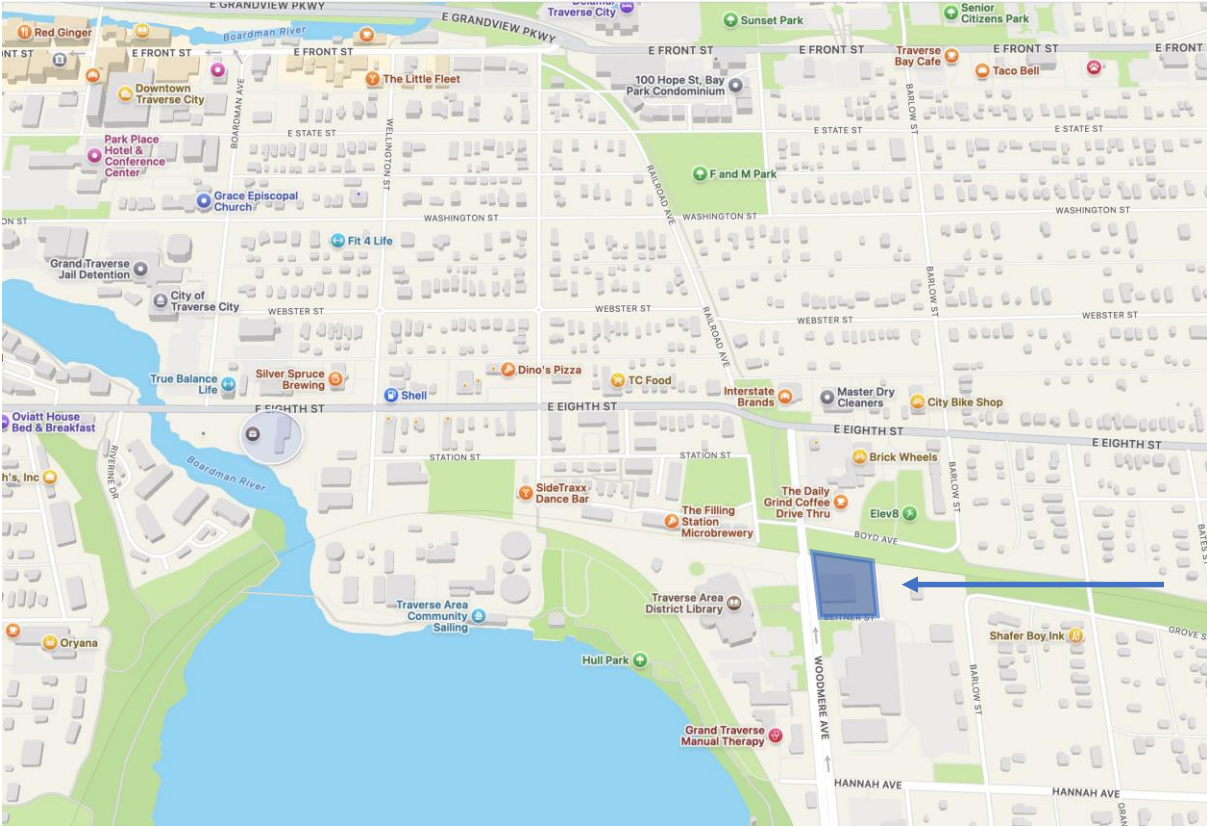
Project Goals

The City of Traverse City seeks to further key goals through this initiative. These goals are:

- Maximize the number of residential units,
- Minimize the carbon footprint and parking, and
- Create community through building design, diverse price points, and the prohibition of short-term rentals.

The City is entertaining proposals to develop the two properties as one development. The project can be phased but must be undertaken as one effort by one developer.

Project Site



Community Profile

Traverse City has become a highly desirable community for visitors, retirees, young families, and entrepreneurs. Its coastal location, near two viticultural regions, close to Sleeping Bear Dunes National Lakeshore, and close to all Northwest Michigan has to offer, has long made Traverse City a popular visitor and resort destination. Excellent health care, expanded commercial air service, improved connectivity, and entrepreneurial culture has spurred new economic and population growth.

The Traverse City area has seen strong growth in the past decade. The City’s population has grown between 2010 and 2022, despite being landlocked, at a faster pace than the State. Grand Traverse County has grown 10.8%, more than the State and the Country. The City and County’s household income has grown significantly more than the state and country. This growth is detailed in the table below.

Population and Household Growth

	Traverse City	Grand Traverse County	Michigan	USA
2022 Population	15,468	94,562	10,062,512	329,725,481
<i>growth since 2010</i>	4.7%	10.8%	1.1%	8.5%
2022 HH income	\$70,700	\$75,553	\$68,505	\$75,149
<i>growth since 2010</i>	68.5%	49.2%	41.4%	44.8%

Source: US Census Bureau, ACS 5-Year Estimates

Property Details

Property Characteristics

	535 Woodmere	715 Beitner
Parcel #	28-51-642-288-00	28-51-642-289-00
Lot Area (Acres)	0.44	0.16
Zoning	I - Industrial	I - Industrial
Historical Appraised Value ¹	\$455,000	\$145,000

1. According to a November 8, 2022 appraisal by Stelzer Appraisal Services, provided for information only.



Development Process

Upon selecting a qualified developer, the City anticipates entering into an agreement [allowing](#) for due diligence.

The **City of Traverse City** offers **pre-submittal meetings** where developers can get initial feedback on their proposals and contact utility and permit providers. The meetings include representatives from the city Planning/Zoning, Municipal Utilities, Engineering, and Fire departments, and the Grand Traverse County Building Department. Contact Planning Assistant Katie Miller at (231) 922-4778 for more information.

Utilities

The site is well-served by water, sewer, gas, and electricity. Traverse City Light and Power (TCLP) provides electricity and can offer fiber internet to all properties. In addition, TCLP offers a voluntary green rate and net metering to help reduce your project's carbon footprint. Inquiries about electrical service can be made by calling (231) 992-4431. The City provides water and sewer. Contact the Department of Municipal Utilities at (231) 922-4900 for more details. Gas service is provided by DTE Energy, which offers quotes for service by calling 1-800-533-6220. Finally, please note that the City has a [stormwater ordinance](#) and will seek proposals that creatively mitigate site stormwater.

Master Plan and Zoning

Master Plan: This property sits in a Transitional Neighborhood as identified in the City of Traverse City Master Plan. This designation allows for the following future land uses: Innovation, Production, Technology; Neighborhood Center; and Transitional Neighborhood.

Zoning: The sites are all located in the I, Industrial District zone, which allows residential. Contact Shawn Winter, Planning Director, at (231) 922-4460 with any zoning or entitlement process questions.

Other public outreach: The developer should also be prepared to assist the City in soliciting public feedback on the proposed development after establishing the conceptual design. The City, not the developer, will organize and facilitate all public outreach activities.

Available Incentives

Brownfield TIF: Brownfield TIF may be available through the Grand Traverse County Brownfield Redevelopment Authority to support remediation, due care, and other activities for any environmental conditions at the site.

City PILOT: In addition to the payment in lieu of taxes program offered through MSHDA, the City of Traverse City has its [own PILOT policy](#).

City NEZ: The City of Traverse City is open to considering Neighborhood Enterprise Zone status for a project if it meets its [NEZ standards](#).

Proposal Requirements, Criteria, & Process

Proposal Format

The City of Traverse City will review and evaluate all complete proposals in response to this request for proposals (RFP) to identify and engage with qualified developers interested in developing one of these lots. An initial response to this RFP must include the following information:

- **Letter of Interest:** Provide a letter of up to three pages identifying the development team and including a statement of the team's vision for the site, specifying how it meets the stated goals of the RFP. The letter of interest must detail how the project will mitigate sound from the adjacent railroad and DPW facility for residents.
- **Concept Plans and Renderings** of a vision for the site development.
- **Description of housing unit sizes and rents.** The City intends to enforce proposed rents with a deed restriction.
- **Purchase Price:** Provide a purchase price. Offers below appraised value may be entertained based upon alternate or additional consideration offered in the proposal. Examples include but are not limited to deed restrictions that benefit the City.
- **Development Experience/Portfolio:** Provide a brief description of past projects of a similar nature completed by the development team. At most, ten pages, please. Include a description of the projects, cost, completion date, and references.
- **Earnest Deposit:** The selected purchaser will be expected to post earnest funds equal to 2% of the property purchase price as part of and at the time of an eventual predevelopment agreement.
- **Evidence of the development team's fiscal capacity** to undertake the proposed project.
- **Resumes** of the firm and lead team members.
- **Proposed Timeline** based on the suggested schedule below.

The City of Traverse City may seek additional information upon receipt of a development proposal. Additionally, The City reserves the right to accept or reject any or all proposals, waive irregularities and to accept the proposals either on an entire or individual basis that is in the best interest of the City. The City may run background reviews of the development team. The

RFP and responses should not be considered a legally binding agreement. Upon selecting a qualified development team, the City will enter into a predevelopment agreement including purchase price, earnest deposit, due diligence period, and other terms. Questions regarding this proposal request can be directed to Shawn Winter, Planning Director, at (231) 922-4460 or swinter@traversecitymi.gov.

All proposals must be submitted by email in a PDF format to Kim Sheridan, Purchasing Agent, at tcmanage@traversecitymi.gov by Monday, January 6, 2025 at 10:00 a.m., Eastern Daylight Time. Additionally, a paper or a digital copy, on a USB drive, shall be sent to the address below by Monday, January 6, 2025 at 10:00 a.m. (EDT).

Addressed to:

**The City of Traverse City / City Manager's Office
ATTN: Kim Sheridan, Executive Assistant/Purchasing Agent
400 Boardman Avenue, 2nd Floor
Traverse City, MI 49684
tcmanage@traversecitymi.gov**

Selection Criteria

The City will evaluate proposals based, in part, on the project goals, which are restated and further described below:

1. Maximize the number of residential units.
2. Minimize the carbon footprint and parking. Special consideration will be given to proposals that:
 - a. Strive for net zero¹, low carbon², with a strong preference for a fully-electric project
 - b. Support other transportation modes by offering, for example, bike storage on-site,
 - c. If parking is offered, unbundle it from leases and/or sales.
3. Create community through building design, establishing diverse price points, and favoring long-term rentals over condominiums. Special consideration will be given to proposals that include most rental units that fall within 70% to 120% of the area median income (AMI) for Grand Traverse County, with a commitment to maintaining affordable rents for 30-years.
4. Long-term renter or ownership housing without short-term rentals, unless it can be demonstrated to be necessary for financial feasibility.
5. Applications that incorporate at least 3 units designated for community members experiencing homelessness will receive (additional points, or will be heavily weighted, etc.). Designated units will utilize [HUD Fair Market Rent rates](#). Subsidies up to the current HUD Fair Market Rent and in-home supportive services to tenants in set-aside units may be available. For more information, contact Ashley Halliday-Schmandt at (231) 499-1019.

In addition, the City will consider these factors in evaluating proposals:

- The overall vision for the property, including how the development will mitigate sound from adjacent land uses for residents.
- Development team's experience and financial capacity.
- The proposal's creativity in addressing stormwater management.

Tentative Schedule for Review and Selection

RFP released:	11/27/24
Pre-bid Meeting	12/10/24
RFP proposals due:	01/06/25
Finalist teams notified:	01/09/25
Finalist team's presentation:	01/21/25
City Commission selection of successful team	01/21/25

¹ A Zero Energy Building (ZEB), also known as a Net Zero Energy (NZE) building, or a Zero Net Energy (ZNE) building, is a building with net zero energy consumption, meaning the total amount of energy used by the building on an annual basis is equal to the amount of renewable energy created on the site. source: Wikipedia

² Low-carbon development is a holistic approach to design and construction that comprises evolving, energy-efficient, and environmentally friendly practices used to make buildings and developments that emit less carbon than conventional development.

List of Exhibits

1. November 8, 2022, Stelzer Appraisal Services property appraisal
2. July 16, 2020, Michigan Department of Environmental Quality Leaking Underground Storage Tank Corrective Action
3. October 6, 2021 MANAGEMENT OF SOIL THAT MAY CONTAIN ASBESTOS CONTAINING TRANSITE PANEL REMNANTS FORMER COMMERCIAL BUILDING report for 535 Woodmere Avenue prepared by Otwell Mawby
4. November 2022 Otwell Mawby Phase I Environmental Site Assessment
5. November 2022 Otwell Mawby Phase II Environmental Site Assessment
6. December 2022 Otwell Mawby Geotechnical Report
7. January 30, 2023, Otwell Mawby Due Care Plan