

**VILLAGE OF CALUMET DOWNTOWN
DEVELOPMENT AUTHORITY PROPOSAL PACKAGE**

**PURCHASE AND REDEVELOPMENT OF DOWNTOWN
PROPERTY**

AGNITZ BLOCK
427 5TH STREET
CALUMET, MI 49913

As Issued: September 11th, 2018

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VILLAGE OF CALUMET DOWNTOWN DEVELOPMENT AUTHORITY REQUEST FOR PROPOSALS

PURCHASE AND REDEVELOPMENT OF DOWNTOWN PROPERTY

427 5th Street, Calumet, MI 49913 (location)

The Village of Calumet Downtown Development Authority (DDA) will accept proposals for the purchase and redevelopment of the above vacant DDA-owned property located downtown at 427 5th Street, Calumet MI 49913 Street. The Village DDA acquired the parcel and offers a warranty deed to the successful purchaser.

Legal Description: Parcel #: 31-041-129-004-00

CA-19-6 N 3/4 OF LOT 4 BLK 19 VILL OF CALUMET SURFACE ONLY.

The building is now ready for redevelopment. The total square footage of the building is 8000 SF with both the first and second floor having 4000 square feet of space each.

The property is zoned C-2 Downtown Business District. The zoning generally permits commercial and office businesses on the first floor, basement levels and residential and office uses on the upper floors.

Proposals shall be made in accordance with the DDA's Request for Proposals.

Proposals will be accepted until an offer is presented and are to be submitted to the Village of Calumet Downtown Development Authority, 340 6th Street Street, Calumet, MI 49913. The Village reserves the right to refuse any or all proposals and to select the proposal from the most responsive and responsible party whose proposal is most advantageous to the Village.

**VILLAGE OF CALUMET
DOWNTOWN DEVELOPMENT AUTHORITY**

Questions to Leah Polzien, DDA Chairperson/Calumet Main Street Director

SPECIAL INSTRUCTIONS TO PROPOSERS

SUMMARY OF DDA’S OBJECTIVES FOR THE REDEVELOPMENT PROJECT:

The Village of Calumet Downtown Development Authority pursued the acquisition of the subject property to enhance and encourage downtown development.

The parcel is now ready for redevelopment by the private sector, with the chosen project to achieve the following objectives:

- Redevelop the entire vacant building for appropriate and productive use
- Return the property to the tax roll and increase its value through complete redevelopment
- Secure development which adds to the business mix and is in the best interest of the community
- Redevelop the building in a manner that conforms with Secretary of Interior’s Guidelines for Redevelopment of Historic Buildings, the Village of Calumet Historic District Commission, and enhances the unique historic look and feel of downtown Calumet
- Secure a private developer (DEVELOPER) with sufficient demonstrable financial ability to complete the redevelopment within a reasonable time frame and sufficient demonstrated ability to achieve the above objectives
- Develop a project that is a permitted or conditional use under the current Zoning District designation of C-2 Downtown Commercial District and does not require re-zoning of the parcel
- Minimize or eliminate any need for obtaining variances from the Village’s Zoning Ordinance and other Village Codes.

SUBMITTING PROPOSALS:

Sealed proposals are due at the Village of Calumet Downtown Development Authority, 340 6th Street, Calumet, MI 49913. Proposal envelopes shall be clearly marked "Proposal: Redevelopment of 427 5th Street" Proposals shall be on the enclosed quotation form. All blanks must be completed with no interlineations, erasures or recapitulation of the proposed work to be done other than that contained in the Proposal.

No proposal may be withdrawn for ninety (90) days after receipt. The DDA (hereinafter “OWNER”) intends to make a decision to accept or reject a proposal, at a regular scheduled DDA Board of Directors’ meeting within 90 days of receipt. OWNER reserves the right to accept or reject any or all proposals, delay its decision, to waive any irregularities in the consideration of the proposals, negotiate with those who have submitted proposals, and to award the contract to the most responsive and responsible party whose proposal is most advantageous to the OWNER. A decision to accept a proposal does not automatically result in the sale of the property. Sale will only be completed upon the signing of the Agreement.

PROPOSAL GUARANTY:

The proposal must be accompanied by a proposal guaranty of \$1,000. The guaranty may be in the form of cash, a certified check, bank draft or bid bond secured by a surety company. The

OWNER will retain the proposal guaranty until a Property Sale and Development Agreement (hereinafter "Agreement") has been executed between the OWNER and the successful proposer. If the OWNER chooses not to accept the proposal the proposal guaranty will be returned. The \$1,000 guaranty from the successful proposer will be held in escrow by the OWNER and returned to DEVELOPER upon successful completion of the redevelopment project. DEVELOPER agrees to forfeit the guaranty in case of DEVELOPER'S refusal to enter into the Agreement or proceed to closing on the purchase of the property from OWNER.

ADDITIONAL BID SUBMITTALS:

DEVELOPER must submit with the proposal all information deemed necessary to detail the proposal and permit OWNER to evaluate and verify the proposal. The proposal must contain, at a minimum, the submittal materials detailed in the attached Proposal Form.

Proposals will be evaluated on the following criteria. DEVELOPER may submit additional information they believe will address each of the criteria. They are:

- Project plan narrative discussing the details of the proposed project and how the project relates to the objectives of the OWNER for redevelopment of buildings including, but not limited to:
 - The intended use of the property
 - The investment DEVELOPER will make to develop the intended use
 - Whether the intended use adds jobs and/or tax base to the community
 - How the intended use adds to the business mix of the downtown
 - The proposed time frame to achieve the intended use
 - The financial ability of the DEVELOPER to achieve the intended use
 - Demonstrated ability to achieve OWNER objectives
 - Whether the end result retains the basic historic integrity of the building
- Development team and experience
- Preliminary architectural plans, elevations, and site plan (use of existing documents may be allowed) Contact information for the Village of Calumet Historic District Commission, 340 Sixth Street, Calumet, MI 49913, Phone 906-337-1713, Email calumethdc@gmail.com
- Offering Price, Financing Strategy, and any requests for assistance in financing or cost reimbursement needs
- Project Schedule

DEVELOPER'S financial information, business plans, tax records, and some other documents submitted by the DEVELOPER to satisfy OWNER'S evaluation of DEVELOPER'S proposal will be kept confidential and is not subject to FOIA requests.

OFFER OF ALTERNATIVES TO PROPOSAL SPECIFICATIONS:

Alternate proposals, which are at variance from the express SPECIFICATIONS herein, may be offered. OWNER reserves the right to consider and accept such proposals if in its judgment it will produce a result equal to or better than that specified herein, and is deemed to be in the best interests of OWNER.

REVIEW AND SELECTION OF PROPOSALS:

OWNER will review and select the successful proposal based on the following steps and timeline:

Date	Review Step
	Proposal submittal deadline
	Proposals reviewed by DDA
	Negotiations with recommended DEVELOPER
	Execution of Property Purchase & Development Agreement
	Closing on sale of property

PERFORMANCE GUARANTY IN LIEU OF BOND:

The chosen DEVELOPER shall furnish, in lieu of a Performance Bond, a Performance Guaranty deposit of \$10,000. The deposit may be in the form of cash, a certified check, bank draft or bond secured by a surety company running to OWNER. DEVELOPER acknowledges and agrees that the Performance Guaranty shall indemnify OWNER from and against all claims, etc. growing out of or incurred in the prosecution of the work and necessary to the completion of the entire work according to the contract. The deposit must be in place prior to the beginning of site work and construction.

TIME OF COMPLETION AND PENALTY PROVISIONS:

DEVELOPER shall commence significant project work within four (4) months following transfer of the property to DEVELOPER. OWNER anticipates the substantial completion of the project on or before _____ or by the DEVELOPER's proposed completion date, whichever is earlier. Failure on the part of DEVELOPER to commence site and construction work within four months may, at OWNER's option, may result in loss of the Performance Guaranty and re-purchase of the site by OWNER based on the guidelines contained in the next section of this package.

Failure on the part of DEVELOPER to complete the work outlined in the proposal by the agreed upon deadlines may result in OWNER deducting \$50 per day for each and every calendar day beyond the agreed dates. Said penalties, if any, will be deducted first from the Performance Guaranty deposit noted in the preceding section. If, after the guaranty is exhausted and the project is still not completed to the satisfaction of OWNER then OWNER may levy an assessment on the property equal to the sum of the daily penalties in a manner consistent with State and local law, said assessment to become payable in the same manner as property taxes levied upon the parcel.

PROVISIONS FOR RE-PURCHASE OF PROPERTY BY OWNER FOR LACK OF PROGRESS:

If DEVELOPER has not commenced significant project work within four months of the transfer of the property to DEVELOPER, OWNER may seek re-purchase of the parcel based on the following guidelines:

- OWNER rescinds the Property Sale and Development Agreement
- OWNER refunds the purchase price to DEVELOPER (less costs detailed below)
DEVELOPER deeds clear title for the parcel back to OWNER & OWNER takes possession of the land

- Any refund of the purchase price paid shall be reduced by the following costs, where applicable:
 - Land sale closing costs
 - Title commitment and/or title insurance policies
 - Municipal utility connections (OWNER's costs plus connection fees)
 - Payment in full of any outstanding special assessments for improvements to or adjacent to the property
 - Acceptable satisfying and removal of any debts, liens, encumbrances, mortgages, land contracts and other similar instruments placed upon the property by DEVELOPER or any other party
 - Any unpaid real estate taxes that have become due and owing prior to receipt of clear title by OWNER
 - Forfeit of Performance Guaranty
 - An administrative fee of 5% of the original purchase price, or \$5,000, whichever is greater
 - Any attorney fees and court costs of OWNER necessary to secure the re-purchase of the parcel
 - Estimated amounts for settlement of any claims, demands, suits for action, recoveries, judgments, liabilities and obligations against DEVELOPER. The estimated amounts to cover the costs for said actions and settlements shall be retained in escrow by OWNER until all are settled.

INDEMNIFICATION:

DEVELOPER assumes all risks of damages or injuries, including death, to property or persons used or employed on or in connection with the work, and all risks of damages or injuries, including death, to any persons or property wherever located, resulting from any action, omission or operation under the contract or in connection with the work, whether such action, omission or operation is attributable to DEVELOPER, any of its subcontractors, any material supplier, anyone directly or indirectly employed by any of them, or any other person. DEVELOPER shall indemnify, hold harmless and defend OWNER, its employees, agents, servants and representatives, from and against any and all claims and demands of whatever nature, regardless of the merit thereof, which may be asserted against OWNER, or on account of any such damages or injuries, including death, whether or not such damages or injuries, including death, are caused in part by the negligence of OWNER, its employees, agents, servants, or representatives; provided, however, that DEVELOPER shall not be obligated to indemnify OWNER hereunder for any damages or injuries, including death, caused by or resulting from the sole negligence of OWNER. In case DEVELOPER shall fail, neglect, or refuse to comply with any of the provisions of this paragraph, OWNER may, in order to protect itself from liability, defend any claim, demand or suits for actions and pay, settle, compromise and procure the discharge thereof, in which case DEVELOPER shall repay OWNER any and all such loss, damage and expenses, including the attorney's fees paid, suffered or incurred by OWNER in so doing. As much of the monies due, or to become due, to DEVELOPER as shall be deemed necessary by OWNER, shall or may be retained by OWNER until each and every one the of the claims, demands, suits, actions, recoveries, judgments, liabilities and obligations have been settled and discharged and evidence to that effect furnished OWNER; or OWNER may collect the same in whole or in part in any lawful manner from DEVELOPER.

DAMAGES:

DEVELOPER shall be liable for any damage that may be done as a result of this contract or through his neglect or that of his Subcontractors or persons employed by him to this or adjoining property, including buildings, structures, utilities, streets, sidewalks, etc. and will repair any such damage, leaving all properties in as good or better condition as each was previous of this work. DEVELOPER shall be held responsible by OWNER for all damage caused to any work on this project by his own forces or those of his Subcontractors, or by others connected with his operation on this project in any way, and shall make all necessary repairs to or replacement of such damaged work to OWNER's complete satisfaction, at no expense to OWNER.

PERMITS:

DEVELOPER shall secure and pay for the following necessary permits and approvals for the project:

- Village of Calumet Permits necessary for the Rehabilitation and/or Reconstruction of said property
- Notification and costs of connection of and establishing accounts for all utilities at each site, including, but not limited to water, sanitary sewer, electrical, natural gas, telephone and cable television services.

FAMILIARIZATION WITH SITE AND OTHER REQUIREMENTS:

Proposers shall visit the site, satisfy themselves with its conditions and familiarize themselves with the requirements of this proposal package, and the Zoning and other Development Codes of the Village of Calumet, Houghton County, and the State of Michigan before delivery of their proposal to OWNER. The proposer shall not rely on verbal representations made by any party. Arrangements to access properties can be made through the Village Administrator.

ASSIGNMENTS OR SALE OF PROPERTY:

Prior to the completion of the construction of the project and written acceptance by OWNER, DEVELOPER shall not assign, sub-let, transfer, convey, sell or otherwise dispose of the property or his right, title or interest to it or any part thereof, without the prior written consent of OWNER. Upon written acceptance of the completed project by OWNER, this contingency shall become null and void.

CONTINUED USE OF PROPERTY:

DEVELOPER shall have free and continued use of the property upon acceptance of the completed project by OWNER. All subsequent uses of the property shall be in accordance with and comply with the Village of Calumet's Zoning and other applicable property maintenance, health, safety, sign and construction Codes as they exist at the time of use and as amended from time to time by the appropriate regulatory body. Any change in use that is not in compliance with the above codes is hereby prohibited and shall cease immediately upon notification by the Village or other applicable regulatory body with proper jurisdiction over the property's use.

CONFLICTING REQUIREMENTS:

If any requirement of these Special Instructions to Proposers shall conflict with other requirements in the General Conditions or Requirements and Specifications, the provisions of these Special Instructions shall prevail.

PROPOSAL FOR PURCHASE AND REDEVELOPMENT
427 5th Street, Calumet, MI 49913 (location)

To: The Village of Calumet Downtown Development Authority

Having carefully examined the site and being fully informed regarding the conditions governing the purchase and re-development of the site, and having read and examined the Special Instructions to Proposers, Special Project Details and Specifications, Sale and Development Agreement, Performance Guaranty and the rules, codes and regulations that will pertaining to this work, and agreeing to be bound accordingly, the undersigned proposes to purchase the subject property and furnish all labor, tools and materials necessary to undertake the proposed redevelopment project in accordance with the above provisions.

NAME OF PROPOSER /DEVELOPER: _____

The undersigned hereby offers OWNER a cash purchase price for the subject property at 427 5th Street \$ _____ (_____) dollars.

If awarded the property, significant site work and construction of a permanent building(s) will commence by _____, ___ 20___ and will be substantially completed in a timely and prudent manner, with a proposed completion date for the project on or before _____, ____ 20___.

REDEVELOPMENT OF _____ :
(Attach additional Sheets if Necessary)

The undersigned intends to use the parcel for the following purpose(s): _____

General Description of Use (Retail commercial business, Offices, Second floor apartments, (s), etc.):

No. of Retail business, Rental Units or Office Suites: _____

Preliminary Dollar Estimate of Private Investment: \$ _____

Estimated employment, if any, when project is completed: _____

The undersigned acknowledges and agrees that:

1. This Proposal may not be withdrawn for a period of ninety (90) days from the opening thereof.

2.OWNER reserves the right to reject any or all proposals, to waive any irregularities in the proposal process, and to award the contract to the proposal which is determined the OWNER to be most advantageous to OWNER.

The undersigned states that they have undertaken projects similar in character and size to that covered by this proposal within the last three years at the following named times and places to wit:

Location:	Type/Size of Project:	Date Completed:
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dated and signed this _____ day of _____, 20__ .

If an Individual: _____

Doing Business As: _____

If a Partnership: _____

By: _____, Partner

If a Corporation: _____

By: _____

Title: _____

PROPOSER/DEVELOPER CONTACT INFORMATION:

STREET ADDRESS: _____

PO BOX: _____

CITY, STATE, ZIP: _____

WEBSITE: _____

PHONE NUMBERS: _____

EMAIL ADDRESS: _____

SPECIAL PROJECT DETAILS AND SPECIFICATIONS

1.DEVELOPER is required to coordinate this project with the various permitting parties as noted in the Instructions to Bidders. Street or lane closures shall be kept to a minimum, and shall be permitted only with prior written consent of OWNER. DEVELOPER shall also coordinate any closures and signage with OWNER and any affected property owners. Traffic control and signage is considered incidental to the project.

2.DEVELOPER shall furnish and maintain barricades and safety fences suitable for the protection of the pedestrian and motoring public during the entire period that said projects are underway. Barricade and safety fence types and placement shall be approved by OWNER prior to commencement of work.

3.DEVELOPER will have a Phase 1 Environmental Assessment performed and such will become available at Village Hall. Should the OWNER consider further environmental evaluations necessary, the DDA will assist in securing funding. No restrictions for use are known nor recommended.

LOCATION MAPS



APPENDIX
Calumet Redevelopment Guidelines and Resources