CITY OF DETROIT
REQUEST FOR PROPOSALS & QUALIFICATIONS

Prime Redevelopment Opportunity
Former Herman Kiefer Health Complex
17.90 Acre Site
1151 Taylor
Detroit, Michigan
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SECTION I
PURPOSE OF THE REQUEST FOR PROPOSALS/QUALIFICATIONS

The City of Detroit’s Planning and Development Department (P&DD) is seeking qualified development entities for the purpose of re-development of 17.90 acres of vacant City owned properties with vacant buildings consisting of 525,937 total square feet floor area located in the area known as former Herman-Kiefer Health Complex, which is generally bounded by: Taylor Street (n), US 10 – Lodge Freeway (e), Blaine Street (s) & Byron Street (w).

In addition to the City of Detroit Property offered, the Detroit Public Schools System Real Estate Division (DPS) are currently offering three (3) sites, directly north, south, & west adjacent to the Herman Kiefer Complex totaling 20 acres. Refer to Attachment C – Joint DPS/City of Detroit Expanded Development Opportunity. These properties may present a larger development opportunity if purchased in conjunction with Herman Kiefer. The three (3) DPS sites are as follows:

1) Building Crosman 9027 John C Lodge (M-10 Service Dr.) 48202 W 2 John C. Lodge/Clairmont square footage 43,996 (2.0 acres site) Built in 1911
2) Building Crosman 8820 Woodrow Wilson 48206 W 3.2ac 12th/Clairmont Available square footage 138,056 Built in 1920
3) Building JTPA Nursing 8721 John C. Lodge 48202 W 1.3 ac Lodge/Clairmont Available square footage 56,059 & adjacent vacant land to west: Vacant Land Sanders VL 8700 Bryon St. 48202 W 5.7ac Clairmont / Lodge Fwy

A direct link to the DPS property is a follows: http://detroitk12.org/admin/operations/real_estate/

The intent of this Request for Proposals/Qualifications (RFP/Q) is to retain an experienced and qualified Developer(s) who will submit a solid and feasible redevelopment and financial plan for the acquisition and redevelopment of property as generally described above.

SECTION II
PROPERTY OVERVIEW

Property Description

There are a total of eight (8) buildings on the site, which are substantial brick including Main Building,
power plant and five (5) “out” buildings, connected by underground by a service corridor. The site is a
former hospital complex containing a grand total 525,937 square feet of floor space. The
buildings were designed by significant Detroit architects, George D. Mason and Albert Kahn.
The “Main Building” is a neo classic building was designed by Kahn. Construction of the facility
commenced in 1909-11, and stretched over a number of years and was completed with the Main
Building in 1952, and is now 100% vacant as of October 2013. Site area is 17.90 acres or
779,724 square feet.

Its strategic location offers convenient access to the New Center Area and Henry Ford Health
System campus, additionally the site could play a key role in connecting the historic
neighborhoods of Boston Edison, LaSalle Gardens, and Virginia Park to the greater Downtown
area. The Property is well positioned in both size and location to support residential, retail, office
and other commercial uses.

Master Plan/Detroit Future City and Zoning and Historical Designation

The project site is designated as Institutional (INST). Institutional status applies to educational,
religious, health, or public use such as a church, library, museum, public or private school,
hospital, or government owned or operated building, structure, or land used for public purposes.

The Detroit Future City plan categorizes the land just east of the project site as a “Moderate
Vacancy 2” Framework Zone which shows an extreme variation of vacancy conditions from
moderate to high. And as a result, many Moderate Vacancy 2 areas are on the verge of losing
their largely residential character.

Site should be reassessed and ultimately transitioned to land uses more beneficial to the
surrounding Detroit communities such as mixed use development, higher density residential or
innovative commercial opportunities.

Sec. 25-2-155 of the Detroit City Code established the Herman Kiefer Hospital Historic
District. Herman Kiefer Hospital was built by the City of Detroit. As a locally designated
historic district, the property cannot be altered or demolished without a public hearing and
the approval of the Historic District Commission

SECTION III - BID PRICE

Each applicant must include a bid price for the property in their submission package; otherwise it
shall be ineligible for consideration.

SECTION IV
EVALUATION AND SELECTION PROCESS

Evaluation and Selection Process

An evaluation committee will be established as necessary to review submissions. The committee
will consist of representatives from the P&D (Real Estate, Historic, and Planning), Detroit
Economic Growth Corporation (DEGC), General Services, Detroit Public Schools, and other city
agencies as necessary. Additionally, the committee may include assistance from selected
consultants to provide recommendations and evaluations only.

In accordance with the schedule set forth below, the evaluation committee will consider a “short
list” of selected responses to the RFP/Q.

The evaluation committee reserves the right to contact references and verify material submitted in any Proposal.

Following the interview phase, and assuming the evaluation committee elects to pursue a specific Proposal, a Respondent may be selected.

In the event that the foregoing process does not result in the execution of a definitive selector, the City of Detroit, at its sole option, may choose to initiate negotiations with any other qualified Respondent, reopen the entire RFP/Q process, or pursue any other avenues for the sale of the property deemed appropriate by the City of Detroit.

The selected developer must agree to provide full 24 hour/7 days a week security services to the entire site upon signing a purchase agreement and/or LOI (Letter of Intent).

**Selection Criteria - Responses to this RFP/Q will be evaluated using the following criteria:**

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<th>Criteria</th>
<th>Description</th>
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<tr>
<td>Overall Concept Strength</td>
<td>Overall strength of development Proposal and alignment to market conditions, including manner in which the proposed project achieves traditional urban development objectives (high-density, street-front massing, etc.) as well as its relation to this particular urban context, and conformity with the Detroit Future City Objectives articulated in Section II above. Proposals that preserve the historic structures will be given extra consideration. Proposals for demolition of the buildings will be entertained, however, the proposal for total or partial demolition must be approved by the Detroit Historic District Commission.</td>
</tr>
<tr>
<td>Financial Strength of Proposal</td>
<td>Depth and credibility of financial pro-forma, ability to deliver identified financial sources, and capacity of development principals- ability to finance Proposal, including demonstrated ability to procure financing and complete projects on schedule and within budgetary assumptions.</td>
</tr>
<tr>
<td>Proposed Work Plan</td>
<td>Alignment of Proposal with site development objectives outlined in the RFP. Proposals must include information on the schedule anticipated by the proposer, including timing for site plan development and arranging construction financing.</td>
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<tr>
<td>Past involvement with similar projects(s)</td>
<td>Demonstrated experience in design and completion of mixed use urban infill and or historic rehabilitation projects of similar scale and complexity.</td>
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<tr>
<td>Local Participation</td>
<td>Degree to which Proposal and/or development team incorporate local participation and demonstrate an understanding and prioritization of the neighborhood and community in which the Site is located.</td>
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Your response must be signed by an official authorized to bind your firm or team to its provisions, and must state the names, addresses, and phone numbers of all persons authorized to negotiate the proposed project.

The major criteria for selecting an entity will be the submission of qualifications that meet with criteria stated previously in the Submission Requirements Section. A qualified entity is an individual or development team that, in the opinion of P&DD, possesses the experience and financial resources necessary to successfully undertake and complete the development of the site within the requirements of federal and local laws and regulations.
Subject to Public Act 436 of 2012, final proposal selection is subject to review and approval by the Detroit Emergency Financial Manager, the Governor of the State of Michigan, and the State Treasurer.

SECTION V
RESERVATION OF RIGHTS

The City of Detroit reserves the right to reject any and all proposals and to select the proposal it deems is in the best interests of the City, even if it not the highest purchase price.

The City of Detroit reserves and may exercise the right to request one or more of the developers to provide additional material, clarification, confirmation or modification of any information in the submission, and can supplement, amend, substitute, cancel, or otherwise modify this Request for Proposal anytime prior to the selection of one or more developers.

Please Note: All Property will be sold “AS IS”

Prospective candidates are hereby notified that the Planning and Development Department has not investigated the environmental condition of any of the properties included in this RFP/Q. Various Federal, State, or other City agencies may have information regarding the environmental condition of the site. Each firm is encouraged to conduct its own due diligence regarding the environmental condition of the property which that firm proposes to acquire and is notified that the property may be the subject of environmental contamination. The City of Detroit makes absolutely no warranty or representation regarding the environmental condition of the site offered within this RFP/Q.

SECTION VI
SUBMISSION PROCESS

General Request Parameters

In accordance with the terms and conditions set forth in this Request for Proposals, the City of Detroit is seeking proposals for the acquisition and redevelopment of the subject property. All proposals will be subject to the evaluation criteria set by the City of Detroit.

Directions for Submissions

The required submission of the Statement of must be submitted in an 8.5" x 11" format via online at RFPResponse@detroitmi.gov, or hand delivered to P&DD, 65 Cadillac Tower, 20th Floor. Proposals sent by overnight delivery service will be considered timely filed if date stamped at least one (1) day before the date set for receipt of the RFP/Q and time stamped at a time that should have, pursuant to the express policy of the overnight delivery service used, permitted delivery at the date, time and place set for receipt of proposals. The burden of proof to establish timely filing of a proposal by overnight delivery service shall be solely upon the entity or person submitting the proposal. It is the respondent’s obligation to ensure the required submission arrives in a timely manner at the specified location. Any submission, which is not properly marked, addressed or delivered to the submission place, in the required form, by the required submission date and time will be ineligible for consideration.
Faxed submissions of the Statement of Qualifications will not be accepted. Once received by the Real Estate Development Division of the Planning & Development Department, submissions will not be returned. Formal communication, such as requests for clarification and/or information concerning this solicitation shall be submitted in writing to the Real Estate Development Division at the address listed below. No information concerning this solicitation or request for clarification will be provided in response to telephone calls.

All expenses involved with the preparation and submission of the RFP/Q to the City of Detroit, or any work performed in connection therewith shall be assumed by the developer. No payment will be made by the City of Detroit for any responses received, nor for any other effort required of or made by the developer prior to commencement of work.

**Format - Proposal Submissions and Clarifications**

**Using the following format, Responses Statement of Qualifications submissions must include the following information in the order listed which will serve as the Statement of Qualifications:**

Section 1. Project Description & Concept Site Plans/Elevations: A description of your organization’s design approach to the development of this property including identification of a planning strategy for the site.

Section 2. Overview of the Organization: A general description of the Developer’s organization and current and past development experience. An organizational chart of the members of the Development Team should be included along with a designation of the individual who is responsible for day-to-day planning and development activities for the overall project team. A letter should acknowledge the participation of each team member. The respondent shall provide a listing of all projects currently underway or completed within the past five (5) years.

Section 3: Letters of Reference: The respondent shall provide at least one (1) corporate letter of reference/support from each of the following entities: financial, legal and public sector sources references, including telephone and facsimile numbers for each reference.

Section 4: Project Schedule: The respondent should also include a preliminary time table along with action steps needed to undertake and complete the project. Including start and completion dates and other key dates as identified for action. The proposal must include deadline by which the project will be initiated and completed.

Section 5: Project Financing: Include specific terms of Property Acquisition, development budget preparation (sources and uses of funds to complete construction), investment analysis, etc. Requests for infrastructure, zoning changes or other public or quasi-public entitlements/subsidies or tax incentives, must also be included in the proposal. Respondent must provide proof of its ability to close transaction with 30 days of Detroit Emergency Financial Manager and State of Michigan approvals per Public Act 436 of 2012.

Section 6: Security of Property – Buildings and Site: The selected developer must agree to provide full 24 hour/7days a week security services to the **entire site** upon signing a purchase agreement and/or LOI (Letter of Intent) and providing a 10% deposit of purchase price. A plan of security must be included in the development proposal.
**SECTION VII**

**SITE WALKTHROUGH & PRE BID MEETING**

A site walkthrough of the Herman Kiefer Complex will take place on **Tuesday, March 25, 2014 at 9:30 AM to 12 PM**, beginning at the main building entrance at 1151 Taylor Street. A pre-bid meeting will be held the same day **between 2PM - 4PM** at the offices of Detroit Economic Growth Corporation, 500 Griswold Street, Suite 2200, Detroit, MI, 48226

**SECTION VIII**

**SUBMISSION DEADLINE**

To be considered, all RFP/Qs must be submitted online to: **RFPResponse@detroitmi.gov**, or delivered to the Planning and Development Department, Real Estate Development Division, located at 65 Cadillac Square, Development Division, 20th Floor, Detroit, Michigan, before **3:00 p.m. EST on April 18, 2014**. The responsibility of submitting the RFP/Q to the Real Estate Development Division rests entirely with the person or persons submitting the request.

RFP/Qs may be obtained online at the City Website (go to www.detroitmi.gov, then click on “Departments – Planning & Development” and click on “Request for Proposals & Qualifications”) or online [www.degc.org](http://www.degc.org) (Detroit Economic Growth Corporation – Contractor Opportunities –“New Project RFP’s” tab) or from the Planning & Development Department, Real Estate Development Division, 20th Floor, 65 Cadillac Square, Detroit, Michigan 48226 beginning **Monday, March 10, 2014** between 9:00 a.m. and 4:00 p.m., Monday thru Friday excluding holidays.

**SECTION IX- BROKER FEES**

Brokers are welcome to post this RFP on Real Estate websites. Brokers will be compensated 3% of sales price for the selected development entity taken from the buyer at closing.

**SECTION X**

**REQUEST OF QUALIFICATIONS TIMETABLE**

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<th>DATE</th>
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<td>RFQs Available for Distribution</td>
<td>March 10, 2014</td>
</tr>
<tr>
<td>Walkthrough of Facilities &amp; Prebid Meeting</td>
<td>March 25, 2014</td>
</tr>
<tr>
<td>Deadline for Receipt of Qualifications</td>
<td>April 18, 2014</td>
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<td>Oral Interviews (if necessary)</td>
<td>April 25, 2014</td>
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<td>Final Selection</td>
<td>May 2, 2014</td>
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For any questions regarding the submission of qualification statements, please contact:

**Mr. James Marusich,**
Head - Real Estate Development
Planning & Development Department
(313) 224-3517
JMarusic@detroitmi.gov
Attachment A:
Parcel Map – Area Location

• Herman – Kiefer Site/DPS
Attachment B:
Parcel Map – Project Location Map

DPS BOUNDARIES

HERMAN KIEFER BOUNDARY
Attachment C
Parcel Map – Joint DPS/City of Detroit Properties
Development Opportunity

Purple = Three (3) Detroit Public School Sites (DPS)
Available for Sale

Dark Green = Herman Kiefer-City of Detroit Site
Available for Sale
Attachment D

Exterior View of Main Building Looking South from Taylor Street