

**HOUGHTON COUNTY LAND BANK AUTHORITY
PROPOSAL PACKAGE**

**PURCHASE AND REDEVELOPMENT OF LAND BANK
ACQUIRED PROPERTY**

**42291 N. Hancock Street
and
42299 N. Hancock Street**

**As Issued: October 31, 2022
Proposals Due: December 15, 2022**

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HOUGHTON COUNTY LAND BANK AUTHORITY PROPOSAL PACKAGE

PURCHASE AND DEMOLITION, REMEDIATION, AND REDEVELOPMENT OF LAND BANK ACQUIRED PROPERTY

42291 and 42299 N. Hancock Street, Chassell, Michigan

SPECIAL INSTRUCTIONS TO PROPOSERS

SUMMARY OF HCLBA'S OBJECTIVES FOR THE DEMOLITION, REMEDIATION, AND REDEVELOPMENT OF ACQUIRED PROPERTY:

The Houghton County Land Bank Authority (HCLBA) pursued the acquisition of the subject property to enhance and encourage rehabilitation or redevelopment in our downtowns and neighborhood and increase the quality of the area's housing stock.

Rehabilitation and Redevelopment by a Developer must be in line with and achieve the following objectives:

- Demolish and remediate the entire vacant buildings and redevelop the combined properties for appropriate and productive use
- Return the property to the tax roll and increase its value through complete demolition, remediation, and redevelopment
- Secure development which adds to the residential mix and is in the best interest of the community
- Secure a private developer (DEVELOPER) with sufficient demonstrable financial ability to complete the demolition, remediation, and redevelopment within a reasonable time frame and sufficient demonstrated ability to achieve the above objectives
- Develop a project that is a "permitted use" under the property's current zoning district designation and does not require rezoning of the parcel
- Minimize or eliminate any need for obtaining variances from any local zoning ordinance and other municipal codes.

SUBMITTING PROPOSALS:

Developer is to submit their proposal to the Houghton County Land Bank Authority, 401 E. Houghton Ave., Houghton, Michigan. Proposal envelopes shall be clearly marked "Proposal: Redevelopment of 42291 and 42299 N. Hancock Street, Chassell" 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No proposal may be withdrawn for ninety (90) days after receipt.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 HCLBA (hereinafter "OWNER") intends to make a decision to accept or reject a proposal, at a regular scheduled HCLBA Board 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 HCLBA 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
 - How the intended use adds to the residential mix of the community
 - The proposed time frame to achieve the intended use
 - The financial ability of the Developer to achieve the intended use
 - Demonstrated ability to achieve HCLBA objectives
- Development team and experience
- Description of work to be done (can be shown on a floor plan and rendering or written description). This would include demolition and remediation with all steps taken to assure proper methods will be engaged in during the course of demolition and how contaminated materials will be disposed of. An abatement survey is available from the township on 42291 N. Hancock Street.
- Financing Strategy showing how the DEVELOPER intends to finance the cost of acquisition and redevelopment.
- Project Schedule

- Preliminary floor plans, elevations/renderings, and site plan may be required if your proposal is approved. This may depend on what is required by the Houghton County Building Department.

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 are 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:

Review and Approval, Rejection or Request for Additional Information/Modification
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 \$1,000. 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 Agreement. The deposit must be in place prior to the beginning of site work and construction.

Minimum Price:

The OWNER has set a minimum price of \$5,000.

TIME OF COMPLETION AND PENALTY PROVISIONS:

DEVELOPER shall commence significant project work within six (6) months following transfer of the property to DEVELOPER. OWNER anticipates the substantial completion of the project on or before December 31, 2023 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, 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 the agreed period of time from 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:

- Municipal and County 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 Chassell Township (municipality), 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.

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 Chassell Township 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 municipality 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 Special Project Details and Specifications, the provisions of these Special Instructions shall prevail.

PROPOSAL FOR PURCHASE AND REDEVELOPMENT
22291 and 22299 N. Hancock Street, Chassell

To: The Houghton County Land Bank 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 _____ \$ _____ (_____) 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: _____

Number and Square Feet of Residence or Apartment: _____

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 should have a Phase 1 Environmental Assessment performed. All information available to the HCLBA about the property will be provided to the Developer, but it will be transferred in an “as is” condition.