

MUTUALLY BENEFICIAL GROUP DISCUSSIONS:

DDA Management of Downtown City Property Redevelopment

(draft elements for discussion) (draft 2)

Current process – who and how

- City Council sponsors a resolution to distribute an RFP for a city-owned property
- City staff drafts the RFP, information for the site is assembled
- RFP is placed on the City's website, sent via email to developers who express an interest
- An "advisory" (or "selection") committee is approved by City Council to review the proposals and oversee process. This committee generally includes policy members (City Council, Planning Commissioner, Parks Commission, DDA) and are staffed by senior level City staff with support from other City staff
- Interviews are held with the developers.
- Sometimes this is the last step (e.g. 415 W. Washington).
- In other instances the committee continues its work and formulates a recommended developer selection for Council approval.
- Senior level City staff oversee negotiations with the developer.

Year	Site	Downtown City Property RFP Outcomes
2000	Main/Packard	"Ashley Mews". Project approved by City. Constructed. Office building and residences occupied in 2001.
2000	1 st & Washington	Liberty First selected. Development agreement approved. Project terminated in 2003.
2005	Fifth/William	HDC selected, site plan approved and purchase agreement negotiated. Extensions provided but developer didn't meet terms during final extension. (Later HDC sued the City)
2006	1 st & Washington	Village Green. Project site plan approved. City staff negotiated purchase agreement. Several time extensions provided, most recently City Council voted to approve another extension with several required agreements and construction details to be completed.
2007	415 W. Washington	3 RFP responses (all local). Interviews. No further actions.
2009	Library Lot	6 RFP responses. Interviews in January 2010.

Proposed new process overseen by the DDA

1. Background research – assembling information and expertise

Physical information and previous planning information to be gathered

- Potential downtown development sites inventoried by DDA and detailed information assembled – eg, square footage, if used for parking, soil condition information (if known).
- Planning Dept staff: what did the Downtown Plan, Central Area Plan, A2D2, and other pertinent City-approved plans provide as direction for downtown redevelopment?
- Planning Dept staff are also asked for specific zoning and other details for each future development site. For instance, are sites adjacent to historic district? What are the regulatory restrictions on height, setbacks, etc.?
- Public Services staff provide detailed public infrastructure information for potential redevelopment sites. This may include storm, water, and sanitary main capacity, and estimated shortfall to support maximum density allowed under D1 zoning. Where are fire hydrants missing?
- DTE asked to provide detailed information on electric capacity for potential development sites – any shortfalls?
- Spark and others provide information on potential state and federal grants that could be used for downtown redevelopment.
- DDA and Planning Dept interns update downtown land use information – eg, what do we have and where do we have it? E.g., where are the retail corridors? Where do we have open space within 10 minute walking radiuses? Where are the activity generators and do we know anything about activity levels?

Expertise brought into the process

- Real estate consultant hired to assist throughout process. Where is real estate development demand at this time? What are properties selling and leasing for? Estimated construction costs? This consultant will also provide direction on the information to be assembled for each site.
- Representatives from other downtowns (Council members, developers, DDAs, others) are invited to Ann Arbor and asked to explain how their communities oversaw successful redevelopment in their downtowns. What lessons can they impart – what worked well? What didn't work well? Perhaps this info provided in a panel presentation.

2. Taking the next step after Calthorpe and A2D2

What are we seeing downtown we want more of? What are we not seeing?

- Work session held with City Council. As part of this, City Council is asked for its downtown redevelopment goals – could include: optimal purchase price for all

city properties; projects that serves as catalysts for adjacent growth and improvement; projects with strong/iconic design characteristics; projects where pedestrian street activity is maximized via retail, restaurants, etc.

- Focus group and larger community meetings + online surveys to elicit feedback
- UM (and EMU) faculty involved depending on their area/level of interest.
- Meeting with UM Planner to elicit UM future project information/goals.
- Meetings with several key community leaders
- Comparable communities researched - what do they have that we don't have?

A detailed goals plan is assembled for downtown so that collectively all things provided for within downtown, but each individual site doesn't have to provide for each need.

3. Processes

Step 1: DDA assembles recommendations for each development site based on the overall strategies plan. These recommendations will be affected by such things as proximity to retail corridors and activity generators, zoning and location, size of the parcel, adjacent uses, etc. DDA presents its recommendations to City Council. This list of recommendations for each site will frame the expectations and goals for any future RFPs.

Step 2: DDA pursues redevelopment on site #1.

- DDA approves any DDA incentives for site #1: (parking, affordable housing, pedestrian improvements, use of DDA TIF, etc.).
- DDA drafts an RFP, and attaches all pertinent information including public infrastructure, zoning, etc. Minimum qualifications are set for development teams.
- The DDAs real estate consultant edits/improves this RFP so that it clearly conveys all necessary information.
- DDA hires an architect to develop a draft site plan
- A draft site plan is submitted to the City for staff, CPC and City Council review and approval. This process will flesh out issues that were not made clear in the earlier information gathering process. The draft site plan is included along with all other data about the site. It will be clear that this isn't a final or mandated plan, and that the DDA will be seeking a developer who will bring their creativity to the process, to design and implement a project even more catalytic and transformative than envisioned in the draft plan.
- The DDAs real estate consultant oversees the RFP distribution to ensure wide distribution and expert answers to questions.

- Pre-proposal meeting and tour of the site; website created to post all relevant information
- An Advisory committee is assembled by DDA with strategic strengths. E.g. it will be helpful to have participants who have financed development projects, or who have constructed downtown projects. The RFP responses are reviewed by this Advisory committee
- Interviews held with selected respondents
- Advisory committee frames recommendation.
- DDA reviews and approves recommendation – forwards recommendation to City Council
- City Council approves recommendation or gives direction
- DDA consultant assists DDA as it negotiates purchase and other project details, while developer develops site plan
- DDA approves agreements – forwards recommendation to City Council
- Site plan approved
- Project constructed

4. Ongoing DDA redevelopment responsibilities

- DDA creates a downtown development section on its website. The site information is continually updated as changes take place in the downtown
- DDA meets with prospective developers and property owners to field questions, provide information
- DDA plans capital improvement projects to complement development strategies report so necessary infrastructure is in place
- Site 2 RFP developed when appropriate following the same process as site 1.