



TO: Andy LaBarre, Chair, Washtenaw County Board of Commissioners
FROM: Andrea Plevak, Director, Office of Community and Economic Development
DATE: April 7, 2017
CC: Greg Dill, Diane Heidt, Curt Hedger, Dave Shirley, Jason Fee, Teresa Gillotti, Nathan Voght
SUBJECT: Platt Road Working Session Packet

In August 2016, the Board of Commissioners passed a resolution directing the County Administrator to release a Request for Proposals (RFP) for the redevelopment of the Platt Road site and to work with the Office of Infrastructure Management (OIM) and the Office of Community & Economic Development (OCED) to analyze and recommend proposals to the Washtenaw County Board of Commissioners (BOC) for consideration.

On December 1, 2016, Washtenaw County received six responses to the Platt Road RFP. These proposals as well as a brief summary were shared with the BOC and made available to the public via www.PlattRoad.org.

During the first quarter of 2017, a committee of County staff from OIM, OCED and Administration conducted a thorough review and evaluation of all proposals, using criteria set forth in the RFP as approved by the BOC. The evaluation criteria included all priorities articulated by the BOC including:

- Provision of at least 50 affordable housing units;
- Plans to ensure diverse incomes among residents; and,
- Demonstrated experience with similar types of developments among the development team, among others.

These areas are outlined in a series of bullet points in the RFP document approved by the BOC under "Evaluation Criteria."

The RFP also noted the desire for other community benefits, such as innovative stormwater management, sustainability, pedestrian connections, and site design features. While there are multiple stages in the development process that may impact a developer's ability to deliver on these amenities, they have been reviewed and catalogued for the BOC's consideration as well.

Upon completion of the staff review and evaluation, a meeting between the County staff committee and the BOC liaisons for the Infrastructure Committee was held on March 13, 2017. At this meeting, each proposal was reviewed in detail and a decision was made to bring four of the six proposals to the BOC Working Session on May 4, 2017 for further consideration. The two proposals not recommended for further discussion did not address a preponderance of the stated RFP criteria – one lacked any affordable housing units and the other only addressed the development of a portion of the site with the assumption of a donation of land.

Attached to this memo are a series of documents to prepare the BOC for the May 4 Working Session discussion. First, a summary sheet of all proposals that provides an at-a-glance view of the proposals' content. Second, a power point slide deck with selected images and pros/cons of each proposal as identified by staff. And finally, we have included a document detailing considerations about the sale and development process. A copy of the [RFP is linked here](#) for reference as well.

Please let staff know if there are any additional documents or analysis we can provide. We look forward to continuing to move this process forward in partnership with the BOC.

**Washtenaw County Platt Road RFP
Response Summary**

	Proposal 1	Proposal 2	Proposal 3	Proposal 4	Proposal 5	Proposal 6
Proposal Name:	TWG Development	Burton-Katzman, LLC	Veridian @ County Farm	Archinvest	Avalon Housing, llc	Robertson Homes
Square Footage by Land Use						
Land Use Type 1 - Residential Units	144	70	125-150	211-332units	50	122
Land Use Type 2 - Senior Living Units	94	134	0	0	0	0
Land Use Type 3 - Live/Work Unites (SqFt)	0	0	0	9-18 units	0	0
Land Use Type 4 - Commercial Space (SqFt)	0	0	Farmhouse - approx 10,000 sf	0	0	0
Land Use Type 5 - Office Space (SqFt)	0	0	0	Coworking space - 10,800 sf	0	0
Rental and/or sale	All units are rental	All units are rental	50 units are rental and remaining are for sale	All units are rental	All rental	All sale
Number of each unit by type (i.e. Single-Family, Duplex, Townhomes, Flats, Apartments, Senior)						
Type #1: Single Family unit	N/A	N/A	12 cottage units	12 single-family hamlets	N/A	35 units
Units size			1,522 sf	1,400 sf		3 & 4 BR 2,000-2,800sf
Proposed Rental and/or Purchase Price			\$456,600	not provided		Mid \$300,000
Type #2: Accessory Dwelling Units (ADUs)	N/A	N/A	Potential but no specific number provided	12 ADUs	N/A	N/A
Units size				400 sf		
Proposed Rental and/or Purchase Price				not provided		
Type #3: Townhomes/Townhouses	N/A	38 units (senior cottages)	25 units	20 units (carpet cottages)	22 units	87 townhomes
Units size		2BR - 1,100 sf	not provided	1000 sf	3-4 BR	2&3 BR 1,200 -1,500 sf
Proposed Rental and/or Purchase Price		not provided	supportive housing rents corresponding to <30% AMI	not provided	rents corresponding to <60% AMI	Upper \$100,000 to mid \$200,000
Type #4: Tuckunder (townhome variation)	N/A	N/A	43 units	N/A	N/A	N/A
Units size			5 at 1,200 sf; 10 at 1,700; 28@1,930			
Proposed Rental and/or Purchase Price			\$375,000, \$510,000, \$579,000			
Type #5: Multi-family apartments	144 units	a. Senior apartments b. Family apartments	N/A	157-270 units a. apartment villas, b. wrap apartments, c. checkerboard flats d. courtyard apartments	N/A	N/A
Units size	1 & 2 BR	a. 1BR 600 sf (29 units); 2BR 850sf (67 units) b. studio 750 sf (10 units); 1BR 850 sf (14 units); 2BR 1,100 sf (46 units)		a. 860-1,050 sf b. 670-940 sf c. 655-1,845 sf d. 900 sf		
Proposed Rental and/or Purchase Price	not provided	not provided		not provided		
Type #6: Side by side duplex	14	N/A	N/A	N/A	N/A	N/A
Units size	2BR & 2 bath					
Proposed Rental and/or Purchase Price	rent not provided					
Type #7: Stacked duplex/flat	N/A	N/A	25 units	20 lofts above coworking space	28 units	N/A
Units size			not provided	800 sf	1, 2, & 3 BR	
Proposed Rental and/or Purchase Price			rents corresponding to <60% AMI	not provided	rents corresponding to <60% AMI	
Type #8: Senior apartments	80	N/A	N/A	N/A	N/A	N/A
Units size	1 & 2 BR					
Proposed Rental and/or Purchase Price	rent not provided					
Type #9: Stacked micro-units	N/A	N/A	20 units	N/A	N/A	N/A
Units size			350 sf			
Proposed Rental and/or Purchase Price			\$105,000			
TOTAL # Units	238 units	204 units	125-150 units	220-350 units	50 units	122 units
Affordable Housing Unit Details						
Units committed at <30% AMI	0	0	25 units	0	25 units	N/A
Units committed at <60 % AMI	161 units	67 units	25 units	42 units	25 units	N/A
Senior units at <60% AMI	75 units	67 units	N/A	N/A	N/A	N/A
Expected duration of affordability period	15 years	15 years	45 years	15 years	45 years	
TOTAL # Affordable Units	161 units	67 units	50 units	42 units	25 units	0 units
Design Details						
Open Space/Neighborhood Buffer?	Retention pond and community garden between development and neighborhood	Retention pond providing buffer	Garden plots, garden shed, raingardens and other green buffer provided	Green buffer described in text, tree buffer shown in concept plan	n/a	1/3 of southern border contains detention pond. No other buffer
Innovative Stormwater Management?	Retention pond	Retention pond	Proposing rainwater harvesting system with water treatment and reuse	Extensive pervious pavement throughout site including streets.	not determined	detention pond, rain garden, small area of pervious pavement
Senior Living?	39% of all units proposed for seniors	66% of all units proposed for seniors	None designated	none designated	none designated	none designated
Sustainability in Site and Building Design?	Nothing specific mentioned	Nothing specific mentioned	Plans for solar arrays, district geothermal, sustainable building elements, innovative storm water management, intent to reach net zero status for each unit. Bike and ped facilities throughout, 30% edible landscape	Compact design with pervious pavement throughout, including bike and ped facilities.	Enterprise Green Building requirements	nothing specific mentioned
Community building included?	3000 sf	None provided	Two - farmhouse for retail/coffeehouse/community space and community building	None provided	approx. 6,000 sf	pavillion in central greenspace
Greenspace/park ?	Central greenspace, playground, dog park	None beyond retention pond/community garden	Neighborhood green, green-pedestrian network throughout	Small community greens throughout	patio/playground provided	central greenspace
Trail connection to County Farm Park?	Two links provided: northwest and southwest	Two connections provided: one to north and one to west	Three connections as part of green-pedestrian network	Three connections provided	not shown	One trail connection near southwest section of property
Community garden?	Two community gardens	5,400 sf community garden	Extensive garden plots proposed - greenhouse also shown	Not shown	noted in narrative	located in center
Construction & Purchase Details						
Land area considered	13.56 acres	13.59 acres	13.5 acres	13.5 acres	4.5 acres	13.59 acres
Construction phases	Two phases proposed. Apartments on east side in phase one, senior living in phase II	Phase I - senior living; Phase II - market rate apartments	Not included	Not included	Not proposed	Not proposed
Proposed purchase price	\$2.2 million	\$2.25 million	\$500,000 <i>Proposal also notes value of community benefits at \$4.935 million</i>	High density \$3.05 million; Low density \$2.2 million	Request donation of 4 acres	\$3.45 million if 122 units approved. Purchase price increased for additional units.
Other notes	Affordable units are mixed through housing types, and will contain same finishes and amenities as market-rate units	Willing to do 99 year lease in lieu of purchasing outright.	Noted potential for ADUs. 10 supportive housing units dedicated to Ozone House	Wide variety of housing product types with range of layouts, sizes	10 supportive housing units dedicated to Ozone House	Bidder offers to provide affordable units upon request, with corresponding reduction in purchase price.



Platt Road Request for Proposals Development Process & Timeline Considerations

Below is an outline of the steps this kind of public/private development partnership may take:

Step 1: Request for Proposals

The Community issues the RFP, and receives development proposals. The proposals should respond to the requirements and provisions of the RFP. The proposals are evaluated and a preferred developer is selected to partner with.

Step 2: Development Agreement (1-3 months)

The County and selected developer will sign a Development Agreement. This agreement lays out the terms under which the County will sell the site to the developer, and the requirements the developer is expected to meet. Please refer to the end of this FAQ for a more detailed list of provisions expected to be included in a Development Agreement.

Step 3: Due Diligence Period (3-6 months)

The developer will conduct an initial due diligence to ensure the site is developable based on various aspects such as environmental conditions, availability of municipal utilities, soil suitability, clear title and others.

Step 4: City Approval Process (10-12 months)

The developer will have to get zoning and land use approval from the City of Ann Arbor. This will include an initial neighborhood meeting, submittal of rezoning application, preliminary site plan and engineering plans, architectural design review. Final site plans and detailed engineering plans are submitted. Finally, construction, building, and utility permits are secured.

Step 5: Property Closing (1-2 months)

Most likely, the County and developer will close on the property once all approvals and permits are secured.

Step 6: Construction Phase(s) (18-36 months)

Once all permits are secured, construction will begin. The site could be developed in one, or multiple phases.

The above is just intended to provide a general summary of the steps in this process, and timeline for each. The timeline may change, once a Development Agreement is finalized and agreed to by all parties.

POTENTIAL DEVELOPMENT AGREEMENT PROVISIONS

Below is a generic list of what provisions might be included in a Development Agreement between the County and selected developer:

1. Purchase price for the property.
2. Earnest money, and conditions under which the County keeps or returns to the Developer.
3. Conditions under which either party can terminate agreement, such as:
 - a. Discovery of unexpected conditions (e.g. poor soils, environmental contamination)
 - b. Failure of the developer to adhere to due diligence timeline
 - c. Minimum notice period required for either party to walk away without cause (30 day notice)
4. Statement of general obligations for each party to successfully carry out partnership:
 - a. County allowing access to the site
 - b. Providing information as requested
 - c. Showing good faith effort to assist due diligence and site development
 - d. Providing financial information to demonstrate good financial standing, etc.
5. Minimum development requirements for site development.
 - a. These requirements could include:
 - i. At least 50 affordable housing units
 - ii. Innovative stormwater management
 - iii. Neighborhood buffer
 - iv. Overall density
 - v. Architectural quality
 - vi. Unit types/sizes that ensure mixed-income community, etc.
 - b. Lack of delivery of specified requirements may result in ability to renegotiate or terminate agreement, or other remedies if terms are not met.
6. First due diligence period to allow initial contingencies to be addressed:
 - a. Environmental Review
 - b. Title Search
 - c. Site suitability: Soil condition, Flood plain, Historic or cultural significance, City Utilities, etc.
7. Demonstration to County that project financing has been preliminarily identified. County needs to ensure developer has wherewithal to finance the project. Identification of Low Income Housing Tax Credit financing for the proposed affordable housing (each bidder has proposed this type of financing).
8. Developer will have option to pursue second due diligence period in order to get all City approvals:
 - a. Detailed engineering, architectural and site planning

- b. The County will review of concept and final development plans during this step to ensure minimum performance requirements are met. Did they include density proposed? Are the affordable units and overall unit mix as agreed to? Are architectural elements adequate?
 - c. All necessary zoning, land use, and engineering approvals are secured through City of Ann Arbor
- 9. The County will need to ensure the developer has secured all necessary financing to carry out construction of the project at this stage, prior to closing.
- 10. The developer and County close on the property, where developer pays remaining due on purchase price and assumes ownership of the property. A performance guarantee in the form of a financial guarantee could be requested as part of closing, to ensure the developer delivers on performance guarantees. This could be a cash bond or letter of credit, for example.
- 11. The developer begins construction, and must be complete within "X" months.
- 12. An option for an extension may be included in the Agreement, and the County may grant an extension of up to "X" months. If construction is delayed, or halts, the County would seek available remedies.
- 13. The project construction is completed, and the County does a final review of performance guarantees. If the development does not accomplish all minimum performance guarantees, the County could exercise any remedies it has remaining.