



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: Purchase Agreement (1-3 months)

The County and selected developer will sign a Purchase 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 Purchase 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)

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 Purchase Agreement is finalized and agreed to by all parties.

POTENTIAL PURCHASE AGREEMENT PROVISIONS

Below is a generic list of what provisions might be included in a Purchase 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.