



COUNTY ADMINISTRATOR
220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, MICHIGAN 48107-8645
(734) 222-6850
FAX (734) 222-6715

TO: Felicia Brabec
Chair, Board of Commissioners

THROUGH: Greg Dill
Interim County Administrator

FROM: Dave Shirley, Interim Director, Office of Infrastructure
Management
Andrea Plevak, Interim Director, Office of Community and
Economic Development

DATE: August 3, 2016

SUBJECT: Issue Request for Proposals for Platt Road

BOARD ACTION REQUESTED:

It is requested that the Washtenaw County Board of Commissioners direct the County Administrator to solicit proposals for the purchase and development of the Platt Road site consistent with the strategies developed in the community charrette process including the realization of some number of affordable housing units consistent with County policies and adopted goals.

BACKGROUND:

The Platt Road site is an approximately 13.59 acre area at 2270 Platt Road. The County previously used the site for offices and a juvenile detention facility, which have since been demolished. In 2015, the Board of Commissioners adopted the Housing Affordability and Economic Equity Report. Among other adopted recommendations from this report, is the recommendation to use public land to encourage affordable housing in high value market areas, as public entities have the opportunity to consider the use of resources from a service perspective as opposed to a stronger profit-centered approach as is often applied to private sector transactions.

In response, the County has undertaken an extensive public dialogue, through numerous forums. Advocacy has been robust around this property from multiple perspectives. The most prevalent of these perspectives has been to recommend keeping the property as open space or using the property to support the creation of affordable housing units as one response to an increasingly segregated County. On May 20, 2015 the BOC resolved to explore strategies to cause the property to be

developed in a manner similar to the design and principles that were developed and/or affirmed through the neighborhood charrette process including: integration with neighborhood, Mixed income development, including affordable and moderately-priced housing including nonresidential uses that would be accessory and supportive to the neighborhood; Varied types and forms of housing for people of different ages; Use green technologies and sustainable design (stormwater management, green energy, limiting use of impervious surface); Reduced auto-dependency, embrace alternative transportation (walking, biking, transit), and promote a pedestrian-oriented development pattern. On February 3, 2016, the BOC then resolved to:

- proceed with the realization of some number of affordable housing units on the 13.59 acres of the Platt Road parcel,
- direct the Office of Infrastructure Management to take the required steps to gather needed survey, title, and other information necessary for soliciting proposals for purchase of the property; and,
- directs the Office Infrastructure Management in consultation with the Office of Community and Economic Development to develop a request for proposals on behalf of the County Administrator, to be presented to the Board of Commissioners for approval, prior to issuance, that sets forth the County's expectations for proposals, including, but not limited to: purchase price, timing of purchase, proposed general development type, number of units available to households at market rate and at or below 60% of Area Median Income, type of units, and proposed engagement strategy with the County and public.

DISCUSSION:

The attached resolution, upon adoption, would direct the County Administrator to issue a Request for Proposals to solicit proposals from any person or entity interested in purchasing the property for any reason. The RFP explicitly states that the County will evaluate all responses received from interested parties no matter what use is proposed for the property. However, the RFP also unequivocally states that the Board of Commissioners has expressed an interest in having some of the property developed as affordable housing, and that proposals will be prioritized that provide a minimum of 50 units of committed affordable housing available to households at or below 60% of Area Median Income. Proposals received in response would be analyzed by County Purchasing as well as the Office of Infrastructure Management and the Office of Community & Economic Development, and a recommendation would be presented to the Board of Commissioners, who would have the final authority on any purchase agreement or other contractual arrangement.

IMPACT ON HUMAN RESOURCES:

None.

IMPACT ON BUDGET:

Sale of the property would result in monies be added to the County's general fund.

IMPACT ON INDIRECT COSTS:

None.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

Sale of the property could involve various City of Ann Arbor Departments should the property need to be rezoned or if permits are needed for the proposed development of the site.

Development of affordable housing units per the County's adoption of the 2015 Housing Affordability & Economic Equity Report would impact local outside agencies currently providing services to low-income residents without access to affordable housing.

CONFORMITY TO COUNTY POLICIES:

The requested Board Action conforms with County Policies.

ATTACHMENTS:

- Resolution
- Request for Proposals

A RESOLUTION DIRECTING THE COUNTY ADMINISTRATOR TO SOLICIT
PURCHASE AND DEVELOPMENT OFFERS FOR THE PLATT ROAD SITE

WASHTENAW COUNTY BOARD OF COMMISSIONERS

August 3, 2016

WHEREAS, 2270 Platt Road consists of approximately 13.5 acres of property owned by Washtenaw County, which is where the juvenile detention facility and office space used to be housed; and

WHEREAS, a number of years ago, the detention facility and office space was demolished leaving the parcel vacant; and

WHEREAS, in recent years there has been much discussion about the best use of the Platt Road property for the County; and

WHEREAS, a Citizen's Advisory Committee was appointed by the Board of Commissioners to advise on potential uses of the property; and

WHEREAS, the Citizen's Advisory Committee recommended mixed-income housing for the site; and

WHEREAS, the County has received extensive public comment on the proposed future use of the Platt Road site through numerous forums, including public hearing and comments at various Board of Commissioner meetings; and

WHEREAS, in a resolution from May 20, 2015, Resolution #15-0090, the BOC directed county staff to develop recommended strategies, and Corporation counsel to provide written advice, both of which were presented to the Board of Commissioners at a working session on March 17, 2016; and

WHEREAS, former interim OCED Director, Brett Lenart, OIM Director, Greg Dill, Interim OIM Director, Dave Shirley and Corporation Counsel, Curtis Hedger met on a number of occasions to discuss the wording of the RFP; and

WHEREAS, Corporation Counsel completed the opinion on Platt Road as requested by the Board of Commissioners; and

WHEREAS, the use of publicly-owned land to support the development of affordable housing in high-value real estate markets is included in the recommendations of the 2015 Housing Affordability and Economic Equity Report adopted by the Washtenaw County Board of Commissioners; and

WHEREAS, on February 3, 2016, the Board of Commissioners approved Resolution #16-021, which indicated their explicit desire to proceed with the realization of affordable housing units on the Platt Road site; and

WHEREAS, resolution #16-021 further directed the Office of Infrastructure Management in consultation with the Office of Community and Economic Development to develop a request for proposals for the Platt Road site with Corporation Counsel assisting these Departments in developing the RFP; and

WHEREAS, pursuant to the February 3, 2016 Resolution, the Office of Infrastructure Management and the Office of Community & Economic Development, as directed by the Board, are now submitting a proposed RFP for the sale and development of the Platt Road property for the Board of Commissioners review and approval.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby directs the County Administrator to issue the attached Request for Proposals to solicit responses for the sale and development of 2270 Platt Road.

BE IT FURTHER RESOLVED that the Board of Commissioners directs County Administration to work with the County Finance and its Purchasing Division to finalize and release the RFP and work with the Office of Infrastructure Management and the Office of Community & Economic Development to analyze and recommend proposals to the Board of Commissioners for consideration.

BE IT FURTHER RESOLVED that the RFP, once released, shall be open for responses from the public for ninety (90) days from the date of its initial public release.

PLATT ROAD REQUEST FOR PROPOSALS

Introduction

Washtenaw County is pleased to offer vacant land for sale, which is located in the City of Ann Arbor. Purchase proposals are being requested for a 13.59 acre parcel located at 2270 Platt Road. The County will accept and evaluate all responses received in response to this RFP regardless of the type of development proposed in the response. It should be noted, however, that the Washtenaw County Board of Commissioners has expressed a specific interest in proposals from qualified developers that create a mixed-income housing community. Proposals responding to this specific interest will be prioritized for consideration.

The Site

The 13.59 acre property is located on Platt Road in the City of Ann Arbor. The site is adjacent to the 110 acre Nelson Meade County Farm Park. The southern border of the parcel aligns a moderate density neighborhood, primarily comprised of single family homes. The site is located 1/4 mile from Washtenaw Avenue, the primary arterial between the Cities of Ann Arbor and Ypsilanti, and served by the #4 Ann Arbor Area Transit Authority fixed bus route, with 15 minute frequency.

Community Design Process

In 2015, both Washtenaw County and the City of Ann Arbor adopted the Housing Affordability and Economic Equity Analysis which identifies the need for nearly 2,800 additional affordable housing units in the City of Ann Arbor by 2020. Washtenaw County encourages proposals that utilize the attributes of this site toward meeting this goal.

Prior to making a determination about disposition, the County Board of Commissioners convened a committee to explore uses for this site. This committee was comprised of two Washtenaw County Commissioners, one Ann Arbor City Council Representative, two residents from the adjacent neighborhoods, the Executive Director of the Ann Arbor Housing Commission, the Washtenaw County Parks and Recreation Director, the Washtenaw County Director of the Office of Infrastructure Management, the Director of the Office of Community and Economic Development, and four residents, at least one of whom had real estate experience.

The committee, known as the Platt Road Community Advisory Committee (CAC), met three times and brought a resolution to the BOC which provided a set of needs and potential uses, as well as guiding principles for the BOC to consider in utilization of the property. These values were adopted by Resolution of the BOC on February 19, 2014.

The CAC and County commissioned a community design process, or charrette, to explore the ways in which the various goals and values could manifest of the site. This process was held over several days in August of 2014. The outcome of this community design process was a concept plan. A few key features of this plan include:

- A mixed-income community that has the ability to attract a diverse population.
- Washtenaw County is prioritizing proposals that provide a minimum of 50 units of committed affordable housing available to households at or below 60% of Area Median Income. This will be achieved through deed, covenant, or other instrument that restricts rents to HUD Fair Market Rent limits, as set annually, for a specified duration.
- Open space along the south property line to buffer the adjacent neighborhood and in conjunction with innovative stormwater management techniques for the benefit of the site and adjacent houses off site.
- A community center, urban garden, pedestrian connections, and other amenities that facilitate connections physically and socially between surrounding areas and new residents.
- A density of development generally consistent with adjacent areas, with the opportunity for higher density near the northern border of the site, potentially targeting senior living to facilitate a diverse population on the site.
- A commitment to sustainable design principles, including non-motorized connections, renewable energy & energy efficiency commitments, and a commitment to pedestrian-oriented design.

Existing Zoning/Future Planning

The property is currently zoned Public Land (PL) by the City of Ann Arbor. The selected purchaser will be responsible for any rezoning, and site plan approvals by the City of Ann Arbor. The property is currently master planned for Public/Semi-Public land, similarly to the Washtenaw County Park property to the west and north. The neighborhood to the South is Master Planned for Single-Family Detached. To the East, across Platt Road, properties are master planned for Research and Industrial, and Office.

The site could be considered for a new single, or multiple zoning districts. The City of Ann Arbor's R4A and R4B districts would be potential designations to achieve a development similar to the concept plan generated through the community design workshop.

Washtenaw County has not initiated any master planning or rezoning applications to the City of Ann Arbor, however, City officials have been kept apprised of this RFP. For any inquiries about the land use application process, contact Alexis DiLeo, City Planner for the City of Ann Arbor at 734-794-6265 or adileo@a2gov.org. It will be incumbent upon the selected developer to proceed with these entitlement processes, which are estimated to take between 9-12 months.

Evaluation of Proposals

Washtenaw County will consider all proposals for purchase of the property. To assist the County in evaluating the various proposals, respondents should provide specific information about their proposal, including, but not limited to the following areas:

- The proposed use of the site, type of land use, estimated square footage of any development, number and types of residential units, (if applicable) etc.

- An estimated number of residential units on the site (if applicable), and how the units will attract a mixed-income (including those below 60% of Area Median Income) and diverse population.
- The number of committed affordable rental units in the proposal **(if applicable)**. A greater number of units targeted toward a lower income demographic will be considered more favorably.
- The proposed purchase price of any housing developed on the. Responders are encouraged to carefully consider the balance of purchase prices, number and type of affordable units, and other performance expectations in submitting a proposal.
- A proposed timeframe for entitlement process (i.e. rezoning, site plan approval, etc.) and proposed property closing timeframe relative to this process.
- Proposed terms for purchase option during development process if proposed.
- Qualifications of responders including history with similar types of proposals, as well as experience of primary project managers and contractors likely to work on this transaction.
- Examples of successfully completed projects similar to proposal.

COMMUNITY DIALOGUE

As noted in the community design process, this property, and potential transaction has been the subject of numerous public meetings, public hearings, and other opportunities for public comment. Many members of the community have come out in support of affordable housing on the site, and many members of the community have come out in opposition to any proposed development of the site, and in some cases, the specific inclusion of affordable housing.

Additional Resources

Market Analysis

A Target Market Analysis was conducted for the site, which demonstrates support for an estimated absorption of 70 units per year, to a total of up to 350 units. The Target Market Analysis is attached.

Environmental Assessment

Based on a Phase I Environmental Site Assessment completed in May 2010 by TTL Associates, Inc., the site is described as relatively level, with a slight downward slope to the southeast. The property is at an elevation of 815 feet above mean sea level, and the closest body of water is an unnamed creek, located approximately 500 feet southeast of the site, which drains to the Huron River. The Phase I identifies soils based on the National Resources Conservation Soil Service (NRCS) Web Soil Survey as consisting of Boyer loamy sand and Matherton sandy loam. In reviewing records associated with the site, TTL Associates identified no Recognized Environmental Concerns (RECs) except the possible former use of a heating oil underground storage tank at the site associated with the former 2260 Platt Road building from the 1950s until the early 1970s. In August of 2010, TTL Associates performed soil borings within 5 feet in each direction of a presumed 1,000 gallon underground heating oil storage tank. The soil

samples indicated no elevated PID readings, petroleum hydrocarbon odors, or stained soil. Additionally, no heating oil indicator parameters (BTEX, TMBs and PNAs) were detected in any of the soil samples. These findings were documented in a September 2010 Phase II Environmental Assessment which recommended that the heating oil tank be removed of residual product and removed, which has been subsequently completed.

A new Phase I Environmental Assessment has been commissioned in 2016 and will be provided upon completion.

Ownership

The County encourages creativity and best practices in forming an ownership structure that helps achieve affordability in a sustainable fashion through partnerships, co-operative owned structures, or other entities. Washtenaw County will not be **an owner**, development partner, or **member, in any fashion of** any entity that undertakes the development of housing or other types of construction on the site.

Available Utilities

The City of Ann Arbor provides water service and sanitary storm service to the site. Water distribution and sanitary service will be provided via Platt Road, or potentially through connection to the neighborhood to the South. A summary of existing networks are attached. For additional inquiries or information on this, contact the City of Ann Arbor Public Services Department.

Attachments:

- Title Search
- ALTA Survey