



MCKENNA

January 4, 2018

Steven Aynes
Township Manager
Northfield Township
8350 Main Street – P.O. Box 576
Whitmore Lake, MI 48189

Subject: Status of General Planning Budget and Request for North Village RFP Budget Amendment.

Mr. Aynes,

At your request, we have prepared the following analysis of the 2017 – 2018 Planning Budget Expenditures to support the request for a \$10,000 Budget amendment to continue work on the North Village RFP Process.

A. 2017 – 2018 Planning Budget Summary Through 11/30/17.

1. **Budget Allocation.** The 2017 – 2018 Planning budget allocation to funds general planning and some engineering's services not coverage by specific fees is \$40,000.
2. **Budget Expenditures.** The expenditure through 11/30/17 was \$21,090.75
3. **Expenditure Summary.** In five months 53% of the Annual budget was spent with an average monthly expenditure of \$4,218.15. If the average monthly expenditure is maintained for the remaining seven months of the fiscal year the total anticipated expenditure will be \$50,617.80. This leaves a calculated budget deficit of \$10,617.80
4. **Budget Amendment Request:** This analysis justifies a budget amendment of \$10,000 for general planning services, which could be a separate line item of \$10,000 for the North Village RFP process.

B. North Village RFP Budget Expenditure Through 11/30/17.

1. **Budget Expenditures.** The expenditure through 11/30/17 was \$3,083.50
2. **Scope Summary:** Staff recommended taking the initial steps to draft the RFP within the allocated planning budget with the understanding that an amendment could be made if necessary. Upon review of the RFP by the Attorney and the Board, the Board made a decision to proceed with the RFP process.

North Village RFP Scope Tasks:

- Task 1. Develop Solicitation Request and Supporting Materials
 - i. 90% Complete – Taking final steps to distribute and post request. Currently coordinating with Township Manager and support staff.
- Task 2. Accept, Evaluate, and Manage Response Process
- Task 3. Managing the Deal – Developer Agreements, ROIs, Financials, Infrastructure Investment
- Task 4. Managing the Project - Ongoing

Attachment: North Village Developer Solicitation Process, July 19, 2017

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July 19, 2017

Hon. Marlene Chockley
Township Supervisor
Northfield Township
8350 Main Street – P.O. Box 576
Whitmore Lake, MI 48189

Subject: North Village Developer Solicitation Process

Dear Marlene:

At your request, we have outlined a process to work with Township stakeholders to support developer solicitation for the North Village redevelopment.

A. ORGANIZATION FOR PLANNING

While many groups, boards, commissions, landowners, the public and others will be involved and contribute to the process of soliciting a developer for the North Village site, we propose that the Downtown Planning Group (DPG) evaluate interested candidates and make recommendations to the Board throughout the developer solicitation process. McKenna will serve as the staff support and economic development expert, and will report to the Township Board.

B. PROPOSED WORK PLAN

Task 1. Develop Solicitation Request and Supporting Materials

McKenna will work with the DPG to develop solicitation materials for release to potential site developers. To attract high-quality developers capable of delivering a project that meet the expectations of Northfield residents, it is crucial that the material released present clear expectations, evaluation metrics, and a process for establishing a partnership with the perspective developers.

There are six approaches to solicit interest from the private sector:

1. RFI/RFQ/RFP Process.
2. RFQ/RFP Process.
3. RFP Process.
4. Prequalified Developer RFP Process.
5. Sole-Source Developer Process.
6. RFQ/Negotiation Process.

RFI = Request for Information
RFQ = Request for Qualifications
RFP = Request for Proposal

Based on the work the Township has completed with the North Village Master Plan, an RFQ/RFP, RFP, or RFQ/Negotiation Process would be the best fit for the North Village site. Approach (4) is another good approach because it narrows the list of candidates and limits the risk to respondents. McKenna will meet with the DPG to discuss the best solicitation strategy for the Township.

Once a strategy is selected, McKenna will conduct the following steps:

1. Develop the Request.
2. Review and approve the Request with the DPG and Township Board.
3. Establish evaluation criteria.

4. Identify private sector companies to receive the Request.
5. Identify media and information services to receive the Request.
6. Identify supporting materials to be included with the request. Examples include the North Village Master Plan, excerpts from the Township Master Plan, excerpts from the Zoning Ordinance, regional planning information, etc.
7. Identify and produce supplemental material and information, as needed.
8. Determine the period in which responses will be accepted.
9. Produce and issue the Request.

If a two-phase RFQ Process is selected, the Township will need to issue a second solicitation or enter into negotiations following the initial RFQ request.

Task 2. Accept, Evaluate, and Manage Response Process

During the evaluation period, there are several important activities that must take place to ensure quality responses and show Township competency. To attract a high-quality developer for the site, the Township must be an effective public partner.

Essential steps include:

1. Answer questions posed by respondents.
2. Conduct a pre-proposal conference.
3. Evaluate the responses, including previous examples from the respondents.
4. Review the responses with the Township Board, Planning Commission, and other government agencies, as identified.
5. Develop questions or requests for additional information, if necessary.
6. Rank top responses and announce short-listed developers.
7. Complete interviews.
8. Present top responses to Township Board, Planning Commission, and other government agencies, as identified.
9. Announce selected developer.

McKenna recommends that we make “blind” presentations to Planning Commission and the Board so that all responses are evaluated based on their merits and not on the salesmanship of the Developer team.

Task 3. Managing the Deal – Developer Agreements, ROIs, Financials, Infrastructure Investment

Ultimately the Township will want to develop a structured deal that gets the maximum public benefit and site amenities for the public investment in the site. This will require a thorough understanding of the market, public value, and trade-offs. It will also require expertise on the Townships side of the table to manage the deal.

McKenna has success in structuring redevelopment projects in downtowns around the State. Based on our understanding of the market and the existing condition of the North Village site, we will assist the Township in creating a public/private partnership worthy of this unique opportunity. We will identify any gaps in the feasibility of the project that need to be closed by various public funding sources including transportation enhancement grants, Redevelopment Ready Communities (through MEDC), public low-interest loan or bonds, future TIF sources, special assessments, MDNR park development grants, and others.

McKenna will work with the selected developer to negotiate a mutually beneficial partnership that ensures financial success of the project and public amenities that benefit all Township residents.

A. Public-Private Partnership

If the pro-forma analyses indicate that private development does not fully support the public infrastructure and amenity needs, we will collaborate to identify partnership opportunities to close the gap and make development of the North Village site an economically viable prospect.

B. Definition of Partnership Structures

Drawing from our experience creating, managing, and assisting downtown economic development entities, McKenna will work with the selected developer to develop a strategy that most effectively oversees implementing the North Village Master Plan.

The evaluation of possible management entities will take into consideration desired types of public-private partnerships, as summarized in the following table:

TYPES OF PUBLIC-PRIVATE PARTNERSHIPS						
PROJECT TASK ASSIGNMENTS AND OWNERSHIP						
TYPE OF PROJECT AND PARTICIPANTS	DESIGN	FINANCING	DEVELOPMENT	CONSTRUCTION	OPERATION	OWNER
Private Partner in conjunction with Public	Private with little or no Public Input	Private with Marginal Public Capital or Noncapital Investment	Private	Private	Private	Private
Traditional Public/Private Partnership	Private with Public Input	Private and Public/others	Private	Private with Public Oversight	Private or Public	Private and/or Public
Public Entity in conjunction with private developer	Private contract or in-house Public	Public/other Entity(s)	Private Developer on a Fee Basis	Private with Public Oversight	Private or Public	Public

Task 4. Managing the Project - Ongoing

The complexity of the ongoing development tasks before the Township cannot be overstated. We will maintain project momentum and ensure that necessary tasks are being accomplished at the appropriate time. Additionally, we will coordinate site marketing efforts.

- A. Keep on schedule.** McKenna understands the Township, DDA, and DPG require an immediate return on investment. McKenna will assist the Township in staying on schedule, maintaining momentum, and bringing the development to fruition as soon as possible.

- B. ***Provide technical assistance.*** McKenna will be the Township's technical "go-to person" on a daily basis, providing big picture, real world advice on matters involving the redevelopment process.
- C. ***Assist with site and project design.*** The Planners and Urban Designers at McKenna have first-hand, long range knowledge of the challenges, opportunities, and physical characteristics of the North Village site and related off-site design, landscape architecture, and mapping. McKenna will work with appropriate consultants to continue refining site design and other physical improvement plans necessary for redevelopment, as they become evident.
- D. ***Contribute marketing and graphic design assistance.*** Publicizing the North Village development using high-end graphic products will result in a higher quality development. McKenna professionals are adept at communicating with potential partners using state of the art graphics and technology products.
- E. ***Maintain project budget.*** McKenna will continue to maintain the complete budget for the development project, with projected costs, funds, sources of funding, and private investment estimates. The budget will be dynamic and constantly evolving.
- F. ***Adapt to Township rules and procedures.*** As project managers, McKenna will continue to work within the established rules and procedures of the Planning Commission, DDA, Township Board, administration, and other boards and bodies. McKenna will respond to your requests, schedule, and operating procedures, and will conform to the highest degree possible. McKenna will provide the Township with a monthly status report to be included in meeting packets and attend public meetings to update the Board, Planning Commission, DDA, and DPG, receive direction, and support project momentum.
- G. ***Create and maintain project documentation.*** McKenna will be responsible for creating and maintaining project documents and communication of project information to the Board, Planning Commission, DDA, and DPG: Marketing materials include RFP updates, marketing brochures, project website, etc. As the redevelopment project progresses, the need for different communication, documentation and marketing will be evident.
- H. ***Provide liaison with potential redevelopers.*** McKenna will continue to maintain the contact list and communicate with potential redevelopment partners in the private, public and non-profit development communities. McKenna will assist the Township in publicizing events such as site tours and bid and proposal requests.
- I. ***Development proposals.*** Using our redevelopment expertise and working with redevelopers and consultants, McKenna will prepare, for Township review and action, proposals and deals for the disposition of project land, including negotiations, finance, incentives, public requirements, approvals, deadlines, redeveloper obligations and performance guarantees.
- J. ***Other tasks that arise, as requested by the Township.*** Developing North Village will involve many moving pieces. McKenna will respond to changes in the program by assisting the Township as necessary.

E. SCHEDULE

We anticipate that steps 1 and 2 of the North Village Developer Solicitation Process will take 3 to 4-months from date of authorization to proceed. This schedule may be adjusted based on other Township efforts. Steps 3 and 4 will likely take an additional 6 to 8-months. The total project could take 9-months to 1-year. Additional project management and construction activities that extend beyond a 1-year timeline can be authorized in the future as necessary.

Our approach to this process will enable McKenna to effectively represent the Township as a valued member of your team. This project will demand consistency and dedication. We are excited to move forward with the Community to realize success for North Village!

If you are satisfied with the Work Plan described, McKenna will work with the Township to incorporate these tasks into our planning work program. If the Township Board of Trustees would like us to present our workplan and answer any questions, we would be pleased to do so. Thank you.

Respectfully submitted,

McKENNA ASSOCIATES

A handwritten signature in black ink, appearing to read "M. Paul Lippens", written in a cursive style.

Paul Lippens, AICP
Director of Transportation and Urban Design
Senior Principal Planner