



**REQUEST FOR PROPOSAL
FOR PURCHASE AND REDEVELOPMENT
LAFER BUILDING (1323-1325 BROADWAY)
DETROIT, MICHIGAN**

**ISSUED BY:
CITY OF DETROIT DOWNTOWN DEVELOPMENT AUTHORITY**

INTRODUCTION & BACKGROUND

INTRODUCTION

The City of Detroit Downtown Development Authority (“Authority”) is soliciting redevelopment proposals for the Lafer Building, located at 1323-25 Broadway Avenue, Detroit, Michigan. The City of Detroit Downtown Development Authority is owner of the property.

The nine-story Lafer Building, developed as a commercial building in 1916, currently is vacant. It is located in downtown’s Lower Woodward area, an emerging residential, commercial and entertainment district in downtown Detroit. In addition to the Lafer Building and other historic commercial structures, the three-block Broadway district is a budding residential and entertainment district home to the recently rehabilitated Detroit Opera House and plans for several clubs, residential conversions and the downtown YMCA. Within three blocks of the property are four residential loft conversion projects and Campus Martius, the location of a major new park where Compuware is currently constructing a headquarters building for 3000 employees. It is the City’s intention to encourage the creation of a downtown residential mixed-use neighborhood in the Lower Woodward District.

The Downtown Development Authority seeks a purchaser/redeveloper, who will rehabilitate the building for residential reuse. Proposers should be experienced with projects of a similar scale and scope and prepared to begin the Lafer Building rehabilitation process immediately. The Authority is seeking a developer who can and will commit to direct equity investment. This RFP is not for a project manager or advisor.

The Authority recognizes that economic incentives may be necessary to contribute to the redevelopment costs of the project. While this RFP should not be interpreted as a commitment to apply specific incentives, the Authority would work with the selected developer to determine if the use of incentives is appropriate. Incentives that could contribute to project feasibility include the following:

- Historic Preservation Tax Credits
- Brownfield Redevelopment Act--Obsolete Structures
- Downtown Development Authority Low-interest Financing
- Obsolete Property Tax Abatement
- Personal Property Tax Abatement (PA 398)

PROPERTY DESCRIPTION

The Property is located at 1323-25 Broadway and contains one parcel (Ward 1, Item 4033). The Property is on the west side of Broadway between Gratiot and Grand River Avenue. The lot is approximately (30 ft wide by 105 ft deep).

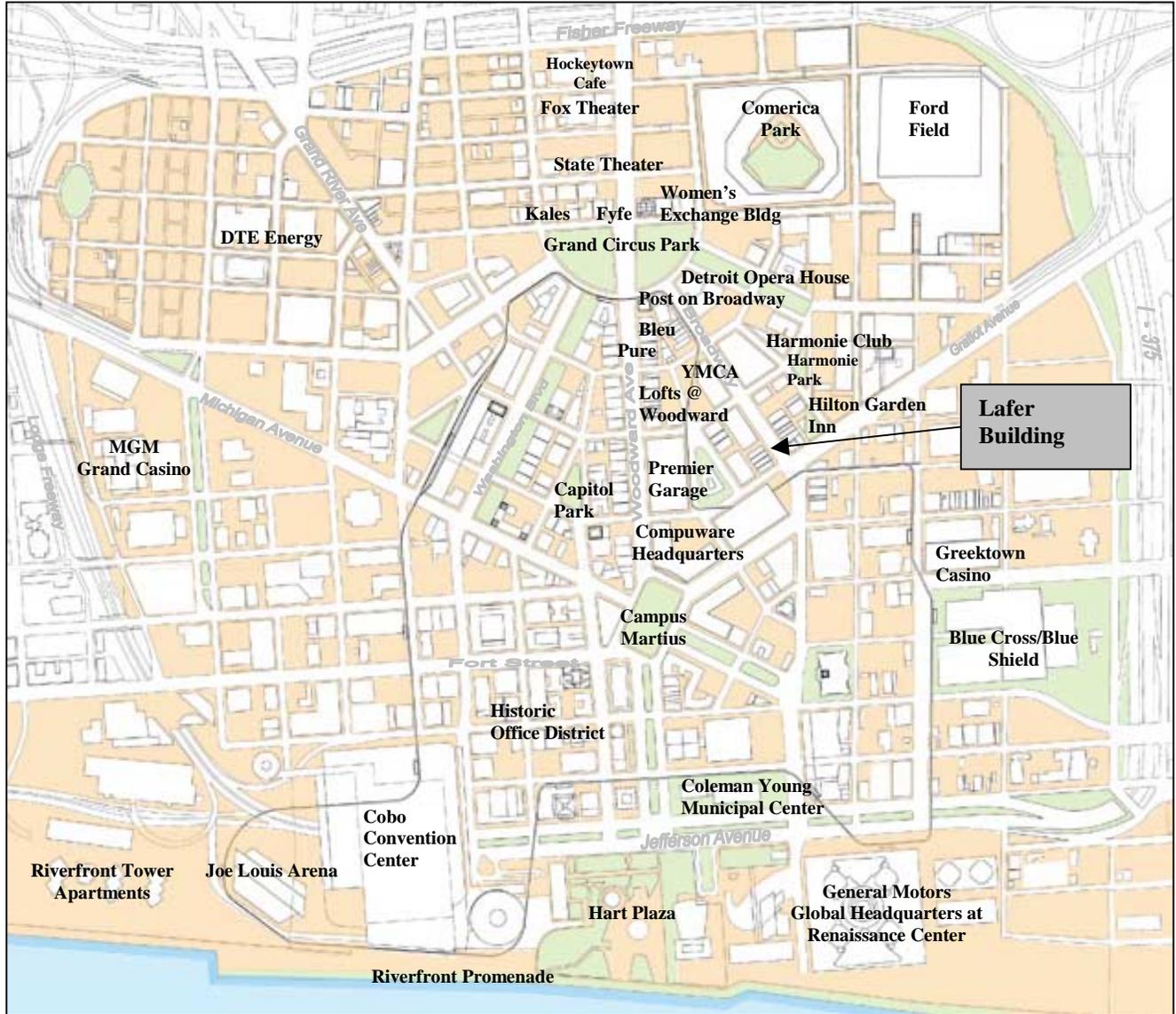
Legal Description: Land in the City of Detroit, County of Wayne, State of Michigan, being part of Lot 7 of “Plan of Section numbered Seven in the Territory of Michigan, confirmed unanimously by the Governor and Judges” as recorded in Liber 34, Page 543 of Deeds, Wayne County Records.

Built in 1916, the Lafer Building is a nine-story reinforced concrete structure originally designed as a wholesale grocery. Some of the original machinery, including a coffee roaster oven, pulley wheels, and corkscrew slide from the ninth to second floor, remain. The first floor had been used as retail space until its most recent conversion to a bar prior to becoming vacant. Average floor size is approximately 3,367 square feet. The building total gross square footage is estimated at approximately 33,000 square feet. Typical original floor plans are attached.

The building structure is reinforced concrete with the exterior faced with brick and terra cotta detailing. Much of the exterior’s original character has not been changed. The roof was replaced in 2000 to address water penetration on the upper floors. One freight elevator services all nine floors and the basement, although the mechanical parts have been removed. While the interior of the building appears to be in good condition, the Authority does not have recent evaluations of the building’s structural condition and is not able to provide a current analysis of physical condition.

Adjacent to the Lafer Building is a DDA owned parking lot which is planned to be developed as a parking structure within seven years. The garage sidewall is planned close to the Lafer lot line with minimal area for a light well. The proposer may negotiate with the DDA for shared parking on the site.

CITY OF DETROIT - CENTRAL BUSINESS DISTRICT



PUBLIC POLICIES

The Property is zoned B-5, Major Business District by the City of Detroit. The B-5 district is designed to provide regulations within the Central Business District and may be utilized in other regionally oriented shopping and office areas. Professional offices, restaurants, hotels, personal service establishments, theaters, and multiple-family dwellings are allowed as of right. Residential lofts are permitted with approval.

The Authority assumes the property's future use would be residential, with the first floor area in retail, restaurant or similar use. The Authority is open to discussion regarding building reuse.

ENVIRONMENTAL

Enviro Matrix conducted a limited Phase I Environmental Site Assessment of the Property in 1998. Enviro Matrix found no evidence of recognized environmental conditions, including underground and/or above ground storage tanks, storage or generation of hazardous wastes. Enviro Matrix conducted a limited asbestos identification survey of the Property. Their report identified limited asbestos containing materials that they classified as durable, non-friable materials.

COMMUNICATIONS

All questions or requests for additional information regarding this property should be addressed to:

Lafer Building Redevelopment Proposal
City of Detroit Downtown Development Authority
211 W. Fort Street—Suite 900
Detroit, MI 48226
Attn: Brian Holdwick, Authorized Agent

During the RFP process, the Authority may wish to amend, add to or delete from the contents of this RFP. In such situations, the Authority will issue an addendum to the RFP and mail the addenda to all who have been sent a copy of the RFP. Copies of the RFP are available through the Greater Downtown Partnership web page at www.downtownpartnership.com.

SUBMISSION REQUIREMENTS

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This RFP is a one step process, wherein a proposer is selected for negotiation for property purchase and development based on a review of proposer's qualifications. The Authority may elect to interview one or more proposers following review of submittals before selection of a proposer for project development. Proposers, or their representatives, are required to tour the building prior to submitting proposals. It will be available for viewing on August 1 and August 2, 2001 between 9:00 am and 11:00 am. Individuals are responsible for their own safety and must wear a hard hat, hard sole shoes and bring a flashlight. There is no electricity in the building. Prior to entering, all parties will be required to sign a liability waiver. Proposers are asked to submit their proposal in a format consistent with the requirements described in the following sections. The DDA will accept responses to this RFP no later than August 31, 2001.

Proposals (three copies) should be delivered to Brian Holdwick at the address provided below. All submissions must contain the information identified below. Proposers should specify those portions, if any, which they would like to remain confidential.

Lafer Building Redevelopment Proposal
City of Detroit Downtown Development Authority
211 W. Fort Street—Suite 900
Detroit, MI 48226
Attn: Brian Holdwick, Authorized Agent

I. Identification of the Proposer/Developer

- Proposer's name, address and telephone/fax/internet address. Describe the form of legal entity and brief history of the organization.
- Names and addresses of principals and general, limited or joint venture partners in the proposing entity. Identify who would comprise the equity contributors to the proposed development.
- Names of individuals on the development team, including construction contractor, architect, site engineer, legal and financial advisors and other key professional team members who would be assigned to this staff. Include the Project Manager proposed for this project.
- Audited financial statement for the last full year of operation.

- List of three project development references for the developer, including one local government and one financial. Include name and title, address and telephone number for each.

II. Relevant Project Experience

Describe the qualifications and experience of the proposer with projects comparable to the Lafer Building. Proposers should briefly describe their experience with similar use types and project size. Provide the following information for each project:

- Project description: Structure type, age and condition of building pre-development, parcel and building size, location, reuse (number of units/square feet per unit type), date of construction completion (certificate of occupancy) and total development cost.
- Developer role and responsibilities.
- Project financing--what was the source(s) of funding (Specify equity partners, construction and permanent financing) and a reference (including name and telephone number) able to speak to the project's financial performance (e.g., mortgagor).
- Current owner name, address and telephone number.
- Qualifications and experience of project manager who would be assigned to this project.

III. Financial Capacity

Proposer should provide appropriate evidence of their financial capacity to undertake a project of this scale, indicating their recent, current and future financial and development commitments. They should indicate their initial investment intentions for the development of the site.

IV. Redevelopment Plans

Proposer should describe the general approach they would take to redeveloping the Lafer Building, including site elevation(s) and floor plans of proposed redevelopment; statement of the proposed use of the site, description of use for each floor including proposed finishes, pricing strategy, marketing plan, etc. Proposer should outline briefly their strategy for determining a project budget and financing requirements. Proposers are not asked to submit any architectural or other design material at this time.

V. City of Detroit Requirements

Proposer should be aware that it is the Authority's goal to conform to the City's requirements with respect to the minority representation and Detroit-based local content as outlined in Detroit Executive orders 4 and 22. In addition, development will be subject to the City of Detroit's planning regulations, building code requirements and approval process.

The selected developer/purchaser is precluded from assigning, transferring, conveying, subletting or otherwise disposing of the development rights prior to closing of the property sale without the prior written consent of the Authority.

SUBMISSION ADDRESS AND DUE DATE

Three copies of submissions in response to this RFP should be submitted to:

Lafer Building Redevelopment Proposal
City of Detroit Downtown Development Authority
211 W. Fort Street—Suite 900
Detroit, MI 48226
Attn: Brian Holdwick, Authorized Agent

Submissions must be received by the Authority no later than 4:00 p.m. EST on August 31, 2001.

Any submission received after this date and time will be returned unopened. Submissions should be clearly marked **Lafer Building Redevelopment Proposal**. Faxed submissions will not be accepted

Lafer Building Redevelopment Proposal Important Dates

August 1, 2001	Lafer Building Property Viewing 9:00 am – 11:00 am
August 2, 2001	Lafer Building Property Viewing 9:00 am – 11:00 am
August 31, 2001	Lafer Building Redevelopment Proposals Submissions Due 4:00 pm

EVALUATION PROCESS

PROCESS FOR EVALUATION

The Authority is committed to providing a fair selection process and will undertake the evaluation of proposals. The evaluation criteria are as follow:

- Experience of the proposer with projects of comparable scale, complexity and significance
- Development team members experience with comparable projects.
- Proven financial capacity to undertake the scale of project proposed
- Evidence of commitment to design quality

Upon evaluation and review of the number and quality of submissions, the Authority will proceed in one of the following ways: (1) Select one proposer for property purchase, (2) Select one or more proposers as a short list for interview and discussion with the goal of then selecting a purchaser/developer, (3) Determine there was not a proposer able to demonstrate sufficient qualifications and financial capacity to undertake the project at this time.

PROPOSED DEVELOPER AGREEMENT

Once a purchaser/developer has been selected through this RFP process, the Authority and Developer will negotiate an agreement. The agreement would provide the developer with development rights to the Lafer Building property subject to terms and conditions set by the Authority regarding building reuse, design plans, project budget, schedule for completion, financing and related items. The developer would be responsible for funding pre-development activities including all due diligence and the securing of project financing. When due diligence activities are complete and project financing is obtained, the Authority will negotiate sale/lease, development and other agreements, as required for project implementation. All agreements are subject to approval by the Board of Directors of the Downtown Development Authority.

TERMS AND CONDITIONS

The Authority reserves the right, as a precondition for any proposer to be considered for selection, to require additional information related to the proposer and their submission, to verify any information from third parties and receive such additional information regarding the proposer, its directors, officers, shareholders/owners and any other individual associated with the submission as the Authority may require.

PROPOSER RESPONSIBILITIES

- All costs and expenses incurred by proposers related to their submissions will be borne by the proposers. The Authority is not liable to pay such costs and expenses, or to reimburse or compensate proposers under any circumstances, including the rejection of any or all submissions or the issuance of a subsequent RFP or Request for Proposals or the request for additional information.
- Any information received by the proposer relating to the submission, gained through the RFP process or otherwise, is to be treated in strict confidence. Proposers must not disclose any details pertaining to their submission and the selection process in whole or in part to anyone not specifically involved in their submission, unless written consent is secured from the Authority prior to such disclosure. In particular, proposers shall not issue a news release, other public announcement, pertaining to details of their submission or the selection process, without the prior written approval of the Authority.

RFP PROCESS

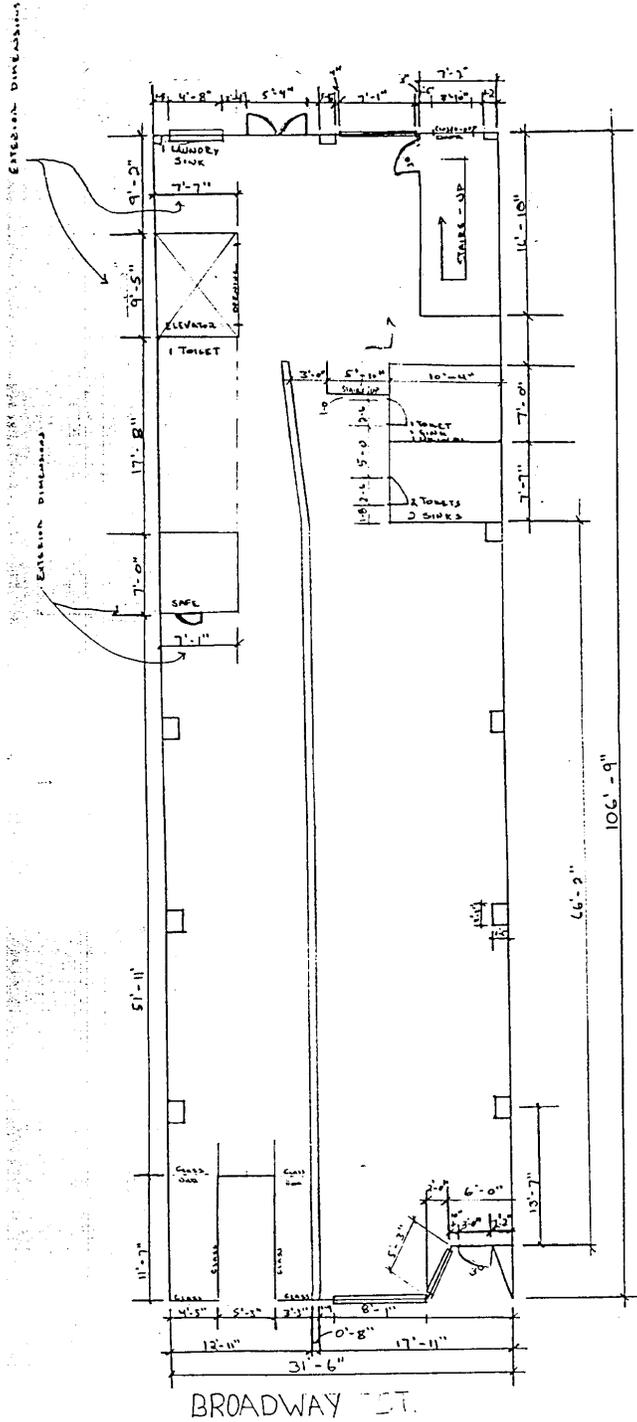
- The Authority is not bound to accept any submission and may proceed as, in its sole discretion, it determines following receipt of the submissions. The Authority reserves the right to consider one, none, or all of the submissions, to accept submissions in whole or in part, or to discuss different or additional terms to those envisaged in this RFP or in any submission, to amend or modify any term of the RFP and/or to elect not to proceed with any project. The Authority may cancel or invalidate this RFP and may issue a subsequent RFP.
- The Authority makes no representation or warranty as to the accuracy or completeness of any information provided by it, including without limitation in this RFP.
- After the selection of the preferred proposer(s), if any, the Authority has the right to negotiate with the proposer(s) in question and, as part of that negotiation, to negotiate changes, amendments or modifications to their submission, without offering other proposers the opportunity to amend their prior submissions.
- This RFP does not constitute an offer, promise or commitment of any kind by the City or the Authority to any or all of the proponents. The City and/or the Authority shall not be bound by any provision of this RFP in negotiating agreements with selected proposer(s). Not until written agreement(s) with the successful proposer(s) have been entered into shall there be a binding agreement between the Authority and the successful proposer.
- The Authority reserves the right to publicly disseminate information contained in any submission, except that information the proposer declares confidential and the Authority determines is confidential to the extent permitted by law. Any and all submissions shall become the property of the Authority and shall not be returned.

The Authority shall not be required to compensate the proposer(s) if the Authority uses any ideas or plans which were obtained by the Authority from its internal resources or other parties, but which are also presented in the submission received.

- The Authority may, at any time, make public the names of the proposers.

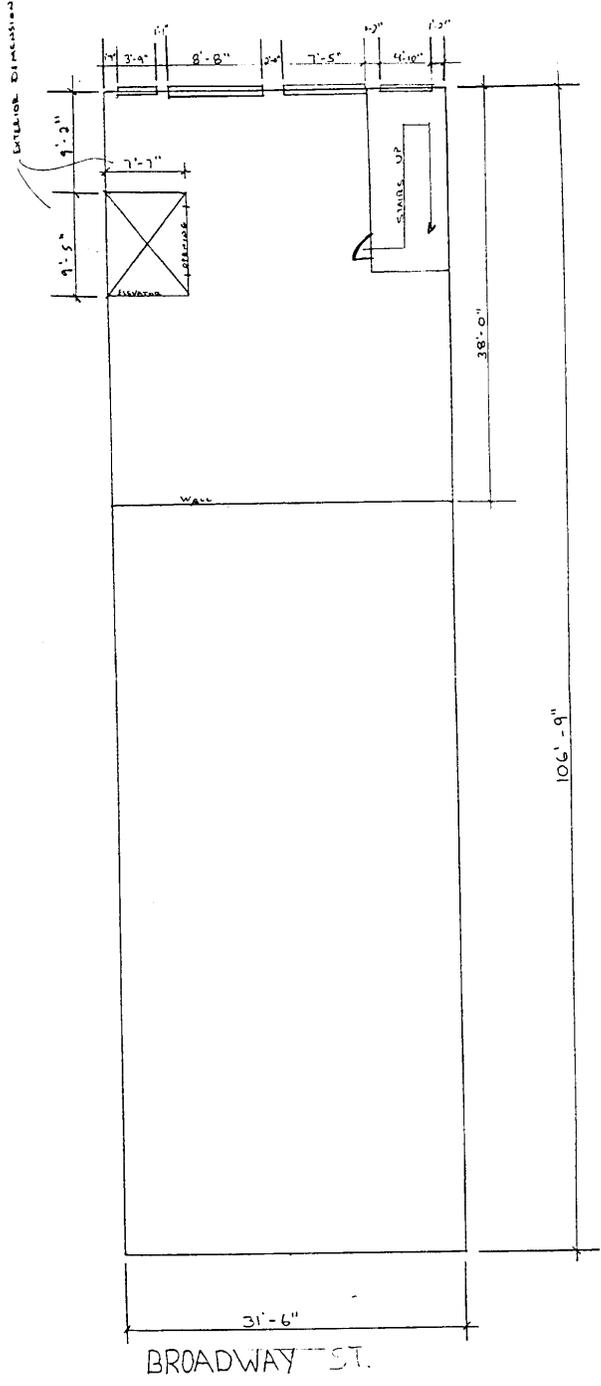
While the Authority believes the information in this RFP to be correct, the Authority makes no warranty as to its accuracy or completeness.

FLOOR PLANS

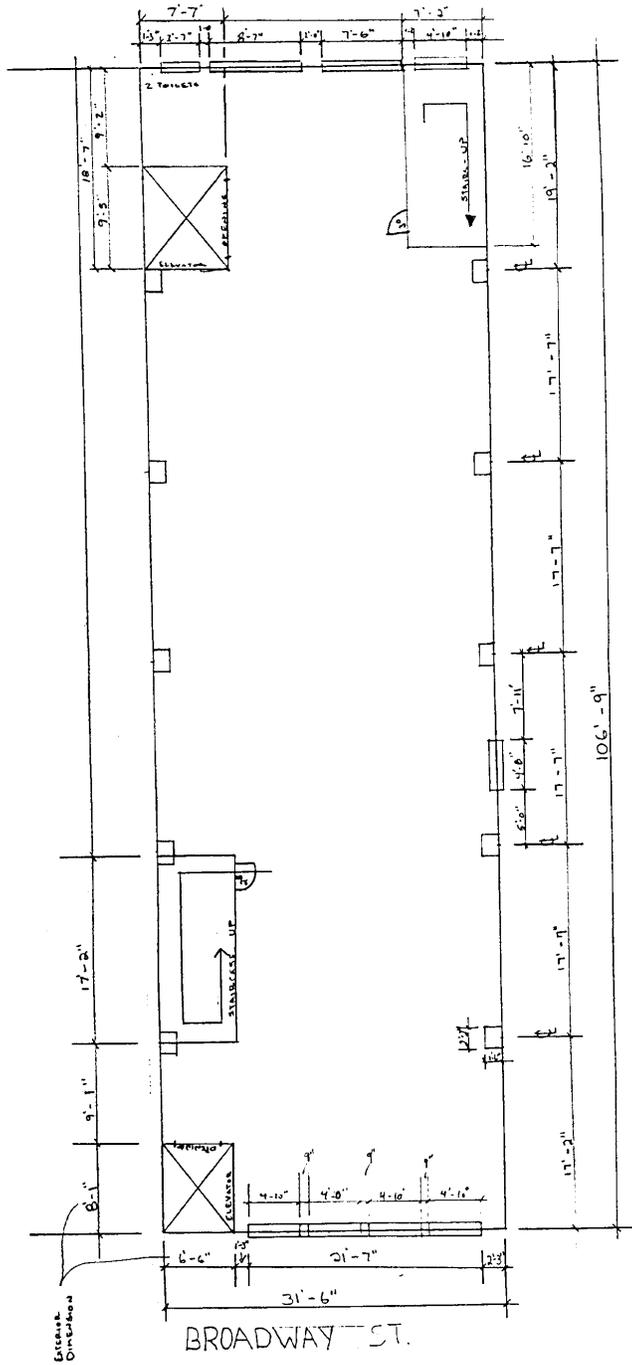


1ST FLOOR
 FLOOR TO CEILING = 12'-0"
 1328 BROADWAY ST. 1 OF 6

DIMENSIONS ARE INTERIOR UNLESS OTHERWISE NOTED.



MEASUREMENT
 FLAG TO CORNER : 7'-10"
 1323 BROADWAY ST. 20F6

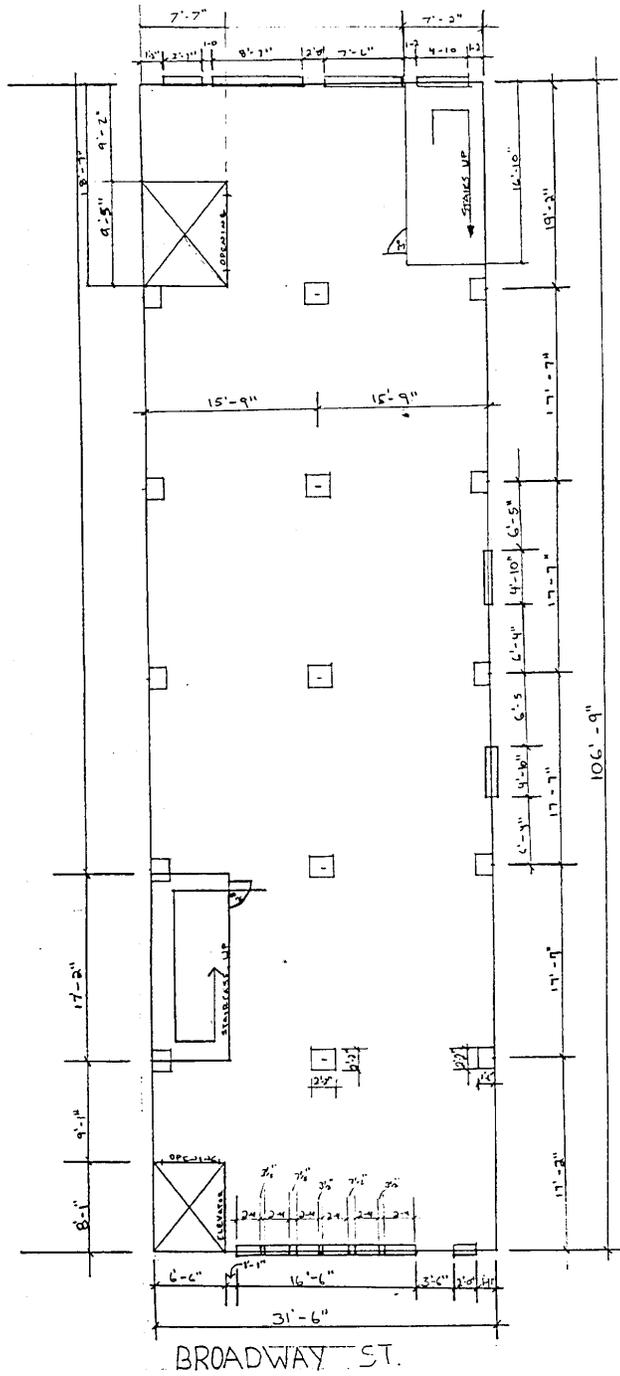


2ND MID FLOOR
 FLOOR TO CEILING = 14'-0"
 1323 BROADWAY ST.

FLOOR TO FLOOR = 15'-0"
 CEILING TO CEILING = 9'-10"

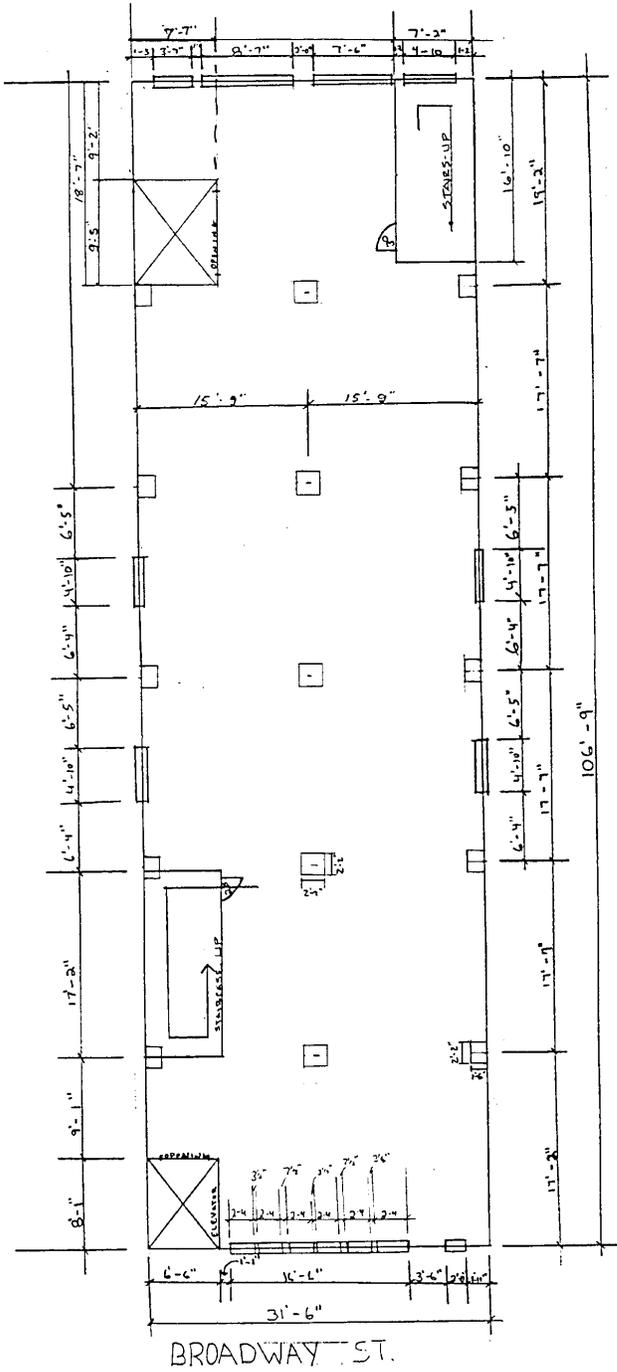
NOTE ALL DIMENSIONS ARE UNLESS OTHERWISE NOTED.

306



5TH FLOOR
 FLOOR TO FRONT OF FLOOR TO CEILING = 10'-3"
 CURS. HHS. 1-9-08 132B BROADWAY ST.

50FG



6TH, 7TH, 8TH, 9TH FLOORS
 FLOOR TO FLOOR CEILING = (6TH-10'-2") (7TH-10'-1")
 (8TH-10'-1") (9TH-10'-1")
 CLEAR SPAN = 9'-0" 132# BROADWAY ST. 606

LAFER BUILDING PHOTOGRAPHS



Lafer Building circa 1916



Lafer Building circa 1999