

Request for Qualifications

Development of an Economic Empowerment Center in North Corktown

June 20, 2024

The City of Detroit (the “City”) seeks a developer to partner with the non-profit organization Heritage Works (“HW”) in the development of an approximately 8,000 – 12,000 square foot building in North Corktown. This development is part of the City’s planning and investment efforts in Greater Corktown resulting from the Choice Neighborhoods Implementation Grant (“CNI”).

The selected developer will:

1. Partner with Heritage Works, alongside the City’s CNI team, to further conceptualize and refine the vision for the center with a focus on feasibility and long-term sustainability,
2. Advise on and/or lead fundraising and financing efforts with HW, and
3. Acquire vacant land from the City and manage construction of the center.

The City seeks partners with demonstrated success in non-residential development with the ability to add capacity and contribute expertise to a community-based non-profit.

Project Background

In 2021, The U.S. Department of Housing and Urban Development awarded the City of Detroit a \$30 million Choice Neighborhoods Implementation Grant for Greater Corktown. The City and its partners worked with the community to create a Transformation Plan to ensure that as Detroit’s oldest established neighborhood experiences unprecedented growth, it remains one that is vibrant and diverse, provides opportunity for all residents, and continues to be a *Corktown for Everyone*. The plan centers around the redevelopment of the distressed Clement Kern Gardens (“CKG”) site in Historic Corktown.

The Transformation Plan has three components:

1. Housing: build an inclusive, accessible mixed-income neighborhood with diverse high-quality housing options through the preservation and expansion of affordable housing, repair economic and racial segregation, and connect North Corktown to the economic activity stemming from Ford’s investment at Michigan Central Station.
2. People: improve the health, economic self-sufficiency, and education outcomes of CKG residents that will empower them to be active participants in the neighborhood’s economic recovery.
3. Neighborhood: address physical distress in the neighborhood by creating safe and healthy streets, improving pedestrian connectivity, increasing access to community amenities and services, developing and improving public spaces, and strengthening neighborhood environmental resiliency.

A key component of the Neighborhood Strategy is the development of an Economic Empowerment Center (“EEC”) on the site of the former Owen Elementary School at 3106 16th Street in North Corktown (the “Owen Site”). This center was envisioned to provide vital community amenities identified by residents and stakeholders, including supportive services such as early-childhood education, arts and culture programming, and health and wellness resources. This facility will also serve as an economic catalyst, creating new opportunities for investment and small business development.

While these uses were originally conceived in a single building, the current development contemplates splitting the programming between two separate buildings: 1) an early childhood education center (the “EEC Phase 1”), and 2) a multi-purpose building with arts and cultural programming provided by Heritage Works, as well as a small amount of commercial space (the “EEC Phase 2”). This RFQ seeks a development partner for the EEC Phase 2.

About Heritage Works

Heritage Works was founded in 2000 with the mission of promoting youth and community development through cultural traditions, arts, and education. Its programs encourage personal, artistic, and community excellence by promoting cultural understanding, skill and tool development, and cultural fluency.

From after school activities to drum processions to community workshops and performances, Heritage Works programs are for anyone interested in cultural discovery and designed especially for:

- Youth and young artists who are curious about other cultures, enjoy performing arts, and want to diversify their training and performance experience
- Practicing artists who want diverse experiences and training
- Parents, educators, and youth workers seeking to broaden their own understanding of or introduce young people to African traditions and multi-cultural activities
- People with a passion for rhythm, drumming, singing, or dancing.

Heritage Works currently operates out of the Green Garage in Midtown, and is seeking to establish a permanent home that reflects the growth of its programming while also providing much-needed space for other arts and neighborhood-serving organizations.

The Property

The 2.93-acre property that will house the EEC comprises a full city block bounded by 15th Street on the east, Butternut Street on the south, 16th Street on the west, and Ash Street on the north. The former Owen Elementary School was demolished in 2010, and the site is currently vacant.

The City acquired the Owen Site from the Detroit Public Schools Community District in 2023 for the purpose of developing the EEC. The City intends to transfer a portion of the Owen Site to the development team selected from this RFQ for a nominal fee. The exact size and configuration of the development parcel will be determined in conjunction with the developer of the EEC Phase 1 and the City’s CNI team.

Phase I and Phase II Environmental Site Assessments have been completed and will be made available to the selected developer. The Phase II, completed as part of the City's acquisition, identified metals above the EGLE Residential Cleanup Criteria. The approved Response Activity Plan requires the Owen Site to be enclosed with an eight-foot tall chain link fence to prevent access until future development occurs.

ALTA and topographic surveys have also been completed and will be made available to the selected developer. Conceptual design massings and a set of design guidelines have been created to aid the further development of the site.

Development Program

The EEC Phase 2 is envisioned to include Heritage Works as the anchor user, with approximately 1,000-1,500 square feet of complementary neighborhood-serving retail. Please note that the programming components and sizes, as well as the overall project size, are subject to change as the selected developer becomes more engaged with the project.

Because the Owen Site will be home to multiple uses and structures, the City's CNI team has begun working with partners and stakeholders on a master plan for the property to efficiently lay out the intended uses. These preliminary concepts will be made available to the selected developer. As the planning continues, the selected developer will have the opportunity to be engaged in the process.

The Owen Site is currently zoned R3, Low Density Residential. A rezoning will be required to develop the retail component envisioned within the EEC Phase 2. The City will support the selected developer in securing the needed rezoning and any other entitlements that may be necessary, if any.

Financing Considerations

The City expects to transfer a portion of the Owen Site to the development team for a nominal amount to support the development of the EEC Phase 2, subject to approval by City Council.

The City expects to make up to \$2.5 million in grant funds available to the project, subject to approval by City Council.

The selected developer will have the opportunity to earn a reasonable developer fee for the services provided through this project.

Scope

Pre-Development

1. Engage with Heritage Works to further refine the concept for the EEC Phase 2, including programming components and sizes, and to determine a partnership structure that reflects the strengths and capabilities of each organization.
2. Collaborate with the City's CNI team and the EEC Phase 1 developer on the on-going master planning exercise for the Owen Site.
3. Assist with the development of a financially feasible pro forma, with a focus on the long-term sustainable operation of the EEC Phase 2, and work alongside Heritage Works in securing grants and other funding sources, such as New Markets Tax Credits.
4. Provide expertise throughout the pre-development process, to include procuring professional services, soliciting bids, etc.

Construction

1. Manage construction of the EEC Phase 2, being mindful of compliance requirements related to specific funding sources.
2. Assist with leasing of the retail space.

Post-Construction

1. The long-term nature and terms of the partnership will be determined through negotiation between the selected developer and Heritage Works. If determined to be in the best interests of the long-term stewardship of the EEC Phase 2, Heritage Works desires and intends to have sole ownership of the facility upon stabilization.

Submission Requirements

Responses to this Request for Qualifications are due no later than 5:00 pm on Friday, July 26. Submissions should be made electronically in a single PDF file by email to Kate Humphrey at humphreyk@detroitmi.gov. Please include the following in your submission:

1. Letter of interest expressing the organization's intent to provide the services outlined in this Request for Qualifications.
2. Information about the organization, including brief history, mission, and key team members who would work on the EEC Phase 2.
3. Examples of relevant prior work, especially that highlight the following elements:
 - a. Successful partnerships with non-profit organizations to further their missions
 - b. Structuring complex capital stacks with multiple financing sources
 - c. Delivery of quality buildings, especially non-residential and/or community-oriented