To: George Lahanas  
Subject: Approve a request for qualifications and proposals for professional assistance in marketing of the 26.8 acre City-owned parcel at Coleman/West Roads that was recently approved by the voters for sale  
Meeting: Regular Council - 11 Mar 2020  
Department: Planning, Building, and Development  
Staff Contact: Thomas Fehrenbach, Director of Planning, Building and Development

BACKGROUND INFORMATION:
As Council is aware, in November 2019 the East Lansing voters approved a ballot measure allowing the City to sell an approximately 26.8 Acre parcel of land southwest of the intersection of Coleman and West Roads in the Northern tier. This vacant land has a parcel number of 19-20-50-35-400-007.

After the previous owner lost the property through foreclosure proceedings, this land was purchased at auction by the City in late 2018 to avoid a large tax liability for the City. Fortunately, the City was able to purchase the property for far less than it's anticipated value. It is also likely that the extension of Coleman Road that is currently in progress will have a positive impact on the value as well.

On December 10, 2019 during the Council discussion-only meeting, staff received input regarding the desired approach to determining the priorities for the site, as well as the range of options for marketing the property to find the best balance between maximizing financial return on investment and desired land use. It was also determined that staff should seek assistance from a real estate professional.

Council subsequently approved the release of a Request for Qualifications and Proposals (RFQP), which was issued by staff with a deadline of February 14, 2020. The RFQP was sent directly to over 80 individuals and firms with real estate expertise, posted to the City website, and information was provided via a press release. Prior to the deadline, only one response was received, which included a request for a seven percent commission as compensation upon a sale of the property. Staff indicated that this amount would likely not be palatable to the City and attempted to negotiate either a fixed sum payment for expertise related to positioning the property for sale or a lower overall compensation percentage. The one response has subsequently been withdrawn.

Staff has updated the RFQP, including some additional context regarding the desirability of the property, which is attached. If approved by Council, staff would anticipate releasing it in short order with an expected proposal timeline of approximately 30 days. Staff would return to the Council with a recommendation after reviewing the proposals.

RECOMMENDATION:
Approval of the release of a request for qualifications and proposals for professional assistance in marketing of the 26.8 acre City-owned parcel at Coleman/West Roads that was recently approved by the voters for sale.

**ATTACHMENTS:**

RFP - Property Marketing- Coleman West Roads_3-5-20_
Request for Qualifications and Proposals

Marketing City Owned Property at Coleman Road and West Road (~26.83 Acres)

City of East Lansing MI

Background and Scope of Services

The City of East Lansing is seeking proposals from qualified commercial real estate agents/ firms for the marketing and selling of property owned by the City of East Lansing which the City believes to have a value of approximately $3 Million. The subject property is approximately 26.83 Acres at the southwest corner of Coleman and West Roads (see parcel ID and aerial map below). The City will consider sales of all or portions of the property and is seeking advice, expertise and guidance in that regard.

Proposal Content

The City is pleased to invite qualified agents/firms to submit a written proposal for the activities outlined above. The amount of information submitted is not limited to a set number of pages, but we ask that you be concise and mindful of the review team. The proposal should include the following content:

1. Details on Proposing Firm/Agent
   • Identify your firm, year of establishment, and key team members for this project. Please include relevant contact information.

2. Qualifications/ Experience
   • Provide relevant experience in marketing and sales services. Please provide, if available, at least one reference for the City to contact in relation to each applicable previous project. Other experience or qualifications provided that are relevant to the City property will be taken into consideration.

3. Context/ Approach to Marketing for Desired Outcomes
   • What methods you intend to employ to market the property.

4. Compensation

The City is willing to consider alternate methods of compensation for services depending on the nature and scope of the services provided. These include hourly rate compensation, flat fee compensation and compensation based on a percentage of the sale proceeds and potentially combinations thereof. Please provide your expected type of compensation including, as applicable, hourly rate or rates, flat fee rates and percentage rates. Note that any rates and/or percentages submitted remain subject to negotiation after submission as this is not a bid submittal since the scope of the work remains somewhat undefined.
Time of Performance

- The length of the services of the firm will be negotiable based on the type and nature of the service to be provided. Please submit a length of service in the proposal.

General Information

After evaluation of the responses, the City will make a selection based on the response which best meets the needs of the City, in the sole discretion of the City.

The City of East Lansing reserves the right to reject or accept any and all proposals received, to modify the scope with one or more of the respondents, and to waive any/ all requirements which the City deems to be in its best interest. The public entities are not liable for any costs incurred by any agent or firm prior to the negotiation, approval, and execution of an agreement. This RFP should not be construed as creating a contractual relationship between the City and any agent or firm submitting a response to this RFP. The City shall have no obligation or liability to any agent or firm responding to this RFP.

Submittal Process

Qualifications and proposals, along with inquiries, should be directed to:

Thomas J. Fehrenbach
Director, Dept. of Planning, Building & Development
City of East Lansing
410 Abbot Rd.
East Lansing, MI 48823
(517) 319-6887
tfehren@cityofeastlansing.com

Please submit all questions prior to ________________. Answers to questions submitted will be provided on the project website as soon as they are available.

Sealed statements of qualification and proposals will be accepted and date/time stamped at the address above on or before 10am EST on Friday, ________________. Late submissions will not be considered.

Each submission shall include the following:

1. Four (4) copies of the qualifications and proposal
2. One electronic copy of the qualifications and proposal
3. Cover letter signed by entity’s authorized office(s)
4. All materials must be packaged in a sealed box or envelope that is marked as follows:
   COLEMAN/ WEST ROAD PROPERTY MARKETING
   [Name of Submitting Organization]
   Attention: Thomas Fehrenbach
   Due: 10:00am on ____________________
PARCEL ID: 19-20-50-35-400-007

City boundary

Coleman Road extended

26.8 acres

U. S. 12