



# REQUEST FOR PROPOSALS

Purchase & Renovation  
of 304 N. Lakeview Ave.

## GENERAL INFORMATION

The City of Sturgis, Michigan is seeking proposals from individuals for the purchase and renovation of 304 N. Lakeview Ave.

The City of Sturgis received ownership of 304 N. Lakeview Ave. by quit claim deed. The City of Sturgis acquired the home from St. Joseph County through tax foreclosure.

Proposals will be accepted until 4:00 p.m. on October 16, 2017 at Sturgis City Hall, 130 N. Nottawa St., Sturgis, MI 49091. Faxed or electronic submissions will not be accepted. Proposals shall include, at a minimum, the following:

- Sealed envelope clearly marked: "City Manager's Office  
304 N. Lakeview Ave. Project"
- Complete response to specifications included herein
- Project Information Form (Attachment A)
- Any other information that would assist in the selection of the best "Purchaser" for this project

Once received, submissions will not be returned. Formal communication, such as requests for tours of the house/property as well as clarification and/or information concerning this solicitation shall be submitted to Michael L. Hughes, City Manager, City of Sturgis, via e-mail addressed to [mhughes@sturgismi.gov](mailto:mhughes@sturgismi.gov), or via phone to (269) 659-7223.

The anticipated schedule for this Request for Proposals, selection of a Purchaser and contract approval is as follows:

<u>Activities</u>	<u>Date</u>
RFP Available	September 18, 2017
Submittals Due by 4:00 p.m.	October 16, 2017
Review and award of proposals by Sturgis City Commission	October 25, 2017

The City reserves the right to modify this timetable at its sole discretion.

## SELECTION PROCESS

City Staff will conduct a review process to establish responsiveness of each submittal. The proposals will be evaluated through consideration of several factors. Following a review of the submittals, staff will forward the submittals to the City Commission for review and selection. If the proposed terms of a project development agreement are acceptable to both parties, the City may enter into a contract with the Purchaser.

The review of all documents submitted will be in accordance with the following criteria:

- Completeness of proposal and required information and support documents
- Amount of investment in the property, types of proposed improvements and purchase bid amount
- Demonstration of financing or wherewithal to complete the project
- Experience with residential rehabilitation projects
- Other factors deemed relevant by those involved in the selection process
- The City reserves the right, in its absolute discretion, to reject any or all proposals, to waive irregularities, informalities and/or non-conformities in any submission, to select the Purchaser and proposal deemed to be in the best interest of the City, and to negotiate with the selected Purchaser.

### **PROPOSAL SUBMISSION**

In a separate sealed envelope, the submitter shall complete the Project Information Form. The Scope of Required Improvements are items that the City of Sturgis will require as part of any proposal. Review the following attachments:

- Project Information Form (Attachment A)
- Scope of Required Improvements (Attachment B)
- City parcel map w/ address location

### **CONTRACT PROVISION REQUIREMENTS**

The City and Purchaser shall enter into a Real Estate Development and Purchase Agreement (“Agreement”) for the real estate that incorporates the terms of the RFP and Proposal and the following provisions:

#### **Performance of Required Improvements:**

All work as outlined in the scope of required improvements shall be completed within 1 year of executing the Agreement.

#### **Insurance:**

The Purchaser shall obtain and maintain during the execution of the Agreement an insurance policy for the dwelling and attached structures based on the value of the home and what it would cost to replace the home. The City must provide written approval and acceptance of an insurance policy submitted by the Purchaser.

#### **Indemnification:**

The Purchaser shall defend, indemnify and hold harmless the City of Sturgis, its officials, officers, employees, agents and representatives from all liability, claims, demands, judgments, costs and expenses resulting from personal injury or property damage, or both, arising, directly or indirectly, in whole or in part, from any negligent act, error or omission of the Purchaser, its agents, employees, subcontractors or suppliers. The obligation of the Purchaser to defend, indemnify and hold the City harmless shall continue after final payment, acceptance of the work and termination or expiration of the Agreement.

**Permits:**

The Purchaser shall be responsible for completing the Agreement in compliance with all local, State and Federal permit requirements and standards.

Contemporaneous with the closing of the Agreement, Purchaser shall execute and deliver to the City a Real Estate Mortgage pledging the real estate as collateral for the performance of the Purchaser's obligations and covenants contained in the Agreement. The City shall subordinate its rights under the Mortgage to an institutional lender providing construction financing for improvements to the real estate. In the event of a breach of the Agreement by Purchaser, the City's damages and right of recovery against the Purchaser shall be limited to 50% of the equity in the real estate plus costs of collection including actual attorney's fees. For purposes of the Agreement, "equity in the real estate" shall be defined as the fair market value of the real estate as determined by an appraisal performed by a licensed residential appraiser selected by the City and the amount paid by Purchaser in acquiring and developing the real estate as provided in the Agreement.

## **Attachment A**

### **PROJECT INFORMATION FORM**

Name of Bidder: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Estimated Cash Investment in Rehabilitation: \_\_\_\_\_  
Estimated In-kind Work for Rehabilitation: \_\_\_\_\_  
Purchase Bid Amount: \_\_\_\_\_

Briefly describe your interest in the project and your reasons for submitting a proposal:

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Describe your experience renovating or rehabbing residential structures (feel free to attach photos, licenses or any other documentation that demonstrates your related experience):

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Describe your timeline for the project and whether you plan to reside in the home.

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How will you finance or fund the scope of required improvements (please attach documentation of financing or funding, i.e., bank letter of credit or pre-qualification)?

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***I HAVE READ UNDERSTAND THE ENTIRETY OF THE PROPOSAL INCLUDING THE SCOPE OF REQUIRED IMPROVEMENTS (ATTACHMENT B) AND UNDERSTAND THE TERMS AND CONDITIONS, AND I ACCEPT AND AGREE TO ALL OF ITS TERMS AND CONDITIONS BY SIGNING BELOW.***

**Name (Printed)** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

## ***Attachment B***

### **SCOPE OF REQUIRED IMPROVEMENTS**

Buyer(s) shall repair and improve the property in accordance with all requirements of the City of Sturgis Property Maintenance Code and all other laws and regulations established by any governmental authority.

All Plumbing, Electrical and Mechanical systems must be inspected by a licensed tradesperson and all identified deficiencies must be repaired and updated to meet code as mentioned above.

The project shall include a driveway surfaced with a minimum four-inch asphaltic or concrete surfacing as per City of Sturgis Zoning Ordinance Article IX 1.0901(L).

If there is no garage on the property, the project shall include an accessory storage shed of not less than eight feet by ten feet (8' x 10') in size.

The Buyer(s) and Contractor(s) are responsible for securing all necessary permits.

Prior to a Certificate of Occupancy being issued by the City of Sturgis, all noted violations must be corrected and a property maintenance final inspection must be completed.

#### **LIST OF REQUIRED REPAIRS/IMPROVEMENTS TO BE COMPLETED BY BUYER:**

1. All damaged floors must be repaired and all unsanitary floor coverings must be removed and replaced with new floor coverings.
2. Properly repair first story structural floor. Floor structural posts and beams in basement have been removed or altered.
3. Address and correct basement foundation issues.
4. Replace and install new basement stairs. Install new handrail(s) and guardrails.
5. Repair all interior walls and ceilings as needed.
6. All peeling paint (interior and exterior) must be addressed. Properly seal (paint) interior walls and ceilings after all repairs are completed.
7. Install code approved smoke detectors.
8. Repair and/or replace all windows and install screens.
9. Repair back porch walls and ceiling.
10. Repair and/or replace front and rear porch deck surfaces and steps.
11. Gutters must be properly installed.
12. Buyer(s) must remove and dispose of all exterior and interior rubbish.
13. Remove all noxious weeds and overgrowth from house and yard.