

DEPARTMENT OF NATURAL RESOURCES

REQUEST FOR PROPOSAL

SITE AVAILABLE FOR SALE
5549 E. Grand Lake Road, Presque Isle, Michigan

Anticipated Timeline

Date Issued: June 1, 2021 (10:00 AM)

Information Session and Property Inspection: June 15, 2021 (10 AM to 2:00 PM)

Deadline to submit questions: July 1, 2021 (5:00 PM)

Date answers to questions will be posted: July 15, 2021 (3:00 PM)

Submission Deadline: September 10, 2021 (4:00 PM)

Request for Proposal Approval: October 2021

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The Department of Natural Resources (DNR) through this Request for Proposals (“RFP”) solicitation, seeks a qualified developer/team of developers (“Developer”) to purchase and improve the restaurant portion of the property located in 5549 E. Grand Lake Road (referred to as the “Commercial Parcel”) in Presque Isle, Michigan. In addition, the Developer will be required to purchase, either through a sale of the land or by easement, the Water and Sewer Utility Parcel (referred to as “Utility Parcel”) located on the other side of E. Grand Lake Road for the placement of a sanitary waste facility to serve the Commercial Parcel.

The DNR intends to receive development proposals that will lead to the sale of the Commercial and Utility Parcels. Evaluation of the successful bidder will anchor on the Developer who presents the best use and plan/layout of such use and demonstrates the best financial capacity to undertake the proposed project. In addition to the items referenced below, the DNR will evaluate the proposals based on those that have the least impact and most benefit to the Presque Isle State Harbor facility.

Through this RFP process, the DNR intends to select a proposal that will:

- Present the highest and best use for the location based on a list of approved permitted uses that the DNR will allow that listed in the RFP. The list of permitted uses will be a restriction that will be part of the conveyance of the property from the DNR.

- Redevelop and rehabilitate the Commercial Parcel

Site Description

The Commercial Parcel is located within the Presque Isle State Harbor Facility in Presque Isle Township, Presque Isle County. It is improved with an approximately 6,000 square feet restaurant building and has a liquor license available for sale subject to an Application and Approval by the Michigan Liquor Control Commission. The Commercial Parcel is within the Presque Isle Township Commercial-Marina zoning district. The Developer will have to verify the zoning district of the Utility Parcel with the township.

The Commercial -Marina zoning ordinance includes, but is not limited to the following requirements:

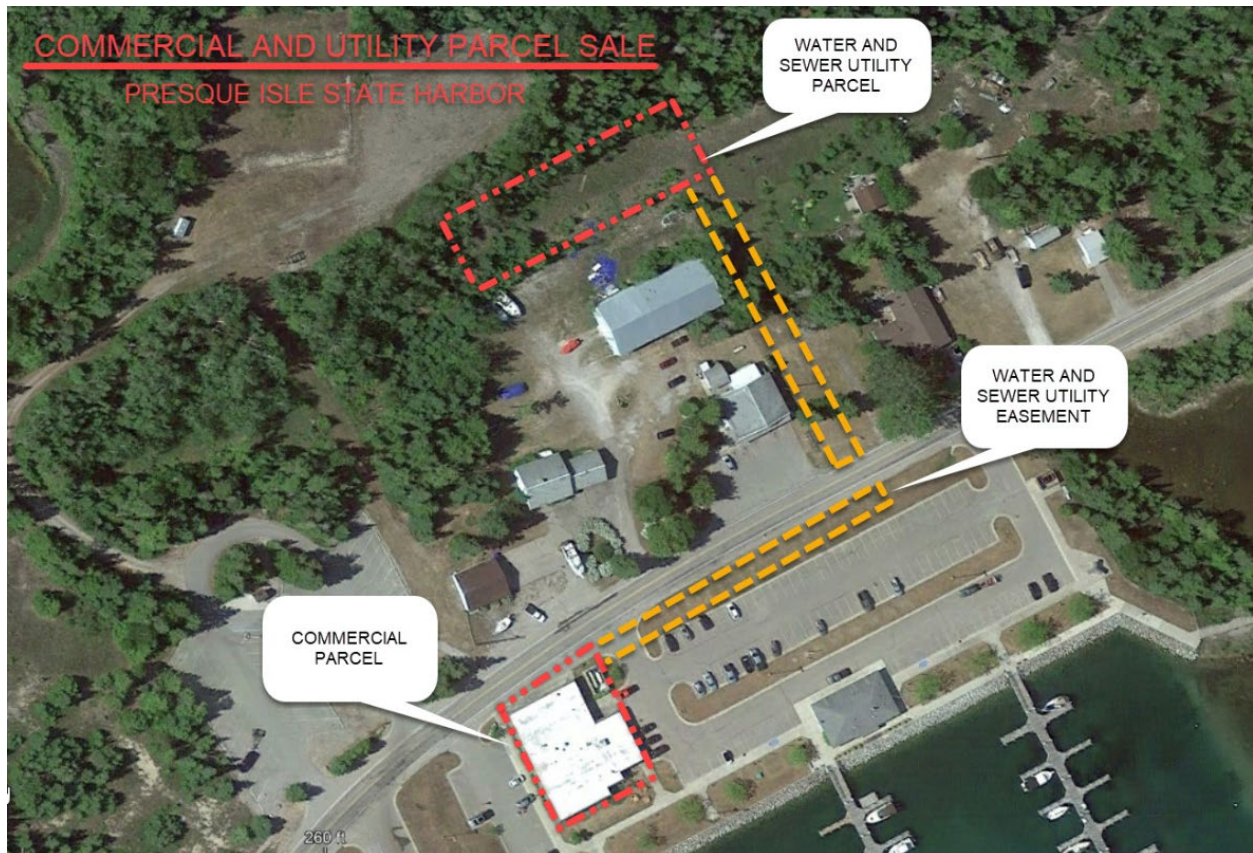
- Minimum Lot Size: 0.50 acre
- Building Setback Requirements
 - Minimum Lot Width: 100 feet
 - Front Yard (from shoreline): 60 feet
 - Side Yard: 20 feet
 - Rear Yard (from road): 20 feet
- Off Street Parking Requirements
 - One space for each 75 feet of usable floor area or one space for each three persons allowed by maximum occupancy
 - One space for loading and unloading

It is up to the Developer to verify with Presque Isle Township all zoning requirements.

To provide for a sanitary waste facility, the DNR will offer for sale the Utility Parcel located across the street from the Commercial Parcel, as depicted on the map below. The Developer will be responsible for all costs associated with constructing and maintaining the sanitary facilities. If the Developer can demonstrate that a sale of the Utility Parcel is not legally possible, the DNR will consider granting an easement for the construction and maintenance of the water and sewer facilities in the proposed location, as depicted on the map below.

In addition, the DNR will grant an easement from the Commercial Parcel to the Utility Parcel for the installation and maintenance of utility lines. The DNR makes no guarantees or assurances as to the suitability of the Utility Parcel for sanitary waste uses. Furthermore, if the Developer can document that the Utility Parcel cannot be utilized for this intended purpose, the use of the existing on-site sanitary system will need to be formalized in agreement with the DNR, including assessment of fees associated with Developers use. Should the facility continue to be used as a restaurant, a critical component to be addressed is how grease will be managed to prevent other contaminants from entering the water and sewer system. This will likely require frequent pump outs of holding tanks at the Commercial Parcel.

The Commercial Parcel's water is provided by a well on the Presque Isle State Harbor and the DNR will convey an easement with the sale of the Commercial Parcel to service and maintain the well. The DNR does not make any representations regarding the suitability of the existing well. If the existing well is not suitable, or in the future becomes unsuitable for the Commercial Parcel's use, the Developer will be responsible for installation of a new well on the Utility Parcel.



Objectives for the Commercial Parcel and Utility Parcel

- The Developer will provide a certified survey and legal description of the Commercial and Utility Parcels that have the least impact to the state harbor facilities, along with a survey and legal description of the Water and Sewer Utility Easement.
- The Developer will be responsible for any and all costs associated with securing the necessary parcel splits from Presque Isle Township, including surveys for the remaining DNR parcels. The Commercial Parcel is part of Local Tax Identification No. 122-017-000-006-01 and the Utility Parcel is part of Local Tax Identification No. 122-017-000-017-02.
- The following list is the responsibility of the Developer:
 - Costs and expenses incurred in securing the necessary permits.
 - Acquiring the approvals for the sale, development, occupancy and use of the property.

- Expenses to rehabilitate the building or remove the existing building and construct a new building.
- Expenses of constructing the water and sanitary sewer improvements.
- Any and all other costs associated with the parcel splits.

Environmental Conditions Summary

The DNR makes no guarantees or implies any conditions related to the environmental condition of the Commercial and Utility Parcels. The Developer should exercise due diligence regarding any environmental issues or concerns.

Permitted Uses of the Parcels

The relation and proximity of the Commercial Parcel to the harbor makes it imperative that businesses support the harbor and not detract or cause conflict with boaters. To further that support of the harbor, the DNR will formalize uses or restrictions in the conveying document as part of any sale.

Permitted Use Requirements

- Permitted Uses. Uses shall be allowed only if specifically listed below as permitted uses or are similar to such listed uses as determined by authorized DNR Parks and Recreation Division Agency Representatives.
- All listed permitted uses in this document shall not supersede the requirement for all proposed uses to be in compliance with and receive approval of all Presque Isle Township zoning ordinance requirements.
- To be considered a Permitted Use, all applicable State building code requirements, ADA requirements, EGLE permits, County Road Commission Permits, and associated administrative approvals must be identified with a demonstrated written intent on how said requirements will be attained to all permitted use approval.

Permitted Uses include:

- Restaurant/Food Service
- Retail Store
- Dive Shop
- Tackle shop – Marine Supplies/marine service
- Charter boat base of operations (could be fishing, diving, lighthouse tours)
- Rentals such as bikes, watercraft, cars
- Gift/Antique/art gallery/photo shop
- Concierge service for local attractions
- Outfitter or Guide services
- Laundromat
- Convenience Store
- Ice Cream Shop
- Museum – Interpretive Building

- Event Space - With permit approved by DNR
- Taxi/shuttle service
- Internet café/coffee shop/library
- Boat club partnership
- Paddle craft storage facility
- Farmers Market
- “Craft food” establishment- ex. Artisan cheese shop
- Indoor sports: shooting range or golf
- Movie theater
- Exercise or Fitness room

Prohibited Uses or Restrictions Requirements

- Prohibited Uses or Restrictions. Prohibited Uses or Restrictions shall not be allowed as specifically listed below or are similar to such listed prohibited uses as determined by authorized DNR Parks and Recreation Division Agency Representatives.

Prohibited Use or Restrictions include:

- Private Residential Development
- No live music unless a special use permit issued by DNR
- Bar/Tavern – Unless was part of restaurant or another amenity
- Any use that is not open to the public/boaters
- Any use not consistent with clean marina certification
- Any use that would be in direct conflict with DNR or PRD mission
- Gas Station
- Casino
- Adult entertainment
- Daycare
- Arcade/bounce houses/kid centered entertainment center
- Medical facility/rehab center
- Fish cleaning station
- Recreation or Medicinal Marijuana establishments

Other Considerations

- The proposals cannot include the sale of significant parking spaces.
- Patrons of Commercial Parcel will be allowed to use the harbor parking lot, but a formal agreement will be required.
- Department staff and fuel vendors will need access to the adjacent fuel tanks and infrastructure. Dependent upon the amount of property sold, an easement to the fuel system may be reserved by the DNR.

Harbor Data

	2016	2017	2018	2019	2020
Rogers City Marina - 50722	176,087	222,616	249,460	\$ 334,183	Rogers City Marina \$ 211,171

State Harbors by Business Area

Business Area	Harbor / Other	2016	2017	2018	2019	2020
Eastern UP District	Detour State Harbor - 52230	220,902	222,921	311,365	292,802	174,394
	Fayette Harbor - 52090	4,874	32,727	25,811	27,583	44,658
	Mackinac Isl State Harbor - 53250	409,116	400,643	415,820	398,816	166,999
Eastern UP District Total		634,892	656,291	752,996	719,201	386,050
Gaylord District	Cheboygan FO - 53200	12,453	10,600	31,718	56,215	28,010
	Cheboygan Lock and Dam - 53220	21,448	24,044	7,790		
	Hammond Bay State Harbor - 53230	13,590	13,744	27,919	18,677	-
	Presque Isle State Harbor - 53270	327,567	295,132	357,519	117,437	237,415
	Straits State Harbor - 53290	385,186	415,875	567,357	433,439	319,304
Gaylord District Total		760,244	759,394	992,303	625,768	584,729
Metro District	Lexington State Harbor - 59570	344,740	355,478	455,705	434,192	290,353
	WG. Milliken State Harbor - 59710	118,629	136,362	149,951	164,775	91,296
Metro District Total		463,369	491,840	605,656	598,967	381,649
Roscommon District	BAS Port Sanilac - 59550	6,877	7,272	11,059		
	Clare - 55100	7,247	5,240	4,821	5,003	3,014
	East Tawas State Harbor - 54240	335,550	324,177	428,587	428,508	390,929
	Port Austin State Harbor - 59660	237,290	221,113	259,849	278,568	133,363
Roscommon District Total		586,963	557,801	704,316	712,079	527,306
Rose Lake District	Jackson FO - 58070	28,695	16,600			
Rose Lake District Total		28,695	16,600	-	-	-
Western UP District	Baraga FO - 51170		550		210	
	Cedar River State Harbor - 52165	56,151	56,748	65,362	59,259	49,871
	Copper Harbor - 51200	35,945	39,343	32,421	59,887	41,062
	Eagle Harbor - 51210	3,216	3,216	3,180		2,343
Western UP District Total		95,312	99,856	100,963	119,356	93,277
Grand Total		\$ 2,569,475	\$ 2,581,783	\$ 3,156,234	\$ 2,775,371	\$ 1,973,010

Eagle Harbor - recorded to Copper Harbor in 2019; will be recorded to Copper Harbor in 2020;

Presque Isle State Harbor	2018	2019	2020
CONCESSION/LEASE/OP. AGREE	\$ 8,638.00		
VARIOUS USER FEES -			
751PRD0004-9408	\$ 18.00	\$ 20.00	
WW - HARBOR MARINE SLIP	\$ 72,623.75	\$ 60,204.30	\$ 49,915.00
WW - MARINE FUEL-DIESEL		\$ 37,346.94	\$ 117,546.87
WW - MARINE FUEL-UNLEADED	\$ 274,153.77		
GASOLINE		\$ 19,302.37	\$ 68,717.64
WW - VARIOUS USER FEES	\$ 2,085.00	\$ 560.00	\$ 1,235.00
	\$ 357,518.52	\$ 117,436.61	\$ 237,414.91

Sale Terms

A cash sale of the Commercial and Utility Parcels and conveyance of any easement rights will result from the award of this RFP. The Commercial and Utility Parcels will be sold to the Developer that provides the best proposal for the development of the property reflective of the RFP requirements and will be sold at its appraised value based on the permitted uses detailed in the RFP. The Developer will be responsible for all closing costs associated with the transaction. The DNR will convey the property(ies) with a Quit Claim Deed.

A. Purchase Price

The Commercial and Utility Parcels, along with the easement rights, will be sold at market value as determined by an independent appraisal. By responding to this RFP, the Developer confirms

willingness to pay the market value for the properties as determined by an appraisal. The appraisal must be completed by an appraiser on the DNR's Approved Appraiser List and will be subject to the DNR's review and approval of the valuation submitted. The appraiser hired by the Developer will agree to work with the DNR on any corrections needed to the appraisal report. The report will be completed in accordance with the DNR Standards for Writing Appraisal Reports. The date of value for the appraisal assignment will be based on the date the RFP is posted.

The appraised value of the Commercial and Utility Parcels and easements must include a detailed analysis on how costs impact the valuation of the lands conveyed and will be based on the following:

- The legal description and the rights of the properties to conveyed;
- The condition of the property(ies) on the date of value;
- The Developer is responsible for incurring all costs associated with constructing or improving the existing water and sanitary sewer systems;
- The Developer is responsible for all development of getting all necessary approvals and agreements required for the sale, use and occupancy of the project; and,
- The appraisal must include the value of the liquor license

B. Special Consideration

In addition to the Purchase Price offer, the DNR will give special consideration if the Developer can also convey land to the DNR that can be utilized for outdoor recreational activities.

Proposal Submission Requirements

Submitted proposals must demonstrate a well-planned and detailed development plan. The DNR reserves the right to reject any proposals submitted without the minimum requirements listed on the following pages:

A. Summary of Overall Proposal

- Narrative summarizing the overall project.
- Information as to how the project will support the operation of the harbor.

B. Project Development Plan

- Survey/Design Drawings showing the legal description of the Commercial and Utility parcels and improvements to be constructed.

C. Development Team & Development Experience

- Provide a listing of, and an organization chart for the development team members, including the developer, project manager, construction manager, architects/engineers and marketing personnel.
- Provide resumes of the principal participants involved in the project. The proposals should include a summary of the experience of the project team, similar projects

that the development team has been involved with and how that experience will be useful in undertaking the proposed project.

D. Township, County, and State Approvals

- The Developer must submit evidence that all necessary permits and approvals have been or will be granted regarding the sale, occupancy, and use of the project.

E. Appraisal Report

- Report signed by the appraiser(s).

Request for Proposal
Presque Isle State Harbor

RESPONSE PREPARATION

Please also provide the following as part of the RFP.

1. Company full name and address.
2. Name, telephone number, and email address of the individual(s) who will serve as your company's authorized contact.
3. Please identify who was involved in developing the submittal to this RFP.
4. Please include, as an attachment, the following:
 - Mission Statement
 - Organizational Chart
5. Please provide a comprehensive overview of your prior experience operating, programming and managing this type of project.
6. Describe your vision for this partnership opportunity. What ideas do you have to make the venture successful?

Attachments

GIS Aerials of Tax Parcels

GIS Aerials Tax Parcels Presque Isle State Harbor

Attributes ▾

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PRESQUE ISLE

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DNR

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