

REQUEST FOR QUALIFICATIONS AND PROPOSALS

City of Negaunee Mather B Development Project

Dated: November 15, 2019

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I. DEVELOPMENT OPPORTUNITY.

The City of Negaunee, Michigan seeks a developer for a 33.5192 acre city owned parcel commonly known as the Mather B location, located on the western end of the City. The parcel, and possibly the surrounding areas, provides an opportunity to offer a regional recreational, tourism and entertainment space, in formats that are currently underserved by the local market.

To that end, the City of Negaunee is requesting Statements of Qualifications and Proposals ("SQP") from entities ("Submitters") interested in submitting design, construction, and operational plans for the development of the Mather B property consistent with the requirements herein, and those to be negotiated further with a successful submitter.

II. SITE OVERVIEW.

The City of Negaunee is a 14.45 square mile community located in Marquette County, which is in the north-central Upper Peninsula of Michigan. Negaunee is the third most populous city in Marquette County and the twelfth most populous in the Upper Peninsula (U.P.). Negaunee is part of an urban and highly-populated zone in the County that also includes the Cities of Marquette and Ishpeming. Combined, these communities comprise half of the County's total population. Highway US-41/M-28 runs through the City from east to west. Highway M-35 runs north-south and connects with US-41/M-28 just east of the City.

Negaunee, like many cities in the U.P., began as a mining town, and this industry has played a large role in shaping the history and character of the community. The Mather B site, on the western edge of the City, near historic downtown Negaunee, and directly south of Teal Lake, part of an active iron mining site within the City.

The Parcel ID # is 52-53-601-002-00, with the following description:

SEC 1-47-27 N 1/2 OF NE 1/4 EXC COM AT NE SEC COR,
TH W 412.26', TH S 375.11' TO POB. SD PT BEING ON S
ROW LN OF RR, TH DUE S 238', TH S 56 D 34' 20" W
741.35', TH N 83 D 1' 4" W 487.51', TH DUE N 292.94', TH
DUE W 50', TH DUE N 604.55', TH 408.47' ALG T

The Mather B site is outlined on the aerial photographed, attached hereto as Exhibit A.

The parcel was recently re-zoned as Business District 2 (B-2), and was identified in the City of Negaunee's 2015 Master Plan as a site for possible "residential development, the development of a new recreational site, as well as a commercial park." See Page 3, City of Negaunee's 2015 Master Plan.

III. SITE VISION AND COST.

The City's preferred development for this site includes a plan from a qualified developer that addresses the following requirements:

- 1) Recreation and tourism;
- 2) A mix of uses to create vibrancy and year-round use;
- 3) A design that respects the historic character of downtown Negaunee, its legacy buildings, and the on-site building;
- 4) Preservation of the existing on-site building, with the City's preference of the use of the Secretary of Interior's Standards for Preservation, available at www.nps.gov/tps/standards.htm);
- 5) Incorporation of a City accessible utility corridor and access (see e.g., Battery Plan attached hereto as Exhibit B);
- 6) Some form of free, public access to the on-site building (e.g., green space, lobby space with a historical tribute to building and/or grounds, etc.); and
- 7) Incorporation of a public right-of-way through the parcel.
- 8) A specific project timeline completion, including any associated phases.

Subject to the above requirements, subsequent negotiations with the City, and approval of by the Negaunee City Council, the minimum sale price for the Mather B parcel is \$45,000.00. All submittals shall include a proposed price for the parcel. The City is open to reasonable offers supporting an optimal development plan. A range of incentives, at the local and state levels, may be leveraged as part of a negotiated pre-development agreement, as well as performance based tax and utility incentives.

IV. SELECTION PROCESS AND CRITERIA.

The City of Negaunee will review and evaluate all complete SQPs in response to this request to identify and engage with a qualified developer for the Mather B property. Any SQPs must include the following:

- 1) Letter of interest;
- 2) Concept plans and renderings;
- 3) Development experience/Portfolio;
- 4) Evidence of fiscal capacity;

- 5) Resume of the firm and lead team members; and
- 6) A timeline for completion.

The City of Negaunee may seek additional information upon receipt of the SQP(s). The City reserves the right to accept or reject any or all proposals, or to abstain from selecting any proposal. This request and any responses are not intended to, nor shall same create a legally binding agreement. Upon selection of a qualified submitter, the City of Negaunee and the submitter will negotiate in an effort to enter into a development agreement including purchase price, due diligence period, and other terms.

V. PROPOSAL FORMAT.

All SQPs shall be submitted by email in PDF format to clerk@cityofnegaunee.com by 11:59 PM, Eastern Daylight Time, on December 2, 2019.

Additionally, either a paper copy or digital copy of any SQP on a USB drive shall be sent to the address below, postmarked no later than December 2, 2019:

City of Negaunee
Attn: City Manager's Office
PO Box 30
Negaunee, MI 49866.

VI. SCHEDULE FOR REVIEW AND SELECTION.

The schedule for receipt and evaluation of proposals is anticipated to be as follows:

- 1) RFQ posted, and Questions Period begins: November 15, 2019
- 2) Deadline for responses: December 2, 2019, at 11:59PM ET.
- 3) Evaluation period: Dec. 2 – December 5, 2019
- 4) Finalist team(s) notified: December 6, 2019
- 5) Finalist presentation(s) and selection of potential developer: December, 2019.
- 6) Finalize terms of development agreement: January 13, 2020, or as soon as reasonably practical to be voted on by the Negaunee City Council at a regular or special meeting.

Mather B Parcel

Exhibit A

Legend

B: Mather B Property Lines



Google Earth

© 2018 Google

6000 ft





Michigan Tech

Exhibit B

FOR IMMEDIATE RELEASE

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Michigan Tech and City of Negaunee explore using abandoned mines for electrical energy storage

Michigan Technological University and the City of Negaunee, Michigan, are collaborating on a pilot study to determine if abandoned mines can be profitably converted into utility-scale batteries, storing “green” energy for consumers on the electrical grid.

Researchers hope the study, funded by the Alfred P. Sloan Foundation, will demonstrate a potentially transformative technology system — underground pumped hydro storage — for the regional economy in post-mining communities throughout the Lake Superior mining areas.

Pumped hydro storage is a mature technology used around the world. The basics are the same as any hydroelectric power generator: Store water in a high-elevation pond or tank, or behind a dam, then allow the water to flow down through a turbine to generate electricity.

Wind and solar power generation systems typically require a battery to store power when the generators are producing more than consumers are using. Storage facilities can push that power back onto the network when demand is high, but generation is low. Pumped hydro storage is among the cleanest and most efficient way we have to store electrical energy.

“Imagine, for example, a strong wind generating power at 3 a.m. when nobody needs it,” said [Roman Sidortsov](#), assistant professor of energy policy. “An efficient battery allows the grid to smooth out those variations.”

But in Negaunee’s case, the storage facility would use surplus power to pump water up to a certain elevation. When demand outpaces power supply, the water runs down into turbines, which then generate electricity.

Michigan Technological University



Michigan Tech

“We think this is a fantastic idea,” said Nate Heffron, Negaunee City Manager. Heffron and city planner David Nelson, will bring community members into the design process at an early stage. “Discovering a way to return these places to productive industrial use, providing jobs and lowering energy costs, while also preserving or enhancing the historical fabric of our community — this is an amazing opportunity for us all.”

New Use for Old Mines

Placing such a system below ground is what makes the collaboration revolutionary.

“Generally speaking, few organizations are building utility-scale hydroelectric systems now,” Sidortsov said.

Public concerns with the ecological impacts of water diversions and impoundments, combined with resistance to infrastructure development by neighboring property owners has often meant that permitting utility-scale systems is difficult.

“If we move the entire system below ground and make it self-contained, there would be no effect on surface water flow, ecological systems or landscapes and scenic views. An underground pumped hydro storage system might be essentially invisible,” Sidortsov said.

“Many of the abandoned mines in our area might work for this,” said [Timothy Scarlett](#), associate professor of archaeology and anthropology. “Many mines are deep, but only partly flooded.”

The researchers propose their design could allow the system to pump water from flooded levels into higher, dry ones, using old stopes and shafts as giant water tanks. No water is discharged from the system.

Mines as Heritage

“Many of the mines in our area are also heritage sites, and they operate as museums, community parks and historic sites,” Scarlett said. “Our laws about ecological protection and historic preservation work together to help communities work through projects like these.”

The team says storage systems could be designed to support the heritage landscape, instead of conflicting with the way decommissioned mines are used today. Many such mines had powerhouses that produced electricity for their communities, and that historic infrastructure could be adapted to reconnect the storage facility back to the electrical grid.

“The heritage of these communities is an asset, not a liability,” Scarlett said, “both in terms of the historic landscape and the cultural identity that people share around these places.”

Michigan Technological University