



**OFFICE OF COMMUNITY DEVELOPMENT**

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**REQUEST FOR PROPOSAL (RFP)**

**TARGET MARKET ANALYSIS (TMA)**

**FOR THE**

**CITIES OF DEXTER, CHELSEA, SALINE AND YPSILANTI, WASHTENAW COUNTY, MICHIGAN**

Sealed proposals for a **“Joint Target Market Analysis”** will be received by the City of Dexter up to **2:00 P.M. on March 25, 2015**, at which time they will be **publicly opened and read at the City of Dexter offices at 8123 N. Main Street, 2<sup>nd</sup> floor, Dexter, MI 48130.**

**Please mark sealed envelopes: “Joint Target Market Analysis” on the lower left hand corner. In addition, if the proposal is to be express mailed, “Proposal Documents Enclosed DO NOT OPEN” must be conspicuously marked on the package. Faxed proposals will not be considered or accepted.**

The Cities of Dexter, Chelsea, Saline and Ypsilanti reserves the right to reject any or all proposals, to waive any informality in the proposal received, and to accept any proposal or part thereof, which it shall deem to be most favorable to the interests of the cities.

**REQUEST FOR PROPOSAL (RFP)**  
**Target Market Analysis (TMA)**  
**for the**  
**Cities of Dexter, Chelsea, Saline and Ypsilanti,**  
**Washtenaw County, Michigan**

The City of Dexter invites qualified consultants to submit a proposal for professional services to conduct a housing needs assessment for the Cities of Dexter, Chelsea, Saline and Ypsilanti (the 'Cities'), Washtenaw County, Michigan using a Target Market Analysis (TMA) methodology.

**I. Overview**

**A.** The City of Dexter will utilize funds provided, in part, by the Michigan State Housing Development Authority (MSHDA), and the Cities to initiate a Target Market Analysis to identify opportunities for specific housing products and price ranges, based on an in-depth assessment of the downtown and surrounding core neighborhoods. As such, MSHDA reserves the right to review all activities relative to the analysis and will be involved in consultant selection. The TMA analysis shall include the following:

- the type and number of housing units that could be supported by each city,
- ideal locations for development,
- specific amenities to include in designs, and
- absorption rates and period estimates.

The Cities intend to use the Target Market Analysis for use in underwriting/planning activities, and it will serve as a "platform" to inform other, more localized or project-specific studies.

**B.** The Target Market Analysis will inform future development planned within the general areas of each community; however it is hoped that the results might also assist in infill development within each cities' downtown district, as well as the neighborhoods surrounding their downtowns.

**C.** The purpose of the Analysis shall provide housing related information that is specific and applicable to the Cities and local community development organizations. It shall also capture community development information supporting:

- Improved stability and density of the urban and rural areas
- Increasing the number of employers and jobs

- Increasing economic activity for the Cities and Washtenaw County
- Create a vibrant and walkable community

## II. Background

The Cities recognize the benefits of working together to further their goals and objectives toward downtown revitalization. The driving force behind this collaboration have been similar goals, a common vision, and the desire to encourage and promote greater opportunities for downtown living, coupled with the need to have a solid understanding of the housing market potential has been the driving force behind this collaboration.

- A. City of Dexter** (Exhibit 1): Situated along the banks of the Huron River and Mill Creek, the City of Dexter is a small town in western Washtenaw County, approximately 8 miles west of Ann Arbor. Dexter has a growing population. The City experienced a 74% increase in population between 2000 and 2010, growing from 2,338 to 4,067. The population increased another 16% by July 2014, growing to 4,731, according to SEMCOG. The city boundaries encompass a total area of approximately two (2) square miles.
- B. City of Chelsea** (Exhibit 2): The City of Chelsea has a population of 5,155 residents and is approximately 3.66 square miles in area. Chelsea is located in the western Washtenaw County, adjacent to Interstate 94, and is bisected by state route M52. Over the years, Chelsea has evolved into a diverse community, embracing its agricultural heritage, maintaining an active manufacturing base, and cultivating a vibrant art scene. Chelsea's assets range from the beautiful 25,000 acre Waterloo Recreation Area to the local Purple Rose Theatre. Residents are active in community events and are committed to investing in their community and creating a sense of place for future generations. The downtown area is the core of the community and is important to the continued health and success of the city.
- C. City of Saline** (Exhibit 3): The City of Saline is located in Washtenaw County, along US-12, about 10 minutes south of Ann Arbor, in Southeast Michigan. The City was founded in 1832 and was named for its natural salt springs. The entire City is 4.26 square miles. Saline has a historic downtown, 12 parks, and is located 10 minutes from Ann Arbor, 45 minutes from Detroit and 30 minutes from Detroit Metro Airport.
- D. City of Ypsilanti** (Exhibit 4): The City of Ypsilanti is a small city of 4.3 square miles in eastern Washtenaw County. A distinctly urban place, its population density is one of the highest in Washtenaw County, at roughly 6.4 people per acre. Ypsilanti was the second city to incorporate in the State of Michigan, and has the fifth largest historic district in the state. Ypsilanti has been home to Eastern Michigan University (EMU) since its founding in 1849. The City's economy has fundamentally changed with the decline of the automotive industry and

manufacturing. Since 2001, Ypsilanti has lost close to 1,600 manufacturing jobs. This economic shift has caused both a reduction in real and personal property tax revenue, and an increase in vacant or underutilized industrial spaces. No single industry has emerged to replace the jobs and taxes that were generated by the automobile industry.

### III. SCOPE OF WORK

#### A. Objective

To create a market study that incorporates TMA methodologies for use in underwriting/planning activities. These analyses will look at trends and potentials for a relatively broad geographic area, and will serve as a “platform” in which other, more localized or project-specific studies will nest.

The City of Dexter et al seeks a professional Consultant to provide a Target Market Analysis that addresses questions and issues, including, but not limited to the following:

1. What is the study area? How was it determined?
2. What are the current demographic, income, employment and housing trends in the study area? What are they projected to be in five years?
3. What types of housing are currently available in the study area in terms of price points, amenities offered, floor plans/structure type, etc.?
4. What types of placemaking amenities are currently available in the study area? These could include: commercial enterprises, gathering places, cultural resources, public infrastructure, “outward facing” community anchors (such as educational centers or health care centers), other major employers, etc.
5. What types of placemaking activities are underway in the study area? How successful have they been in attracting new populations or new economic developments to the study area?
6. What are the major transportation linkages in the study area? What types of public transit exist currently or are planned? How walkable or bikable is the study area?
7. Who would the target market be for projects that follow placemaking/New Urbanist design? What are their demographic, employments, income and social attributes?
8. What is the potential demand for placemaking housing projects of that type in the study area?
9. What types of projects (either owner or renter) would capture the broadest number of target market households? Where should they be located in the study area? What

types of amenities/floor plans/site plans would most appeal to the target market? What price points should be offered (sales prices and rents)?

10. What are the impediments to place-sensitive development in the study area?

## **B. Deliverables**

A work plan that addresses each area listed in this section, clearly describes the information each unit of government will be expected to provide the contractor during the assessment process, and the number and qualifications of staff the contractor will assign to the project.

A professional report with narrative and an appendix of charts, maps, tables, photos, and other attachments to substantiate the work, conclusions, recommendations, and strategy delivered as bound hardcopies and electronic PDF copies. The completed Target Market Analysis report should include the following components:

### 1. Executive Summary

- a. Should include (in a succinct format) the basic findings of the analysis, including:
  - i) type and number of units that could be developed under the placemaking approach
  - ii) the locations where this type of development should see maximum success
  - iii) amenities, floorplans, and building types to include
  - iv) the size and composition of the target market for projects like this
  - v) an estimate of the absorption rate and period
  - vi) any major impediments to this type of development that can be described.

### 2. Description of the study area

- a. A map of the study area should be included, showing major transportation routes, important places, neighborhoods, and other basic geographic information.
- b. Current population and household counts should be noted, and five year estimates made. A description of the pattern of population, and household change since the 2000 Census should be made as well.
- c. Current employment figures, as well as a breakdown of industries and occupations in the area, should be presented.
- d. Current housing conditions should be presented as well, describing:
  - i) The mix of owner and renter households in the area

- ii) A description of building types in the area currently
- iii) Contract rents being received in the market by existing projects
- iv) Amenities evident within the existing projects (such as clubhouses, swimming pools, playgrounds, courtyards, walking trails, on-street parking, garages, waterfront or downtown views, etc.)
- v) Vacancy rates from existing projects
- vi) Prices for for-sale housing units that are currently available, either for-sale or for-rent.
- vii) Amenities included in for-sale housing in the area
- viii) A map showing the locations of rental housing projects in the study area
- ix) A map showing recent sales of single-family housing in the area

### 3. Placemaking Issues

- a. A listing and description of the placemaking attributes and amenities in the study area should be provided.
- b. A description of the successes of these efforts in increasing the population or economic activity in the area (increased commercial occupancy rates, more foot traffic, recent housing construction, etc.).
- c. A description of the study area in terms of transportation networks and linkages, describing:
  - i) Major transportation corridors, and development efforts around them
  - ii) Locations in the study area that exhibit high levels of walkability or “bikability”
  - iii) Existing public transportation opportunities

### 4. Target Market Analysis

- a. Given the information in the previous sections, what would be the target market for a project that is built upon placemaking principles? The following items should be included in this section:
  - i) A discussion of commuting and migration patterns into and out of the study area
  - ii) A description of the likely types of households that would be attracted to housing developed along placemaking principles, in terms of their demographics, employment profile, economic situation, and housing preferences

- iii) A defensible tie between migration patterns and the size of the in-migrating target market
- b. "Gap Analysis"
  - i) Given the estimate of the target market and the description of current housing conditions, how much new product (again developed along placemaking principles) will be demanded by the target market?
  - ii) Estimates should be in the form of a range
- 5. Attributes of new housing
  - a. The following information should be presented:
    - i) A description of the locations within the study area that are most conducive to placemaking developments
    - ii) A description of the building type that would result in the maximum capture of the target market demand
    - iii) A listing of amenities that would provide the maximum capture of potential target market demand
    - iv) A listing of the amenities needed for the maximum capture of potential target market demand
    - v) A listing of the price points that would be most successful with target market households
- 6. Impediments to Development
  - a. What exists in the study area that limits the possibility of development guided by placemaking principles?
- 7. Conclusions/Issues
  - a. A statement of the general findings of the study should be presented in this section
  - b. In addition, other issues not in the scope, but deemed important by the analyst, should be included here as well.
- 8. Presentation
  - a. A presentation of the preliminary TMA report shall be provided to a group of key stakeholders, as determined by each city.

- b. City-level presentations of the final TMA report shall be provided to the largest possible gathering of city administration, officials and residents, local developers, investors, land owners, property managers, lenders, and downtown business owners over the course of two (2) sequential days; similar to a 'road show'. The report shall contain advice on the best manner to disperse the study result to developers and any public not at the presentation.

#### **IV. Project Budget**

A detailed total proposed price including materials, travel expenses, shipping, handling, and all other costs must be included with the RFP response.

#### **V. Requirements**

- A. Proposal Submission: No late proposals will be accepted. Proposals, amendments thereto, or withdrawal requests received after the time advertised for proposal opening will be void regardless of when they were mailed.
- B. RFP Applicant Qualifications: RFP applicants must be able to demonstrate experience in conducting MSHDA qualified Target Market Analysis of the scope and scale requested and able to provide three (3) references from persons who can attest to the quality of similar prior work performed.

#### **VI. Pricing**

A detailed total proposed price including materials, travel expenses, shipping, handling, and all other costs must be included as part of your proposal, with a lump sum stated on the Proposal and Award page.

#### **VII. Evaluation Criteria**

The City of Dexter, with consultation by MSHDA, and the cities of Chelsea, Saline and Ypsilanti, will select the contractor that best meets the requirements put forth in the RFP. The following criteria may be considered in selecting the most advantageous proposal: a) Ability to perform the service required within the specified time; b) Conformance to specifications; c) The quality of performance in previous contracts; d) Financial ability to perform the contract; e) Project budget.

### VIII. Tentative Timeline

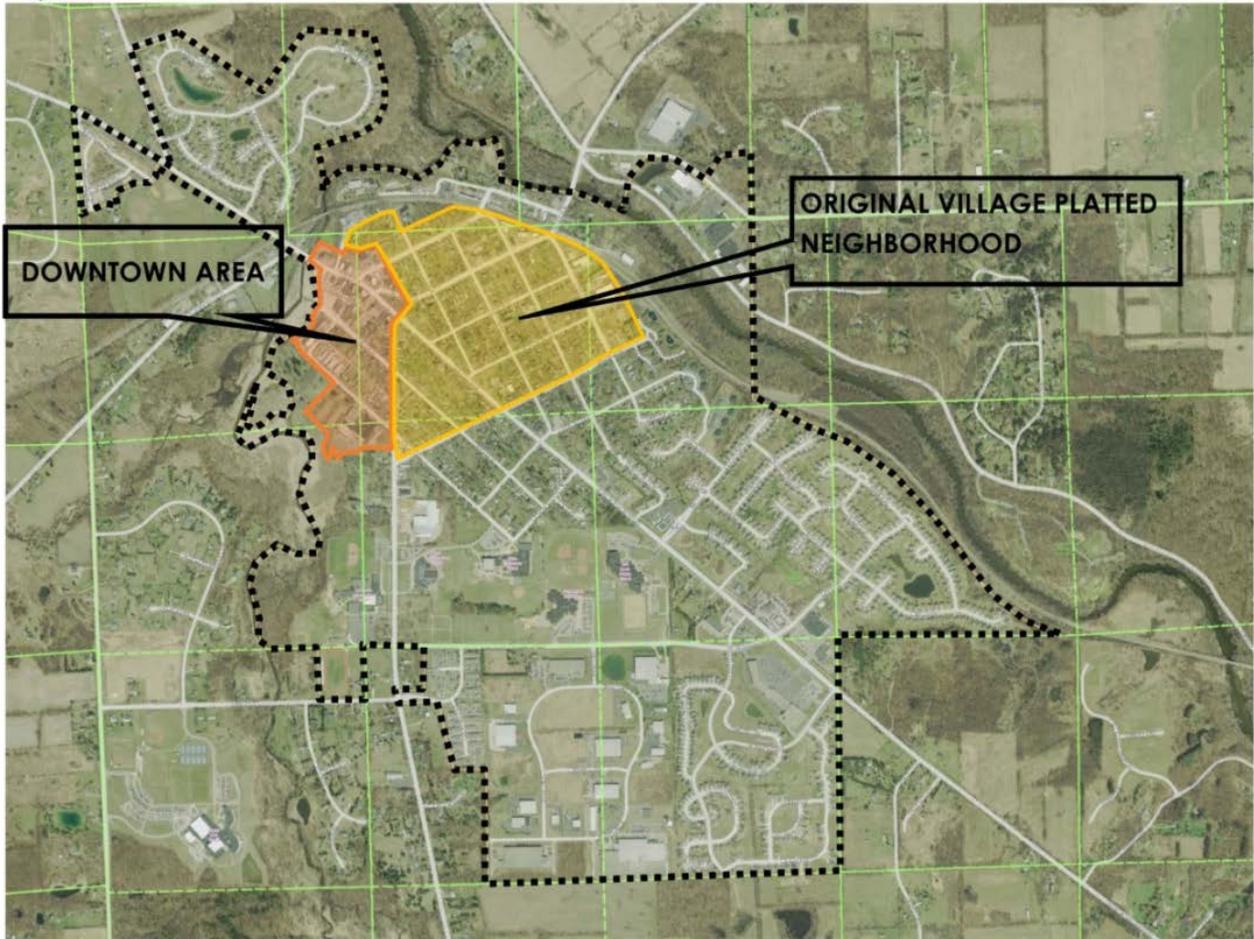
Event	Date(s)
RFP Issued to Vendors	March 13, 2015
RFP Submittals Due	March 25, 2015
Selection & Award	April 16, 2015
Work begins (following execution of contract)	April 27, 2015
Project Completion Date	May 31, 2015

### IX. Questions

Any and all questions regarding technical aspects of the proposal should be addressed to Michelle Aniol, Community Development Manager, City of Dexter [maniol@dextermi.gov](mailto:maniol@dextermi.gov) or 734-426-8303 ext.15.

# EXHIBIT 1

City of Dexter

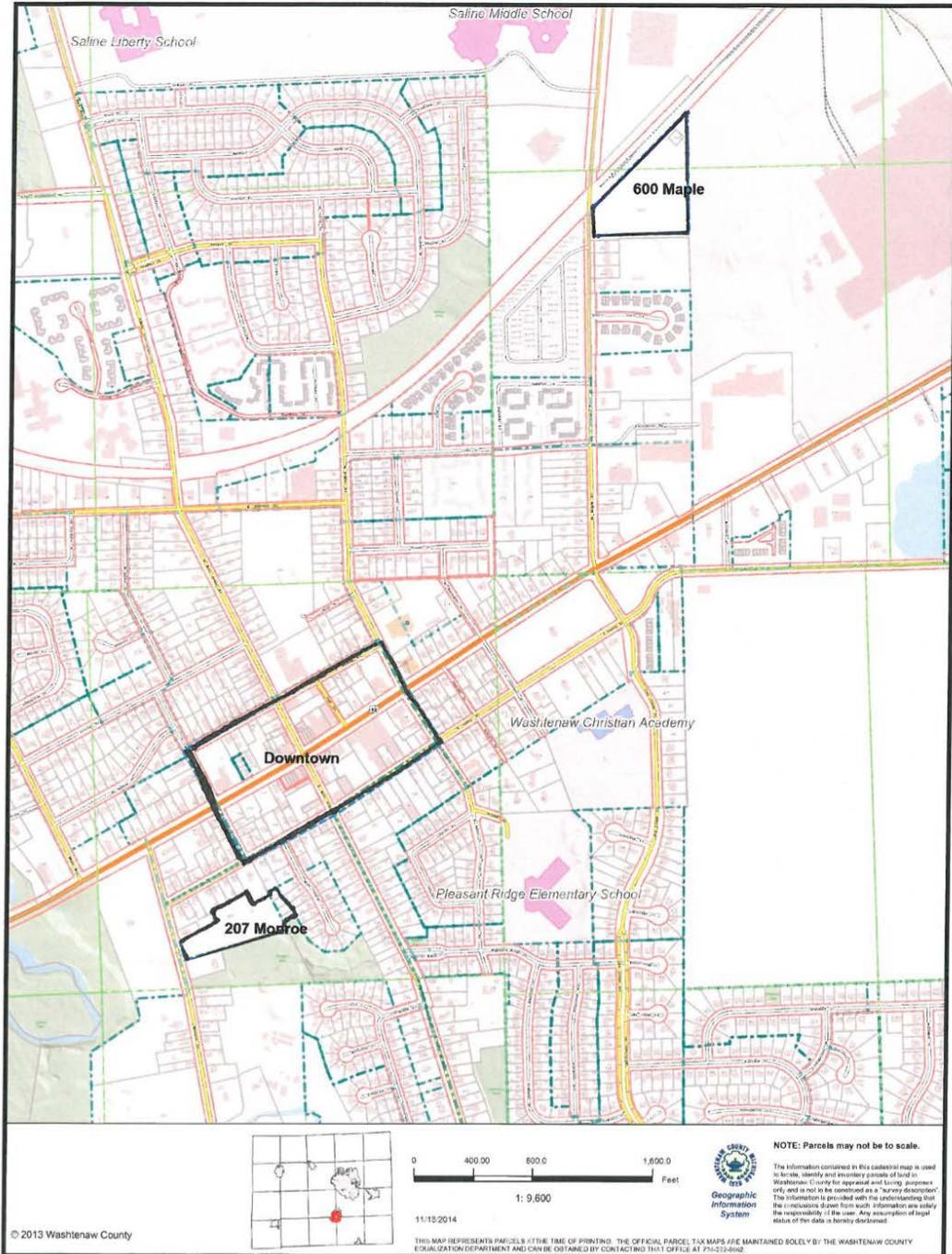


# EXHIBIT 2 CITY OF CHELSEA



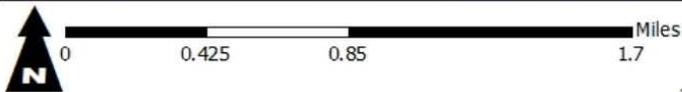
# Exhibit 3

## CITY OF SALINE



# EXHIBIT 4

## City of Ypsilanti



Data from Washtenaw County GIS and Ypsilanti Planning and Development