

City of Muskegon Request for Proposals

Real Estate Broker Services: Sale of the City of Muskegon-owned Nelson House

Posted: June 12, 2025

Introduction

The City of Muskegon Development Services Division is seeking proposals from real estate brokers/firms to market and sell the Subject Property located within the city of Muskegon at 382 W. Muskegon Avenue, commonly known as the Nelson House. The attached *Nelson House Purchase and Redevelopment Conditions of Sale* approved by the City Commission shall be strictly adhered to throughout the marketing and sale process. It is the intent of this Request for Proposals (RFP) to have the successful broker/firm enter into a Professional Services Contract with the City to supply real estate services as outlined herein.

Property Description

The following property is to be sold:

- **Property Address:** 382 West Muskegon Avenue, Muskegon, MI, 49440
- **Property Tax ID Number:** 61-24-205-336-0008-00
- **Property Legal Description:** CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 24.75 FT LOT 9 & NLY 55 FT LOT 8 BLK 336
- **Parcel Size:** ~81'x~133' (10,700 square feet approx.)
- **House Size:** 7,000 square feet (approx.)
- **Year Built:** 1869 (approx.)
- **Zoning:** Form-Based Code, Urban Residential (FBC-UR) which allows for establishing additional housing units at the Subject Property provided any additional units meet all applicable local zoning regulations including, but not limited, to maximum unit counts and minimum unit sizes.
- **Unique Characteristics:** The Subject Property is a historic single-family home that was relocated in July 2024 to the parcel at 382 W. Muskegon Avenue in Downtown Muskegon, Michigan. The home sits in the City of Muskegon's Houston Historic District, and all exterior changes to the Subject Property require the review and approval of the Historic District Commission. The Subject Property is being sold in as-is condition and features a new concrete block foundation, an unfinished insulated basement with an egress window, and a new roof on the rear portion of the house. Asbestos abatement and removal has also been completed within the structure, a report of which can be made available for review at City Hall. The City of Muskegon is seeking a qualified buyer able to provide interior and exterior renovation plans, and demonstrate financial capability to complete the remodeling and owner-occupancy of the Subject Property within a predetermined timeframe.

Proposal Overview

The following information is required and must accompany any proposal:

1. **Cover Letter:** Provide a cover letter indicating your interest in serving as the City's real estate agent/firm.
2. **Background Information:** List the number of years in business with a description of your firm including the size of the firm, location, number and nature of the professional staff to be assigned to this contract, with a brief resume for each key person listed.
3. **Experience Summary:** Describe your firm's pertinent real estate experience (minimum five years previous experience with proven effectiveness) and any pertinent experience in marketing properties located in local historic districts.
4. **Marketing Methods:** Describe the methods of identifying target user groups and a description of the marketing materials and the strategy for presenting the site to a broad marketplace.
5. **Additional Services:** Describe additional relevant/unique services offered through your firm.
6. **Fee Schedule:**
 - a. State your commission/rate for listing and selling of property.
 - b. State your proposed method of compensation for representing the City in negotiations for purchasing property.
 - c. State any other costs the City should anticipate relating to the real estate services to be provided.
 - d. State any required 'carry-over compensation' for your firm—meaning, compensation after real estate service agreement expires. **NOTE:** Quoted fees shall be valid for a minimum of 90 days upon receipt.
7. **References:** Provide a list of three applicable references. Include name, title, and contact information for each reference as well as a brief description of the specific services provided.
8. **Conflict of Interest:** In order to avoid a conflict of interest or the appearance of a conflict of interest, your firm should not engage in any outside activities that are inconsistent, incompatible, or appear to conflict with your ability to exercise independent/objective judgment in the best interest of the City. Please outline all conflicts of interest that may exist for your firm in relation to providing real estate services for the City of Muskegon.
9. **Good Standing:** Your firm must comply with Federal, State, County and local units of government, which specifically include good tax payment status and good corporate registration status. Please indicate the payment status of taxes applicable to your firm. Additionally, please provide your firm's legal corporate name and Tax ID number.

Scope Of Services

The successful broker/firm shall agree to contract with the City of Muskegon to provide the following:

1. Develop strategies for sale of the Subject Property, including marketing materials, electronic and/or hard copy, distribute the materials to potential buyers via the appropriate form(s) of media and report results to City staff contact on an agreed upon frequency;
2. Participate in site tours of the Subject Property with potential buyers;
3. Analyze offers from potential buyers and advise the City staff contact with respect to negotiations;
4. Represent the City of Muskegon in negotiations with a prospective buyer from the time of offer to and including closing;
5. Coordinate real estate transaction closings, and,
6. Handle all other customary activities and services associated with real estate transactions.

Proposal Deadline

Proposals are due by 2:00pm local time on Thursday, July 10, 2025 at which time they will be publicly opened and read. Proposals must be sealed and delivered to: Muskegon City Hall, City Clerk's Office, 933 Terrace Street, P.O. Box 536, Muskegon, MI 49443. Proposal envelopes must be marked "Nelson House Real Estate Broker Services".

City staff in the Development Services Division will review the proposals and develop a list of finalists to interview. To be considered, firms must submit a complete response to the RFP in the form requested. Firms not responding to items requested in the RFP or indicating exceptions to such items may have their submittals rejected.

Pre-Proposal Questions

All questions may be directed to the following City staff contact person:

Jamie Pesch, jamie.pesch@shorelinecity.com, 231-724-4405.

General Requirements

Attention is called to the fact that the City requires that the Contractor employ local trades and laborers insofar as possible; that 14% minority and 7% female are the goals established for participation in each trade; that the Contractor must ensure employees and applicants for employment are not discriminated against based upon their race, creed, color, religion, sex, national origin, handicapped condition nor veteran background; and that all pertinent regulations must be complied with.

The City of Muskegon reserves the right to reject any or all proposals or any parts thereof, or to waive any informalities or irregularities in the proposals if it is in the best interest of the City. All proposals, plans, and other documents submitted shall become the property of the City and responses to this RFP are considered public information and are subject to discovery under the Freedom of Information Act (FOIA).

Term of Contract

The contract period for the successful agent/firm will be one-year from date of award. Alternative contract periods may be considered.

Selection Criteria, Evaluation, and Award Process

Selection of a broker/firm will be made based on the following criteria:

1. Ability of the broker/firm to meet or exceed the requirements defined in the RFP;
2. Experience, qualifications, references;
3. Knowledge of regional real estate market and ability to market to prospects beyond the region;
4. Regional reputation and local presence/experience;
5. Fee schedule.
6. Provide a copy of the professional services agreement you would propose to be entered into with the City of Muskegon.

Issuance of this RFP and receipt of proposals does not commit the City of Muskegon to award a contract. The City reserves the right to postpone receipt date, accepting or rejecting any or all proposals received in response to this RFP, or to negotiate with any of the brokers/firms submitting an RFP, or to cancel all or parts of this RFP.

Oral Presentation/Interviews

Brokers/Firms submitting a proposal in response to this RFP may be required to provide an oral presentation of their proposal. Additional cost and/or technical information may be requested for clarification purposes, but in no way change the original proposal submitted. Interviews are optional for the City, and may or may not be conducted. If an interview is conducted, the brokers/firms personnel to be assigned to the work, as well as key representatives, must be present at and participate in the interview.

Attachment A

Nelson House Purchase and Redevelopment Conditions of Sale

CITY OF MUSKEGON

Nelson House Purchase and Redevelopment Conditions of Sale

Introduction:

The City of Muskegon is seeking a qualified buyer for the purchase and redevelopment of the structure located at 382 West Muskegon Avenue, Muskegon, MI 49440, commonly known as the Nelson House. This project involves acquisition and complete renovation of the structure for the purpose of utilization as an owner-occupied home. The goal of this project is to preserve the historically significant structure, enhance the area's aesthetic appeal, and to increase owner-occupied housing stock in the community.

Project Description:

The City of Muskegon Development Services Division is seeking a qualified buyer that can demonstrate financial capability to complete the remodeling and occupancy of the Subject Property. This Division is responsible for managing the city's Community Neighborhood Services, Planning Department, and Economic Development initiatives. These departments oversee zoning, site plans, and business development services, ensuring compliance with city regulations and fostering community growth.

Buyer Requirements:

1. Proof of Financing and Purchase Price Offer:

- Prospective Buyers shall include the price offered for the Subject Property, method of payment (cash/loan) and proof of financing or capability to achieve financing.

2. Exterior Renovation Plan:

- The City has not completed a formal inspection of the Subject Property's exterior. Stabilization of the exterior to prevent further deterioration should be a priority.
- Buyer shall be responsible for any necessary removals (siding, etc.)
- Specific timeline for commencement for exterior renovations will be dictated in a Purchase and Development agreement approved by the City Commission, but shall commence no later than 120 days after closing.

3. Interior Renovation Plan:

- Prospective Buyers shall submit a proposed timeline and detailed scope of renovation from a licensed contractor with their purchase offer.
- Specific timeline for commencement of interior renovations will be dictated in a Purchase and Development agreement approved by the City Commission, but shall commence no later than 180 days after closing.
- City of Muskegon water and sewer connection fees will be waived.

Subject Property Information

382 W. Muskegon Avenue Muskegon, MI

General Information:

The Subject Property is a historic single family home that was relocated in July 2024 to the parcel at 382 W. Muskegon Avenue in Downtown Muskegon, Michigan. The home sits in the City of Muskegon's Houston Historic District, and all exterior changes to the Subject Property require the review and approval of the Historic District Commission. The Subject Property features a new concrete block foundation and contains an unfinished, insulated basement with an egress window. Asbestos abatement and removal has been completed within the structure, a report of which is available to prospective Buyers or their representatives for review at City Hall.

Owner	City of Muskegon
Owner Address	933 Terrace Street, Muskegon, MI 49443
Property Address	382 W. Muskegon Avenue, Muskegon, MI 49440
Property Number	61-24-205-336-0008-00
Parcel Size	~81' x ~133' (10,700 square feet approx.)
House Size	7,000 gross square feet (approx.)
Year Built	1869 approx.
Occupancy	Not occupied

Proposal Submission Requirements:

Purchase offers must clearly state the name, address, phone number, and email address of the prospective Buyer. By submitting a purchase offer, prospective Buyers acknowledge that any agreement for sale of the Subject Property shall require:

- **Reserve Price:** The City of Muskegon has set a reserve price of \$100,000.00 for the Subject Property. This was determined through averaging a series of Comparative Market Analysis for the Subject Property in its present condition. These analysis are available to Prospective Buyers or their representatives for review at City Hall.
- **Commitment to Owner-Occupy:** The City Commission and the community at large have prioritized increasing the number of owner-occupiers in the City of Muskegon. The successful Buyer will commit in their purchase offer and in the Purchase and Development Agreement to establish the Subject Property as their primary residence upon project completion. The City intends to file a deed restriction requiring owner-occupancy at the Subject Property in perpetuity to the extent permissible by law. This requirement does not preclude the successful Buyer from establishing additional housing units at the Subject Property provided any additional units meet all applicable local zoning regulations including, but not limited, to maximum unit counts and minimum unit sizes.
- **Work Timeline:** The successful Buyer will accept and comply with the development milestone requirements as reflected in the Purchase and Development Agreement. Namely, exterior stabilization to be commenced within 120 days of closing and interior

renovations commenced within 180 days of closing. Project completion and occupancy should not exceed a total project timeline of 24 months.

- **Reverter Clause:** The successful Buyer will accept and acknowledge that the City of Muskegon will include a “reverter clause” in the Purchase and Development Agreement which will allow for “claw back” of the Subject Property in the event the Buyer is not making adequate progress or is otherwise in breach of the Agreement.
- **Project Budget:** Prospective Buyers will provide a total cost estimate for all anticipated renovations along with evidence of financial capability to perform said improvements.
- **Contractor Information:** Prospective Buyers will provide license information, at least one sample project, and references for the general contractor that will complete the project on the Buyer’s behalf.
- **Compliance with City Goals:** Attention is called to the fact that the City requires that the contractor employ local trades and laborers insofar as possible; the goals established are 14% minority and 7% female participation in each trade. The contractor must ensure employees and applicants for employment are not discriminated against based on race, creed, color, religion, sex, national origin, handicapped condition, or veteran status, and that all pertinent regulations are complied with. The City of Muskegon reserves the right to reject any or all purchase offers or to waive any informalities or irregularities in the offers.

Purchase Offer Deadline:

Purchase offers are due by 5:00 p.m. local time within 90 days following the Subject Property’s official listing for sale by the City of Muskegon’s selected real estate agent. All purchase offers and supporting documents must be submitted to the City of Muskegon’s selected real estate agent.

Questions:

Please direct all questions to:

- The City of Muskegon’s selected real estate agent.

Important Considerations:

- **Site Visits:** Prospective Buyers and their contractor are **REQUIRED** to visit the Subject Property before submitting their purchase offers to fully understand the scope of the project. Prospective Buyers must contact the City of Muskegon’s selected real estate agent to coordinate site access. There is no limit to the number of visits but there will be no exploratory demolition permitted.
- **Permits and Licenses:** The successful Buyer will be responsible for obtaining all necessary permits and licenses to complete the renovations.
- **Safety and Environmental Compliance:** Prospective Buyers must adhere to all safety and environmental regulations throughout any site visits.