

1. IDENTIFICATION OF UGLG

1a. PROJECT TITLE: Former Marquette General Hospital Demolition

1b. UGLG CONTACT INFORMATION		1c. FUNDING SOURCES	
Unit of General Local Government	City of Marquette	CDBG Grant	\$ 8,000,000
		UGLG	\$
Highest Elected Chief Official	Name: Cody Mayer Title: Mayor Ph. 906-225-8102 Email manager@marquettemi.gov	Private	\$
		State Allocation	\$ 4,782,542
			\$
			\$
Street/PO Box	300 W. Baraga Ave	TOTAL	\$
City	Marquette	1d. UGLG INFORMATION	
State/Zip	MI	UGLG DUNS # http://www.dnb.com/duns-number.html	
County	Marquette	074776063	
UGLG Project Contact (PC)	Name: Karen Kovacs Title: City Manager Ph. 906-225-8102 Email kkovacs@marquettemi.gov	UGLG Federal ID #	
		38-6004521	
		UGLG Fiscal Year October to September (month start and end)	

1e. REPRESENTATIVE INFORMATION

State Government Representation	Federal Government Representation
Senator Name: Ed McBroom	Representative Name: Jack Bergman
Representative Name: Jennifer Hill	Congressional District: MI – 1st
Senate District: 38th House District: 109th	

1f. INITIAL APPLICATION SUBMISSION: AUTHORIZED UGLG SIGNATURE

The **UGLG** agrees to adhere to HUD, CDBG and MEDC rules, regulations, and the Grant Administration Manual (GAM) policies, procedures, and reporting requirements. In agreeing to this, the UGLG will ensure that all entities involved in completing the proposed project will also adhere to rules and regulations during grant administration.

Signature			
Name and Title of Authorized Signer	Karen Kovacs, City Manager	Date	

1g. FINAL APPLICATION SUBMISSION: AUTHORIZED UGLG SIGNATURE

The **UGLG** certifies that information contained in the application and associated attachments are complete and accurate, that all activities intended to be completed have been identified within the application, and the budget reflects final costs of all project activities identified via a completed bid process or via construction contracts that have been reviewed and are ready to execute.

Signature			
Name and Title of Authorized Signer		Date	

2. NATIONAL OBJECTIVE ELIGIBILITY

The project must meet a National Objective. Please check the category (only one) that applies to the project:

- | | |
|---|--|
| <input type="checkbox"/> Benefit Persons of Low and Moderate Income
<input type="checkbox"/> LMI Area Benefit
<input type="checkbox"/> LMI Job Creation
<input type="checkbox"/> LMI Housing
<input type="checkbox"/> Limited Clientele | <input checked="" type="checkbox"/> Prevention or Elimination of Slums or Blight
<input checked="" type="checkbox"/> Area Benefit
<input type="checkbox"/> Spot Blight |
|---|--|

3. PROJECT DESCRIPTION

- 3a. Provide a project description and include the following:
- i. Describe the location of the project.
 - ii. What is the purpose and need? What is being done and why is it necessary?
 - iii. Who are the project beneficiaries? Why is this project being proposed and who benefits from the results?
 - iv. Provide complete details about the project and what will be done.
 - v. Describe all funding sources being used for this project.
 - vi. Describe all development partners involved in this project.
 - vii. Describe the maintenance related to project improvements funded, in whole or in part, by CDBG and how they will be funded.
 - i. **This project is located in Marquette, Michigan and is a collection of buildings with the common address of 420 West Magnetic Street. The property, colloquially known as the former Marquette General Hospital is a collection of 11 buildings spread over 17.05 acres that served as the regional hospital for the central Upper Peninsula until 2019. The original building was constructed in 1915 and dedicated purpose buildings were continually added for the next 85 years to form the entire complex. The specific project area encompasses a City block and is bounded by N. Seventh St. to the west, W. College Ave. to the north, Hebard Ct. to the east, and W. Magnetic St. to the south. The following buildings, as seen in the attached map, will be demolished utilizing CDBG funds: West, 1981, JCM, 1969, 1984, MRI, St. Luke's, Wallace, and the Boiler Plant.**
 - ii. **The buildings contain a significant amount of contamination from asbestos and lead paint. Total extraction abatement and renovation costs have been estimated at \$389/sq ft for 812,000 sq ft of building space for a total cost of \$315.9 million. Total abatement and reconstruction costs are estimated at \$389 per square foot with a renovation cost of over \$226 million, at least \$60 million over total demolition and redevelopment costs.**

A determination of functional obsolescence has been made by a certified level IV Assessor due to out-of-date heating, plumbing, and electrical throughout the structures. Due to the age and stone/masonry construction of the older buildings provide significant barriers to retrofitting necessary updates.

This property has significant barriers to reuse for the original construction purpose and is facing chronic vacancy as a result. The complex was purpose built as a hospital and adaptive reuse into contemporary commercial or residential uses is exceptionally difficult due to the layout and structure. Additionally, this hospital no longer holds a Michigan Certificate of Need required to operate as a hospital and would not likely be able to obtain one in the future due to the existence of the newly constructed regional hospital that replaced this facility. As a result of this obsolescence, the value of the property has dropped precipitously from over \$18 million to under \$11 million in less than ten years.
 - iii. **The project will benefit the residents of the neighboring community. The property has been vacant since the use was discontinued by the hospital and has been designated as blighted under an area blight ordinance. Since the closure of the hospital, the local**

economic areas near the subject property have been seeing a decrease in market conditions of 1%-1.5% per year. For contrast, the rest of the City has seen a market increase trending between 2.5%-3% per year. Without funds for removal, the level of blight and decay will continue and neighboring property values will continue to be depressed. Additionally, the development of the vacant land will allow for the construction of needed housing in the community.

The demolition will also benefit the current owner of the site, the Northern Michigan University Foundation, as they prepare the location for future development with their anticipated Master Developer partner, Veridea Group.

- iv. The project area as delineated by the City of Marquette, the unit of general local government, meets the definition of and has been designated as a slum, blighted, deteriorated or deteriorating area under City resolution per the Michigan Blighted Area Rehabilitation Act 344 of 1945.

100% of the buildings in the project area are experiencing chronic high vacancy. The buildings in the project area were purpose built as a hospital and conversion into alternative uses is exceedingly cost prohibitive. Additionally, the facility no longer holds a Michigan Certificate of Need required to operate as a hospital and would not likely be able to obtain one in the future due to the existence of the newly constructed regional hospital that replaced this facility.

100% of the buildings in the project area have experienced a significant decline in property value due to the economic obsolescence of the facility and decommissioning of its intended use. According to a determination made by the City Assessor, the replacement/reproduction value of the buildings in the project is \$124,630,513. They are currently have a true cash value of \$16,630,500, 13% of which is made up by the value of the land. There has been a total loss of value for two of the buildings (St. Luke's Building and Laundry Plant) due to total obsolescence. Additionally, a determination of functional obsolescence has been made by a certified level IV Assessor due to out-of-date heating, plumbing, and electrical throughout the structures. Due to the age and stone/masonry construction of the older buildings provide significant barriers to retrofitting necessary updates.

Over 25% of the buildings in the project area are known to be environmentally contaminated. The buildings contain a significant amount of contamination from asbestos and lead paint. Total abatement and reconstruction costs are estimated at \$389 per square foot with a renovation cost of over \$226 million, at least \$60 million over total demolition and redevelopment costs.

The public improvements in this area are in a general state of deterioration. College Avenue is in need of total reconstruction due to aged utilities and a failing street condition. The fire flows and the piping servicing the properties along this section of College Avenue are dependent on an 8-inch 1919 and 4-inch 1922 sand cast iron pipe. Reconstruction through redevelopment will upsize the existing pipe to 8-inch ductile iron piping which will improve fire flows, increase residential/business flows, and replace aged pipe. The existing sanitary sewer is 8-inch 1940 and 1922 vitrified clay pipe piping and will be replaced with 12-inch PVC sanitary sewer. The storm sewer is 1944 concrete pipe and will require replacement. The street is currently rated a 3/10 under the City Pavement Surface Evaluation and Rating (PASER) system and requires replacement to serve future use. The curbing is in poor condition and requires replacement.

The project area has experienced a significant amount of activity requiring police attention. Over 51 police calls for service have been made over the past four years including cases of vagrancy as well as stalking, malicious destruction of property, a suicide

	<p>attempt, and a warrant arrest. Additionally, there have been 35 calls for service for the Fire Department over the same time period.</p> <p>v. The demolition will utilize \$8 million of CDBG funding and a combination of blight elimination funds from the State of Michigan and private development funds from the property development group.</p> <p>vi. The primary development group consists of the Northern Michigan University Foundation, a 501c3, and a for-profit real estate development firm as partner. The Foundation has identified Veridea Group, LLC, as their preferred partner and Master Developer and a partnership agreement is being developed to designate.</p> <p>vii. The CDBG funds will be wholly dedicated towards blight elimination through the complete demolition, including asbestos and environmental contaminant abatement, of the buildings in the project area.</p>
3b.	<p>Check all that apply as it pertains to the Historic Status of the property(s) involved:</p> <p><input type="checkbox"/> Listed in the National Register of Historic Properties</p> <p><input checked="" type="checkbox"/> Potentially eligible to be listed in the National Register of Historic Properties</p> <p><input type="checkbox"/> Listed in a state or local inventory of historic places</p> <p><input type="checkbox"/> Designated as a state or local landmark or historic district</p> <p><input type="checkbox"/> None of the above</p> <p><input type="checkbox"/> Not applicable</p>
3c.	<p>What is the age of the benefitting building/property? 88 years for the oldest building in the complex</p>
3d.	<p>Provide the address(es) of the benefited property(s)/building(s)/businesses. Indicate whether commercial and/or residential: 420 W. Magnetic Street, Marquette, MI 49855</p>
3e.	<p>What is the total square footage impacted by this project? 294,515 square feet</p>
3f.	<p>Provide the name(s) of the private property/building owner(s) seeking to participate as a sub-recipient of funds. Include <u>all individuals</u> that have ownership of the property/building(s). Northern Michigan University Foundation</p>
3g.	<p>Provide the DUNS number of the private business owners, along with their respective owner's names listed above, if applicable. *A DUNS number is not required for Rental Rehabilitation Projects.</p>

4. COMPLIANCE SCREENING		
4a.	<p>Will jobs be relocated from another City or State as a result of this project? If Yes, explain:</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA</p>
4b.	<p>Will the project result in the demolition or conversion of residential dwelling units, both occupied and vacant? If Yes, explain:</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA</p>
4c.	<p>Will the project result in special fees (i.e., tap in / hookup fees, special assessments)? If Yes, explain: Any new construction will be subject to City of Marquette Utility Connection Fees per the City Fee Schedule adopted with the City Budget.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA</p>

4d.	Are there any local, state and federal permits required for implementation of the proposed project? If Yes, will permit requests delay the proposed project or influence the timeline? It is not anticipated that any of the local unit permits would negatively influence the timeline for the project.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
4e.	Are there acquisitions, leases, easements, or property option/purchase agreements necessary to complete the project activities?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
4f.	Are there current or incoming residential or commercial tenants? If Yes, provide the number of tenants and whether they are residential, commercial or both:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
4g.	Will there be any temporary or permanent relocation of businesses, non-profit organizations, homeowners, or tenants to complete the project? .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA

5. PROJECT TIMELINE

Provide the Start and End dates for activities associated with completing the project

ACTIVITIES	START DATE (mm/yr)	END DATE (mm/yr)
Acquisition	08/22	09/22
Engineering		
3 rd Party Environmental Review	09/22	01/23
Bidding/Contractor Selection	11/22	01/23
Construction		
Demolition	02/23	09/24

6. PROJECT BUDGET

ACTIVITY COSTS	CDBG	LOCAL	PRIVATE	STATE		TOTAL
Planning	\$	\$	\$	\$	\$	\$
Acquisition	\$	\$	\$	\$	\$	\$
Engineering	\$	\$	\$	\$	\$	\$
3 rd Party Environmental	\$12,542	\$	\$	\$	\$	\$12,542
Demolition	\$7,987,458	\$	\$	\$4,782,542	\$	\$12,770,000
Construction (includes contingency and bonding)	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
GRAND TOTAL	\$8,000,000	\$	\$	\$4,782,542	\$	\$12,782,542

Are there other funding sources available to contribute to the proposed project? Provide inquiries made and the responses provided by associated funding sources.

Is Program Income available to help fund the proposed project? Note program income funds cannot count towards project match.

7. UGLG CAPACITY AND CONFLICT OF INTEREST	
Who will provide the administrative capacity for the proposed grant? <input type="checkbox"/> UGLG Staff <input checked="" type="checkbox"/> CDBG Certified Grant Administrator <input type="checkbox"/> Third Party Administrator/Consultant/EDO/EDC	
Has the UGLG received CDBG grants or loans in the past 5 years and/or have any open CDBG grants or loans, including grants or loans provided by MSF, MEDC and MSHDA? If Yes, please identify the associated projects and describe all, if any, findings or areas of concern regarding those projects:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Does the UGLG have any outstanding CDBG grants or loans that have not been drawn down? If Yes, describe:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Will local officials and staff be a party to any contract involving the procurement of goods and services assisted with CDBG funds? If Yes, describe:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Will any person who is an employee, agent, consultant, officer, elected or appointed official of the UGLG obtain a financial interest or benefit from a CDBG assisted activity or have an interest in any contract, subcontract or agreement with respect thereto, or in the proceeds hereunder, either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter? If Yes, describe:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA

8. Supporting Documentation		
Exhibit I	Project Location Map	Attached <input checked="" type="checkbox"/>
Exhibit II	Preliminary Architectural/Engineering Drawings	Attached <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Exhibit III	Independent 3 rd Party Cost Estimate	Attached <input checked="" type="checkbox"/>
Exhibit IV	Financial Commitment Letter(s)	Attached <input type="checkbox"/>
Exhibit V	Blight Letter or Area Blight Resolution (Sample Form 2-B)	Attached <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
Exhibit VI	Lead-Based Paint Applicability and Compliance Worksheet (Form 5-S)	Attached <input type="checkbox"/> N/A <input type="checkbox"/>
Exhibit VII	Asbestos Applicability and Compliance Worksheet (Form 5-V)	Attached <input type="checkbox"/> N/A <input type="checkbox"/>
Exhibit VIII	Historic Property Proof of Eligibility	Attached <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Exhibit IX	Appraisal for CDBG-funded Acquisitions; or Waiver Valuation (Form 6-D)	Attached <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Exhibit X	Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions	Attached <input type="checkbox"/>
Exhibit XI	System Award Management (SAM) Certification	Attached <input type="checkbox"/>
Exhibit XII	General Information Notice (GIN)	Attached <input type="checkbox"/> N/A <input type="checkbox"/>
Job Creation Exhibit	Job Creation Summary <ul style="list-style-type: none"> ▪ Job Creation Assurance ▪ Machinery and Equipment (M&E) List, if applicable 	Attached <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Rental Rehabilitation Exhibits	1. Rental Rehabilitation Workbook 2. Housing Quality Standards 3. Substandard Unit Verification, for existing units only	Attached <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Façades Exhibit	Façade Budget <ul style="list-style-type: none"> ▪ Façade Building Owner and Activity Identification 	Attached <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
<p>Please attach all supporting documents in the order they are requested. If submitting electronically, label each supporting document appropriately.</p> <p>This list is not all inclusive. Additional compliance documentation will be sought post-application.</p>		