

**Lorain County Port Authority
Request for Proposals
Midway Mall, Elyria, Ohio**

Issued July 25, 2023

Issued For: Midway Mall/Sears Automotive Property

Issued By: Lorain County Port Authority, Ohio
226 Middle Ave., 5th Floor
Lorain, OH 44035

Submission Deadline: 4:00 pm, Tuesday, October 25, 2023

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Site Tours: On-going, as requested (not mandatory)
Contact Nicole Finnerty to schedule a tour.

Lorain County Port Authority Request for Proposals Midway Mall, Elyria, Ohio

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I. Introduction, Site Description and Objectives

In January 2023, the Lorain County Port Authority (the “Port Authority”) purchased the Midway Mall and Sears Automotive properties located in the City of Elyria, Ohio (the “Mall Property”). The Port Authority is seeking proposals from experienced, financially sound, and capable developers, or development teams for the redevelopment of the Mall Property.

The Mall Property sits on approximately 57.86 acres in the City of Elyria, Ohio. The Mall Property was constructed in stages between 1960 and 1994. The property consists of the shopping mall, a detached building previously occupied by a Sears Automotive Center, and parking lots. It is easily accessed by the two major state routes: Interstate 80 (the Ohio Turnpike) and Interstate 90/Route 2.

A. Overall Objectives

The Port Authority seeks a property disposition decision that achieves the following key objectives:

1. Facilitates an enduring and sustainable productive reuse of the property;
2. Provides an adequate return on investment to Lorain County (the “County”) and the Port Authority, based upon a variety of factors, such as, by way of example: (i) direct financial payments to reimburse the Port’s financial investment in the Mall Property, (ii) total investment by Respondent, (iii) economic benefits from the proposed development, and (iv) level of investment required from the Port Authority (including costs payable to by the Port Authority out of closing proceeds, such as brokerage fees);
3. Creates jobs and expands the County’s tax base;
4. Contributes to the vitality of the Mall Property and the surrounding business and residential communities; and
5. Ensures the use of the property is compatible with the Port Authority’s comprehensive goals.

B. Goal of the RFP Process

The goal of this RFP process is to identify entities interested in either the land purchase or ground lease of the Mall Property and a viable plan for the redevelopment of such property. Based on the quality of the responses, the Port Authority may choose to negotiate with one party or seek the best and final responses from a short-listed group of responders.

All documentation and materials submitted by the interested party(ies) shall become the property of the Port Authority. The Port Authority expressly reserves the right to add or delete parties to this list at any time and all submittals in response to this RFP become the property of the Port Authority. If the Port Authority identifies a developer(s) to be capable, experienced, and financially prepared, they may, at their

sole discretion, enter into an Exclusive Right to Negotiate or a Disposition and Ground Lease Agreement.

By requesting this Request for Proposal package, each potential responder has acknowledged and agreed to the terms and conditions defined in the Confidentiality Agreement and Request for Proposal Package.

II. Background Considerations

The following section outlines the facts about the property. Interested parties should separately verify all information and not solely rely on this information. All data is provided for informational purposes only.

A. Property Setting

The Mall Property is located in the City of Elyria, Ohio (“Elyria” or the “City”). The City is a strategic location for economic development. Elyria is located between the two forks of the Black River and just six miles from Lake Erie. These natural resources not only contribute to our economy but also offer hundreds of acres of parks, waterfronts, and scenic waterfalls.

The City has a population of more than 52,000 residents, making it the 14th largest city in Ohio. Elyria is the county seat of Lorain County, which is home to more than 316,000 residents with a median household income of nearly \$63,000.¹ The area boasts low-cost living and cost-effective housing.

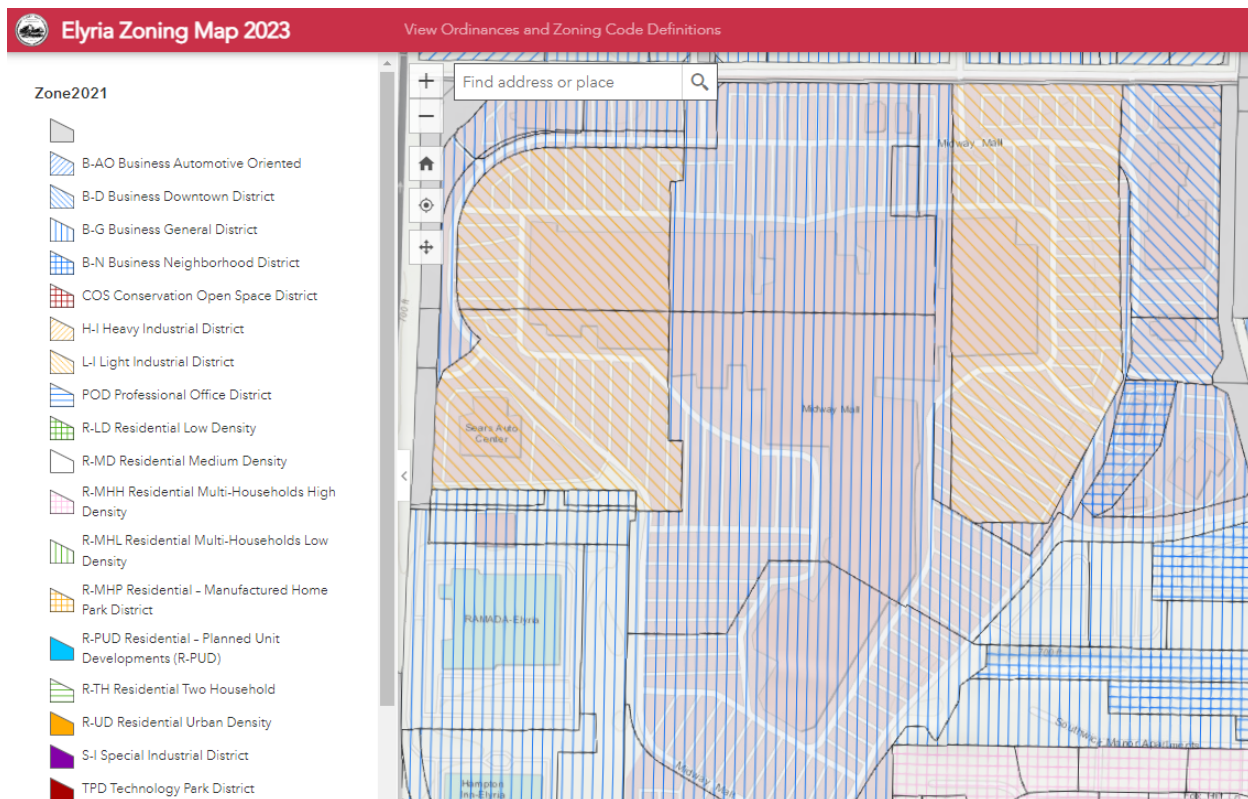
Elyria is currently working toward its goal of creating 2,025 quality jobs by the year 2025. To develop its workforce, Lorain County Community College, nearby Oberlin College, and Lorain County JVS provide business development and job training opportunities. The City’s “Elyria Works 2.0” initiative aims to provide further training and opportunities to the workforce for in-demand occupations and fields.

The City is located approximately 29 miles (35 minutes) from downtown Cleveland, Ohio and 36 miles (40 minutes) from Sandusky, Ohio.

B. Surrounding Land Uses and Zoning

The subject land area containing the Mall Property is zoned Business General and Light Industrial. The Mall Property is surrounded by other areas zoned for business and residential neighborhoods.

¹ Data based upon Census Bureau est. 2021 data.



C. Access and Transportation

The Mall Property is served by two major state routes: Interstate 80 (the Ohio Turnpike) and Interstate 90. Cleveland-Hopkins International Airport is approximately 25 miles (30 minutes) to the east of the subject area and the Lorain County Regional Airport is located approximately 8 miles (16 minutes) to the west. There is also nearby access to CSX and Norfolk and Southern railroads, as well as deep water port access in nearby Lorain, Ohio.

D. Utilities

The Mall Property is currently serviced by all requisite utilities. Known utilities include:

- Water and Stormwater – Elyria Public Utilities
- Gas – Columbia Gas of Ohio
- Electric – First Energy/Ohio Edison
- Internet and Telecommunications – Kinetic by Windstream (alt. Spectrum)

E. Environmental Status

The Port Authority obtained a Phase I Environmental Site Assessment in October 2022, conducted in accordance with ASTM standards.

The Port Authority obtained a Limited Asbestos Survey in December 2022 for the Midway Mall property, in which some building materials were identified or assumed to contain asbestos. Contractors disturbing these building materials identified or assumed to contain asbestos are required to conduct their activities in accordance with OSHA's Asbestos Standard for the Construction Industry as well as the EPA Asbestos NESHAP/Ohio EPA Asbestos regulations. Whenever any demolition, renovation, or abatement of the mall occurs, the Ohio EPA must be notified with its "Notification of Demolition and Renovation" ten (10) days prior to those activities. The Port Authority is currently seeking funds to help cover the costs of anticipated abatement work in a portion of the Midway Mall building (the former Dillard's store building).

The environmental and asbestos reports can be accessed from the data room established by the Port Authority for this RFP.

F. Additional Diligence Information

The Port Authority also obtained an ALTA survey of the Mall Property and an engineering study of the Midway Mall property. The survey and engineering reports can be accessed from the data room established by the Port Authority for this RFP.

III. Redevelopment Procedures

A. Disposition Process

Transactions with the selected Respondent or Respondent Teams will be structured in a manner mutually agreed upon by the Port Authority with the selected Respondent or Respondent Team, but the Port Authority's strong preference is an outright sale of the property. Subject to the scale and type of the proposed development, the purchase agreement could be for a portion of the Mall Property as opposed to the entire site.

The negotiation process and ultimate agreements made will describe and provide the terms for the purchase under which the successful Respondent(s) will negotiate with the Port Authority to develop either a portion of or the entire site. Final executions will occur following the negotiation of binding documents between the Port Authority for the site and the Successful Respondent(s) completion and affirmation of the submitted project plan.

After the negotiation process and conditional agreements, the Port Authority anticipates entering into a development agreement, purchase agreement and such other agreements as deemed necessary or appropriate with the successful Respondent(s) for the site. If there is more than one Successful Respondent executing an agreement with the Port Authority, a separate structure or mechanism will be

established by the Port Authority to equitably address the separation and operation of the divided property.

It is the desire of the Port Authority to have the successful Respondent(s) be responsible for as much of the improvements as possible without jeopardizing the economics of the deal.

B. Approval Process

There are requirements for the approval of any sale of Port Authority-owned properties. For the process to be as efficient and effective as possible, the Port Authority will receive, review, disseminate and respond to development inquiries on lands owned by the Port Authority. Final approvals for any purchase of lands are subject to all administrative and legislative approvals as may be required by the Port Authority and Ohio Revised Code.

C. Financial Incentives

Any Respondent seeking financing should clearly explain the sources and uses of said financing. The Port Authority also has the ability under its statutory authority to issue bonds on behalf of the Respondent to finance the Respondent's project if that is desirable and beneficial to the Respondent. If bonding through the Port Authority is requested, please include this in the response. (More information regarding Port Authority financing can be found on its web site at <https://www.loraincountyohio.gov/348/Port-Authority>)

[JobsOhio](https://www.jobsohio.com/programs-services/incentives) provides various incentive programs which can be found on its web site (<https://www.jobsohio.com/programs-services/incentives>).

IV. Request For Proposals Procedure

The Port Authority has initiated this process to (1) identify potentially interested developers, and (2) obtain non-binding submissions with the intent of selecting a preferred Respondent(s) to enter a period of negotiations. While this process is underway, the Port Authority retains the right to alter the process or add parties to the process at any time.

After reviewing this package and the documents in the data room, the Port Authority encourages interested parties to submit clarifying questions to Nicole Finnerty, Coordinator by email at nfinnerty@loraincounty.us. All questions received via writing will be responded to in writing and distributed to all interested parties publicly. In addition, the Port Authority invites interested parties to schedule a tour of the site and immediately surrounding areas and to submit a nonbinding offer for the disposition and redevelopment of the property.

A. Property Tours

Interested parties may request an individual (private) site tour by contacting Nicole Finnerty, at the Port Authority via email at nfinnerty@loraincounty.us. Drone footage (video and photos) of the Mall Property

and the interior, including a virtual tour and 3D may be accessed in the data room.

B. Non-Binding Expression of Interest

The non-binding offer package must identify or include the following:

1. Letter of Interest

- Statement of interest and intent to proceed with a purchase of all or a portion of the site.
- Legal identity of the entity/entities submitting the non-binding offer.
- Corresponding qualifications, experience, and financial statement or information sufficient for the Port Authority to evaluate the financial strength and experience of the organization.
- List of key development team members and the proposed structure under which a development might be completed. Proposed consultants or advisors should be identified as well.
- Identification of any additional due diligence materials or information needed by the Respondent to submit a *binding proposal* to the Port Authority.
- Any exceptions, limitations or concerns regarding the Property transfer and proposed development that need to be taken into account before any final agreement can be reached.

2. Redevelopment Approach and Process

Respondents should submit a narrative description that addresses the items detailed in the following outline. The narrative will help the Port Authority to understand the proposal as it relates to site, how it fits with the overall redevelopment plan, developments, and the economic feasibility of the proposed use.

Proposed Vision. Describe the proposed vision for redevelopment and future use of the site or a portion of the site, including likely intended land uses, in sufficient detail so the Port Authority can adequately evaluate Respondent's knowledge and experience with redevelopment projects.

Overall Approach: Describe your understanding of and response to the overall goals of the property, including its strengths, weaknesses, opportunities, and constraints and the potential role of this redevelopment in the enhancement of the County and City. Indicate how your proposal furthers the Port Authority's objectives outlined in Section I and restated for your convenience here:

1. Facilitates an enduring and sustainable productive reuse of the property;

2. Provides an adequate return on investment to Lorain County (the “County”) and the Port Authority, based upon a variety of factors including, but not limited to, direct financial payments to reimburse the Port’s financial investment in the Mall Property, total investment by Respondent, economic benefits from the proposed development, and level of investment required from the Port Authority;
3. Creates jobs and expands the County’s tax base;
4. Contributes to the vitality of the Mall Property and the surrounding business and residential communities; and
5. Ensures the use of the property is compatible with the Port Authority’s comprehensive goals.

Program. Describe in detail your proposed use(s) (including square footage) and the preferred location(s) or building(s) on the site. Explain why this use, or uses, is especially well suited to the site and this specific location.

Market Feasibility. What market(s) are you appealing to? Who is the competition? How does the location enhance your business prospects?

Economic Keys to Success and Sustainability. Define the economic keys to success for your proposal and its resiliency to be self-sustaining without need for any on-going public funding.

3. **Proposed Transaction Approach and Process**

- Explanation of your organization or firm’s approach to achieving the overall objectives outlined by the Port Authority.
- Respondent’s proposed due diligence process and the timeline necessary to negotiate and finalize a ground lease and complete the transaction.
- A proposed non-binding fee simple purchase for property disposition in a manner that recognizes the value of the subject property.
- A description of responsibilities that Respondent is expecting the Port Authority to retain that might impact the value of the deal, positively or negatively.
- Sufficient detail should be provided for the Port Authority to evaluate key components driving transaction costs or benefits.
- Additional details regarding the proposed redevelopment, including your internal funding capability and any potential outside sources of funding, if applicable.

C. Request for Proposal Submission Procedures

Non-binding proposals must be submitted electronically to the Port Authority no later 4:00 pm on , 2023, to nfinnerty@loraincounty.us, with a copy to jlmiller@loraincounty.us.

D. Timeline

The tentative timeline for the Respondent(s) selection process is as follows:

- Request for Proposal Issued – July 25, 2023
- Site Tours – as requested
- Last Day for Questions* – October 18, 2023
- Proposals due – October 25, 2023
- Interviews with selected Respondents – approx. December 7-13, 2023
- Negotiation Process – ongoing following initial receipt and review of proposals

*All questions must be submitted in writing to Nicole Finnerty, Port Authority Coordinator (nfinnerty@loraincounty.us), and will be responded to in writing and made available to all interested parties in the data room.

E. Next Steps

Based upon the non-binding submissions of the public properties, it is the Port Authority's intent to select a preferred entity (the "Preferred Entity") and enter a period of negotiations. In this phase, the Port Authority will likely provide the Preferred Entity with relevant materials that are available to meet any additional due diligence requirements. The Preferred Entity would be expected to complete any additional due diligence, negotiate a purchase agreement, and submit a binding offer.

The Port Authority reserves the right to terminate discussions with the Preferred Entity.

If the binding offer contains material alterations to the original non-binding offer or material modifications to the proposed purchase agreement, that, in the sole opinion of the Port Authority, significantly reduces the value to be received (including, but not limited to, a reduction in sales proceeds), the approach outlined above is subject to change, at the sole discretion of the Port Authority.

V. Property Reports

Please contact Nicole Finnerty, Coordinator, Port Authority at nfinnerty@loraincounty.us to receive access to the data room, which includes the following property information:

- Phase I Environmental Site Assessment,
- Limited Asbestos Survey,
- Engineering Report, and
- Survey.

VI. Broker Fees; Fee Splitting and Cap

The Port Authority is amenable to entering into non-exclusive broker fee arrangements with any broker who desires to identify and work with potential Respondents to our RFP. We ask that a fee agreement be submitted in advance for review by legal counsel prior to the Port Authority's execution. Any proposal submitted to the Port Authority that will be subject to a broker fee should include that in the proposal package as this will be taken into consideration during the evaluation of proposals.

The Port Authority may elect to utilize the services of a lead broker to assist in the RFP process. In that event, brokers representing Respondents will be expected to negotiate a fee split with the lead broker, if such broker's party is a finalist or winning Respondent. The Port Authority will require any brokerage fees, whether due to one broker or combined due to a fee split arrangement, to be capped at six percent (6%).