Peter Allen & Associates (PAA) works on behalf of the Michigan Economic Development Corporation (MEDC) to analyze and recommend development sites in communities that are candidates in MEDC’s Redevelopment Ready Communities Program (RRC). The PAA Team is comprised of a select group of graduate students and alumni of the University of Michigan who are trained in a variety of fields and have a diverse set of professional experiences. This dynamic team provides a multidisciplinary approach to development and employs a holistic review of the development potential.

The PAA holistic analysis approach employs a variety of market data and design techniques, and engages neighborhood participation to formulate the best recommendations for the community. PAA seeks to create a vision that the local community embraces and that can be realized through further collaboration between neighbors, developers, and local governments.

**About Our Team**

Our Mission:
Facilitate a strategy to redevelop downtowns in a way that attracts and retains millennials.
This report was prepared on behalf of the Michigan Economic Development Corporation. No guarantees are made for the accuracy of the information or the development feasibility contained herein. We have tried our best to present the most feasible option based on the information we gathered for the subject building or site, however, all the assumptions in this report need to be verified with the respective authorities.
Redevelopment of County Annex Building: What is best for the building and community?
Key Risks to Manage/Accomplish

Economic Cycle
• We recommend that a local developer, either for-profit or non-profit, negotiate and purchase the Annex building from the County and begin the cost analysis for rehabbing, tenanting, and programming. TIFA, or other economic development agency, might need to help underwrite the vision before a for-profit buys and operates the site.
• The MEDC CAT Team specialist is available for further project assistance.

Market Research
• Downtown retail appears vital, with a good mix of uses.
• TIFA has a precedent for purchasing real estate and turning it over to private developers.
• Many Hillsdale College alums could be excellent seed funders, developers and/or operators.
• There are multiple layers of value in having the Annex building become a multi use property that harnesses the current need for low-cost, shared office space as well as cafe, bar, and light dining options that activate the street.
• Current economic cycle and interest rates are favorable.
• Current asking price for Annex at $30/SF seems in line with market comparables.
• Lack of two way traffic along Howell St. and lack of multi-modal connections across Broad St. discourages sidewalk and storefront retail.
• Hillsdale has hyper-speed Internet connectivity.
• Hillsdale College students, as well as other demographics, are attracted to downtown living but the current availability is very limited. We noticed some very nice residential units on the third stories of downtown buildings, but most third stories have lights out at 9 pm.
• Not many opportunities for outside dining/drinking exist, but the demand is there.
• Student survey showed a high demand for additional eating establishments, particularly younger, corporate chains (i.e. Chipotle). In general, many wanted more dining, cafe, studying areas off campus.
• Co-working programs are growing in many cities, especially among millennials and start ups.
• Increased interest from community, admin/faculty and students at the College to create more “Town and Gown” synergy.

Architecture
• Existing building is historic, has great bones, and updated mechanicals.
• Utilize/highlight the many historic elements of the existing building in the rehab process, e.g. tin ceiling photo, old wood beams.
• Create new entrance to WebCafe/Bar with outdoor seating along Howell St.
• Think about garage doors or operable window walls to let goods and seating flow out & onto the sidewalk.
• Explore best practices for connectivity between co-working and retail uses.

Construction Costs
• Confirm salvage value of the existing building and costs to adapt to new uses.
• We estimated $800,000.00 worth of construction hard costs. Need to confirm with contractors.
• Confirm need for fire sprinkler, and how to allow for barrier free access.

Social & Community Goals That Our Plan Accomplishes
• New use for soon-to-be vacant building. Don’t let it sit vacant! Create community buzz with its new use.
• Outside seating along Broad St. will create more possibility for increased outside dining and help Broad St. Market’s current use.
• Opportunities for increased synergy between Hillsdale College and the City of Hillsdale.
• Conduct public meetings to generate support for the uses and interaction of the site with the newly proposed trail and to attract owner occupants.
• Provide opportunities to activate sidewalk through street-front retail.
• Increases opportunity for “Town and Gown”.
• Puts property on tax rolls.

Political Approvals
• No obstacles here that we noted.

Financing
• Returns on investment are favorable for traditional financing. Might need at least 20% equity (Roughly $200,000) and pre-leasing. SBA 504 financing for retail ownership with local users and banks offers excellent 5-10% down option, fix up money and owner occupancy with long term financing.
• We recommend working the MEDC CAT team specialist for any available incentives.

Leasing
• Target ground floor, ideally local, retail operators and developers using marketing signs, Hillsdale alumni publications, social media, etc.
• Analyze and formulate best practices for co-working in the context of Hillsdale and Hillsdale College.
Downtown Wedge

Hillsdale, MI

The subject site is the block created by Howell Street, North Broad Street and McCollum Street.
Proposed Parcel Assembly

Hillsdale, MI

The initial scope of 49 N Howell St expands to incorporate the remaining parcels within the downtown block. The varying quality of exterior facade conditions, as well as low activating storefront uses, does not currently make the highest and best use of the block.
Urban Conditions

Balancing building envelope, open space, and site infrastructure components.

Storefronts
The wedge provides significant storefront sidewalk exposure for appropriate retailers.

Slow, 2-Way Streets
Investigate, together with MDOT, the opportunity to convert one way street to two way.

Wide Sidewalks
Exceptional for sidewalk dining, plantings and multi-modal uses.
The Howell Street wedge could convert to a shared public square. This shared street continues the city grid, but with pedestrian friendly features. Curbless streets give a sense that the entire road is a sidewalk, slowing down cars and allowing restaurants to extend into the street for large outdoor dining opportunities.
Suggested Sidewalk Uses & Phased Building Programs

**Restaurant**
The triangle sidewalk accommodates gathering and outdoor dining space suitable for a local cafe. Urban programming in the closed Howell St. block for weekend and evening events would compliment business lunch hours during the work week.

**Retail at Sidewalk**
An excited sidewalk is critical for a vital downtown. Relocate professional service businesses to the second floor allowing more active retail along sidewalk. Second and third story residential preferred.

**Co-working, Cafe & Coffee**
With the large open atrium and configured office spaces, an economical transformation would be to convert the annex to a co-working coffee space. Leased desks, instead of office space, gives small start-ups a place to meet and work while a coffee shop supports sidewalk retail and services the co-workers.
Recommended Facade Improvements Howell St.

Awnings
Large awnings block daylight into retail spaces and take away from the original historic architecture. Sidewalk plantings can create shade and texture instead.

Painting
Updated facade painting can protect weathered brick and highlight historic details to build character along the block.

Mural on Wall/New Storefront
Street art showcases the local identity and character of Hillsdale through a commission to local artists. Alternatively, open the wall to create new entry to ground floor retail.
Recommended Facade Improvements Broad St.

Patio Access
The grade adjustment between Howell St. and Broad St. requires a stepped entry for the Broad St. facade. The width of the sidewalk may accommodate built-up patio seating and ramp for accessible entry.

Paneling & Windows
Remove wood paneling from ground floor exterior face and restore brick facades and original windows. Create large storefront windows for daylight and visual connection between retail and sidewalk.

Corner Dining
The large wedge sidewalk makes for a great cluster of tables for dining and gathering outdoors during weather accommodating months.
Outdated Facade
The old worn wood panel facade covers the original character and historic nature.

Covered Windows
The existing windows are coved, reducing daylight into space and visual connections to the sidewalk.

Underutilized Sidewalk
Lack of activity on the sidewalk creates a lackluster downtown experience. Outdoor spaces should be activated.
Exterior Improvements

Fresh Materials
A new coat of paint and warm wood tones can reinvigorate the corner retail.

Large Windows
Visual connections to see the retail activity from the sidewalk.

Sidewalk Dining
Colorful sidewalk furniture for people to sit and work keeps activity downtown. Public space gives the opportunity for chance encounters to build community relationships.
Existing Conditions

Great Detail
The original limestone detailing is an asset to be emphasized.

Tinted Windows
Creates an institutional appearance making it an uninviting sidewalk space.

Narrow Sidewalk
Limited space for pedestrians to walk because of obstructions such as signs and the narrow width is not pedestrian friendly and limits activity on the street.
Exterior Improvements

Sidewalk Dining and Planters
Activate the sidewalk with layers of people, plants and visual interest.

Signage
Makes a clear and inviting message about what is in the building with exciting graphics.

Windows
Recommend removing tint from ground floor windows to improve visual access.
Emphasize Historic Elements
Existing Office Second Floor

Updated Mechanical
Co-working Spaces are Successful and Growing in Downtowns

**7Hills Makerspace**
*Rome, Georgia*

**Member Plans**
*(source: 7Hills Makerspace)*
- Keyed Member ($80/month)
- Non-keyed Member ($40/month)

Makervillage is a member-based organization housed in five historic properties (over 9,200 SF). It supports the development of locally-based creative and tech industry in Rome, GA. *(Northwest Georgia News)*

**Baker Lofts**
*Holland, MI*

**Member Plans**
*(source: Baker Commons)*
- Single Day ($10), Basic ($125/month) Pro ($500/month)

Mixed-use, historic building with 23 lofts (studio, 1-3 bdrm), 8,000 SF coworking space (Baker Commons), event space, deli, restaurant, salon and storage facilities.

**Warehaus**
*Holland, MI*

**Member Plans**
*(source: GRBJ)*
- Basic membership ($125/month)
- Office ($400 - $750/month)

4,000 SF co-working space that provides a collaborative, social and innovative working environment for small businesses and freelancers.
Possible First Floor Program

Alley Coffee, Cafe & Bar

A new cafe and bar utilizes the addition of the original alley of the Annex building. The corner entry and patio on Broad Street, as well as new entry on North Howell, activates both sidewalks. The facade improvements will provide a significant window wall for visibility and daylighting. Coffee with delivered baked goods in the morning and drinks and small plates for dinner keeps a downtown lively from 7am-2am.

Co-working

Clearing out interior walls creates space for three significantly sized working areas. Small start-ups can rent desk space and collaborate in an inspiring downtown space with other like minded workers. A connection between the co-working zone and coffee shop gives on site retail synergy.
Offices & Shared Space

The current second floor layout can host more permanent office space, as well as auxiliary office needs for the co-working space below. Shared conference rooms and printing reduces overhead costs to smaller start-ups by sharing resources. The space can be divided into several configurations for lease to 3 tenants (as shown to the left), each small office individually rented, or a single lease for a large office.
Second Floor as RESIDENTIAL

Apartments/Condos

Alternatively, a demand for quality downtown apartments would be an appropriate large scale renovation of the upper floor. The plan can accommodate (3) 1,000 SF condos and (3) 500 SF apartments.
Critical Elements for Neighborhood & Downtown Vitality

1. SAFETY
Most people are only willing to visit environments where they feel safe and secure. Regardless of the actual nature of criminal activity within an area, the mere perception of an unsafe or declining neighborhood can be enough to detract visitors. Well-kept facades and windows, clean sidewalks and streets promote the perception of a safe environment. People are attracted to spaces that are filled with other people. Well-lit and walkable sidewalks are an essential component of downtowns with consistent flows of pedestrian traffic.

2. MULTI-MODAL TRANSIT
Transit accessibility through multi-modal options is a deeply held value for many in the millennial generation who prefer to bike, walk, and ride the bus or rail to destinations, rather than drive. Safe and reliable public transit, bike lanes and sidewalks designed for pedestrians give people a range of options to accommodate their lifestyles. Aligning development with transit nodes and routes can catalyze economic development within an area and also encourage ridership for public transit.

3. CHARACTER ARCHITECTURE
A downtown’s architecture and building façades provides the first impression to a visitor or resident. Historic, distinct and memorable architecture that is human scale creates a unique sense of place for the downtown and promotes a pedestrian-oriented experience that is at the heart of a vibrant downtown or neighborhood.

4. ACTIVE STREETSCAPES
A walkable environment geared to the pedestrian experience is paramount to a vibrant downtown. Elements that promote walkability include wayfinding, lighting, engaging storefronts and urban landscaping. During the winter season, vibrant downtowns and neighborhoods embrace the cold weather and find creative ways to encourage people to walk the streets.

Vibrant, livable and healthy downtowns and neighborhoods are a magnet for millennials seeking quality of life in an urban setting. Our team has observed 12 common elements that are critical for neighborhood and downtown vitality based on having lived, worked and visited many successful downtowns in Michigan and throughout the country. We believe a combination of these elements will create an attractive central destination that provides memorable, unique and authentic pedestrian-oriented experiences. We seek to apply these principles in our proposals for Hillsdale, Michigan.
Enliven Vacant Storefronts

There is natural vacancy in all downtown communities, however the overwhelming presence of vacant and underused storefronts discourage visitors and signals decline. The following three strategies are low-cost, temporary and quick alternatives to mitigate blight during a period of high vacancy.


- Window Wraps
  - quick and easy to install
  - simple way to provide visual interest
  - screens store interior
  - attracts new business
  - includes leasing details

Window wrappings are a quick and easy alternative to vacant storefront windows. Images can include potential retailers, historic uses or simply leasing information. Wrappings also screen the interior space and have the potential to attract new business. Funding is typically provided by the Downtown Development Authority or the City Economic Development department. The City of Portsmouth, VA provides a Windows of Opportunity Grant (up to $2,000) for each property owner in the downtown business district to install window wraps in compliance with downtown design standards.

- Art Exhibits
  - fosters partnerships between city, DDA, chambers of commerce, property owners, students and local artists
  - low cost venue for emerging and local artists and designers

A temporary arts exhibit in a vacant storefront can activate the sidewalk while promoting partnerships with the local art community, downtown agencies, and property and business owners. The Looking Lab in Jacksonville, FL features regional artists in "pop-up art" installations throughout downtown Jacksonville through a partnership between city leaders, the Cultural Council of Greater Jacksonville, business owners and the art community.

- Pop Up Retail
  - low cost and low-risk way for entrepreneurs to test products
  - showcase local businesses and culture
  - constantly changing storefronts draw public interest

Storefronts can also be used to house pop-up retailers, new businesses and community events. The temporary arrangement provides a low-risk method for emerging entrepreneurs to test out their goods and also showcases local businesses and culture. The startup miLES has facilitated more than 90 pop-up shops and events in New York’s Lower East Side neighborhood since 2013, by providing a versatile kit of tools and furnishings to program a variety of underutilized storefronts in the community.
5. PUBLIC, MULTI-USE DESTINATIONS

Publicly accessible and well-designed gathering spaces provide a “common ground” that draws a diversity of people. Open air public squares and plazas can incorporate water features, landscaping and seating, while libraries and neighborhood schools and colleges promote education & life long learning. Soccer fields, basketball courts and playgrounds also provide child and family-friendly recreational programming. All of these options are lighter, quicker and cheaper alternatives to mega-projects and welcome both daily and occasional use.

6. YEAR-ROUND EVENTS & PROGRAMMING

Regular programming brings foot traffic and promotes awareness of downtown’s unique amenities – its landscapes, music, culture and food. The programming of a space also engages local merchants, artists, and entrepreneurs in the revitalization process. Recurring events such as a weekly farmer’s market can attract hundreds of people on a regular basis, and seasonal programming such as winter festivals and holiday-themed events also draw people to the streets during the cold weather months.

7. ARTS, SPORTS & ENTERTAINMENT

These elements are catalysts that unite people and draw those who otherwise may not visit downtown. When combined with programming, art and culture can be strong economic drivers for revitalization. There is opportunity to leverage the increase in activity from a downtown show or event with dinner and drinks at a nearby restaurant or shopping.

8. UNIQUE SHOPPING, DINING & SERVICES

Third Places are social gathering spaces in addition to homes and workplaces that are important for community vitality. Venues such as bars and pubs, cafes, barbershops, bakeries and bookstores provide informal gathering places for people to socialize and interact. Merchants that are open throughout the day and night promote an 18 hour downtown that is filled with activity well after business hours and a diverse mix of local and community-oriented businesses also create a rich vibrancy that is infused with local culture and tastes.

Operators with the energy and commitment to seeing the downtown thrive and succeed are a necessary component to a strong commercial district. They can provide consistent business hours. A diverse mix of local and engaging store displays during peak and off-season that also reinforce the vibrancy of a downtown district. As more people flock to online shopping, retailers should strongly consider expanding their operations and conducting their marketing and promotional activities both online and in-store.

7-8-7 Rule

Roger Brooks International

http://www.rogerbrooksinternational.com/2012/04/30/the-three-downtown-statistics/

1. 70% of first-time sales at restaurants, retail shops, lodging facilities and attractions can come from curb appeal.

2. Women account for 80% of all consumer spending.

3. 70% of all consumer retail spending takes place after 6:00 pm.

“The decision to stay open late on Thursday night turned out to be a financial windfall.”
-DDA, Walterboro, South Carolina - population 5,300.
9. DIVERSITY OF PEOPLE AND LIFESTYLES
A truly vibrant downtown will draw a diversity of people of all ages, backgrounds and lifestyles. It will be accessible and welcoming for long-time residents and visitors, families, young single millennials, children and seniors. This diversity of downtown patrons will be reflected in the programming, design and use of space, merchants and services.

10. HOUSING OPTIONS
There is a strong market for historic buildings that offer modern amenities and a convenient, central location. Vibrant downtowns need to provide affordable housing for millennials and other groups who may be getting priced out of the downtown core. Housing for families who want to stay downtown and raise their children in the neighborhood is also important, as are accessible units for those with mobility challenges and seniors and empty nesters to promote aging in place. Although these options do not necessarily have to exist in one building, considering how downtown can provide a greater mix of housing options will facilitate a more diverse tax base and readily-available market within the area, ensuring there is activity on the street after regular business hours.

11. COMMUNITY AND SOCIAL ORGANIZATIONS
It is absolutely critical to have a mix of stakeholders and interests that are engaged and committed to seeing the community succeed. In addition to the groups that are typically involved in downtown development such as the downtown development authority and local chamber of commerce, partner organizations can also include neighborhood block clubs, merchants associations, the local theatre or arts collaborative or a bicycling club. How can the downtown community find ways to collaborate and cooperate with stakeholders who may be excluded from the process, but offer a fresh perspective on common issues?

12. CULTURAL, HISTORICAL & RELIGIOUS LANDMARKS
These are elements that are often in abundance and convey the heritage of your downtown. Preserving these invaluable assets and developing the connection with downtown through branding and promotion, or aligning with seasonal programming are all strategies for showcasing these qualities that are unique to your community.
### Average Employment Growth & Corresponding Potential Income for Rent in Hillsdale County, Ages 22-34

<table>
<thead>
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<tbody>
<tr>
<td>Retail Trade (16.6%)</td>
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<td>34</td>
<td>$1667</td>
<td>$433</td>
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<tr>
<td>Health Care &amp; Social Assistance (12.7%)</td>
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<td>29</td>
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<td>Other Services (except Public Admin.) (11.8%)</td>
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<td>12</td>
<td>$3025</td>
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<td>$743</td>
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<td>Construction (9.8%)</td>
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<td>$2072</td>
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<tr>
<td>Manufacturing (9.8%)</td>
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<td>78</td>
<td>$922</td>
<td>$912</td>
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<td><strong>Total</strong></td>
<td><strong>187</strong></td>
<td><strong>161</strong></td>
<td><strong>$1904</strong></td>
<td><strong>$571</strong></td>
<td><strong>$1142</strong></td>
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1 Year Estimates between 2013 Q2 to 2014 Q1

* Based on county data from US Census Bureau County Business Patterns (CBP) program and the 2010 Census.

CBP data for 2012 were released in May, 2014
### Development Name: COUNTY ANNEX BUILDING

**City/Township/Village:** HILLSDALE  
**County:**  
**Construction Type:** Historic Rehabilitation  
**Property Type:** Coworking/Retail/Office

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<tr>
<th>UNIT TYPE</th>
<th>Units</th>
<th>Gross SF/Unit (Ave.)</th>
<th>Total SF</th>
<th>Unit Rent/Mo</th>
<th>ADJUSTED RENT</th>
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<th>Per Mont</th>
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<td>CAFE/BAR</td>
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<td>2,500</td>
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*$/SF Based on Rent * Efficiency R
### Development Data (User Input)

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<th>Development Name:</th>
<th>COUNTY ANNEX BUILDING</th>
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<td>City/Township/Village:</td>
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<td>County:</td>
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<td>Construction Type:</td>
<td>Historic Rehabilitation</td>
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<td>Property Type:</td>
<td>Coworking/Retail/Office</td>
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**Approximate Parcel Size:** 10,500

**Michigan City Cost Modifier:** 102

### Development Description

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<th>Total SF</th>
<th>Development Description</th>
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<td>Cafe/Bar - Move in Ready</td>
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<td>Coworking/Office space</td>
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<td><strong>Total Development Area</strong></td>
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**Floor Area Ratio:** 105%

### Base Cost of Construction Estimate

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<th>Base Cost of Construction Estimate</th>
<th>Base Cost / SF</th>
<th>Upgrade % Applied</th>
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<tr>
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<td>$45.90</td>
<td>$22.95</td>
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**Base Construction Cost Estimate:** $645,150

### Final Cost of Construction Estimate

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<tr>
<th>Total Cost of Construction Estimate</th>
<th>Total</th>
<th>Per SF</th>
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<tbody>
<tr>
<td>Total Base Cost of Construction Estimate</td>
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<td>$58.65</td>
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#### Subtotal - Hard Construction Costs

| Construction Project Management Fees (4% of Total Construction Costs) | $25,806 | $2.35 |
| Initial Site Survey                                                   | $5,000  | $0.45 |
| Finance Fee                                                          | $25,000 | $2.27 |
| Interest Carry (12 mo)                                                | $54,620 | $4.97 |
| Leasing / Sales Fee 4% X first 3 years rent                           | $19,440 | $1.77 |
| Architectural / Engineering Fees (6% of Total Construction Costs)     | $38,709 | $3.52 |
| Plan Review and Permit Fees (7)                                      | $15,000 | $1.36 |
| Predevelopment Fees                                                   | $50,000 | $4.55 |

**Subtotal - Soft Construction Costs:** $233,575

**POSSIBLE INCENTIVES**

- **Historic Tax Credits:** ineligible? 0 $-
- **USDA Rural Development Grant (7):** $-
- **Facade Improvement Grant:** $20,000 $1.82
- **Brownfield TIF:** 0 $-
- **CBDG Funds:** Developer Can get $15K per job created 0 $-
- **MSHDA Housing ($40K per Resi. Unit):** NA

**Subtotal - Incentives:** $20,000 $1.82

#### Total Project Hard and Soft Construction Costs (- Incentives)

| Total Project Hard and Soft Construction Costs (- Incentives) | $858,725 | $78.07 |
| Contingency                                                   | 10.00%   | $85,873 | $7.81 |

**Total Project Hard and Soft Construction Costs w/ Contingency:** $944,598 $85.87
COUNTY ANNEX BUILDING PROFORMA

### Cost and Revenue Assumptions

<table>
<thead>
<tr>
<th>Cost</th>
<th>$/ Sq Ft</th>
<th>Financing Assumptions</th>
<th>Key Ratios</th>
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<tr>
<td>Land/Existing Building</td>
<td>$150,000</td>
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<td>Gross Sq Ft</td>
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<td>Base Construction Costs</td>
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<td>Efficiency Factor</td>
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<td>Incentives**</td>
<td>$(20,000)</td>
<td>-2.02</td>
<td>Net Leasable Total Square Feet</td>
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<tr>
<td>Soft Costs</td>
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<td>Avg Sq Ft/Unit</td>
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<td>Contingency</td>
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<td>Avg Monthly Rent/Sq Ft</td>
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<td>**Total</td>
<td>$1,094,994</td>
<td>$106.99</td>
<td>Cost/Unit</td>
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**includes land price $/SF as is

### Gross Residential Revenue

- $36,000

### Gross Retail Revenues

- $72,000

### Gross Other Revenues

### Rental Increase Projection

- 3.00%
- 2.00%

### Operating Expense Projections

<table>
<thead>
<tr>
<th>Month</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
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<tbody>
<tr>
<td>Rent</td>
<td>$16.00</td>
<td>$13,750</td>
<td>$165,000</td>
<td>$169,950</td>
<td>$175,049</td>
<td>$180,300</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>7.0%</td>
<td>963</td>
<td>11,550</td>
<td>11,897</td>
<td>12,253</td>
<td>12,621</td>
</tr>
<tr>
<td>Utility Reimbursement</td>
<td>2.0%</td>
<td>261</td>
<td>3,130</td>
<td>3,193</td>
<td>3,257</td>
<td>3,322</td>
</tr>
<tr>
<td>Net Rental Income</td>
<td>$13,048</td>
<td>$156,580</td>
<td>$161,246</td>
<td>$166,052</td>
<td>$171,001</td>
<td>$176,098</td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>% of Gross Income</th>
<th>$/ Sq Ft</th>
<th>Monthly</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs and Maintenance</td>
<td>6.0%</td>
<td>$0.95</td>
<td>$783</td>
<td>9,395</td>
</tr>
<tr>
<td>Property Management Fee</td>
<td>5.0%</td>
<td>$0.79</td>
<td>$652</td>
<td>7,829</td>
</tr>
<tr>
<td>Insurance</td>
<td>3.2%</td>
<td>$0.51</td>
<td>$418</td>
<td>5,011</td>
</tr>
<tr>
<td>Property Taxes***</td>
<td>0.0%</td>
<td>$0.00</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Common Utilities</td>
<td>4.0%</td>
<td>$0.63</td>
<td>$522</td>
<td>6,261</td>
</tr>
<tr>
<td>Total Op. Exp.</td>
<td>22.2%</td>
<td>$3.51</td>
<td>$2,839</td>
<td>$34,758</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>77.8%</td>
<td>$11.99</td>
<td>$9,949</td>
<td>$118,692</td>
</tr>
</tbody>
</table>

Note: NOI/ft $1.00

### UNLEVERAGED RETURN ON TOTAL COST*

<table>
<thead>
<tr>
<th></th>
<th>1.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Debt Service</td>
<td>$6.72</td>
</tr>
<tr>
<td>Before Tax Cash Flow</td>
<td>$5.27</td>
</tr>
</tbody>
</table>

**1st year NOI divided by 100% costs (Should be 2% over the local cap rate)

** Talk to local CAT person about total applicable incentive

*** Non-Profit
PETER ALLEN

544 North Main Street, Ann Arbor, Michigan, 48104 | (734) 358-0888 | peter@pallen.com

SUMMARY

With over 30 years of experience as an Ann Arbor area real estate developer and consultant, founder of Peter Allen & Associates (www.pallen.com), and University of Michigan educator, Peter Allen is known for his passion to make Ann Arbor one of the best cities in the world. His real estate development and community involvement has had a profound impact on the city's growth and development.

Appointments & Board Memberships: As an adjunct faculty member since 1981 at the University of Michigan and a veteran real estate professional, Peter has a unique perspective on the completion of sustainable urban development. Additionally, Peter has chaired or founded numerous local and national conferences highlighting public policy issues relating to development, mid-rise, urban, and pedestrian-oriented "mixed-use" development.

EXPERIENCE

1975-Present  President and Founder of Peter Allen & Associates (www.pallen.com) — over 30 years of experience in Ann Arbor area real estate development, commercial broker, and consultant.

1975-Present  REBA (Renaissance Environmental Bay Area) — conducted feasibility studies on 58-acre dadown town mixed-use developments throughout Michigan.

1983-PRESENT  Lecturer, University of Michigan — Taftton College of Architecture & Urban Planning and Stephen M. Ross School of Business

- Associate Professor, with focus on making the elements of developing lively, walkable downtowns to over 3,500 students yearly since 1981.
- Faculty Advisor to University of Michigan's Real Estate Certificate Program.
- University of Michigan Real Estate Forum: Founder and Executive Director for its first 10 years. Founded in 1985, this forum has become a prominent biannual gathering of real estate professionals meeting yearly to discuss emerging trends and regional opportunities.

1967-1971  U.S. Navy — Destroyer officer, LT, USNR.

EDUCATION

1973  MBA with Distinction, University of Michigan

1967  Bachelor of Arts, History, DePauw University

INVOLVEMENT

- Ann Arbor's Greenbelt Advisory Commission
- Ann Arbor Hands-On Museum, founding trustee
- Kensington Concert House, founding trustee
- Neutral Zone, founding trustee
- Ann Arbor CEO Council, founding member
- Member: Urban Land Institute, Congress for New Urbanism, and Rotary International Education

35
Lisa Sauvé
8866 Virmankay Circle, Ann Arbor, MI 48103
lisa@synecdochedesign.com | 1.810.599.8500

Contributes design and critical thinking ideas to projects with an influence and interest in cultural and building construction, landscape preservation and architectural design through a small design practice, teaching, and research.

EDUCATION
2013-14 Master of Science in Conservation | University of Michigan - Ann Arbor, MI
Taubman College of Architecture and Urban Planning
2009-11 Master of Architecture - with high distinction | University of Michigan - Ann Arbor, MI
Taubman College of Architecture and Urban Planning
2004-09 Bachelor of Science in Architecture | Lawrence Technological University - Southfield, MI
College of Architecture and Design

PROFESSIONAL EXPERIENCE
2009 - Principal + Co-Founder | Synecdoche Design Studio, LLC - Ann Arbor, MI
2001-13 Design and Research Assistant | RVTR - Ann Arbor, MI / Toronto, ON
2009-11 Design and Research Assistant | AllBi Studio - Detroit, MI
2009-10 Photographer + Co-Founder | Synecdoche Photography - Ann Arbor, MI
2008 Intern | The Think Shop Architects - Brighton, MI

ACADEMIC EXPERIENCE
2014-15 Adjunct Faculty | School of Architecture, University of Detroit Mercy
2011-14 Adjunct Faculty | College of Architecture and Design, Lawrence Technological University
2010-14 Graduate Student Instructor | Taubman College, University of Michigan
2010-14 Research Assistant | Taubman College, University of Michigan
2009 Teaching Assistant | College of Architecture and Design, Lawrence Tech University

PROFESSIONAL HONORS AND AWARDS with Synecdoche unless otherwise noted
2013 “Controlled Burn” - 1 of 20 finalists @ 15th International Garden Festival : Grand Metis, Quebec, Canada
2013 “The Big Top” - semi-finalist @ Flint Public Art Project : Flat Lot Competition
2010 “WYLD” - 1 of 10 Featured Projects @ Inc.com + Architizer; Coolest Converted Office Spaces
2010-14 Research Assistant | Taubman College, University of Michigan
2009 Teaching Assistant | College of Architecture and Design, Lawrence Tech University

PROFESSIONAL EXPERIENCE
2009-11 Master of Architecture - with high distinction | University of Michigan - Ann Arbor, MI
Taubman College of Architecture and Urban Planning

MISSION AND VISION
Purpose:
To create a more vibrant and engaging public realm in Ann Arbor and beyond, while exploring the potential of architecture and design to foster social, economic and environmental sustainability.

Values:
- Inclusion and Equity
- Sustainability
- Creativity and Innovation
- Collaboration and Community Engagement

KATRINA CHAVES
2339 Leslie Circle, Ann Arbor, MI 48105 | (734) 864-2487 | kchaves@umich.edu

EDUCATION
University of Michigan, Taubman College of Architecture and Urban Planning
MASTER OF URBAN PLANNING
Ann Arbor, MI
Expected 2016

University of Alberta
BACHELOR OF ARTS, POLITICAL SCIENCE AND HUMAN GEOGRAPHY
Open Studies
Edmonton, AB | 2010
2011 – 2013

PROFESSIONAL EXPERIENCE
University of Alberta, School of Business
RESEARCH CONSULTANT
November 2013 – December 2014
- Conducted field research and literature review of condominium consumer/buyer education programs
- Evaluated programs and developed recommendations for best practices regarding education of condominium consumers and prepared report of findings and recommendations

Government of Alberta, Ministry of Health
HR STRATEGIES CONSULTANT/PROGRAM COORDINATOR/ASSISTANT
Edmonton, AB | 2011 - 2014
- Researched and analyzed best practices and metrics for development of key Strategies initiatives
- Assisted with development and delivery of presentations to management teams and employee groups
- Coordinated delivery of the Corporate Employee Survey (CES) and liaised with stakeholders
- Analyzed survey results and presented key findings to Executive Team and management
- Conducted preliminary gap analysis and developed current state map of leadership development; completed literature review and best practices research for presentation to Executive Directors’ Council
- Administered internal database for training events and courses for over 1,000 ministry employees
- Supported delivery of training sessions, department orientation and staff events
- Tracked and prepared monthly training and development budget and forecasting
- Administered Employee Long Service and Retirement Awards Program
- Scheduled job interviews, posted job ads, prepared meeting agendas and minutes
- Drafted and distributed offer letters and decision documents for staffing and classification

Action for Healthy Communities
Action for Healthy Communities
SITE COORDINATOR
Edmonton, AB
November 2010 – April 2011
- Planned, organized and evaluated program activities for ten high schools to develop refugee and new immigrant students’ English language skills and promote integration within community
- Supervised eight camp assistants to facilitate weekly in-class activities and workshops
- Assisted with development and delivery of presentations to management teams and employee groups
- Coordinated delivery of the Corporate Employee Survey (CES) and liaised with stakeholders
- Scheduled facilitators, guest speakers and fieldtrips, prepared meeting agendas and minutes, conducted regular site visits and liaised with teaching staff to establish class objectives and priorities

Association of Universities and Colleges of Canada
Association of Universities and Colleges of Canada
RESEARCH INTERN, STUDENTS FOR DEVELOPMENT
Atwima Apeeman, Ghana
May 2008 – August 2008
- Developed and conducted needs-assessment (village census and detailed interviews) to gather data on income and employment, health and nutrition, education, housing and sanitation conditions on 62 households in rural community
- Recorded high volume of qualitative and quantitative data, compiled descriptive statistics, consulted with local and external stakeholders to create report and recommendations on community challenges, strengths and opportunities

AFFILIATIONS & EXTRACURRICULAR ACTIVITIES
Urban Planning Students’ Association Executive Board
PROFESSIONAL DEVELOPMENT CHAIR
Ann Arbor, MI | December 2014 – Present

Michigan Real Estate Club
MEMBER
Ann Arbor, MI | September 2014 – Present

American Planning Association
MEMBER
Ann Arbor, MI | September 2014 – Present

SKILLS
The Real Estate Development Feasibility Chart

The steps below represent the risks for the development of new or rehabilitated real estate. The order outlines the steps required to properly conduct the feasibility process.

1 Economic Cycles
   Stabilized completion may take 3-5 years.

2 Environmental
   Floodplain issues, brownfield

3 Market Research
   Opportunities

4 WOW! Architecture
   Does my property reflect timeless, flexible design?

5 Construction
   How soon? How much?

6 Social and Community Goals
   What does the community want?

7 Political Approvals
   Ease of entitlements.

8 Equity & Debt
   Ideal Loan-to-Value

9 Taxes
   Developer Incentives

10 Sales vs. Leasing
   Rental/Condos/Hotel/Etc.

11 Property Management
   My tenants are my partners. How can I help them grow?

12 Legal Relationships
   Handshakes & trust are as important as contracts.

13 Personal & Family
   You can make (or lose) a lot of money.
“If you want to slow the “leakage” of locally earned money being spent elsewhere, you MUST be open during hours when people are not at work or school. This means evening hours. Think about your visitors: We hunt, fish, hike, bike, photograph, visit museums and historic sites, boat, climb, ski, snowmobile, run, and play during the day. When we get done are you open? People spend the night where there are things to do after 6:00 pm.”

By: Roger Brooks in:
“Are You Open After 6pm? The Step by Step Guide to Making It Happen”
http://www.rogerbrooksinternational.com/After_6pm_Handout.pdf

“Online career community Glassdoor just released a report naming the top 25 cities for jobs based on what it believes are the three key factors in a city’s appeal for job seekers: how easy it is to get a job, cost of living, and job satisfaction.”

By: Julie Verhage in:
“These Are the Best U.S. Cities for Jobs. (They May Surprise You) - Don’t overlook smaller cities in your job search” 19 May, 2015

“When asked about which features of a place make it easiest to live in, most people brought up the bottom line first. About 80 percent of all respondents said the cost of living and affordability of housing mattered most when choosing a place to nest.

By: Natalie Kitroeff in:
“Why Millennials Don’t Live Where You’d Expect Them To
Young people want to be able to afford the trappings of adulthood” 11 June, 2015
“There’s so much that sets New York apart from other American cities: its density, its walkability, its spread of urban versus suburban development, among others. What about smaller towns? What are the design traits that most encourage pedestrian activity on these streets?”

http://www.citylab.com/design/2015/07/how-urban-designers-can-get-smaller-cities-walking/399545/?utm_source=nl__link1_073015

“After making the economic decision to move, the young and educated are looking for places where they can have a meaningful work/life balance,” said Rosalind Greenstein, director of research and education at AIER.”

By: Brent Snavely in: “Study ranks Ann Arbor No. 1 for millennials” 12 May, 2015
http://www.freep.com/story/money/business/2015/05/12/ann-arbor-millennials-live-work-choose/27168659/