

# YPSI

LIVE  
CREATE  
PLAY



MEDC Fellows  
Peter Allen & Associates

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# Executive Summary

Strategically located in the heart of Washtenaw County, Ypsilanti boasts of strong local educational ties, a committed business community, a forward-thinking government, and a soon-to-be commuter rail stop. Once the rail stop is realized, the supporting amenities are likely to further fuel the demand for living in this historic community. To best accommodate this anticipated increased demand, the City of Ypsilanti has expressed interest in developing various parcels that it currently owns.

This document outlines market research, development targets, design proposals, basic finances, and further recommendations as to the development feasibility of two sites in Depot Town and downtown Ypsilanti.

This report was created by the MEDC Fellows, a diverse group of masters students and recent alumni from the University of Michigan. The team worked under the leadership of Peter Allen, of Peter Allen & Associates, to create development proposals that are aligned with the MEDC's Redevelopment Ready Communities Program.

Initial discussions with the City revealed three target sites. Local demographic trends, community stakeholder analysis, and market analysis revealed that two sites—220 North Park Street and 1 South Huron Street—held potential for development. The third site initially considered—Water Street—lacked the necessary County support for development and was excluded from further analysis.

After identifying the sites, proposals were developed that include conceptual designs, basic financial analysis, and suggested site uses for each site. Each proposal takes into account the desired uses stated by the City as well as those that show potential for market support. Because of the weak housing market, neither site is immediately developable, though both are likely to obtain the necessary rents after the train station is active.

### **220 North Park Street**

Nestled in a well-maintained historic district adjacent to Depot Town, 220 North Park Street is home to a vacant building that was once home to a Boys and Girls Club. The structure, an eyesore compared to the historic homes surrounding the site, and a gravel parking lot are bordered to the southwest by train tracks and the northeast by the Historic Gilbert Mansion. The large mansion, divided into rental units, is well preserved and is an exemplar of the surrounding architecture. Between the tracks and the mansion, the grade change is severe and future development must address this.

The City has looked into developing this site before and provided plans developed by an outside firm. Therefore, two proposals are set forth for this site—one in line with the prior development proposal and one based on current analysis. Each proposal seeks to activate the site by including a variety of residential housing typologies and to enhance the tax base by increasing density. This increased density also accommodates the grade change on the site without compromising the historic character of the area by building above the existing roof lines.

### **1 South Huron Street**

Current home to City Hall and once a bank, 1 South Huron Street is ripe for redevelopment. As city needs currently dictate a larger space for City Hall, and growth in population and city government only more likely after the Depot Town station is reopened, the site offers a prime location for new mixed-use development.

Although the City has not considered redevelopment of the site previously, the option to purchase a packaged the site with the adjacent parking lot for new development, and possibly additional downtown buildings, is potentially attractive to investors. This proposal considers a package consisting of the adjacent parking lot, though discussions regarding the nearby buildings being included offer great potential for further development.

# Vision and Goals

At the core of each development proposal is the necessity of increasing the tax base in Ypsilanti by developing well-designed, sustainable residential and commercial spaces. Like many cities in southeast Michigan, Ypsilanti is in the process of reinventing a once vibrant downtown side-swept by auto-centric development. As younger people increasingly reject auto dependence, cities such as Ypsilanti are poised for revival. The proposals set forth in this document build upon this trend to offer downtown living and working spaces for those fleeing the high rents of nearby Ann Arbor, settling into Washtenaw County for the first time, or seeking a modern city with historic charm.

## 220 North Park Street

The historic neighborhood surrounding the site is well maintained and should be preserved. Nearby railroad tracks present access difficulties but are otherwise not a major deterrent. The site should include a variety of residential housing typologies reflecting the broader Ypsilanti population.

Goals for the site include:

- Integrate design into existing neighborhood
- Increase density to enhance local tax base
- Offer new community housing options
- Buffer residential units from railroad tracks

These goals will be met by design that takes advantage of grade changes within the site to maximize density without compromising the historic quality of the district.

## 1 South Huron Street

The current City Hall building sits in the heart of the historic downtown of Ypsilanti. The downtown is home to an increasingly popular restaurant and cafe scene and is the new home of many renters occupying upper stories of other historic buildings. Redevelopment of the site can help to transform the downtown into a vibrant 24/7 community.

Goals for the site include:

- Encourage mixed-use development
- Build upon current downtown strengths
- Maintain historic character of building
- Maximize value of development

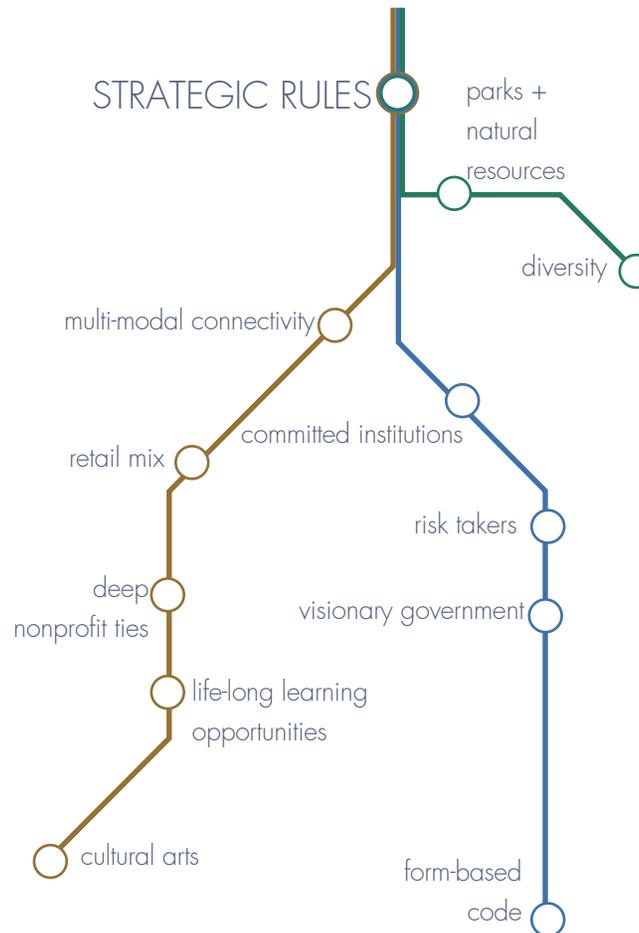
This goal will be achieved by offering design that recognizes the historic uses of the building—as a bank—and preserves important aspects of this. The value is maximized both by the retail design discussed as well as residential design that incorporates river views as much as possible.

# Strategic Rules for Development

The development proposals subsequently discussed build upon the strengths of the community. Of the 12 strategic rules identified to the right, Ypsilanti enjoys many of the factors that make development attractive. Of those missing—namely, multi-modal connectivity—the city government is actively addressing the shortcoming. After reopening of the Depot Town station, planned for 2015 as a commuter stop and potentially a stop on the high-speed Detroit-Chicago line, the city will become a hot spot for development in Washtenaw County.

The proposals also seek to build upon some of these characteristics to further enhance the profile of Ypsilanti. Both diversity of the citizenry and of the retail mix will be impacted by these developments. 220 North Park Street, as proposed, will enhance diversity of the citizenry by offering new housing typologies and potentially attracting a new type of resident to the city. Similarly, the plans for 1 South Huron Street call for retention of the vault and other character-enhancing features that will likely spur additional authentic and local retail development.

Many of the other necessary characteristics are present as well. Ranging from strong connections with local universities to a park system that takes advantage of the river, to a long-standing and committed business community and government that is not only visionary but envelope pushing.



12 Strategic Rules for Development. Developed by Peter Allen as necessary conditions for successful downtown development.

# Research and Analysis



## Urban Context and Strategic Analysis

Spanning 4.2 square miles with the Huron River crossing its core, some of Ypsilanti's best features include walkable streets, character-rich buildings, scenic riverfront views, and a robust park network.

Weaknesses of the community are similar to those common in the southeast Michigan: instability in the housing market, auto-oriented development, and lack of alternative transit options. Despite these

weaknesses, Ypsilanti boasts many opportunities reachable through revitalization. The emerging entrepreneur opportunities, progressive residents, and high residential demand all support this revitalization potential. Still, the housing challenges throughout the region, as well as the lack of retail activity, threaten developments in Ypsilanti.

above | The sites, marked in a blue-gray, are each situated near many local amenities.

## Location Analysis

With a total population of just under 20,000 residents, Ypsilanti is chock-full of untapped potential. From its beginnings as an important trade post along the rail line connecting Chicago and Detroit to its prominence in wartime airplane production, Ypsilanti's proximal location and historical value presents tremendous opportunities for place-making redevelopment.

The Depot Town and Downtown communities are the commercial backbones of Ypsilanti and are poised to jump start the city's rise as a place where young professionals want to live, create, and play. SEMCOG estimates that once the train station is reinstated as a stop along the forthcoming commuter rail line between Ann Arbor and Detroit, over 130,000 commuters are expected to pass through Depot Town.

West Michigan Avenue, the primary Downtown corridor, is a brief five-minute bike ride from Depot Town and contains a growing mix of popular restaurants, cafes, and retail. Increasingly, atop these establishments are rehabbed luxury lofts attracting young professionals and members of the creative class, who also enjoy the flourishing arts emanating from the nearby Riverside Arts Center.

Despite these amenities, Ypsilanti's median income is lower than the county average at merely \$33,610. Additionally, while the more suburban parts of the County have experienced much new development, both Ann Arbor and Ypsilanti have

had very low new residential development. Ypsilanti also lags the county averages in educational achievement. Finally, using wage projections as a proxy for the economic outlook, it appears that Ypsilanti developments will be able to draw from a large number of young professionals with high-income potential.

Design + architecture • Strategic location • Strong cultural heritage • Young professional population • Eastern Michigan University • Strong business presence • Commitment to historical districts • Future commuter rail stop • Natural features + parkland

Foreclosure rates in Michigan • Weak housing sales • Lack of pedestrian activity • Identity closely tied to University • Outsider perception • Lack of transit options

Revitalization possibilities • Commuter rail service expansion • Emerging entrepreneurial hub • Availability of non-traditional financing • High residential demand • Support of alternative living arrangements

Past foreclosure + housing challenges • Lack of retail potential • High perceived crime rate • Financing challenges • Low pedestrian activity • Town/Gown relations

# 220 North Park Street



The site, a former Boys and Girls Club, contains 4 acres of land within the Historic District just south of Cross Street. Adjacent to Depot Town and within a five-minute bike ride from the train station, the vacant site is bordered by train tracks to the south and the historic Gilbert Mansion on the northeast corner. Two development proposals for this site—one in line with prior renderings and the other emphasizing lifestyles gaining popularity in Ypsilanti—offer developers alternatives for creating high-value residential living in this community.

Additionally, the site is surrounded by numerous structures of historic significance. These residential units, consisting predominately of single-family homes exemplify some of the best of residential architecture available in Ypsilanti. The prices of these homes reflect the character as this is one of the more stable neighborhoods within the city.

STRENGTHS

Proximity to Depot Town + Downtown Ypsilanti  
Adams Elementary nearby  
Nearby Parks  
Stable neighborhood  
Commuter train station to open

WEAKNESSES

Distance from EMU + Ypsilanti High School  
Weak residential sales market  
Railroad tracks impede access

OPPORTUNITIES

Adjacent to Gilbert Mansion  
Prosperity from Commuter Rail  
Develop community amenities  
Improve property values  
Sustainability in design

THREATS

Railroad hinders walkability  
High materials cost to comply with historic requirements  
Low pedestrian activity  
Neighborhood push-back



# Proposal 1



Proposal 1 considers the schemes originally created by an outside contractor. Under this proposal, development of 82,000 square feet in the form of townhouses and apartments provides 100 units of 1- and 2-bedroom housing options ranging from 727 square feet to 875 square feet. Additionally, the design includes limited private green space for each building modular.

This design is targeted towards the young professional demographic, generally aged between 20- and 44-years old, as well as seniors, 65 years or older. While originally designed to meet condominium specifications, current market trends dictate that units will be leased.

The grade change on the site allows for the development of denser units than would otherwise be allowed in a historic district. Because one of the main considerations in new development in historic districts is the development's adherence to the historic character of the area, high-rises are often prohibited. However, with the downward sloping terrain away from the historic district, the new development can reach three or four stories while respecting the surrounding character.

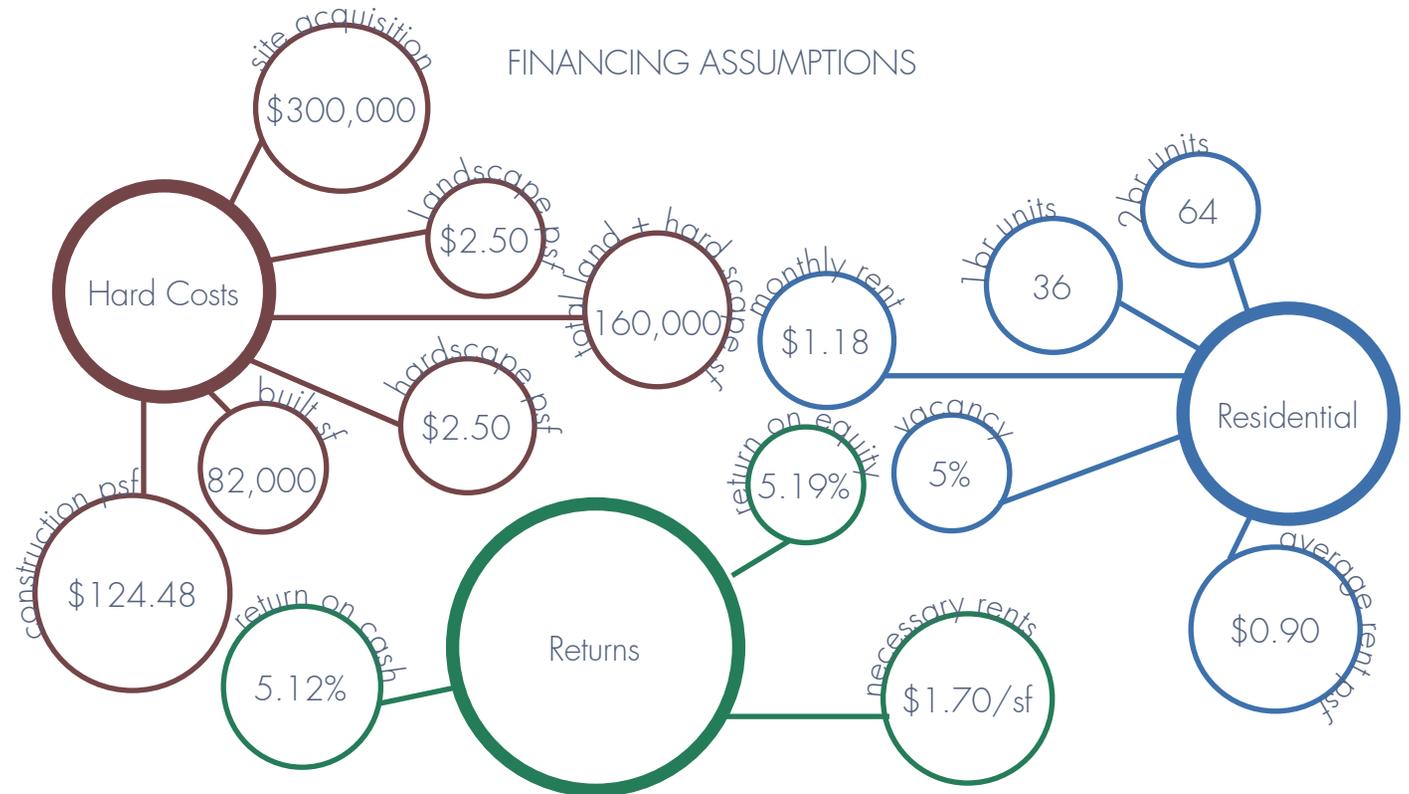


opposite page | A plan of 220 North Park Street as developed by private firm.

left | A perspective view shows how the massing keeps with the surrounding neighborhood scale.

# Proposal 1 | Assumptions and Returns

Residential	
Total SF	95023
Gross Leasable Area	82189
Rent Justified Total Construction Costs	\$ 7,540,766
Estimated Total Construction Cost (from Cost Justified Rents)	\$ 9,826,328
Construction Costs in Excess of Rent Justified Costs	\$ (2,285,562)



Construction costs are presumed to be \$135 per square foot for townhouses/duplexes and \$120 per square foot for apartments, or an average of \$124 per square foot across both building types. The total estimated hard costs for the site are \$12.2 million, including costs for pavement and landscaping. Soft costs that include legal, architectural and engineering, financing, marketing, and administration fees are estimated to add another \$1.6 million to the cost of the project. A contingency of 5% is added as a buffer for any unforeseen circumstances that may cause the project to exceed the estimated budget. Assuming that the City is willing to sell the property for \$300,000, this brings the total project cost to \$14.8 million.

Financial analysis indicates that development of this site is not yet feasible at this cost. If earning market rents, which are estimated at \$1.18 per square foot based on evaluation of comparables and including a premium for amenities, the cash on cash return is only 5.12%. At this rate, rents of \$872 per month for a 1-bedroom unit (average size 727 square feet) and \$1007 for a 2-bedroom unit (average size 875 square feet) are expected.

Managed communities in Ypsilanti that consist of mainly suburban garden-style apartments command average rents of \$0.90 per square

foot. Similar style apartment units in Ann Arbor average \$1.12 per square foot, or 25% higher. While the rental rates in this analysis are projected to be higher than both Ann Arbor and Ypsilanti, the convenience of the location between Ypsilanti Downtown and Depot Town would make it an attractive place to rent for those interested in a more urban living experience. Additionally, new construction projects will likely command higher rental rates, by nearly 200% than already existing inventory generates.

A sensitivity analysis reveals, however, that rents closer to \$1.70 per square foot raise the return on cash to 7.38%, a figure more in line with developer expectations. Currently, rents convert to approximately \$7.92 triple net while rates closer to \$10.89 are needed to maintain a 7% return and \$14 for 9%. With a nearby commuter rail stop, these rents may be achieved. Similarly, use of \$2.6 million in subsidies, whether local or in the form of programs such as Low Income Housing Tax Credits, would also yield positive returns for investors.

# Proposal 2



Proposal 2 contains a mix of building typologies that includes for-lease townhouses and apartments built to condominium specifications. 22 townhomes of either two two-bedroom units or a single three-bedroom unit surround the site. Occupying the outermost parcels, the townhouses maintain the integrity of the nearby early-twentieth century homes and keep in line with nearby design standards. Infusing an element of modernity but keeping to scale with surrounding development, each of the 13-modular buildings features contemporary exterior design with six units of studio and one bedroom units.

An original design from the MEDC team, this proposal incorporates amenities that promote a



live-create-play lifestyle. The target market for this development is an intergenerational mix of young professionals and empty-nesters. A short distance from the heart of Depot Town, the proposal reinforces the values of the larger community that prizes connectivity, walkability, and a sense of place. The green space and pathways in the interior of the site connect to the public sidewalks and easements integrating the development with the neighborhood. The site is designed at a pedestrian scale with the walk-up townhouses close to the street and parking abutting the railroad tracks as a rear linear buffer.

left | Circulation is designed around a central green space. The design requires the developer to work with the City to determine an appropriate amount of green space to be set aside for a community garden. The remaining green space will be used for outdoor dining and recreation with barbecue grills and open space for a variety of purposes. These amenities create opportunities for neighbors to meaningfully interact. Moreover, the community garden and flexibility of uses for the remaining green space speak to Ypsilanti's burgeoning urban gardening and DIY culture.

# Proposal 2

To show just how much the elevation change facilitates development of new housing typologies for the area, a section view of the site from the east shows the mid-rise units remaining well below the rooftop of the Historic Gilbert Mansion.

below [top-bottom]

| Grade changes between the site and surrounding historic district facilitate mid-rise development without impacting the character of the neighborhood.

| Community garden in shared green space.



Suggested housing models promoting high-quality and community-centric development like that proposed for the site show how new typologies can be integrated into the historic community.

The mix of housing encourages a multi-generational community of families, young professionals, and seniors.

clockwise from top right

| example of community garden shared space

| design concept of townhouse units

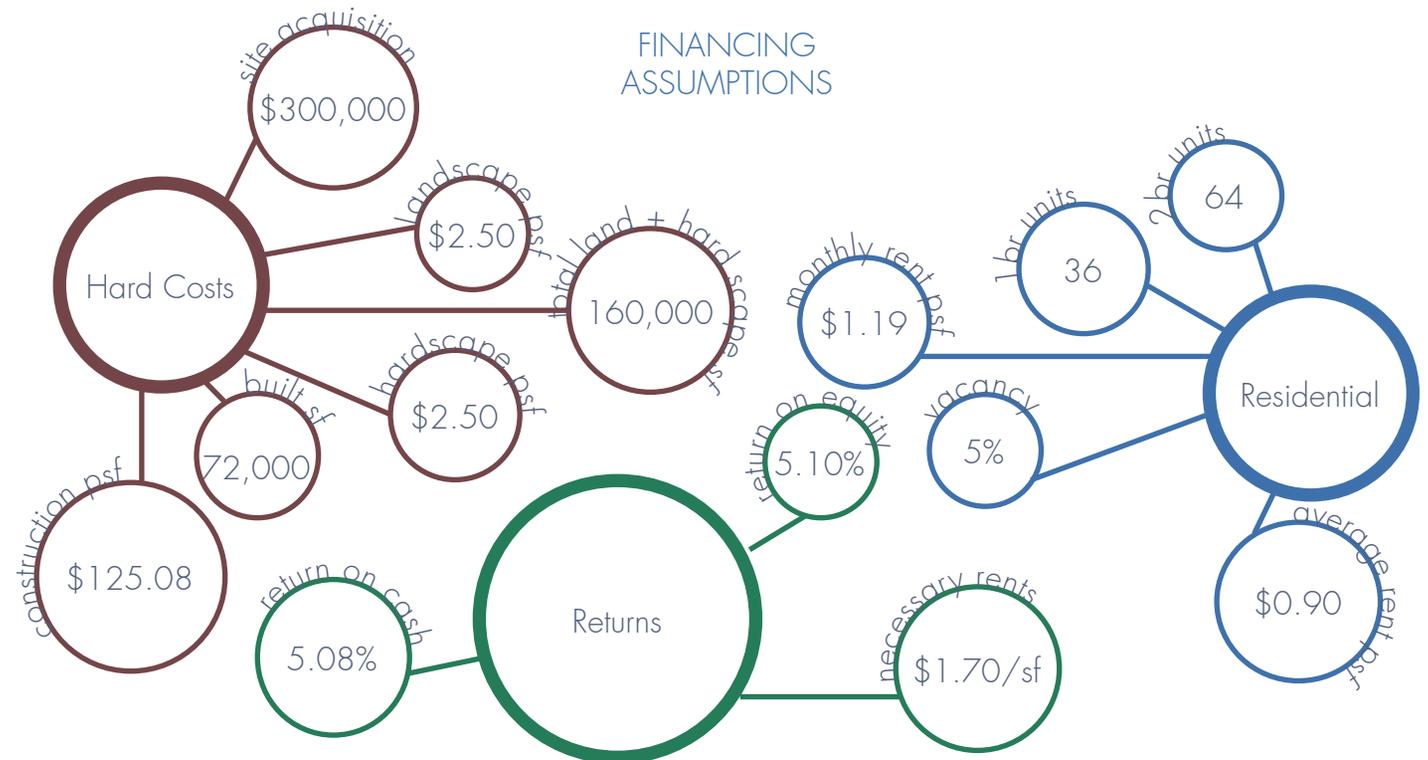
| example of suggested apartment architecture

| design concept of apartment units



# Proposal 2 | Assumptions and Returns

Residential	
Total SF	95023
Gross Leasable Area	82189
Rent Justified Total Construction Costs	\$ 7,540,766
Estimated Total Construction Cost (from Cost Justified Rents)	\$ 9,826,328
Construction Costs in Excess of Rent Justified Costs	\$ (2,285,562)



Acquisition costs are \$300,000. Construction costs are presumed to be \$135 per square foot for townhouses and \$120 per square foot for apartments, or an average of \$125 per square foot across both building types. The total estimated hard costs for the site are \$10.8 million, including costs for pavement and landscaping. Soft costs that include legal, architectural and engineering, financing, and administration fees are estimated to add another \$1.4 million to the cost of the project. Finally, a contingency of 5% is added as a buffer for any unforeseen circumstances that may cause the project to exceed the estimated budget. This brings the total project cost to \$13.1 million.

Considering the expected rental rate, this construction cost makes development infeasible. If earning market rents, which are estimated at \$1.19 per square foot based on evaluation of comparables and including a premium for amenities, the cash on cash return is only 5.10%. Expected rents are \$872 per month for a 1-bedroom unit (average size 726 square feet) and \$984 for a 2-bedroom unit (average size 834 square feet).

Managed communities in Ypsilanti that consist of mainly suburban garden-style apartments command average rents of \$0.90 per square foot. Similar style apartment units in Ann Arbor average \$1.12 per square foot, 25% higher. While the rental rates

in this analysis are projected to be higher than both Ann Arbor and Ypsilanti, the convenience of the location between Ypsilanti Downtown and Depot Town would make it an attractive place to rent for those interested in a more urban living experience. Additionally, new construction projects will likely command higher rental rates than already existing inventory. Currently, rents convert to approximately \$7.92 triple net while rates closer to \$10.89 are needed to maintain a 7% return and \$14 for 9%.

A sensitivity analysis reveals, however, that rents closer to \$1.70 per square foot raise the return on cash to 7.28%, a figure more in line with developer expectations. With a nearby commuter rail stop, these rents may be achieved. Similarly, use of subsidies, whether local incentives or through programs such as Low Income Housing Tax Credits, of \$2.3 million would also make development feasible at current rents.

# 1 South Huron Street



The present home of City Hall, this 18,898 square foot historic building contains three full size floors, a mezzanine, basement, and sub-basement. To the immediate south of the building is a parking lot at an estimated 15 feet below grade-level. A notable feature of this building is that it holds the distinguished honor of being designed by the first registered architect in the state of Michigan. The original use of the building was as a bank.

Located directly downtown, the City Hall building is surrounded by similarly significant historic

structures. These buildings, mostly designed for retail frontage with living quarters above, are incredibly diverse and visually interesting. Although upper floors were once abandoned as living space, increasingly these areas are being rehabilitated into luxury downtown lofts.

STRENGTHS

- Prime location in Downtown
- Growing rental market
- Past use marketable
- Easy access to amenities
- Pedestrian + auto friendly

WEAKNESSES

- Distance from EMU
- Distance to Ypsilanti High School
- Weak office + retail markets

OPPORTUNITIES

- Anchor development at Ford Lake
- Encourage riverfront development
- Mix with local businesses
- Ideal location for offices

THREATS

- Elevation changes
- Historic rehab requirements
- Low pedestrian activity



# Proposal 3



With nearly 25,000 vehicles passing the corner of Huron Street and Michigan Avenue, the present-day City Hall is an attractive location for commerce. The development proposal calls for a redevelopment of the historic site into a ground-floor restaurant with offices above.

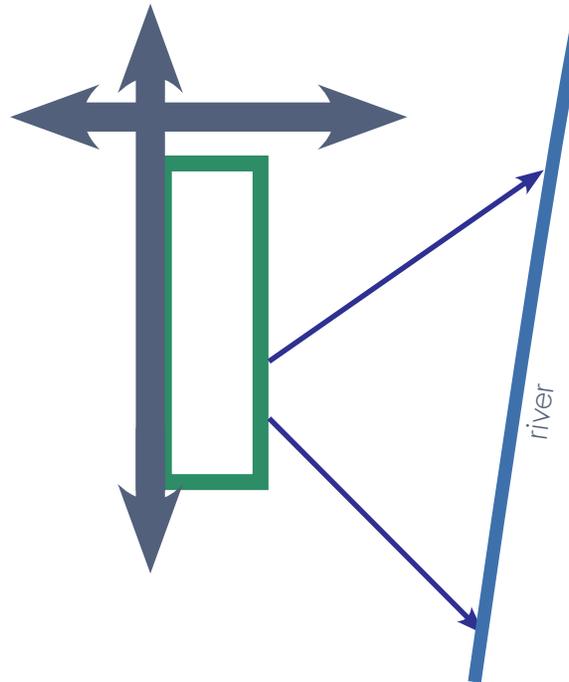
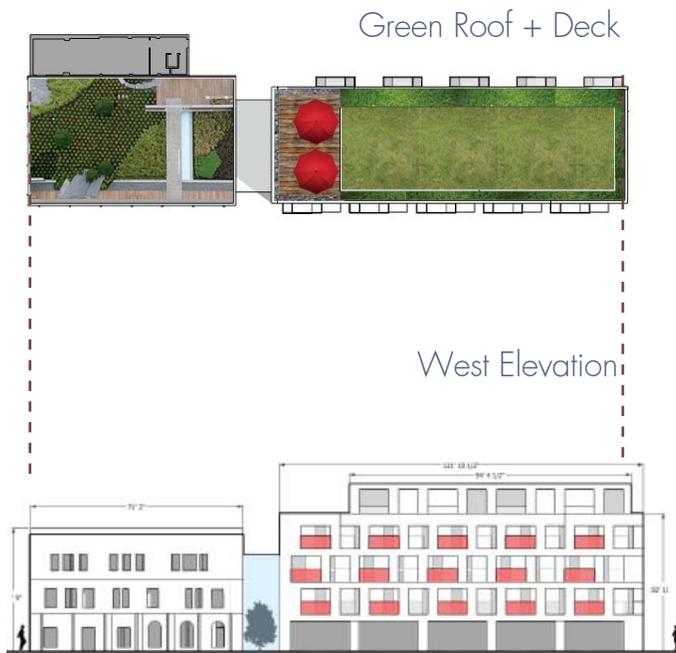
Additionally, a platform built over the below-grade parking area bridges the building to a new mixed-use residential and retail development. The residential program includes three floors of one- and two-bedroom units, a top floor programmed

with two penthouse units, and amenities such as a rooftop garden, private reception area for residents, and structured parking below the second structure that has the additional benefit of negotiating the grade change.

Recognizing that the river is adjacent to the site, the residential development is designed in a way that maximizes river views. All units facing east have a river view and the building maintains a simple rectangle shape to take advantage of this amenity.

below | the new residential development includes river views

left | a green roof and patio provides energy efficiency and a resident amenity



# Proposal 3 | Massing

Careful attention to massing and design around grade changes maximizes value for the adjacent residential development.

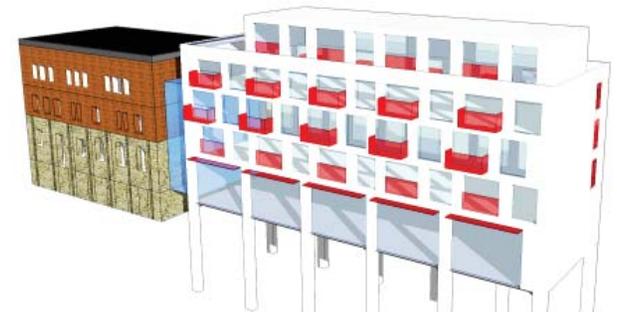


below [clockwise]

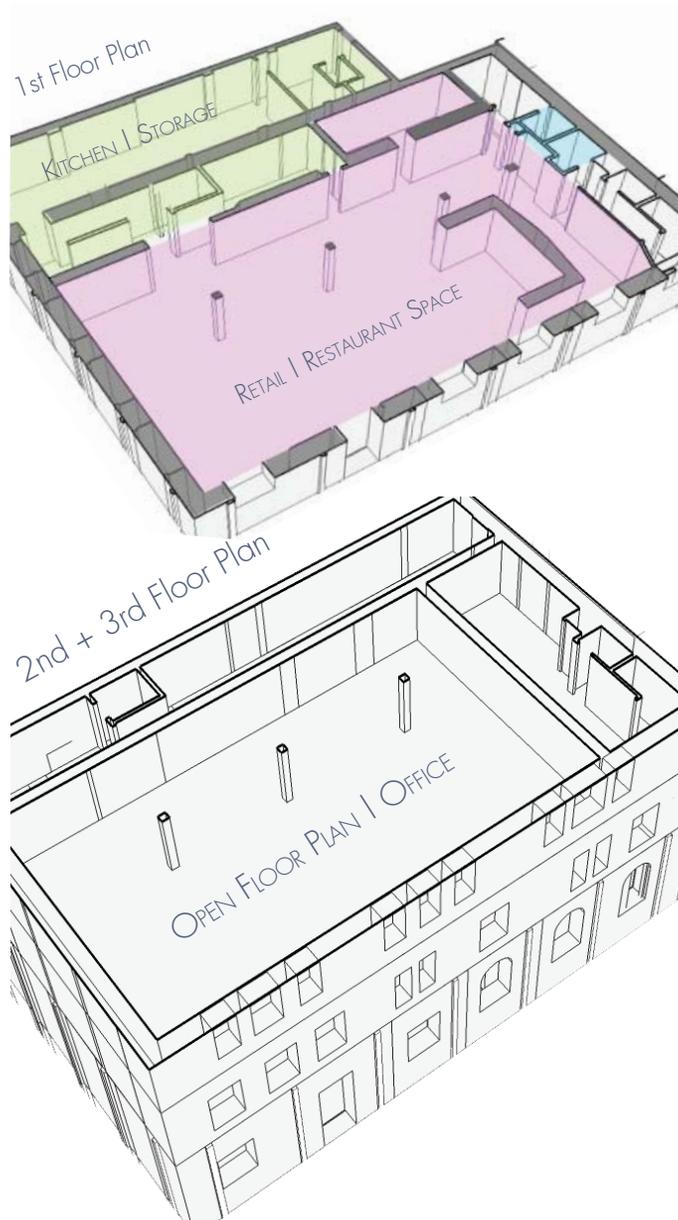
| Section from the east elevation shows building massing, grade changes, and structured parking.

| Render from the west elevation shows how new construction will address grade changes at the sidewalk level and respect existing downtown scale.

| Historic photo of building with original roof.



# Proposal 3 | Programming



The interior of the existing City Hall building will be remodeled to suit a restaurant space on the first floor and small office uses above. Many of the existing walls will be removed for the restaurant reconfiguration, while the vault will remain. Retaining the vault as reserved seating for guests or a wine cellar will provide a unique atmosphere to the establishment. The mezzanine floor will also be part of the restaurant.

The second and third floors will also enjoy open floor plans and can be configured into commercial condos by a developer seeking to take advantage of a HUD 504 loan for financing.

below | Image of vault used in restaurant as seating for VIP table.



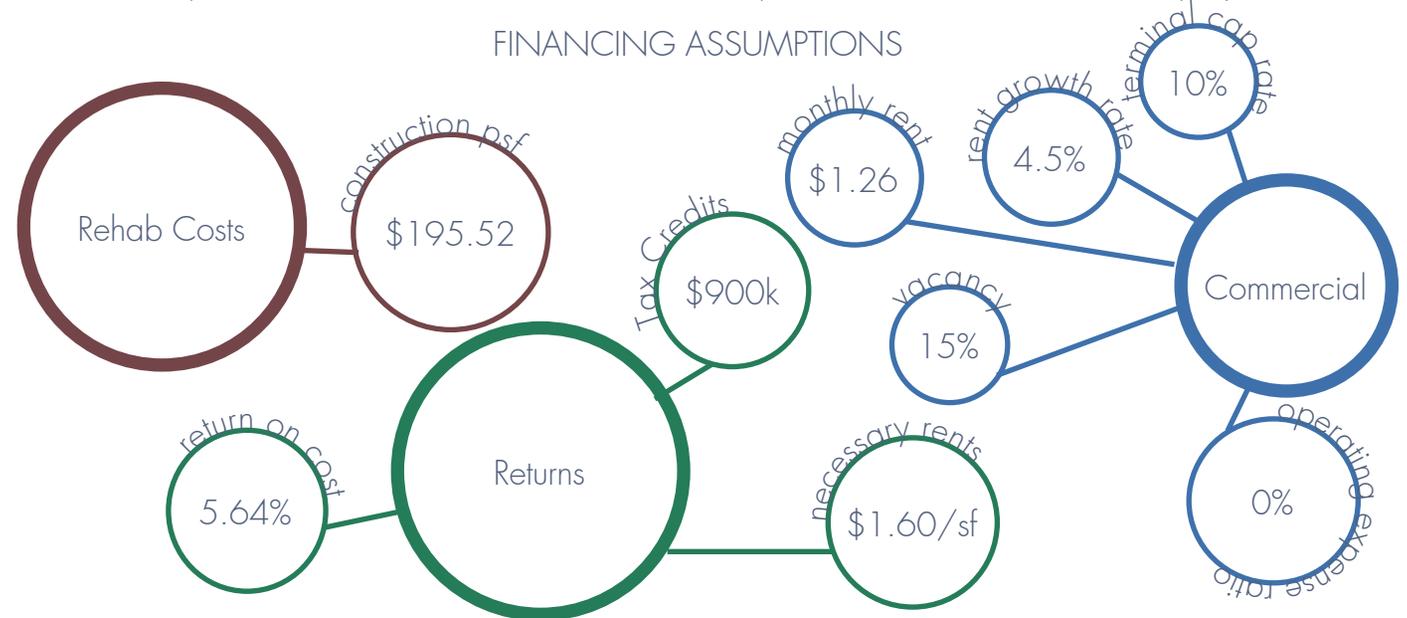
# Proposal 3 | Assumptions and Returns

Construction costs are presumed to be \$196 per square foot to rehab the City Hall building. The total estimated hard costs for the site are \$3 million. This analysis uses \$0 for the acquisition cost, which is flexible and subject to change based on the city's list price. Soft costs that include legal, architectural and engineering, financing, marketing, and administration fees are estimated to add another \$400,000 to the cost of the project. Finally a 5% contingency of \$200,000 brings the total project cost to \$3.6 million.

With the expected rental rate of \$15.12 triple net, the return on cost measure is only 5.64%. This is below the required rate of return of 7-9%, and as a

result is unlikely to attract investors or developers. A sensitivity analysis shows that if the market is able to support rental rates higher than \$19.20 or if rehab costs are below \$150 per square foot, the return on cost may be high enough to make this project feasible.

The historic tax credit that amounts to 25% of the total development cost has not yet been used on this building and may entice developers to tackle this project. The tax credit amounts to \$900,000 and acts as a return on equity to the developer once the project is completed. This boosts the return on equity measure in YR2 to 88% and helps drastically improve the returns on the overall project.





# Recommendations

Based on existing market conditions, neither site is development ready currently if developers are seeking a 5-7% return on investment. However, this does not mean that neither holds potential.

The City should pursue development of both sites as the nearby Depot Town station is likely to be opened within a few years and to transform Ypsilanti by offering access to a new type of commuter. This same commuter is likely to appreciate aspects of each sites—whether it be location adjacent to stately homes or the amenities of downtown living—and development is likely to thrive at both sites.

## **220 North Park Street**

The City should begin to illicit interest in the site as permitting, design, and new construction for larger residential units may take time. Ideally, the units will be ready within six months of the Depot Town station reopening to maximize values.

## **1 South Huron Street**

The City should look into options to acquire additional parcels to provide developers a larger footprint for rehabilitation and new construction. This will not only enhance the catalytic effect of the development, but will maximize value for the City

upon sale. If such acquisition is not possible, the City ought to work with developers to maximize the value of the current site.

Rebuilding the historic roof on City Hall, and adding additional stories to the structure, would allow a developer to increase the FAR on the adjacent residential structure without compromising the historic quality of the downtown.



# Appendix 1 | Financial Summary | 220 North Park # 1

## Financial Assumptions

PROJECT ASSUMPTIONS	
Site Acquisition Cost	\$300,000
Rent Growth Rate	4.5%
RESIDENTIAL	
Average Construction Cost PSF	\$124.48
Monthly Rent PSF	\$1.18
Vacancy	5%
Operating Expense Ratio	40%
Terminal Cap Rate	7.50%
GENERAL SITE COSTS	
SF of Landscape	128,000
SF of Pavement/Parking	32,000
Landscape - Cost per SF	\$2.50
Hardscape - Cost per SF	\$2.50
OTHER EXPENSES	
Sales Expense	2%
Construction Contingency	5%
FINANCING	
Loan to Cost Ratio	70%
Construction Loan Interest Rate	6.00%
Permanent Loan Term	30
Permanent Loan Interest Rate	5.00%
TAXATION	
Depreciation Period	27.5
Depreciation Recapture	25%
Capital Gains Tax	15%
Income Tax Rate	35%

## Summary Returns

Value at Sale		Year 5
Capitalized Value		\$10,332,803
Net Cash After Loan Repayment		\$2,681,529
Returns		Year 5
Unleveraged Before Tax IRR		-3.07%
Leveraged Before Tax IRR		-6.73%
Leveraged After Tax IRR		-6.73%
Total Profit/Loss		Year 5
Unleveraged Before Tax		-\$1,616,088
Leveraged Before Tax		-\$1,022,957
Leveraged After Tax		-\$1,022,957
Return Measures at Stabilized Occupancy		Year 5
Return on Cost (NOI/Total Cost)		5.12%
Return on Equity (Cash Flow After Fin./Equity)		5.19%
Development Costs with Subsidies		
Residential		\$14,785,819
Subsidy		\$0
<b>Total Development Costs</b>		<b>\$14,785,819</b>
Construction and Development Costs		
Equity		\$4,435,746
Loan		\$10,350,073
<b>Total Development Costs</b>		<b>\$14,785,819</b>

# Appendix 1 | Financial Summary | 220 North Park #2

## Financial Assumptions

<b>PROJECT ASSUMPTIONS</b>	
Site Acquisition Cost	\$300,000
Rent Growth Rate	4.5%
<b>RESIDENTIAL</b>	
Average Construction Cost PSF	\$125.08
Monthly Rent PSF	\$1.19
Vacancy	5%
Operating Expense Ratio	40%
Terminal Cap Rate	7.50%
<b>GENERAL SITE COSTS</b>	
SF of Landscape	135,000
SF of Pavement/Parking	35,000
Landscape - Cost per SF	\$2.50
Hardscape - Cost per SF	\$2.50
<b>OTHER EXPENSES</b>	
Sales Expense	2%
Construction Contingency	5%
<b>FINANCING</b>	
Loan to Cost Ratio	70%
Construction Loan Interest Rate	6.00%
Permanent Loan Term	30
Permanent Loan Interest Rate	5.00%
<b>TAXATION</b>	
Depreciation Period	27.5
Depreciation Recapture	25%
Capital Gains Tax	15%
Income Tax Rate	35%

## Summary Returns

<b>Value at Sale</b>		<b>Year 5</b>
Capitalized Value		\$9,118,901
Net Cash After Loan Repayment		\$2,333,612
<b>Returns</b>		<b>Year 5</b>
Unleveraged Before Tax IRR		-3.26%
Leveraged Before Tax IRR		-7.25%
Leveraged After Tax IRR		-7.25%
<b>Total Profit/Loss</b>		<b>Year 5</b>
Unleveraged Before Tax		-\$1,523,743
Leveraged Before Tax		-\$973,975
Leveraged After Tax		-\$973,975
<b>Return Measures at Stabilized Occupancy</b>		<b>Year 5</b>
Return on Cost (NOI/Total Cost)		5.08%
Return on Equity (Cash Flow After Fin./Equity)		5.10%
<b>Development Costs with Subsidies</b>		
Residential		
Subsidy		
<b>Total Development Costs</b>		
<b>Construction and Development Costs</b>		
Equity		\$3,943,886
Loan		\$9,202,402
<b>Total Development Costs</b>		<b>\$13,146,288</b>

# Appendix 1 | Financial Summary | 1 South Huron

## Financial Assumptions

<b>PROJECT ASSUMPTIONS</b>	
Site Acquisition Cost	\$0
Rent Growth Rate	4.5%
<b>COMMERCIAL</b>	
Average Construction Cost PSF	\$195.52
Monthly Rent PSF	\$1.26
Vacancy	15%
Operating Expense Ratio	0%
Terminal Cap Rate	10.00%
<b>GENERAL SITE COSTS</b>	
SF of Landscape	10,000
SF of Pavement/Parking	-
Landscape - Cost per SF	\$2.50
Hardscape - Cost per SF	\$2.50
<b>OTHER EXPENSES</b>	
Sales Expense	2%
Construction Contingency	5%
<b>FINANCING</b>	
Loan to Cost Ratio	70%
Construction Loan Interest Rate	6.00%
Permanent Loan Term	30
Permanent Loan Interest Rate	5.00%
<b>TAXATION</b>	
Depreciation Period	27.5
Depreciation Recapture	25%
Capital Gains Tax	15%
Income Tax Rate	35%
<b>Amt of Subsidy/Reduction in Project Costs</b>	<b>\$896,964</b>

## Summary Returns

<b>Value at Sale</b>		<b>Year 5</b>
Capitalized Value		\$2,073,080
Net Cash After Loan Repayment		\$178,009
<b>Returns</b>		<b>Year 5</b>
Unleveraged Before Tax IRR		1.31%
Leveraged Before Tax IRR		12.95%
Leveraged After Tax IRR		12.95%
<b>Total Profit/Loss</b>		<b>Year 5</b>
Unleveraged Before Tax		\$141,090
Leveraged Before Tax		\$235,984
Leveraged After Tax		\$235,984
<b>Return Measures at Stabilized Occupancy</b>		<b>Year 5</b>
Return on Cost (NOI/Total Cost)		5.64%
Return on Equity (Cash Flow After Fin./Equity)		6.69%
<b>Development Costs with Subsidies</b>		
Residential		\$3,587,854
Subsidy (Historic Tax Credits 25%)		\$0
<b>Total Development Costs</b>		<b>\$3,587,854</b>

## AJA L. BONNER

- 2136 GLENCOE HILLS DR., ANN ARBOR, MI. 48108 ● (847) 997-1346 ● AJALILL@UMICH.EDU ●

### EDUCATION

**University of Michigan, Taubman College of Architecture and Urban Planning, Ann Arbor, MI**  
Masters in Urban Planning Candidate, May 2014

**Northwestern University, School of Education and Social Policy, Evanston, IL**  
Bachelor of Science with Honors, June 2005

Major: Human Development and Psychological Services

### ACADEMIC COMMITTEES

- *Agora Planning Journal*, Copy editor
- 2013 Martin Luther King, Jr. Symposium, Co-Chair
- Urban Planning Student Association, Professional Development Chair

### PROFESSIONAL EXPERIENCE

**U.S. Centers for Disease Control and Prevention (CDC), Atlanta, GA**      **September 2010 – August 2012**  
***Management and Security Program Analyst***  
*Researched, proposed, and evaluated policy recommendations that addressed hazards facing CDC's domestic and international workforce*

- Produced open source and sensitive security briefs for volatile regions in Africa in support of CDC's intensified Global Polio Eradication effort
- Provided technical assistance to international field offices developing comprehensive emergency plans
- Facilitated consolidation of CDC's security, safety, facilities, logistics and sustainability offices

### **U.S. Centers for Disease Control and Prevention (CDC)**

#### ***Emerging Leaders Program (ELP) Fellow***

**September 2008- September 2010**  
*Competitively selected by the Department of Health and Human Services, parent organization to CDC, to support security and emergency management functions, while cultivating leadership competencies through two years of training and diverse rotational assignments*

- Office of Security and Emergency Preparedness, CDC, Atlanta, GA  
Assisted with the development of emergency response plans, trainings, and exercises for the 10 domestic CDC facilities
- National Center for Environmental Health, CDC, Atlanta, GA  
Conducted an evaluation study of the efficacy of CDC's role as a commenting agency in Environmental Impact Statements and developed an experiential exercise to educate Congress and other high-level visitors about the relationship between built environments, walkability, and injury risks
- Global AIDS Program, CDC, Tanzania, East Africa  
Led public affairs activities for 10 new care and treatment clinics throughout northern and coastal Tanzania and oversaw special projects under the US President's Emergency Plan for AIDS Relief (PEPFAR)-- a \$361 million investment to bolster Tanzania's health infrastructure
- Centers for Medicare and Medicaid Services, CMS, Baltimore, MD

# Brittany Foley

810.610.4214 | b.law.foley@gmail.com | 479 Stryker Street | South Lyon, MI 48178

planning

**University of Michigan** | Ann Arbor, Michigan  
*Masters of Urban Planning* | housing, community & economic development  
*Graduate Certificate* | real estate development

May 2013

## HONORS

Graduate Student Instructor | statistics  
Taubman Scholar | merit-based scholarship  
BA 517 Term Project | “Best Overall,” “Best Financial,” and “Best Architecture”  
UM/ULI Real Estate Forum Urban Restoration Case Competition | first place 2011

## ACTIVITIES

Urban Planning Student Association | co-president • Revitalization & Business Club | director  
TCAUP Dean’s Office | employee • UM MLK Day, 2012 | symposium moderator • UM Club Softball  
Urban Land Institute Hines Competition, 2012 + 2013 • Research Assistant

## RELEVANT COURSEWORK

Real Estate Essentials • Financing Real Estate Development • Real Estate Finance Law • Central City Development • Urban Design Studio • GIS

## Michigan Economic Development Corporation (MEDC) | consultant

Conduct feasibility studies in coordination with the Redevelopment Ready Communities – Redevelopment Ready Sites® best practice for a variety of Michigan communities

May 2013

legal

## State Bar of Michigan | member

**William & Mary School of Law** | Williamsburg, Virginia  
*Juris Doctor*

August 2011

## HONORS

*William & Mary Environmental Law and Policy Review*  
*William & Mary Business Law Review* | founding staff editor  
Graduate Research Fellow | merit-based fellowship

## ACTIVITIES

Alternative Dispute Resolution Society | chair • Women’s Law Society | speakers chair  
Public Service Fund | board member • George Wythe Society [public service honor society]  
W&M Club Softball

## RELEVANT COURSEWORK

Real Estate Transactions • Real Estate Finance • Bankruptcy • Comparative Corporations

## Strategic Staffing Solutions | intern

Prepared contractual amendments for supplier and customer contracts  
Wrote memoranda covering international legal issues and business-license requirements  
Revised employment contracts to comply with industry best-practices

May 2011 - October 2011

## N.A.S.A. Langley Research Center | intern

Researched federal and state regulations on employment-related issues  
Wrote memoranda regarding working-hours limitations, jurisdictional issues between federal agencies and the military, Freedom of Information Act (FOIA), and recent US Patent and Trademark Office decisions, Attended TedxNASA 2010

August 2010 - November 2010

## Instituto Franklin | researcher

Created case study supervised by Enrique Alonso García, Counselor of State (Spain)

July 2010 - Present

skills, memberships, activities

Adobe Creative Suite • AutoCAD • ArcGIS • Stata • Google SketchUp • MS Office • LexisNexis • Westlaw  
Fort Street Presbyterian Church | deacon  
American Planning Association • Michigan Association of Planning  
Urban Land Institute | member and active on Communications Committee  
Incorporated Society of Irish American Lawyers

class of 2015  
2011  
2011  
2010

additional

## Alma College | Alma, Michigan

Bachelor of Arts | foreign service, economics [minors in math and political science]  
3.71|4.0 • *magna cum laude*

May 2009

## HONORS

Honors | Alma College, Foreign Service, Economics  
Honor societies | Phi Beta Kappa, Pi Mu Epsilon, Omicron Delta Epsilon, Pi Sigma Alpha  
2009 Kapp Prize | winner • Posey Global Leadership | fellow • Earhart Emerging Scholars | grant winner

## ACTIVITIES

Alma College Softball • Model United Nations | “Outstanding Delegation” [3 years]

# MANDY C LEE

4865 Cedarview, Apt 2C, Ypsilanti, MI 48197  
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## EDUCATION

Graduated 5/2013

**UNIVERSITY OF MICHIGAN**, Ann Arbor, MI

- Masters of Urban Planning and Certificate in Real Estate Development
- GPA: 4.0/4.0
- Selected coursework: Financing Real Estate Development, Real Estate Essentials, Real Estate Seminar, Advanced Excel, Legal Aspects of Planning, Quantitative Methods, Construction Contracting, Physical Planning Workshop, Public Finance

Graduated 5/2007

**TUFTS UNIVERSITY**, Medford, MA

- Bachelor of Arts in International Relations
- GPA: 3.7/4.0; Magna Cum Laude

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## EXPERIENCE

5/2012 – Present

**Independent Real Estate Consultant**, Ann Arbor, MI

- Clients include real estate investment firm, real estate development firm, cities, and economic development agencies
- Analyzed and advised on real estate investments and developments throughout Michigan
- Created financial spreadsheets modeling various real estate investment and development scenarios
- Coordinated with City planners, engineers, architects, and surveyors to obtain cost estimates for development projects
- Performed due diligence on potential property acquisitions, including legal, financial, and market research

2/2013 – 4/2013  
4/2012 – 8/2012

**CARLISLE/WORTMAN ASSOCIATES**, Ann Arbor, MI  
**Planning Intern**

- Wrote design guidelines and evaluated the financial feasibility of infill development along a major transportation corridor
- Worked on various planning and economic development assignments for municipalities in Michigan

2/2011 – 8/2011

**PLANTE & MORAN**, Southfield, MI  
**Financial Analyst**

- Created and analyzed quarterly performance reports for firm's clientele
- Executed investment strategies for high-net-worth clients
- Maximized tax efficiencies for clients' investment portfolios

8/2007 – 5/2010

**STATE STREET CORPORATION**, Boston, MA  
**Senior Portfolio Accountant**

- Facilitated conversion of top tier institutional client's assets of over \$200bn to company's custody operations
- Formulated standards and practices for team to service new client's exchange traded funds (ETFs)
- Managed daily custody operations for funds, including cash management, income collection, corporate actions, trade settlements, FX execution, and liquidity, verifying accuracy and timeliness
- Trained new team members on accounting systems and processes

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## ACADEMIC ACTIVITIES

1/2013 - 5/2013

**Teaching Assistant for UP 566: Financing Real Estate Development**

- Supported instructor through tutoring students in real estate finance and grading coursework
- Course focuses on developing the skills required to make justifiable decisions in real estate, including evaluating cash flows, valuing properties, determining returns on real estate investments, structuring loans, performing market analysis, and constructing financial pro formas

1/2013

**Team Leader; 2013 ULI/Hines Urban Design and Real Estate Competition**

- Led an interdisciplinary team of 5 students to propose a new vision for an underutilized district in Minneapolis, MN, in an intensive two week competition
- Constructed a financial pro forma for a development in Minneapolis, MN that incorporated market research and public and private funding sources

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## AWARDS

- 2012 Commercial Real Estate Women of Chicago Scholar; CREW Chicago
- 2012 Helen Huff Shell Scholar; University of Michigan

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## SKILLS

Adobe Creative Suite, ArcGIS, Argus, AutoCAD, SketchUp, Microsoft Excel (Advanced), Microsoft Office, R, STATA, Conversational Cantonese. Intermediate Japanese

# Anthony D. Lim

## Current Address:

1875 Pointe Crossing St. Apt# 301  
Ann Arbor, MI, 48105  
217-721-6568  
[adlim8737@gmail.com](mailto:adlim8737@gmail.com)

## Education:

*University of Michigan at Ann Arbor*

Master of Arts in Kinesiology – Sports Management, April 2013

*University of Illinois at Urbana Champaign*

Bachelor of Arts in Economics, May 2012

## Work Experience:

### **Tim Horton's**

*Marketing Intern*

- Developed community relations throughout the Ann Arbor area.
- Managed budget spreadsheet.
- Initiated Grand-Opening plan with limited resources.
- Engaged in marketing research, competition analysis, and environmental scans.

Ann Arbor, MI  
September 2012 – December 2012

### **Blush FX Make-up Artistry**

*Administrative Assistant*

- Marketed services of make-up artist to potential clients.
- Assisted in accounting services and helped develop payroll program.
- Designed company flyers and distributed them to potential clients.
- Scheduled and organized appointments.
- Coordinated office events.

Toronto, ON, Canada  
May 2010 – August 2010

### **Century 21 Leading Edge Realty Inc.**

*Administrative Work*

- Coordinated with clients and agents in order to book showings and inspections.
- Administered home inspections and showings.
- Created flyers and advertising to potential clients interested in buying or selling homes.
- Assisted in accounting services.
- Managed clientele database.

Toronto, ON, Canada  
May 2009 – August 2009

## Leadership and Activities:

### **Free the Children: Ecuador Expedition**

*Participant*

- Embarked on a 21 day trip to Ecuador, working with Free the Children to build a school in a small rural town in August 2007.
- Participated in a 7 day white water rafting camping adventure to satisfy the Duke of Edinburgh Gold classification.
- Interacted with the local community and worked together to successfully construct the school.

Ecuador  
August 2007

## Skills:

- Computers: Proficient understanding of SQL, VBA, Microsoft Office Software, Adobe Software.
- Languages: Fluent in English. Proficient in Spanish, French and Mandarin.

# Yang Lin

2557 Stone Road, Ann Arbor, MI,  
48105

T 513-633-9606  
E linyang04@gmail.com

## EDUCATION

### University of Michigan

Graduate Certificate in Real Estate Development

**University of Cincinnati** | Cincinnati, OH

Master of Science in Architecture

**Tsinghua University** | Beijing, China

Bachelor of Arts [Environment Design in Architecture]

Jan.2013 - Present

Sep. 2009 - Dec.2011

Sep. 2004 - Jul. 2008

## EXPERIENCE

### Jeffrey McKean Architecture

[Jan. 2012 – Jan. 2013] Architectural Designer | New York City

- 6 E 1st Street, New York NY : Interior elevation drawing , architectural design , shop drawing review , interior survey, DOB(Department of Building) filing, millwork collaboration
- 323 Canal Street, New York NY : DOB filing
- 38-40 E 76th Street, New York NY : Design endering,interior elevation drawing, light fixture selecting
- 513 Ocean Ave, Brooklyn NY : Interior architectural survey, DOB filing
- Griffith Street, Saugatuck MI : Schematic design, design development, design rendering
- Modest House : Window& door schedule

### Center for the Electronic Reconstruction of Historic and Archaeological Sites (CERHAS)

[University of Cincinnati]

[Aug. 2009 - Sep. 2011] Graduate Assistant | Cincinnati, OH

- Miami Whitewater Forest Park, urban design and visiting center building design: Schematic urban design, design development, hand and computer renderings
- Ancient Ohio Trail project: Wayfinding design research, graphic design, and marketing

### Interior Design China, Frame and Area Magazines [Reed Business Information]

[Mar. 2008 – Sep. 2009] Editor, Interpreter, Photographer | Beijing, China

- Co- edited the book *Ten Years of Chinese Design*, which covers more than 100 selective architecture and interior design projects in China from 1998 to 2008.
  - Published 20 articles in Chinese in *Interior Design China (Asymptotic Evolution/ The Hidden Emotion in Design/ Sheep Stable Atmere,etc.)*
  - Co-organized the 5th Hospitality Design International Forum (Beijing)
- The invited companies included Horwath HTL, Jumeriah, Marriot, Accor, Kempinski
- Reported architecture and interior design news in US for *Interior Design China* and *Area*

### Beijing Qingshang Environmental Art & Architecture Design Institute Co., LTD

[Oct. 2007 - May 2008] Intern | Beijing, China

Preservation and Reconstruction of Shichahai District (Beijing): community design, design development, hand and computer rendering.

## SKILLS

**Computer:** Proficient in free-hand drawing, Auto CAD, Sketch Up, Rhino, Revit, 3D Max, Adobe Suites [Photo-shop, Illustrator, InDesign], Microstation, GIS, MS Office.

**Language:** English, Mandarin(Excellent writing, communication and organization skills in both English and Madarin)

## AWARDS

The University Graduate Scholarship of University of Cincinnati [2009 - 2011]

The Academic Scholarship of Tsinghua University [2006 - 2008]

Frist Prize, The International Design Competition, "Location and Situation" [2008]

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## Education

Expect April 2013  
University of Michigan, Ann Arbor, MI, USA  
Taubman College of Architecture + Urban Planning  
*Master of Urban Design*

July 2012  
Tsinghua University, Beijing, China  
School of Architecture  
*Bachelor of Architecture*

## Work Experience

Sept. 2011-May 2012  
Urban Planning & Design Institute of Tsinghua University, Beijing, China  
*Intern*

Collaborated in researching and planning of Feicheng, Shandong, China  
Assisted with entire design process of suburban development of Wuwei, Gansu, China

May-Aug. 2011  
Tianhua Architecture Planning & Engineering Limited, Shanghai, China  
*Intern*

Assisted with concept and detail design of a Vanke residential project in Shanghai, China  
Collaborated with senior designers for Meixihu Hotel Design Competition in Hunan, China

July-Nov. 2010  
S.M.A.L.L. Architects, Beijing, China  
*Project Assistant*

Assisted with design and construction of Tsinghua Dormitory Public Space Renovation  
Managed the budget and organized student volunteers

June-Aug. 2010  
Institute of Architectural History, Tsinghua University  
*Research Assistant*

Surveyed and archived ancient buildings in Wutaishan, Shanxi Province, China  
Helped with the publication of *Ten Years Mapping of Chinese Ancient Buildings*

Sept. 2008-June 2010  
Students' Union, School of Architecture, Tsinghua University  
*Vice President*

Organized daily students activities  
Led a team of 17 students to hold the annual New Year Party for 800 people

## Awards

2012-2013  
Merit Based Scholarship  
University of Michigan

2008-2011  
Annual Excellent Student Scholarship (10%)  
Tsinghua University

2008-2010  
Outstanding Student Leader (2%)  
Tsinghua University

## Skills

Language: *English, Mandarin(native)*

Digital: *AutoCAD, SketchUp, Rhino, ArcGIS*  
*Adobe Photoshop, Illustrator, InDesign, Microsoft Office Suite etc.*

Art: *Sketch, Watercolor painting, Calligraphy, Photography*