



Campau/Davison/Banglatown

12449 Conant Request for Qualifications

Release Date: July 3, 2019

Pre-Submission Conference: July 15, 2019

Proposal Submission Deadline: August 30, 2019





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I. PROJECT OVERVIEW

The City of Detroit's Housing and Revitalization Department (HRD) and the City of Detroit Planning & Development Department (P&DD) seek a qualified development team to rehabilitate or construct a mixed-use commercial structure on the Conant corridor. The current existing structure is a two-story commercial building with adjacent parking spaces.

The City recently completed an 18-month neighborhood framework planning initiative for the Campau/Davison/Banglatown (C/D/B) area, which is one of ten designated Strategic Neighborhood Fund (SNF) investment areas, a \$300M effort to leverage public and private funds, which will result in comprehensive improvements to parks and open space, street and streetscapes, greenways, housing stabilization, and mixed-use development across the city of Detroit. The C/D/B area is positioned to receive \$1.6M in streetscape improvements along Conant Avenue, \$1.6M in improvements to Jayne Field including: new soccer and cricket fields, new walking paths, improved basketball and tennis courts, a new splash pad and pavilion, and a new outdoor reading garden for Knapp Library.

The development site is a 2,760 square foot two-story building with 250 square feet of adjacent parking spaces. The City of Detroit seeks a well-designed development that will build on the inherent strengths of the site contributing to the overall strength of the commercial corridor and bringing diversity a diversity of retail.

The successful respondent will adhere to these guiding principles:

- **Community-Oriented Development Process:** The selected development team must be transparent with residents of the community and maintain an open dialogue with stakeholders throughout the development timeline. This includes (but is not limited to) incorporating community members' values and desires in the commercial tenant selection process, construction issues, site plan/design, decisions, and marketing any residential units during the lease up
- **Neighborhood Scale Development:** The design, scale, and quality of the building should enhance the existing housing and commercial typologies found along the Conant corridor. The commercial structures will allow observation of the street and provide pedestrians with a sense of walkability
- **Growing Detroit's Development Talent:** The City of Detroit is committed to the development of new local developer, architect, and builder talent through the real estate projects in the Strategic Neighborhood Initiative. While not required for all participants, at least some of the partners participating in the project should be locally based and new emerging talent in the real estate sector.
- **Sustainable and Equitable Development:** the project should support neighborhood commercial investment and job opportunities, while also incorporating design elements that promote environmental sustainability – both in the natural (i.e., natural plant species) and built environment (i.e. storm water management, LED lighting, renewable energies).

The successful respondent will:

1. Demonstrate a strong track record of delivering high quality projects on time.
2. Have significant experience completing full rehabilitation of commercial retail structure/space and/or constructing mixed-use infill development
3. Demonstrate the desire to create a development that works to bridge various communities within the neighborhood;



4. Construct a program that contributes to the density and diversity of retail services that create an attraction to the corridor and various neighborhoods

Respondents are asked to submit the following:

1. **Project Description:** Letter of intent, which includes a narrative of the Respondent's approach to developing the site, scenario selection and programming, and anticipated outcome
2. **Project Team Experience:** Detailed professional experience/history of the development team including current resumes, respective roles and responsibilities of team members, examples of similar completed projects, and references for a minimum of three (3) past projects of similar size
3. **Project Financing:** Developer equity, development budget, ten-year proforma (including operating budget), preliminary construction costs, market and financial assumptions, financial details, and detailed and vetted sources and uses for the proposed project clearly outlining any city and state funding/abatement opportunities
4. **Project Design:** graphic representation and basic schematic design. (The applicant should provide graphic representation of the general massing and neighborhood context of the proposed project, however, the City prefers that applicants invest their time and resources in the development of detailed financial analysis for this project rather than upfront design work.)
5. **Project Timeline:** Preliminary project schedule, predevelopment timeline, construction timeline, lease-up timeline and strategy (if applicable), and strategy for developing the site should be clearly outlined



II. CONTEXT / AREA SUMMARY

The Campau/Davison/Banglatown Community stands out because of its abundance of strong neighborhood amenities. Boasting three well-respected public and charter schools, a dense and walkable commercial corridor, a premier neighborhood park, quality recreational center, library, and a strong connection to the city of Hamtramck's restaurants, bars, and retail, C/D/B already has the building blocks to become one of the City's strongest neighborhoods.

The Campau/Davison/Banglatown Planning area represents an extremely diverse district with four distinct neighborhoods and communities in one planning area. These communities can be defined by physical character, geography, demographics, history, and culture. Different neighborhoods may also have different needs, wants, and visions for their future. The neighborhood is defined by their geographical location in accordance with the 3 major roads that cross the planning area – Joseph Campau, Conant, and Charles.

- East Davison Village – area the west of Joseph Campau
- Banglatown – area between Joseph Campau and Conant
- North Buffalo – area east of Conant and north of Charles
- South Buffalo – area east of Conant and south of Charles

Of significant importance in C/D/B is the significant diversity that is inherit in the community. This neighborhood expands/extends the city of Hamtramck's reputations as the "World in 2 Square Miles". This bordering community is made up of Bangladeshi, Yemeni, African American, and white residents creating one of the most diverse communities in the City and creating a great opportunity to build an inclusive neighborhood.

Moving forward on Mayor Duggan's commitment to neighborhoods, the City of Detroit's Planning and Development Department (P&DD) and Housing & Revitalization Department (HRD) have recently completed an 18-month long neighborhood framework initiative in Campau/Davison/Banglatown.

On March 6, 2019 the City of Detroit held a community meeting to announce a series of near term implementation projects to begin this year. The City will be investing public dollars in public spaces and infrastructure as a comprehensive neighborhood approach so residents can see real projects working together to strengthen the neighborhood.

The City of Detroit will begin implementation of various neighborhood components in the next 1-3 years. Near-term projects include the following:

Jayne Playfield: Jayne Playfield, a 64 acre park and playfield, rests in the center of the C/D/B planning area study. With bordering amenities such as the Knapp Library, Frontier Academy, this playfield represents a bastion for community gathering and cultural understanding. Open until 10PM, Jayne Playfield, known for easy viewing of a friendly Cricket match right from the main thoroughfare, features an abundance of soccer fields, basketball courts, tennis courts, baseball fields, and a concession stand in the center of the playfield. The City through the General Services Department (GSD) has planned to make this even better with several planned enhancements to a more welcoming entrance to the park and enhanced walking path throughout the park, a dedicated cricket field, enhanced soccer fields, a playground and improved connectivity to Knapp Library bordering the entrance to the park, and a splash pad for the youth which is currently under construction. \$1.6M in improvements are expected to be completed in 2019.

Knapp Library: The Elisabeth Knapp Branch of the Detroit Public Library rests close to the northern edge of the C/D/B study area at the northern edge of Jayne Field. A highly utilized amenity in the area, the Knapp Library offers a slew of services including: book clubs, computer classes, meeting area space, mobile printing, and a number of reading and non-reading events for people of all ages.



The Knapp Library is slated for an updated reading garden at the front entrance adding a beautiful outdoor element common of many upscale library branches.

Conant Streetscape Improvements: The City plans to invest \$1.6M in streetscape improvements on Conant to increase walkability and safety into Jayne Field, improve parking, and add new pedestrian crossings and landscaping along Conant from Davison to Carpenter.

Luce and Fenelon Street Improvements: Traffic calming will be installed around the perimeter of Jayne Playfield on Luce and Fenelon and on Conant.

Bundling Program: In an attempt to stabilize the neighborhood, the city of Detroit and the Detroit Land Bank will pilot a new Bundling program. A combination of 1 house and up to 8 vacant lots will be “bundled” together and made available for acquisition. Purchasers will present an improvement plan that will rehab the existing structure and contribute to the character and sustainability of the community with creative and productive uses. Approved plans will be awarded the bundle.

Affordable Housing Developments: Two affordable developments are currently in predevelopment:

- **Transfiguration Apartments:** Cinnaire Solutions and Ethos Development Partners plans to begin construction of \$6.4M residential building. Transfiguration Apartments includes 19 one-bedroom apartments at the Southeast corner of Syracuse and Luce.
- **Carpenter Apartments:** MHT Housing Inc proposes to construct the Carpenter Apartments, 50 affordable units, a \$16.8M development, located at the former Greater Detroit Hospital at the northeast corner of Charest and Carpenter.

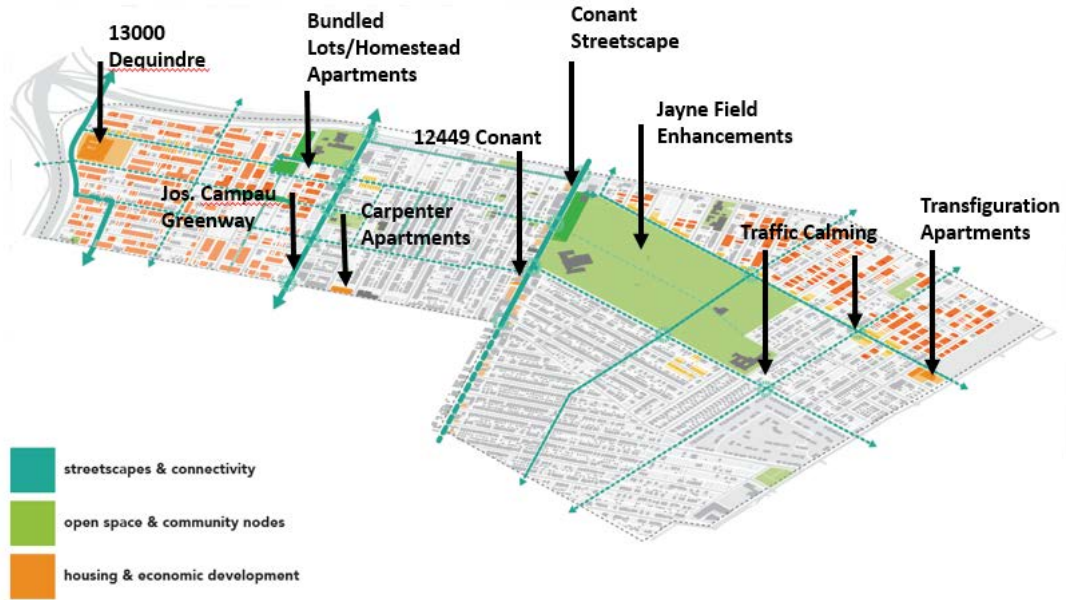
Joe Louis Greenway: The Joe Louis Greenway, currently in the visioning stage, will provide a fun and safe space for people of all abilities and skills to walk, bike, and run through a significant number of neighborhoods in the city of Detroit, Highland Park, Hamtramck, and Dearborn. The eastern major leg of the loop will extend from downtown Detroit through Hamtramck. Once implementation begins, this leg of the greenway will bring significant investment to the streetscape selected in the Campau/Davison/Banglatown area.

The City will also be releasing an RFQ to rehabilitate 13000 Dequindre creating a new mixed-use multi-programmed building at the vacant Washington Trade Technical School on the corner of Dequindre and Lawley in fall of 2019, winter 2020. This development will reactivate 86,000 sf of structural space along with 100,000 sf of site space.

The proposed project at 12449 Conant will present a unique opportunity to build off of the momentum of these strategic improvements.



Framework Plan





III. AREA RETAIL DEVELOPMENT

Campau/Davison/Banglatown area retail is strengthened by several components. First, the C/D/B rests on the border of the city of Hamtramck and Detroit. Joseph Campau and Conant are two major thoroughfares that enter the heart of Hamtramck's major retail corridors. C/D/B has quick access to other neighborhoods in Detroit and the inner ring suburbs with easy access to the Davison Freeway, the John C. Lodge Freeway, I-75, and I-94. Lastly, the Conant Corridor from Carpenter to Caniff boasts a 93% occupancy rate based on a report by the Detroit Economic Growth Corporation (DEGC). See **Exhibit A: DEGC Neighborhood Market Study** With the abundance of non-retail and general merchandise retail south of Carpenter and a lack of retail in the East Davison Village and Buffalo neighborhoods, 12449 Conant has a great opportunity to service a variety of needs and customers.

Conant and Joseph Campau corridors boasts several local retail and non-retail staples that serve as an attraction to the area:

Restaurants:

- **Café 1923** – a local coffee shop in a renovated house right off the main east-west thoroughfare a few blocks west of the downtown
- **Royal Kabob** – a staple Middle Eastern family-oriented restaurant in the heart of downtown Hamtramck
- **California Burgerz** – a local attraction for burgers and fries boasting 100% halal meat in the center of C/D/B just along Conant
- **Kabob House & Mouchack Sweets** – a staple local Indian restaurant in Hamtramck right off of Conant
- **Aladdin Sweets & Care** – the first Bangladeshi restaurant in Hamtramck offering Indian homestyle cooking in a spacious dining environment
- **Polish Village Café** – one of the most well-known Polish family-friendly restaurants in the city of Hamtramck and country with affordable prices
- **Yemen Café** – area's first barebones halal eatery spotlighting traditional Middle Eastern specialties from Yemen
- **New Palace Bakery** – one of the most well-known bakeries in Hamtramck and the center of activity on Packzi Day opening as early as 3AM
- **Polonia** – celebrating 40 years, Polonia in downtown Hamtramck features a full menu of traditional and gourmet Polish and Eastern European specialties while celebrating Polish art and artifacts in its space
- **Oloman Café** – a coffee shop, meeting space, photography studio during the day with diverse gallery art shows and events year round in downtown Hamtramck on Joseph Campau





- **(revolver)** – a chef’s table restaurant offering multi-course prix-fixe dinners family-style feeding frenzies, and other occasional food-based gathering in a communal setting.

Goods & Services:

- Al-Haramain International Foods – one of over 40 local grocery stores with strong fresh vegetable options and a large variety of ethnic foods
- Dunwell Dry Goods
- Hamtramck Hardware
- Hamtramck HVAC Supply

Art Galleries:

- **Public Pool** – a DIY art cooperative and gallery right at the border of Detroit and Hamtramck
- **Hatch Art** – a former police station converted to artist studios and gallery space
- **Popp’s Packing** – an artist-run neighborhood nonprofit showcasing gallery exhibitions, new works, residency program, and workshops
- **Power House Productions** – an artist-run neighborhood based nonprofit integrating a network of project houses, art installations, creating public spaces for the exchange of ideas, opinions and experiences
- **KO Gallery** – creative art space in Hamtramck for bringing together creatives of all backgrounds



Bars & Night Life:

- **Bumbo’s** – one of the longest family owned bars in Hamtramck
- **New Dodge Lounge** – a two-story iconic Hamtramck bar just south of downtown Hamtramck with vintage arcade games, pool, and live music
- **The Painted Lady Lounge** – a local Hamtramck nightlife institution



- ***Whiskey in the Jar*** – a local dive bar in the heart of downtown Hamtramck
- ***Barter*** - a new cocktail bar with great atmosphere just north of downtown Hamtramck and at the southern border of the C/D/B
- ***The Fowling Warehouse*** – a local destination attraction, a combination of bowling, football, and cornhole, the Fowling Warehouse boasts a large arena of stations with two bars, live music stage, and plenty of spectator seating



Retail:

- There are dozens of small unique shops catering to the clothing, traveling, and communication of the City's many ethnicities.
 - LO & BEHOLD! Records & Books – a local record and book store
 - Wheelhouse Detroit – Hamtramck – the local bike and bike accessories shop downtown Hamtramck providing rental, retail, and service amenities
 - Record Graveyard – local record/exchange shop



IV. THE PROPOSED DEVELOPMENT – 12449 CONANT

The proposed site includes an existing vacant two-story commercial structure and an adjacent improved concrete parking lot fronting Conant Avenue directly adjacent to Jayne Field, Frontier Academy, the Knapp Library, Lasky Recreation Center, and a number of other retail and small shops forming the main commercial business district of the Davison Campau Buffalo neighborhood.

The City seeks a highly qualified and experienced development team to submit a mixed-use rehabilitation or new construction development proposal that supports the highest and best use of the existing structure. The City sees the proposed project as an opportunity to add density, diversity of retail type, and an opportunity to bridge several diverse communities and cultures.

The City believes that there are two potential types of respondents to this RFQ and have equal interest in both: a developer seeking tenants and/or an owner-operator looking for new space. The City and its consultants have identified several scenarios that would be ideal for this location. These can be found in **Exhibit B: Interboro Development Scenarios**. These options reflect the City’s vision for the site but are not intended to directly prescribe site development.





V. PROPERTY DESCRIPTION

Address: 12449, 12443, and 12437 Conant

Location: Intersection of Garvin St. and Conant St.

City/County: Detroit/Wayne

Land size: Vacant Structure

12449 Conant	5,520 sq ft + basement
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Adjacent Parking Lot

12443 Conant	2,998 sq ft
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12437 Conant	2,990 sq ft
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Zoning: The site is currently zoned **B-4 General Business District**.

B4 General Business District provides for business and commercial uses of a thoroughfare-oriented nature. In addition to these uses, other businesses, which may benefit by drawing part of their clientele from passing traffic are permitted. Additional uses, which may be successfully blended with permitted by-right uses, are conditional.

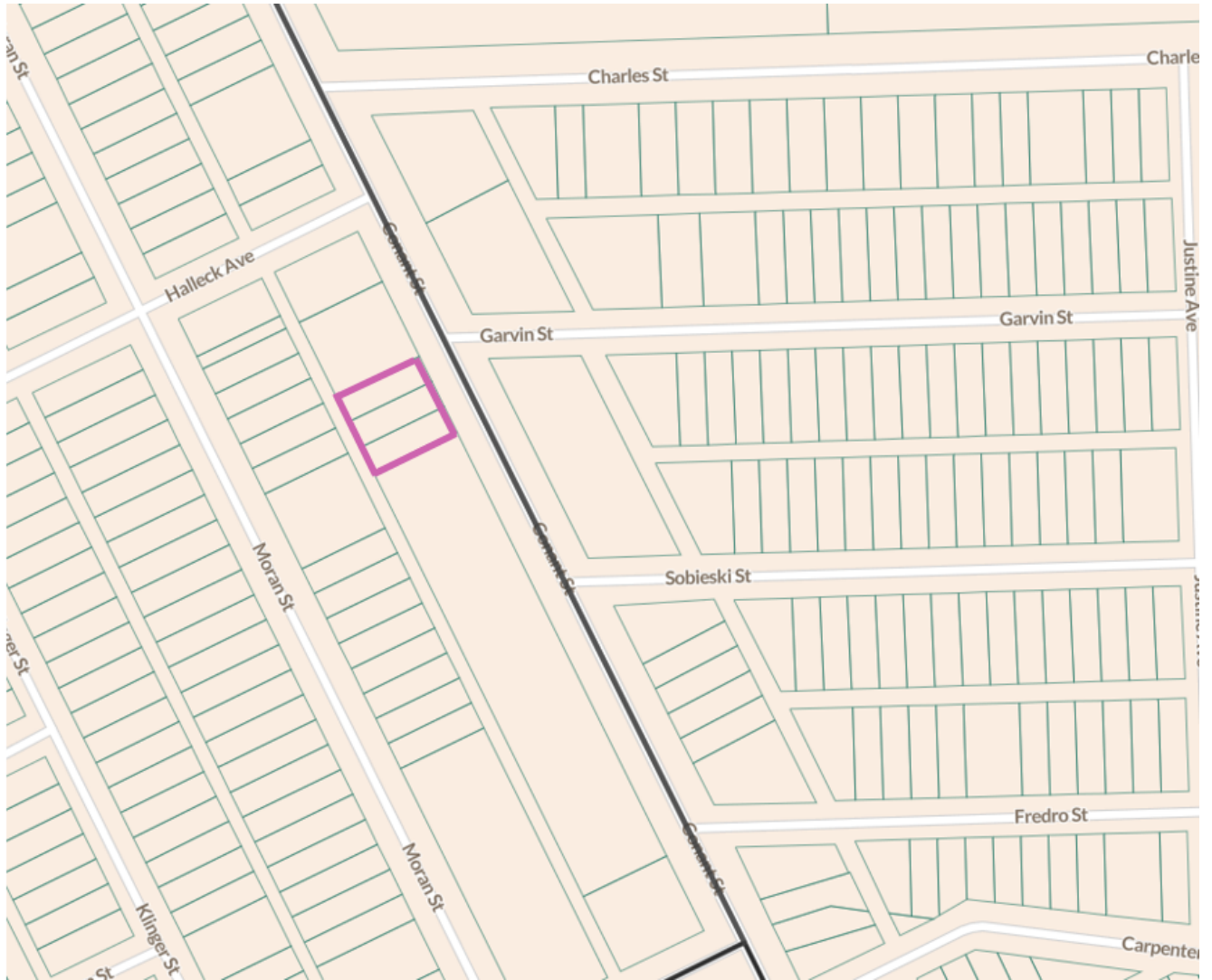
The City will support any zoning changes, conditional land use, or variances required to accomplish the selected development scheme.

Asking Price: \$82,800



VI. LOCATION MAP/AERIAL PHOTOGRAPH

Proposed Site Location





Aerial Site Photograph



Site Photograph





VII. AVAILABLE INCENTIVES

The City will favor and show preference to proposals that programmatically offer greater diversity in retail options and bridge the various communities in the study area.

Potential Incentives

The City of Detroit and the Detroit Economic Growth Corporation (DEGC) have several programs and abatements that may be of use for the redevelopment of 12449 Conant.

- Motor City Match - <http://www.motorcitymatch.com/>
- Motor City Restore - <http://www.motorcityre-store.com/>
- Michigan Economic Development Community Revitalization Program (MEDC CRP) - <https://www.michiganbusiness.org/49a841/globalassets/documents/reports/factsheets/communityrevitalizationprogram.pdf>
- SNF – Gap Financing

The City of Detroit offers many tax abatement programs and incentives. More information can be found here: <http://www.detroitmi.gov/Detroit-Opportunities/Detroit-Development/Detroit-Development-Financing>



VIII. EVALUATION CRITERIA AND SELECTION PROCESS

EVALUATION CRITERIA

Respondent's submission will be evaluated based on the following:

Respondent and Proposed Team Experience

- Successful experience in the planning, redevelopment, construction, and management of development projects of comparable size and complexity
- Cohesion of the team, as demonstrated by previous experience working together
- Demonstrate a strong track record in delivering quality projects on time
- Have significant commercial or mixed-use development expertise
- The degree to which the team demonstrates successful experience with ownership and management of multifamily developments of similar size

Local Hiring and Participation

- Detroit-based project team, minority or women owned business, and/or significant partnerships with local firms and community organizations, and evidence of previous local hiring experience

Preliminary Program Strategy

- The proposed development and methodology provided by the Respondent is logical, feasible, and clearly understandable, and indicates an understanding of realistic sources and uses of funds required for the project.
- Preliminary programming strategy of commercial space, parking, and amenities reflects an understanding of local market conditions
- The extent to which the developer intends to engage the community within their development timeline
- The budgets provided indicate the Respondent's commitment to ensuring the pricing proposed is reasonable
- The proposed timeline and phasing ensures timely completion of the project

Financial and Leverage Capacity

- Ability to obtain, structure, and implement financing for the Project, including demonstrated ability to procure financing and complete projects on schedule and within budgetary assumptions
- Depth and credibility of financial pro forma, ability to deliver identified financial sources, and capacity of development principles
- Consider the percentage of equity the developer intends to put towards this project



Project Design Standards

- Any work that was done in the preparation for submission by the Respondent will be taken into consideration
- Extent to which preliminary site plan proposed and design adheres to the Guiding Development Principles
- The degree to which the proposed construction budget is realistic and implementable

SELECTION PROCESS

A Selection Committee (the "Committee") will be established to review submissions. The Committee will consist of representative from HRD, P&DD, DLBA, the Detroit Economic Growth Corporation, Invest Detroit, and community stakeholder representatives. Additionally, the Committee may seek assistance from selected consultants. The Committee reserves the right to contact references and verify material submitted in any proposal.

The Submission of a proposal with all the requested information does not guarantee the Respondent will be a candidate for an interview.

SUBMISSION PROCESS AND TIMELINE

SCHEDULE

	<u>DATE</u>
Release Date:	July 3, 2019
Pre-Submission Conference:	July 15, 2019
Tour of 12449 Conant	August 5, 2019 9AM
Proposal Submission Deadline:	August 30, 2019
Selection of Preferred Developer	September 15, 2019
List: Shortlist Interviews:	September 30, 2019

Direction for Submissions

To be considered, all RFQ responses must be received by **5:00 P.M. EST on August 30, 2019.** The responsibility of submitting the RFQ response rests entirely with the Respondent to the RFQ.

Submissions shall be limited to 20 pages and must be made electronically with a 8.5x11 page size (plans/renderings may be up to 11x17) PDF via email to 12449ConantRFQ@detroitmi.gov or by USB thumb drive delivered to the City of Detroit Housing and Revitalization Department, located in Suite 908 (9th Floor), CAYMC, 2 Woodward, Detroit, Michigan 48226.

Proposals sent by overnight delivery service will be considered timely if the delivery date stamped is at least one (1) day before the due date set for receipt of the RFQ. The burden of proof to establish timely filing of a proposal by overnight delivery service shall be solely upon the entity or person submitting the proposal. It is the Respondent's obligation to ensure the required submission arrives in a timely manner at the specified location. Any submission that is not properly marked, addressed, or delivered to the submission location, in the required form, by the required submission time will be ineligible for consideration. **Hard copies and faxed submissions will not be accepted.**



Once received by HRD, submission will not be returned. Formal communication, such as requests for clarification and/or information concerning this solicitation shall be submitted by email to 12449ConantRFQ@detroitmi.gov. Response will be provided to all inquiries and answers to frequently asked questions will be available. No information concerning this solicitation or request for clarification will be provided in response to telephone calls.

All expenses involved in the preparation and submission of the RFQ to the City of Detroit and any work performed in connection therewith shall be assumed by the Respondent. No payment will be made by the City of Detroit for any responses received, nor for any other effort required of or made by the Respondent prior to the commencement of work.

All information in a Respondent's proposal is subject to disclosure under the provisions of Public Act No. 442 of 1976, as amended (commonly known as the Freedom of Information Act FOIA).



List of Exhibits

- | | |
|-----------|--|
| Exhibit A | Detroit Economic Growth Corporation Neighborhood Market Study |
| Exhibit B | Interboro Development Scenarios for 12449 Conant |
| Exhibit C | Planning & Development Department Guiding Development Principles |



Exhibit A – DEGC Neighborhood Market Study

DETROIT

Neighborhood Retail Opportunity Study

Bangla Town

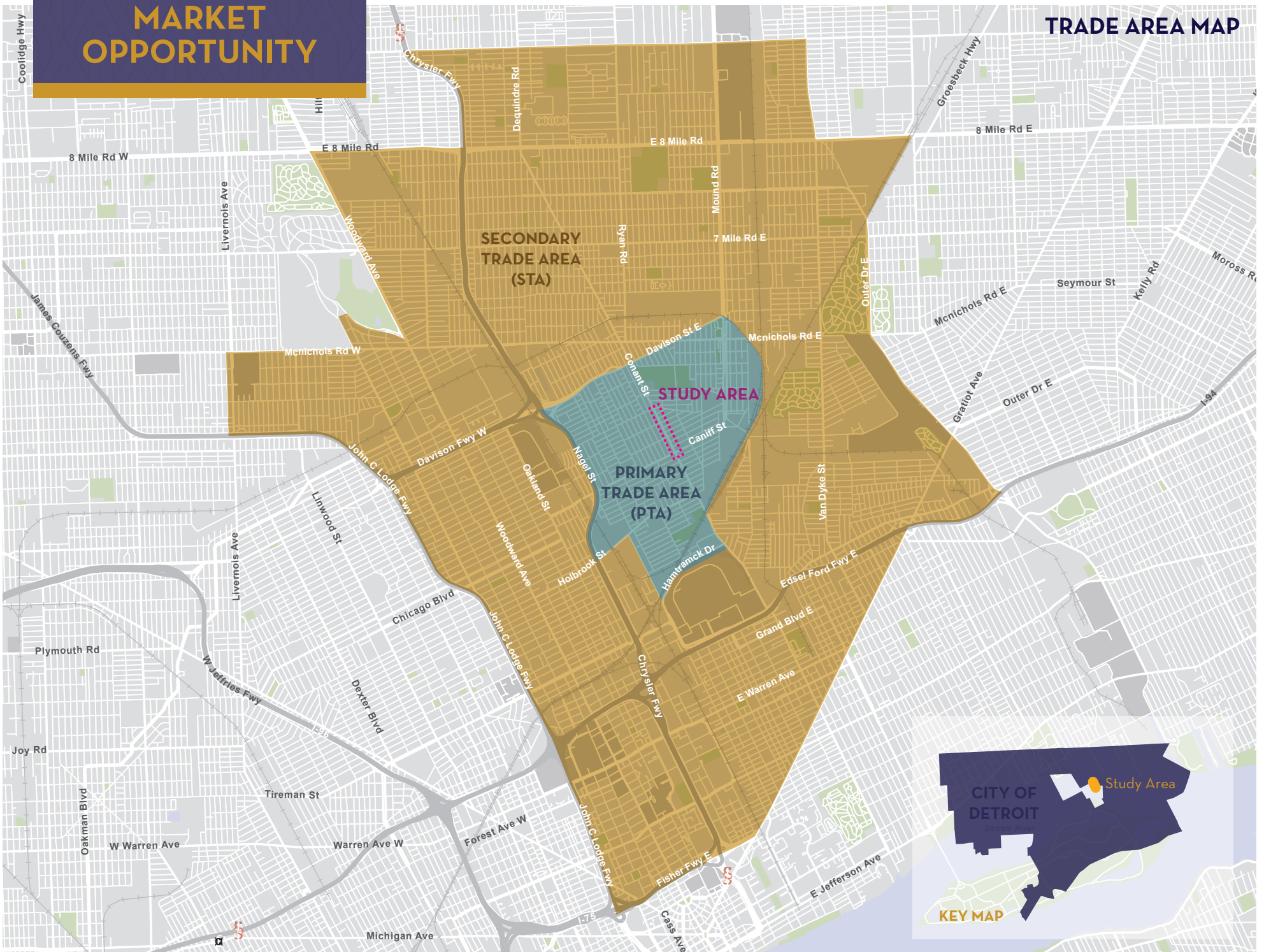
Bangla Town lies on the border of Hamtramck and Detroit. Once as a haven for Polish immigrants, this neighborhood now serves as a hub for immigrants from South Asia, particularly Bangladeshis. The current retail mix is primarily locally-owned grocers, amongst several restaurants and general merchandise retailers.

The Detroit Economic Growth Corporation (DEGC), in conjunction with its partner organizations and agencies, offers this package of materials to assist property owners, entrepreneurs, and residents to better understand the exceptional opportunities available for commercial investment in Bangla Town. It communicates the potential for existing retailers, new establishments, redevelopment, and building improvement within the street's retail priority retail area and the neighborhood's commercial districts.



MARKET OPPORTUNITY

TRADE AREA MAP



DEMOGRAPHIC SNAPSHOT



POPULATION
PTA — 30,779
STA — 125,206
DETROIT — 658,250



EMPLOYEES
PTA — 5,415



MEDIAN HHI
PTA — \$26,327
STA — \$23,820
DETROIT — \$27,372



PRIMARY ETHNICITY
(Non-White)
PTA — Other 54%
STA — Other 76%
DETROIT — African American 80%



EDUCATION
(Bachelor's Degree+)
PTA — 17%
STA — 19%
DETROIT — 20%



MEDIAN AGE
PTA — 30
STA — 35
DETROIT — 35

RETAIL OPPORTUNITY

Bangla Town, as an enclave spanning across Hamtramck and Detroit, is positioned to attract patrons in and out of the study area's immediately surrounding neighborhoods by increasing the mix of retail in each category, particularly the neighborhood-serving options such as pharmacies, barbers, salons, and other Personal/Household Care Goods & Services tenants. Additionally, the corridor's design (a two-lane road with parallel parking) creates a Main Street-like environment, a great opportunity for additional Food & Beverage retailers.

Please note, the square feet and sales potential figures presented are cumulative, including existing retailers within the study area.

Neighborhood Goods & Services (NG&S)

223,210 sf
Supportable **\$64,539,175**
Sales Potential



Food at Home
114,802 sf
Supportable **\$30,201,943**
Sales Potential



Alcohol at Home
3,729 sf
Supportable **\$1,304,540**
Sales Potential



Pet Food, Supplies & Services
5,369 sf
Supportable **\$1,133,844**
Sales Potential



Personal/Household Care Goods & Services
99,271 sf
Supportable **\$31,886,552**
Sales Potential

Food & Beverage (F&B)

38,077 sf
Supportable **\$14,546,916**
Sales Potential



Full-Service Restaurant
16,848 sf
Supportable **\$5,878,990**
Sales Potential



Fast-Food Restaurant
17,688 sf
Supportable **\$7,168,399**
Sales Potential



Alcohol Away from Home
1,384 sf
Supportable **\$705,386**
Sales Potential



Snacks & Non-Alcoholic Beverages
2,058 sf
Supportable **\$756,588**
Sales Potential

General Merchandise (GAFO)

45,836 sf
Supportable **\$11,184,425**
Sales Potential



Home Furnishings
13,042 sf
Supportable **\$2,568,782**
Sales Potential



Apparel
22,871 sf
Supportable **\$5,401,307**
Sales Potential



Electronics
2,218 sf
Supportable **\$1,791,705**
Sales Potential



Sports Equipment
2,377 sf
Supportable **\$470,628**
Sales Potential



Books, Music & Other
2,253 sf
Supportable **\$364,362**
Sales Potential



Automotive Equipment
1,752 sf
Supportable **\$319,646**
Sales Potential

REAL ESTATE OPPORTUNITY

STUDY AREA MAP

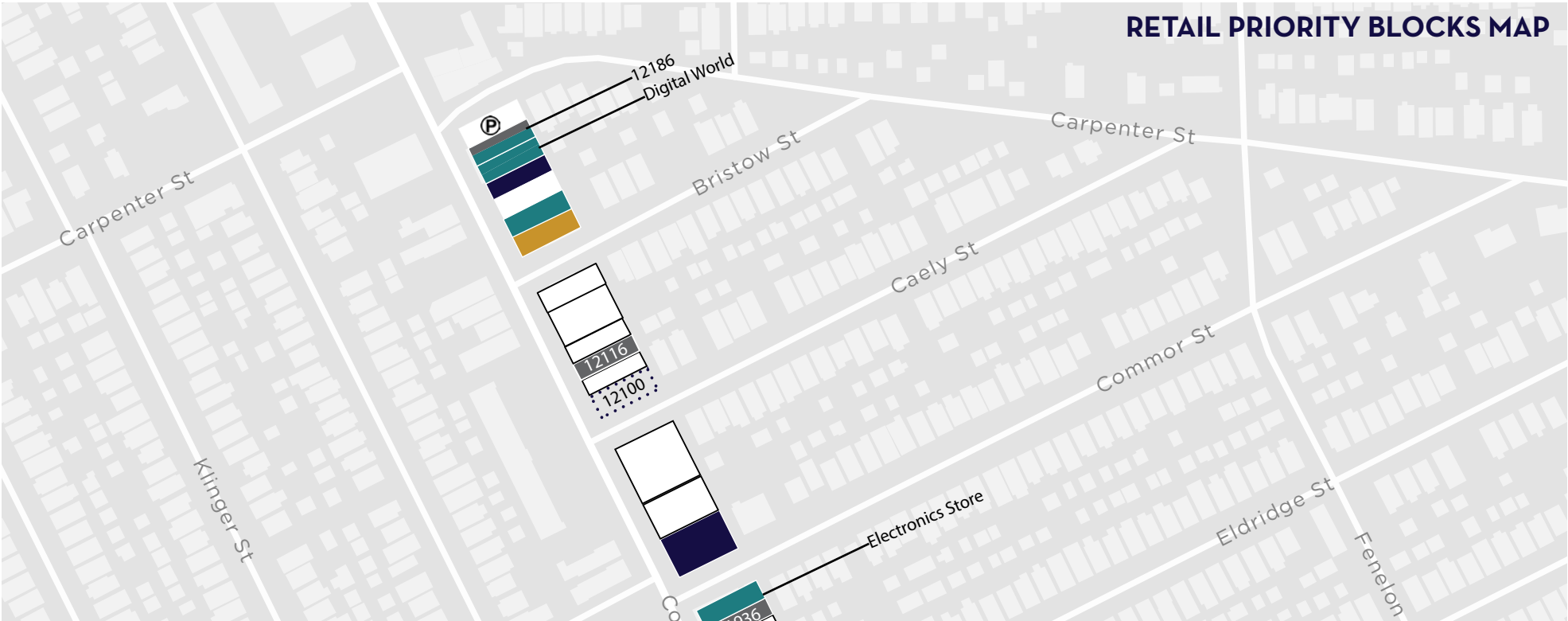


Cover Rendering Source Image

RETAIL PRIORITY BLOCK OPPORTUNITY SITES

OPPORTUNITY DESCRIPTION	APPROX. SQ.FT.	ADDRESS
Vacant Storefront adjacent to Parking	1,200	11608 Conant St
Vacant Storefront	1,500	11936 Conant St
Vacant Corner Lot	N/A	12100 Conant St
Vacant Storefront adjacent to Parking	1,200	12186 Conant St
Vacant Storefront	1,200	12116 Conant St

RETAIL PRIORITY BLOCKS MAP



LEGEND

RETAIL

Neighborhood Goods & Services (NG&S)
 grocers • drugstores • florists • dry cleaners •
 laundromats • hair & nail salons • print shops

Food & Beverage (F&B)
 sit-down restaurants • cafes • bars • coffee
 shops • sandwich shops • ice cream shops

General Merchandise (GAFO)
 clothing • furniture • books & music • jewelry •
 pet goods auto parts • sporting goods

OTHER

Non-Retail

Vacant & Retail-Appropriate

Redevelopment Opportunity



We're all business.

streetsense.

ND+B
KITCHEN DESIGN BUILD
www.thecookingstudio.com



Exhibit B – Interboro Development Scenarios



CAMPAU/DAVISON/BANGLATOWN
NEIGHBORHOOD FRAMEWORK PLAN

12449 Conant Opportunity

Project Description

Redevelop an accessible, city-owned, two story, 2,760 square foot building into a commercial or mixed-use space that will create a desired asset in the community. The project sits on a busy portion of Conant Street, the spine of the Campau/Davison/Banglatown (C/D/B) planning area, between the dense Banglatown and North Buffalo neighborhoods.



12449 Conant: existing structure and parking lot, viewed from southeast.



Concept rendering of redevelopment scenario with retail, restaurant, office, and outdoor amenity.



Neighborhood Profile

Detroit's Campau/Davison/Banglatown planning area is home to a vibrant community encompassing many cultures. The population is multigenerational, diverse, entrepreneurial, creative, and has deep roots in the community. In order to successfully redevelop 12449 Conant, understanding and executing on the retail and/or housing needs of the planning area is essential.

The planning area is located immediately north of Hamtramck. Conant Street is a major business corridor that divides the area roughly in half from north to south. The planning area is made up of four main neighborhood areas, shown in the map to the right. The central neighborhoods along Conant have some of the highest population densities in Detroit. These are desirable residential neighborhoods which are home to many families with children. Recent Bangladeshi and Yemeni immigrants as well as many artists have redefined and reinvigorated the planning area. Diversity is a major source of pride, but there are still cultural gaps that need to be bridged between new and old communities. Community activism and grassroot initiatives are the reasons why the planning area has thrived despite Detroit's challenges.

The median household income is \$26,327, slightly lower than the citywide median of \$27,372. Owner occupancy in the area is high compared to the rest of the city, indicating deep roots in the community. The housing market continues to strengthen, but the planning area needs a wider variety of housing types to accommodate growing families and changing preferences. The planning area is conveniently located next to Hamtramck and with easy freeway access to other areas of Detroit. However, connectivity within the neighborhoods can be difficult due to a fractured street grid and a lack of safe pedestrian and bike infrastructure, especially on Conant Street.

There is latent potential to improve Conant Street as a walkable business corridor. Conant borders Jayne Field/Lasky Rec Center (a 65-acre city park), a public library, and the Frontier International Academy charter high school. The corridor is also home to auto shops, hardware stores, small grocery stores, and restaurants. According to DEGC's Neighborhood Retail Opportunity Study, Banglatown can support more Neighborhood Goods and Services and Food and Beverage retailers, but not General Merchandise,

Apparel, Furnishing and Other retailers. The majority of Banglatown's demand is in the Neighborhood Goods and Services Category and could support a more diversified retail mix.

Residents want a more diverse mix of businesses including neighborhood services and places to socialize. Throughout the planning process, residents expressed interest in seeing a coffee shop or restaurant with social space for younger residents located along the corridor. 12449 Conant is located in the heart of the planning area and the size and location are well-suited to neighborhood retail.



East Davison Village



Banglatown



North of Jayne Field



South of Jayne Field

East Davison Village: The oldest neighborhood in the planning area has many vacant parcels but a tight-knit and active community. Anchored by Davison Elementary, a strong public school.

Banglatown: A dense neighborhood with many Bangladeshi immigrants and community hubs, plus an established artist community.

North of Jayne: Challenged by vacancies and blight, but has stable pockets east of the park that are attractive to new immigrant families.

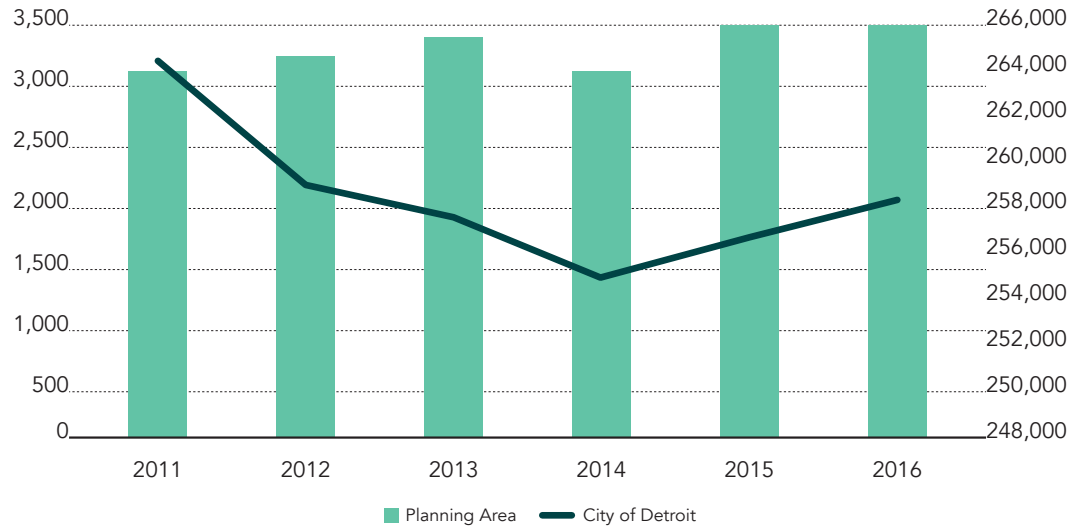
South of Jayne: The most stable and diverse neighborhood home to long-time black and white residents, plus new immigrant families from Bangladesh and the Middle East.

Occupant Profile

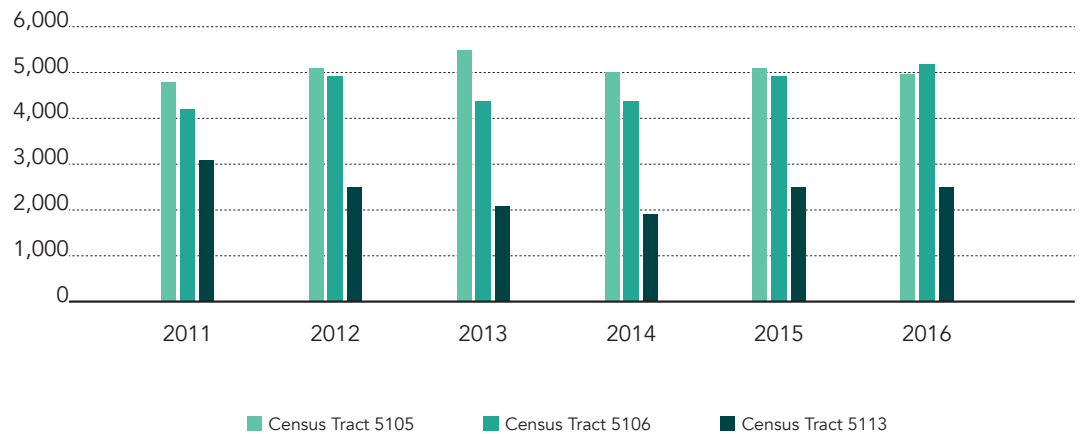
Overall, the population in the C/D/B planning area has been stable relative to Detroit as a whole, supporting multi-family housing development and demand for community assets like job training centers discussed below. The total number of households in the planning area has been increasing since 2014, and the largest age group is 20-24 year olds at about 10 percent.

East Davison Village is in Census Tract 5105, along with the Banglatown neighborhood.

Total Households (Estimate)



Total Population (Estimate)



Development Profile

Large Developments in the Planning Area

The planning area is comprised of mostly single-family homes; however, there are large, multifamily developments moving forward at the Transfiguration Academy site (13300 Syracuse St) and the multi-phased redevelopment of the former Greater Detroit Hospital (3021 Carpenter Ave). The former Washington School at 13000 Dequindre is a city-owned property which will be considered for future redevelopment.



Greater Detroit Hospital

Project: 49 affordable units at 60% AMI. Phase 1 (complete) converted existing hospital wing into a charter school. Phase 2 (proposed) will replace adjoining wing with new construction.

Funding Sources: Low Income Housing Tax Credit, City of Detroit Vouchers

Transfiguration Academy

Project: 23 affordable units at 60% AMI. Adaptive reuse of existing school building.

Funding Sources: Low Income Housing Tax Credit, Tax-exempt Bonds, and Bank Financing.

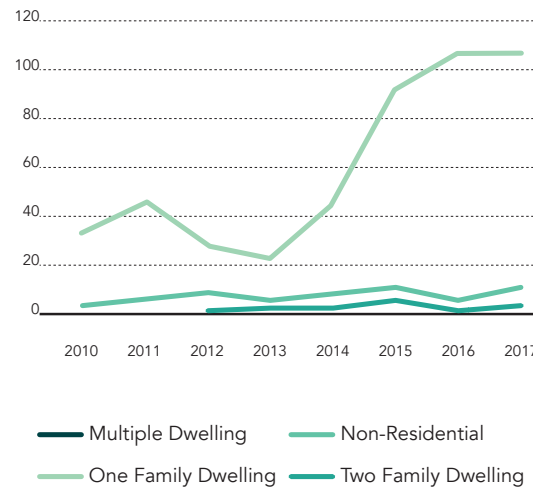
Market Overview

The planning area’s commercial real estate market consists mostly of retail, with some industrial space as well. Sales activity has not been strong over the past five or 10 years, but hopefully as the market strengthens, that will turn around. After decreasing from 2011-2012, residential and commercial building permits (including dismantle) inside the planning area for both Residential and Non-Residential uses began to increase starting in 2014 and have shown an upward trend since.

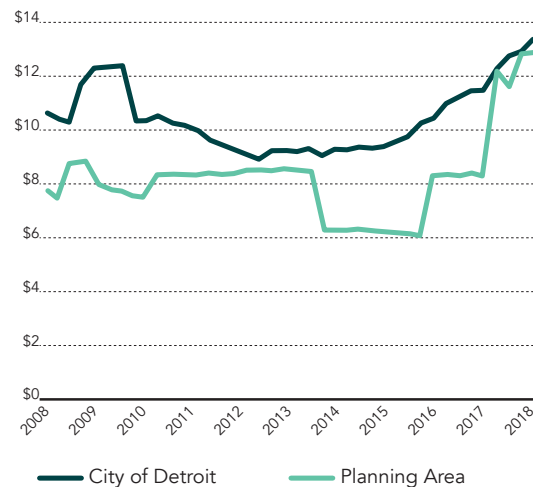
According to CoStar, vacancies are very low, and rents for both retail and industrial space have steadily increased.¹ Retail rents in the planning area currently average \$12.80 while vacancy is 1.4%. Commercial cap rates average 8.20% in zip code 48212. Estimates for rental income, vacancy, expenses, and cap rates were sourced from local and affordable multi-family housing projects at \$10.10, 8%, \$6.77, and 10%, respectively.

¹ All real estate market data in this and following sections is from CoStar unless otherwise noted.

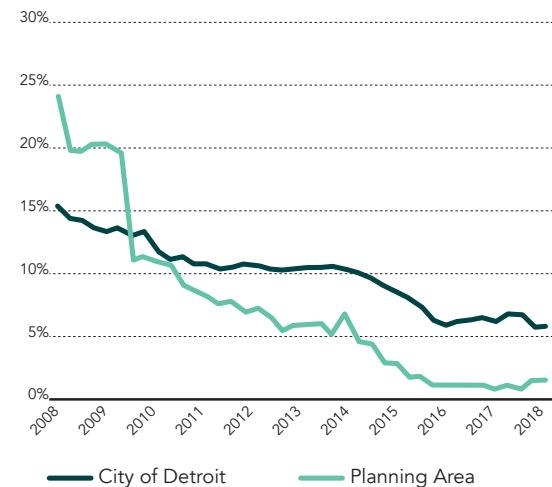
Building Permits Issued (Planning Area)



Retail Rents



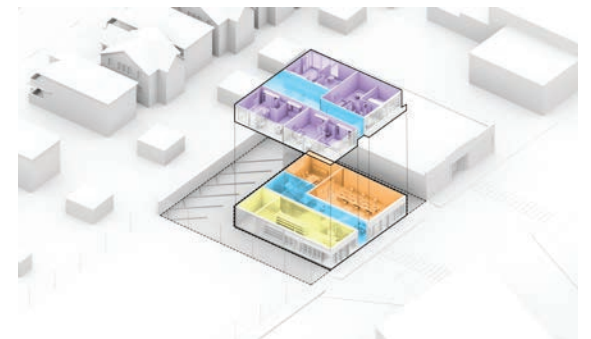
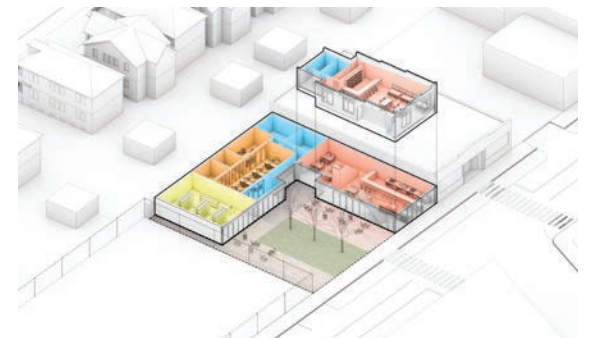
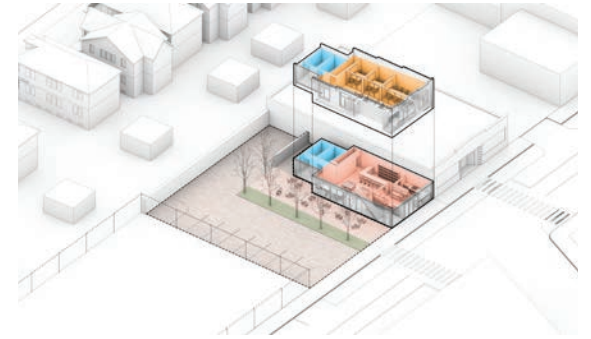
Retail Vacancy



Financial Analysis

Three potential redevelopment scenarios of 12449 Conant were investigated, all compliant with local zoning. They range from a minimal rehab of the existing structure to a complete redevelopment. The team then calculated the residual land value of these scenarios to understand the financial implications of each potential development after stabilization. Assumptions are sourced from comparison projects in the neighborhood, developer interviews, and CoStar, and shown in the project assumptions section.

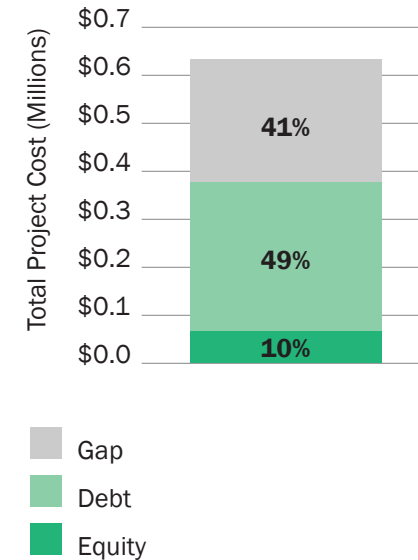
Each scenario is followed by a chart that demonstrates potential project sources as a percent of total project costs based on the financing assumptions below. Though there is some gap in each of the development scenarios, the Implementation section below discusses potential additional sources that could be used to support the project.

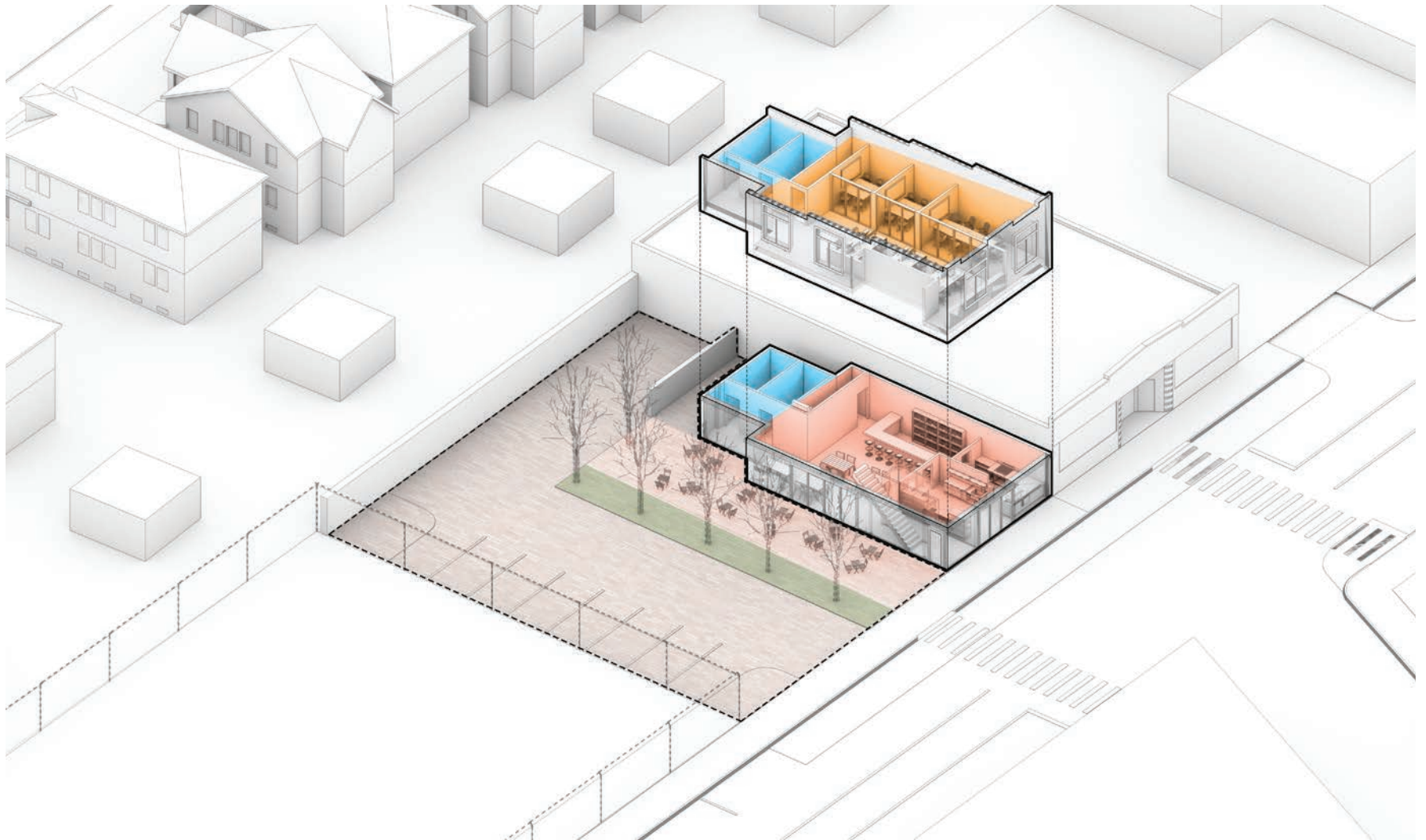


Scenario 1: Commercial Reuse

Scenario 1 imagines the existing building, with a restaurant on the bottom floor and offices on the top. Some of the existing parking lot is used as a patio for the restaurant.

<u>Program</u>	<u>Square Footage</u>	<u>Residual Land Value Calculation</u>	
Co-work Office/Incubator	1,250	Income	\$12.80
Restaurant + Dining	1,250	Less Vacancy	-\$0.26
Building Support	250	Less Expenses	-\$2.18
Total Building	2,750	NOI	\$10.37
		Cap Rate	8.20%
Outdoor Amenity	1,750	Capped NOI	\$126.44
Parking	5,300		
		Costs	
		Site Costs	\$80.00
		Construction Hard Costs	\$155.00
		Construction Contingency	\$15.50
		Soft Costs	\$31.00
		Fit Out	\$30.00
		Total Cost	\$231.50
		PSF Residual Land Value	-\$105





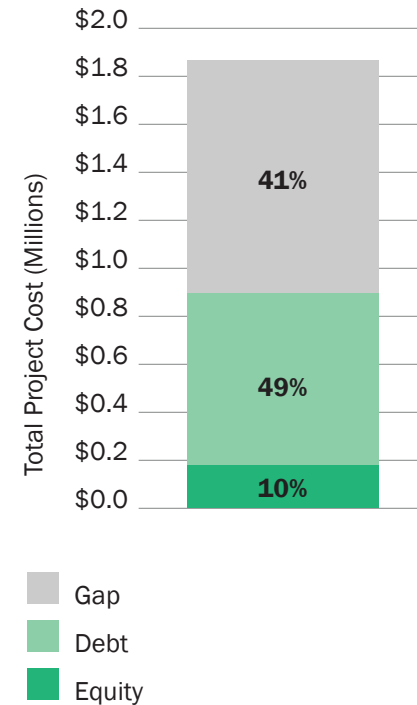
Scenario 1: Reuse Existing Building

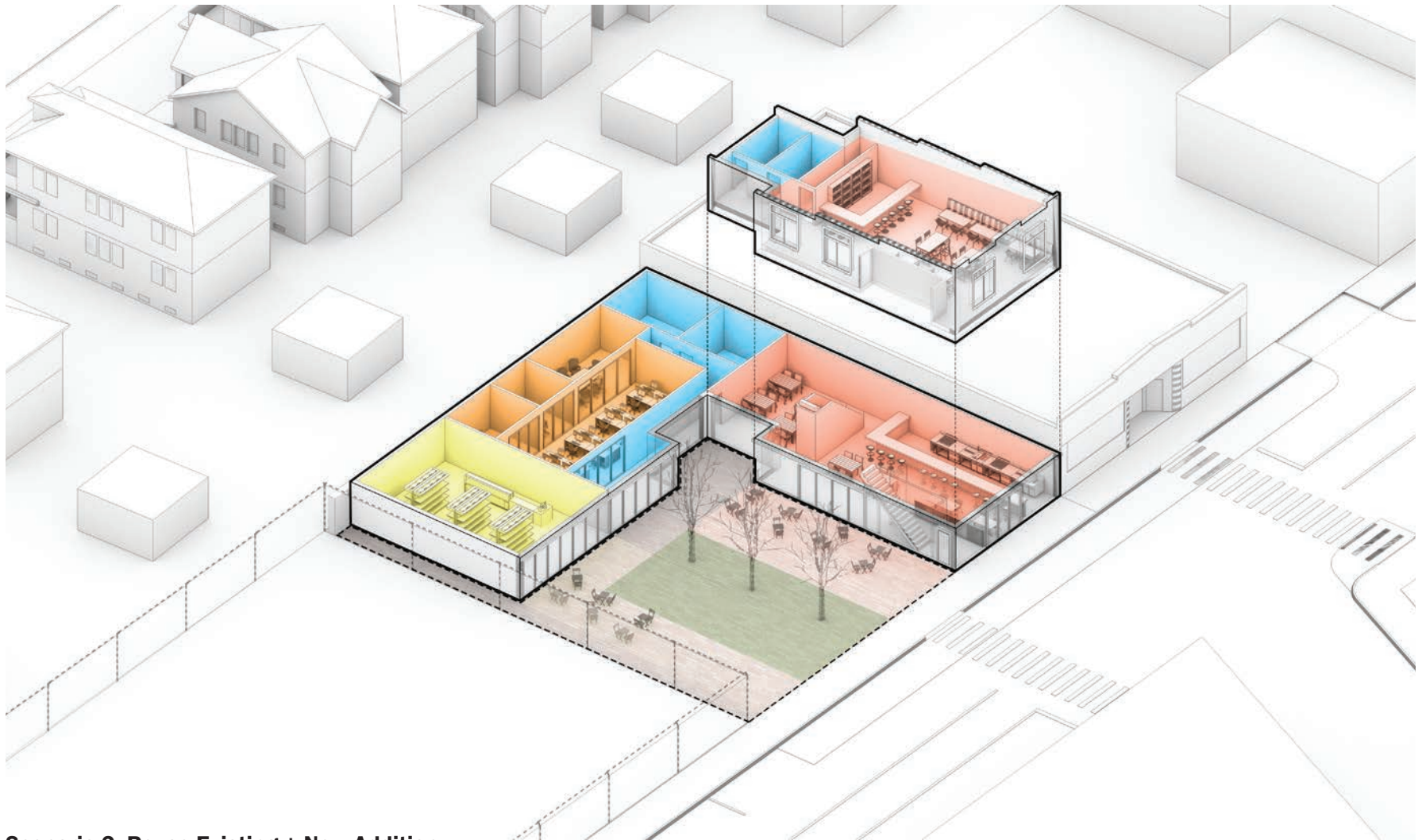
- Co-work Office/Incubator
- Restaurant + Dining
- Building Support
- Outdoor Amenity
- Parking

Scenario 2: Commercial Reuse + New Construction

Scenario 2 shows how a new addition might be built behind the existing building. The old building could be used for retail and offices, while the new addition could be used as a restaurant. The remaining open space could become green space.

<u>Program</u>	<u>Square Footage</u>	<u>Residual Land Value Calculation</u>	
Co-work Office/Incubator	1,150	Income	\$12.80
Restaurant + Dining	2,385	Less Vacancy	-\$0.26
Comercial Retail	1,750	Less Expenses	-\$2.18
Building Support	1,000	NOI	\$10.37
Total Building	6,285	Cap Rate	8.20%
		Capped NOI	\$126.44
Outdoor Amenity	3,550	Costs	
Parking	0	Site Costs	\$28.24
		Construction Hard Costs	\$208.00
		Construction Contingency	\$20.50
		Soft Costs	\$41.00
		Fit Out	\$30.00
		Total Cost	\$296.50
		PSF Residual Land Value	-\$170





Scenario 2: Reuse Existing + New Addition

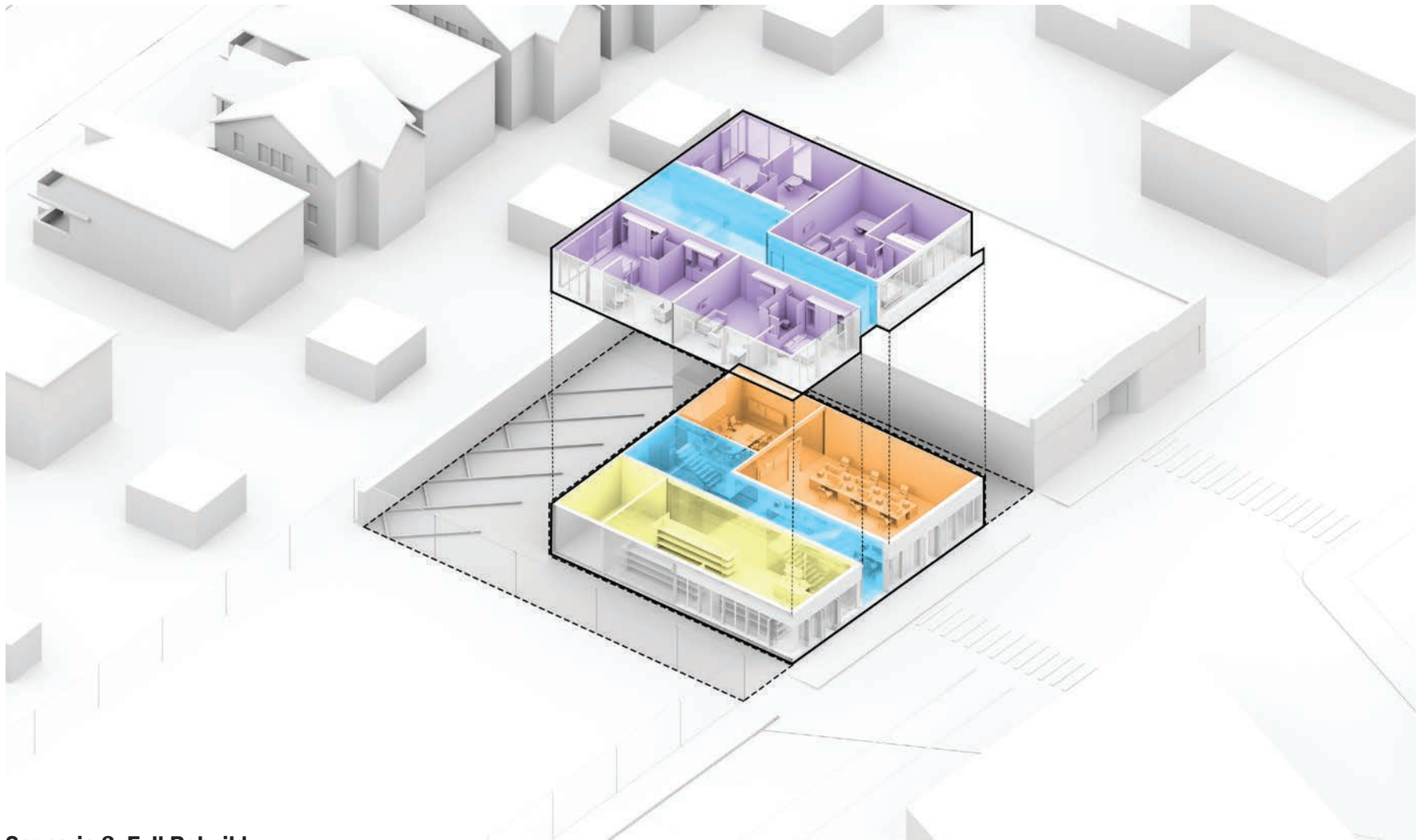
- Co-work Office/Incubator
- Restaurant + Dining
- Commercial Retail
- Building Support/Circulation
- Outdoor Amenity
- Parking

Scenario 3: New Mixed-Use Construction

Scenario 3 shows an example of how a new mixed-use building might look. The first floor has two commercial spaces and the second floor has four apartments.

Program	Square Footage	Residual Land Value Calculation	
Co-work Office/Incubator	1,500	Income	\$11.72
Residential	2,650	Less Vacancy	-\$0.12
Comercial Retail	1,150	Less Expenses	-\$3.29
Building Support	1,300	NOI	\$8.31
Total Building	6,600	Cap Rate	7.92%
		Capped NOI	\$104.91
Parking	4,325		
		Costs	
		Site Costs	\$16.38
		Construction Hard Costs	\$210.31
		Construction Contingency	\$21.03
		Soft Costs	\$42.06
		Fit Out	\$30.00
		Total Cost	\$303.40
		PSF Residual Land Value	-\$198





Scenario 3: Full Rebuild

- Co-work Office/Incubator
- Commercial Retail
- Residential
- Building Support/Circulation
- Outdoor Amenity
- Parking

Project Assumptions

Commercial Income & Expense

Rent - 5yr Average	\$5.57
Vacancy - 5yr Average	6.30%
Cap Rate - 5yr Average	8.20%
Expense Rate	17.00%

Affordable Multifamily Housing

Rental Income	\$10.10
Vacancy	8%
Total Expenses	\$6.77
Cap Rate	10%

Cost Assumptions

PSF Construction Hard Costs	\$155 - \$255
Construction Contingency	10%
Soft Costs	20%
FF&E	\$30

Debt & Equity Parameters

Rate	5.00%
DSCR	1.1
Max LTV	90%
Max LTC	60%
Equity	10%

Implementation

Funding Sources

There are a many potential funding sources available to help complete the project in addition to traditional project equity and debt. The funding sources vary according to how they are distributed – both upfront versus reimbursement and incremental versus lump sum, summarized in the table below. These categorizations impact how much equity will be required to start the project and the timing of other sources.

Process

Should the City decide to pursue an RFP process to dispose of the site, synergies with existing City programs like Motor City Match should be explored. Motor City Match connects new and expanding businesses with Detroit’s quality real estate opportunities. The goals of the RFP should also incorporate community input detailed in the C/B/D neighborhood planning document, as well as clearly articulate any additional City goals.

Reimbursed Funds		Upfront Funds	
Detroit Brownfield Redevelopment Historic Tax Credits Commercial Tax Abatement Neighborhood Enterprize Zone Low Income Housing Tax Credits New Markets Tax Credits		Opportunity Zone Funds Strategic Neighborhood Fund	
Incremental Funds		Lump Sum Funds	
Strategic Neighborhood Fund		Opportunity Zone Funds (project/investor dependent) Detroit Brownfield Redevelopment Historic Tax Credits Commercial Tax Abatement Neighborhood Enterprize Zone Low Income Housing Tax Credits New Markets Tax Credits	
Scenario 1	Scenario 2	Scenario 3	
Strategic Neighborhood Fund Brownfield Redevelopment Commercial Tax Abatement New Market Tax Credit <i>Opportunity Zone Fund</i>	Strategic Neighborhood Fund Brownfield Redevelopment Commercial Tax Abatement New Market Tax Credit <i>Opportunity Zone Fund</i>	Strategic Neighborhood Fund Brownfield Redevelopment Commercial Tax Abatement New Market Tax Credit <i>Opportunity Zone Fund</i> Low Income Housing Tax Credit Neighborhood Enterprize Zone	



Exhibit C – Planning & Development Department Guiding Development Principles



Guiding Development Principles

The City of Detroit is committed to advancing design excellence in all projects, which will produce equity, sustainability, resilience, and healthy living for those who live, work, and play within and around project areas.

Accordingly, proposals shall exhibit walkable urban design principles, sustainable neighborhood development strategies that may include a variety of uses and appropriate building typologies with a variety of architectural expressions. Buildings shall be designed in proper form and function within the neighborhood context. Successful RFQ proposals will adhere to the following guiding design principles for redevelopment of the Property:

Reinforce the Public Realm

1. Building should define the public space of a street or park in a meaningful way.
2. Mixed-use structures should be designed in such a way as to allow observation of the street.
3. Buildings generally should have minimal front lot line setbacks. Well-designed, varying setbacks (discontinuous with the lot frontage) will break up blocks and provide relief for the pedestrian.
4. The built environment should provide interesting building typologies with varied architectural expressions, and should be designed to complement the community.

Sustainable and Equitable Development

1. Densities shall support opportunities for neighborhood commercial investment and jobs creation, thereby stimulating and supporting growth in the local economy.
2. Design for environmental sustainability – both in the natural (i.e. wetlands, natural plant species) and built environment (i.e. storm water mitigation, LED lighting, renewable energies).

Parking

1. Minimize land surface area dedicated to parking in order to maximize the site for development.
2. Vehicular access should be located so as to minimize, if not avoid, conflicts with the pedestrian, utilizing alleys, where possible.
3. Bicycle parking should be located so as to minimize, if not avoid, conflicts with pedestrians, utilizing alleys and adequate shelter, where possible.