

# **MULTI-FAMILY REDEVELOPMENT OPPORTUNITY**

**FORMER LEE PLAZA APARTMENTS**

*Approximately 1.68 Acres*



**2240 & 2250 West Grand Blvd.**

**2700 Ferry Park**

**Detroit, Michigan 48208**



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# Property Overview

In partnership with the Detroit Building Authority (DBA), the City of Detroit Housing & Revitalization Department (HRD) seeks a developer partnership to redevelop the 2240 West Grand Boulevard, also known as “Lee Plaza” and its adjacent parcels at 2250 West Grand Boulevard and 2700 Ferry Street, all located in close proximity to Detroit’s LaSalle Gardens neighborhood.

## Background

Constructed in 1928 as a luxury class apartment hotel, the Lee Plaza Hotel was architecturally significant as one of the finest and most elaborate apartment hotels from Detroit's 1920s heyday. The building was placed on the National Register for Historic Places in 1981 and despite its notable state of abandonment and disrepair, represents a tremendous opportunity for historic preservation and catalytic rehabilitation.

In recent years, neighborhoods in close proximity to Lee Plaza have begun to experience a resurgence, with the proposed \$50 Million expansion of the Motown Museum underway along West Grant Boulevard, \$500 Million expansion of Henry Ford Hospital’s campus, and increased rehabilitation activity and home sales in the nearby LaSalle Gardens neighborhood. The City views the rehabilitation of Lee Plaza as an opportunity to build upon this activity and to honor and leverage the cultural significance of the entire West Grand Boulevard corridor spanning from M-10 to I-96. We encourage bidders to think creatively on how this cultural significance might play a role in the redevelopment program.

## Desired Development Program

HRD seeks to partner with a developer with a proven track record of development. The successful proposer will have the experience and a development plan adequate to rehabilitate the historic building and other properties included in this offering into a mixed income building, for sale or for rent including affordable housing over 20% and serving 60% AMI.

Adjacent vacant land will also be the subject of the opportunity, and the City will give priority to proposers who demonstrate an ability to transform the vacant land to support the future residential use of the building with landscape/open space amenities for the project and neighborhood as well as adequate parking.



## Property Overview (Cont'd)

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### **Financial/Funding Considerations**

The city expects the property to take between 2-5 years to complete the financing and rehabilitation. The successful developer will need to identify an interim operations plan that keeps the property in good standing (secure, without blight tickets, graffiti, or other damage to the property) and provide passive or active programming on the building and vacant adjacent land to bring the community together.

Given its status on the National Register, Lee Plaza qualifies for Federal Historic Tax Credits. In addition, the city will consider investment in this property with HOME, CDBG or other appropriate resources as rehabilitation of this building supports other HRD housing policy objectives.

Proposers should also plan around MSHDA 4% Low Income Housing Tax Credit (LIHTC) rounds in February and August and 9% LIHTC rounds in April and October. For a successful redevelopment project, HRD anticipates there may be a need for 1) a 2-phased approach to redevelopment and 2) a need to accordingly utilize each in different phases of development. Proposers must demonstrate preparation for and ability to win these credits.



# Relevant Information

## Parking

The City's analysis shows that the building can be parked using adjacent lots, as shown, but additional analysis will need to be completed in accordance with City parking rules and regulations in order to derive a City-approved parking plan.

## Historic Compliance

Given Lee Plaza's historic status, the developer will be expected to meet requirements for the building set forth by the State's Historic Preservation Office and outlined in the attached historic covenant.

## Key Dates

- **December 7, 2017:** Release of Bid Package
- **January 11, 2018:** Pre-Bid Meeting; 2:00 PM (Housing & Revitalization Department, Suite 908, Coleman A Municipal Center)
- **March 1, 2018:** Responses Due

## Materials Available Upon Request

The City has completed the following due diligence reports and will provide them to bidders, upon request:

- Lee Plaza Apartments Stabilization/Mothball Report
- Environmental Due Diligence Reports, including Phase 1, Phase 2, Baseline Environmental Assessment, and Due Care Plan
- Historic architectural drawings

## Response Packets

Please include the following in your bid request:

1. Letter of intent, which includes a narrative of the Respondent's approach to the redevelopment of Lee Plaza, including proposed unit mix and size breakdown and proposed affordability. Also include details of an interim use plan for the building.
2. Provide a schematic site plan.
3. Include a project completion schedule including start and completion dates and other key dates as identified for action, including proposed development phases as may be applicable.



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## Relevant Information (Cont'd)

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4. Include specific terms of site acquisition, a development budget (sources and uses), including phasing as may be applicable, and a ten-year pro forma/ operating budget analysis which clearly describes key market and financing assumptions for the project. Include the anticipated time schedule to assemble needed financial commitments, types of financing expected, specific public sources or incentives required and their impact on the financial assumptions. All proposals must include a bid price for Lee Plaza.
5. Provide a history and overview of the Respondent's business or organization.
6. Provide a description and dates of a sample of other historic rehab residential projects, particularly those similar in size and characteristics, completed by the Respondent.



## Property Description

Address:	2240 & 2250 W. Grand Blvd. 2700 Ferry Park Detroit, Michigan 48208
Location:	SEC West Grand Blvd. and Lawton St.
County:	Wayne
Zoning:	R-6 High Density Residential District
Building Size:	234,544 Square Feet
Acreage:	Approx. 1.68 AC
Parking:	Land available for parking lot
Asking Price:	\$350,000

### Property Features:

- 15-Story building zoned for multi-family usage
- Surrounding land can be converted to parking lot
- Centrally located between I-96 and M-10, Close to I-94
- Qualifies for Federal Historic Tax Credits
- Close proximity to several Educational Institutions:
  - Northwestern Detroit Collegiate Preparatory High School
  - Thirkell Elementary-Middle School
  - Wayne State University Campus
- Close proximity to numerous Detroit landmark attractions:
  - Motown Historical Museum
  - The Fisher Building
  - Detroit Institute of Arts
  - Charles H. Wright Museum of African American History
  - Michigan Science Center
  - M-1 Rail
  - Pistons Practice Facility and Headquarters
  - TechTown

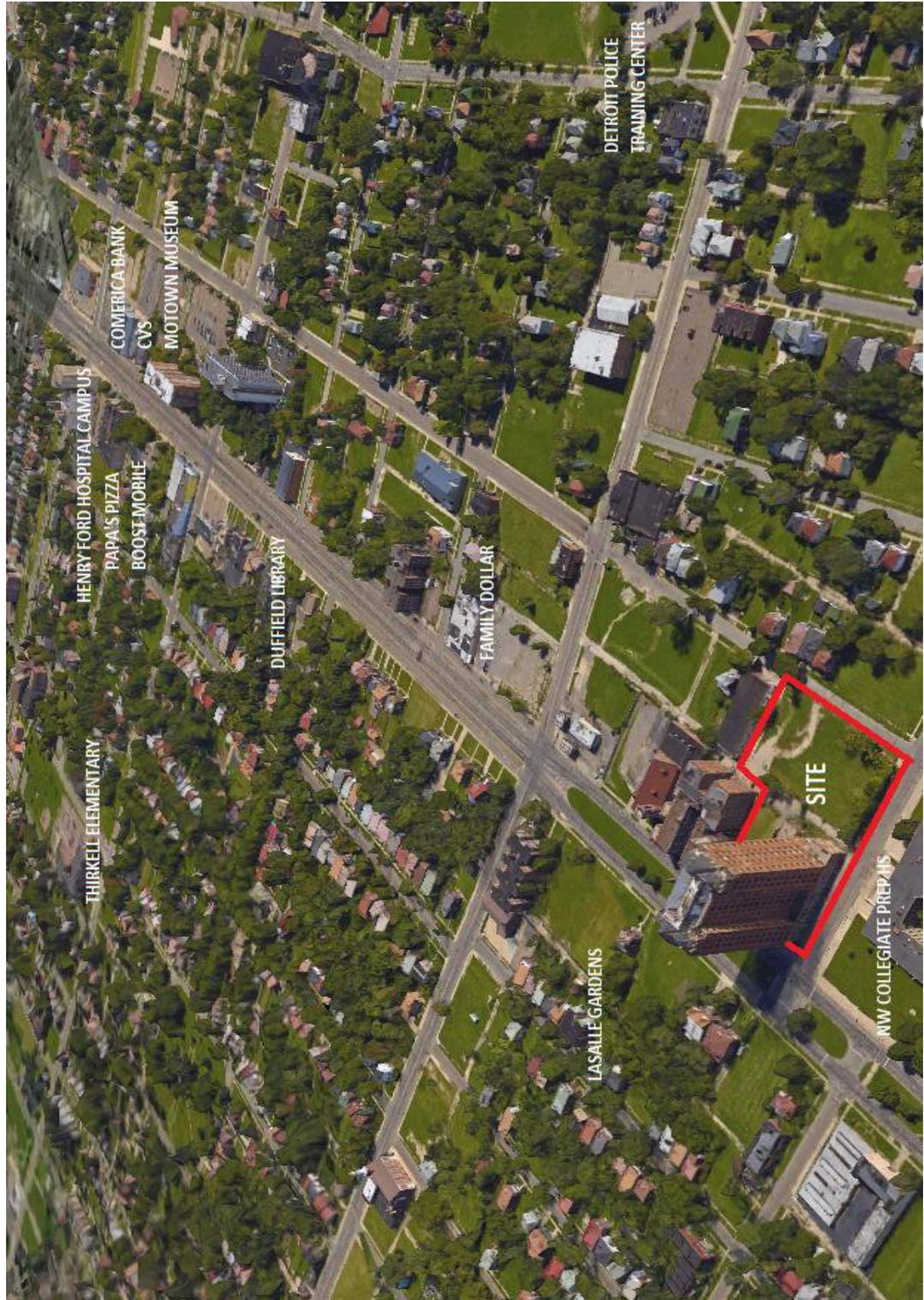


# Property Demographics

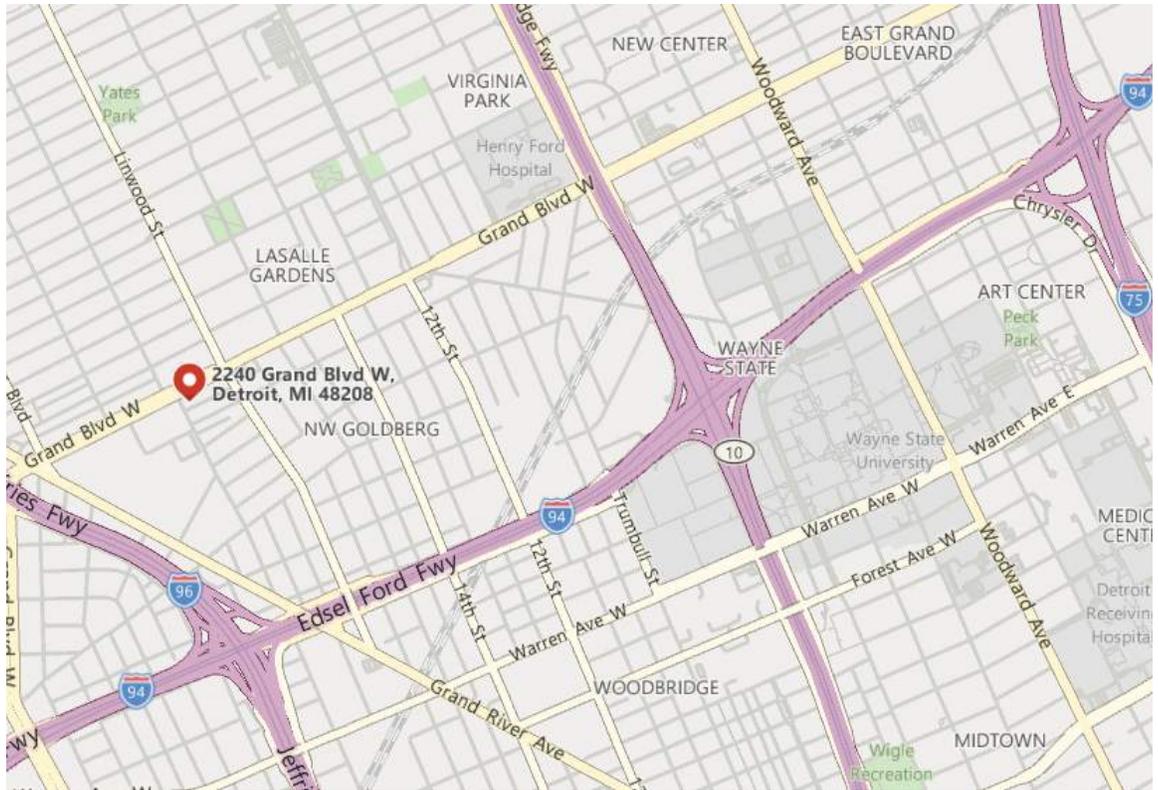
Radius	1 Mile	3 Mile	5 Mile
<b>Population</b>			
2022 Projection	11,713	132,002	337,772
2017 Estimate	12,214	135,279	345,764
2010 Census	14,124	145,332	369,718
Growth 2017 - 2022	-4.10%	-2.42%	-2.31%
Growth 2010 - 2017	-13.52%	-6.92%	-6.48%
<b>2017 Population by Hispanic Origin</b>	<b>258</b>	<b>21,420</b>	<b>42,837</b>
<b>2017 Population</b>	<b>12,214</b>	<b>135,279</b>	<b>345,764</b>
White	474 3.88%	33,042 24.43%	111,381 32.21%
Black	11,363 93.03%	95,317 70.46%	207,387 59.98%
Am. Indian & Alaskan	46 0.38%	986 0.73%	2,331 0.67%
Asian	94 0.77%	2,307 1.71%	13,705 3.96%
Hawaiian & Pacific Island	0 0.00%	55 0.04%	137 0.04%
Other	237 1.94%	3,572 2.64%	10,822 3.13%
U.S. Armed Forces	0	0	15
<b>Households</b>			
2022 Projection	4,784	52,731	125,659
2017 Estimate	5,001	54,006	128,620
2010 Census	5,825	57,851	137,389
Growth 2017 - 2022	-4.34%	-2.36%	-2.30%
Growth 2010 - 2017	-14.15%	-6.65%	-6.38%
Owner Occupied	1,790 35.79%	18,862 34.93%	54,353 42.26%
Renter Occupied	3,210 64.19%	35,144 65.07%	74,268 57.74%
<b>2017 Households by HH Income</b>	<b>5,000</b>	<b>54,006</b>	<b>128,620</b>
Income: <\$25,000	3,020 60.40%	29,958 55.47%	66,291 51.54%
Income: \$25,000 - \$50,000	1,089 21.78%	12,497 23.14%	31,825 24.74%
Income: \$50,000 - \$75,000	514 10.28%	5,840 10.81%	15,689 12.20%
Income: \$75,000 - \$100,000	173 3.46%	2,579 4.78%	7,120 5.54%
Income: \$100,000 - \$125,000	101 2.02%	1,486 2.75%	3,577 2.78%
Income: \$125,000 - \$150,000	24 0.48%	525 0.97%	1,480 1.15%
Income: \$150,000 - \$200,000	46 0.92%	578 1.07%	1,382 1.07%
Income: \$200,000+	33 0.66%	543 1.01%	1,256 0.98%
<b>2017 Avg Household Income</b>	<b>\$30,252</b>	<b>\$34,695</b>	<b>\$36,945</b>
<b>2017 Med Household Income</b>	<b>\$18,767</b>	<b>\$21,174</b>	<b>\$24,048</b>



# Aerial View



# Location Map



# Building Photographs



## Building Photographs (Cont'd)



## Building Photographs (Cont'd)



## Building Photographs (Cont'd)



## Building Photographs (Cont'd)



## Building Photographs (Cont'd)



## Building Photographs (Cont'd)



# Historic Preservation Covenant

## HISTORIC PRESERVATION COVENANT

**THIS HISTORIC PRESERVATION COVENANT** ("Covenant") is agreed to by the **CITY OF DETROIT** ("City"), by and through its Housing & Revitalization Department whose address is 2 Woodward Avenue, Suite 908, Detroit, Michigan 48226, in consideration of the conveyance of certain real property commonly known as the Lee Plaza Apartments located at 2240 W. Grand Blvd., and 2700 Ferry Park in the City of Detroit, Wayne County, Michigan ("Property"), a historically and architecturally significant property listed in the National Register of Historic Places ("Register"), and is more fully described as:

LOTS 8, 9, 10 AND WEST 30 FEET OF LOT 11. LOTS 35 THROUGH 39, INCLUSIVE AND LOTS 40, 41, AND 42, CITY OF DETROIT, WAYNE COUNTY MICHIGAN; WM. Y. HAMLIN'S SUBDIVISION, OF LOTS 3, 4, 5 AND 6 OF HALL AND INGERSOLL'S ANSD. OF THE HALL FARM, CITY OF DETROIT, WAYNE COUNTY MICHIGAN, AS RECORDED IN LIBER 18, PAGE 15, WAYNE COUNTY RECORDS; LOCATED ON THE NORTH SIDE OF FERRY PARK AND THE SOUTH SIDE OF W. GRAND BOULEVARD.

It is the intent of the City to market the Property for sale. For as long as the City owns fee title to the Property, City covenants at all time to the State of Michigan, Michigan State Housing Development Authority acting through its State Historic Preservation Office ("SHPO"), to secure and maintain the Property. Furthermore, the City, in accepting this Deed, acknowledges and accepts the following conditions and covenants for as long as the City owns fee title to the Property:

1. The City shall secure and maintain the Property in accordance with the recommended approaches in the U.S. Secretary of the Interior's *Standards for the Treatment of Historic Properties*, 36 CFR 67-68 ("Secretary's Standards"). The City shall mothball the Property as part of its maintenance obligations hereunder.
2. The City and the SHPO shall meet at least every twelve (12) months to review and revise this Covenant.
3. For any sale of the Property by the City, the City shall include, as a condition of its sale, that any subsequent purchaser ("Purchaser") acknowledge and accept the following conditions and covenants by a separate historic covenant agreement:
  - A. Purchaser shall secure and maintain the Property in accordance with the recommended approaches in the U.S. Secretary of the Interior's *Standards for the Treatment of Historic Properties*, 36 CFR 67-68 ("Secretary's Standards") in order to preserve and enhance those distinctive materials, features and spaces that make the Property eligible for inclusion in the Register.
  - B. Purchaser assumes all costs necessary to preserve the historic integrity of those features, materials, appearance, and workmanship that make the Property eligible for listing in the Register. Purchaser further covenants to maintain and repair the Property so as to keep it in a sound state of repair, prevent deterioration and preserve



## Historic Preservation Covenant (Cont'd)

the architectural and historical integrity of the Property that make the Property eligible for listing in the Register.

- C. Purchaser shall, when appropriate, rehabilitate the Property in accordance with the Secretary's Standards. Rehabilitation is appropriate when repair and replacement of deteriorated features is necessary or when alteration or additions to the property are planned.
- D. Purchaser shall preserve distinctive interior and exterior materials, features, finishes, construction techniques and examples of craftsmanship that characterize the Property and make it eligible for listing in the Register.
- E. Purchaser shall provide plans of proposed rehabilitation, construction, alteration or replacement of distinctive materials, features, finishes or spaces which would affect the appearance or structural integrity of the Property to the SHPO for review and final approval of consistency with the Secretary's Standards.
- F. Purchaser agrees, upon written request from the SHPO, to provide the SHPO written certification that to the best of Purchaser's knowledge, Purchaser is in compliance with the terms and conditions of these covenants. Purchaser further agrees to permit the SHPO, upon reasonable request, to inspect the Property in order to ascertain if the above conditions are being observed.
- G. Purchaser agrees that all covenants, conditions and restrictions contained within the Purchaser's historic covenant agreement shall be inserted in any deed or other legal instrument by which it divests itself of either the fee simple title or any other lesser estate in the Property.
- H. In the event of a violation of Purchaser's covenant, and in addition to any remedy that is now or may be provided by law, the SHPO may, following reasonable notice to the Purchaser, institute suit to enjoin the violation or to require the restoration of the Property. In the event that equitable remedies are deemed unavailable, Purchaser agrees to pay damages equal to the fair market value of the Property at the time of the violation, less the cost of the improvements to the Property made by or through Purchaser after the date of the transfer of the Property to Purchaser, not to exceed \$250,000.
- I. The failure of the SHPO to exercise any right or remedy granted under this instrument shall not have the effect of waiving or limiting the exercise of any other right or remedy or the use of such right or remedy at any other time.
- J. Purchaser agrees that the covenants, conditions and restrictions set forth in the Purchaser's covenant shall constitute a binding servitude upon the Property, shall be deemed to run with the land, and further agrees to promptly and properly record the covenant with the Register of Deeds' Office in the county in which the Property is located.



## Historic Preservation Covenant (Cont'd)

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- K. Purchaser's historic covenant agreement will be interpreted in accordance with the laws of the State of Michigan. If any provision of this document or future amendment to this document is found to be illegal or otherwise unenforceable by a court of competent jurisdiction, such provision shall be severed and such action will not affect the enforceability of the remaining provisions of such historic covenant agreement.



# Potential Parking Diagram

