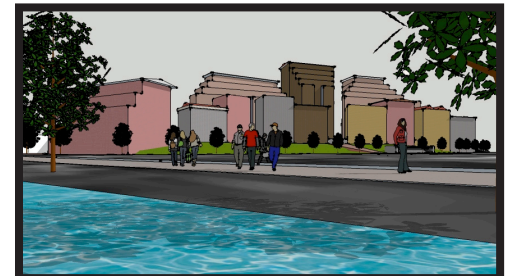
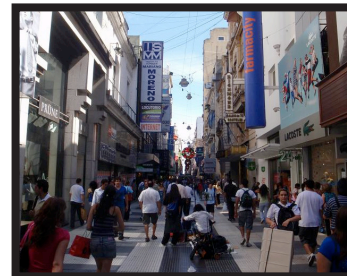
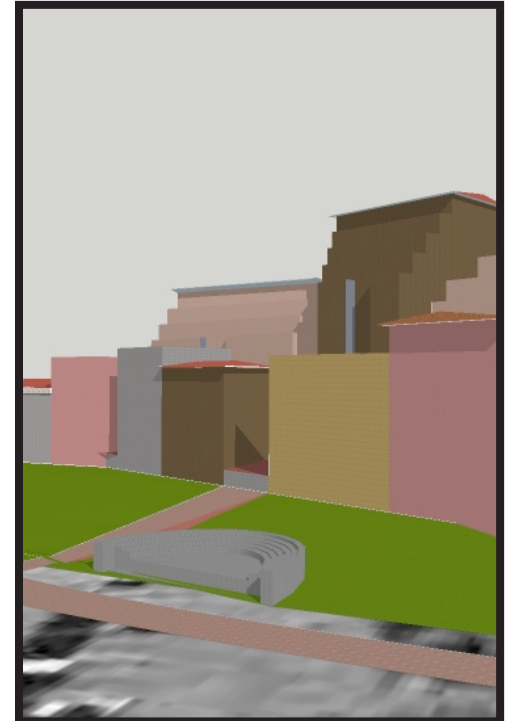
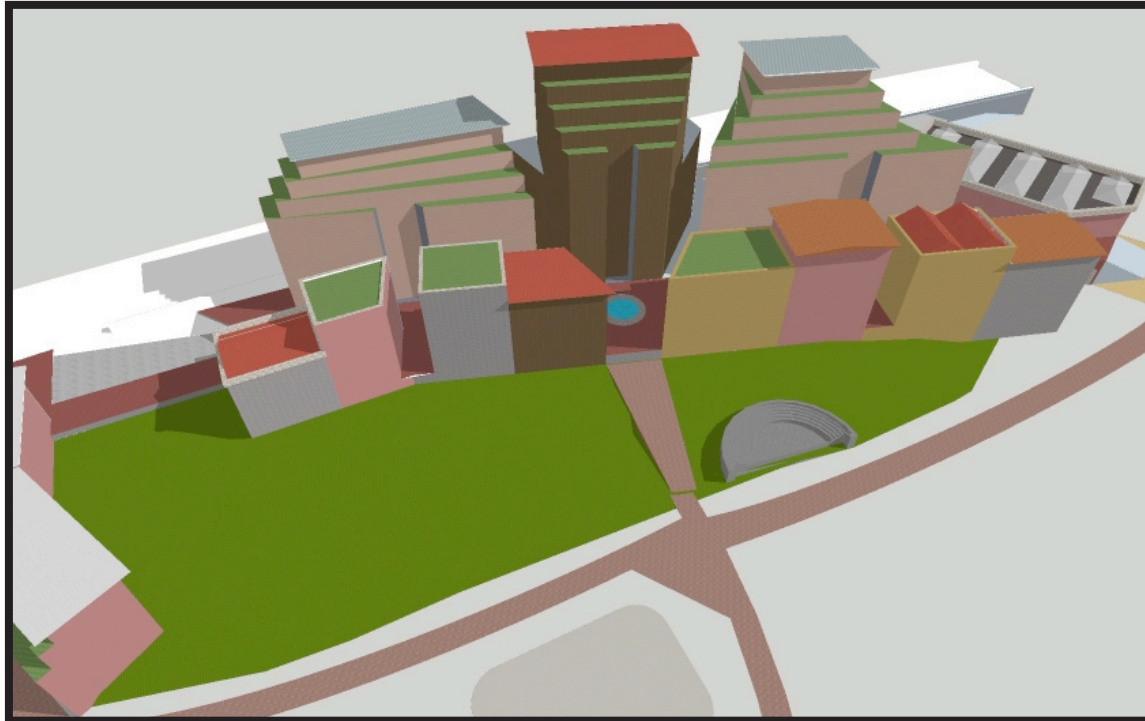


BROADWAY MILLS



BROADWAY MILLS

December 11, 2009

Mr. Peter Allen
Stephen M. Ross School of Business
University of Michigan
701 Tappan Street
Ann Arbor, MI 48109

RE: Site Proposal for Development of Amtrak/MichCon Site

Dear Peter,

Edgewater, LLC is pleased to present Broadway Mills, our proposal for redeveloping the current MichCon and Amtrak sites in Northeast Ann Arbor. Broadway Mills meets the demands of the city, the stakeholders, and the market by creating a mixed-use retail, commercial, and residential development with a public space and greenway component.

Broadway Mills is truly a contemporary concept, but reflects and considers the history of Lower Town and the Industrial era of Ann Arbor. The development also functions as a complement to the Huron River and as a connection between Broadway Park and the Argo Pond loop. The open space around the development will be converted to a park with several uses, including a plaza, ice rink, and a stage for outdoor concerts and plays. This will fulfill a critical component of the City's Parks and Recreation Plan. Edgewater, LLC is also pursuing LEED Gold rating for our development, which will attract not only green-minded tenants, but also satisfy the desires of multiple stakeholders, including future generations.

Ann Arbor is attracting new economy firms and employees downtown. We are proposing a development that fulfills the needs of the City of Ann Arbor as it moves forward. This development gives those firms space to operate and those employees places to live, work, and play. Broadway Mills will raise the standard in the City and catalyze Ann Arbor's goals for new development in the 21st century.

We are pleased to present this proposal to you and the people of City of Ann Arbor, and we look forward to your feedback.

Sincerely,

Graham Brown, MBA/MS, LEED AP

Mike Combs, MUP

Emily Tsiang, MBA

Brian Truesdell, REC

Edgewater, LLC

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Project By:

- Graham Brown, MBA/MS, LEED AP
- Mike Combs, MUP
- Emily Tsiang, MBA
- Brian Truesdell, REC

EXECUTIVE SUMMARY

"[The Huron River] is a beautiful, transparent stream, passing alternatively through rich bottoms, openings, plains, and sloping woodlands..." (History of Washtenaw County, Michigan, 1881)

Ann Arbor's Lower Town and the north end of the Old Fourth Ward about one of the city's most valuable assets – the beautiful Huron River – and enjoy extraordinary proximity to the employment, entertainment, and services of the UM medical campus and downtown. Unfortunately, the area is in varying states of disrepair and abandonment; as the city's own Northeast Area Plan states, vacant and contaminated sites, limited access, and scattered development have left Lower Town without a strong community identity or economic core.

We aim to change all that with Broadway Mills. Our goal is to catalyze the revitalization and rebirth of Ann Arbor's Lower Town district by creating a singularly attractive mixed-use development at the convergence of pedestrian, auto, and bus traffic from downtown, the Old Fourth Ward, Lower Town, and the UM medical campus. More importantly, we seek to open up one of the city's most spectacular stretches of riverfront for recreation and pedestrian enjoyment, and to bring community and cultural events closer to this beautiful natural setting.



View of Lower Town showing historic and low-end modern architecture side-by-side with a parking lot
Source: Ann Arbor Northeast Area Plan

Broadway Mills will be a perfect complement to the city's existing walkable centers– Kerry-

town and downtown– and will feature direct bus connections to both, as well as the UM medical campus and points northeast. With the imminent relocation of the city's train station and the removal of the existing MichCon maintenance building, we feel the time is right to take full advantage of Ann Arbor's underutilized riverfront. The enjoyment and enablement of the pedestrian is our highest aim.



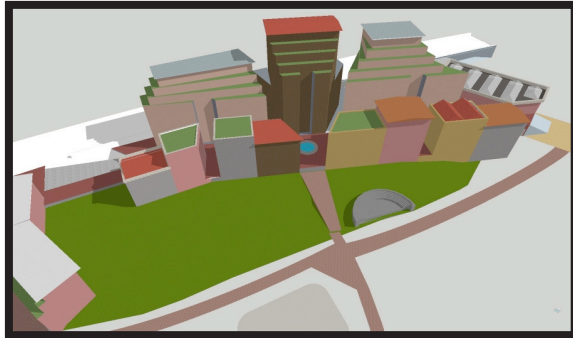
Ann Arbor is a hub for medical research and 21st-century entrepreneurship
Source: www.nih.org

Introducing Broadway Mills

Broadway Mills will bring a dynamic pedestrian village and riverfront experience to Ann Arbor, with shops and restaurants opening directly onto a pedestrian boulevard and a riverside walkway that will link Broadway Park and points east with the existing recreation trails around Argo Dam. Residential units on upper floors – condominiums immediately along the river and apartments in three ten-to-twelve-story towers on the site's east side – will bring energy and vibrancy to the development's pedestrian spaces, while taking advantage of spectacular views of the river, Argo Pond, Lower Town, and the medical campus. Public spaces, like a small amphitheater, a skating rink, and multiple plazas with installations by local artists, will link Broadway Mills to the larger Ann Arbor community and provide new opportunities for outdoor recreation.

The Broadway Bridge will be similarly re-energized, with retail and restaurant space linked to the bridge's existing pedestrian walkway via a parallel sidewalk. A car-free, retail-lined "urban canyon" will

EXECUTIVE SUMMARY



Broadway Mills from a Northwest Aerial View

cut through the building from the Broadway Bridge entrance to a plaza on Depot Street, providing direct pedestrian access to transit and shops along Depot Street.

Design Goals

Broadway Mills will echo and enhance the architectural styles of Lower Town's historic buildings, emphasizing simplicity and human-sized spaces. The site will be designed to achieve LEED Gold certification, with rooftop gardens, stormwater swales, and a substantial portion of the site permanently dedicated to green space and public enjoyment. LEED certification will address the current appetite for sustainable buildings while adding long-term value and increased tenancy. Because the site is currently zoned M1, the project will require the use of a Planned Unit Development (PUD) and full stakeholder buy-in (to be addressed later in this report). Broadway Mills' overall design is premised on the idea that a dense, walkable, diverse community can provide the economic and social impetus necessary to reinvent a neighborhood like Ann Arbor's Lower Town.

Market Analysis

Broadway Mills will target the young professional population, attracting those individuals that seek quality amenities at their fingertips. Ann Arbor, and particularly the campus area, is composed of mostly young single individuals, without children, with college or

professional degrees. The city has shown its ability to attract firms in the emerging industries, such as information technology and pharmaceutical firms, but the area has not responded adequately to the demand for high-end housing. Broadway Mills will not only attract those employees to the lifestyle that the development offers, but will bring in new firms to its commercial spaces and a variety of retail that suits the desires of employees in the new economy. To attract traffic and provide needed services in Lower Town, two anchor tenants will be a small to mid-sized grocer (comparable to the People's Food Coop in nearby Kerrytown) and a fitness center (a LA Fitness or similar). Our market analysis shows that these retailers are desperately needed for residents of Broadway Mills and the Old Fourth Ward and Lower Town communities.

One significant potential partner will be the Broadway Village project in Lower Town, which has been stalled for several years but is likely to begin redevelopment soon. The Broadway Village development, as proposed by the Strathmore Development Company, will add 770,000+ square feet of residential and retail space to the area. We believe that the combined anchors of Broadway Village and Broadway Mills will catalyze the expansion of transit options and the overall revitalization of Lower Town as a new economic hub of Ann Arbor.

Financial Analysis

The financial goals of the Broadway Mills project are to create favorable returns for our investors and for Edgewater, LLC. We are targeting a 20% return on our investment. Because of prevailing market trends, we anticipate a long-term hold of at least 10 years; using current market rents and forecasting NOI and cap rates over a 4-year period we anticipate an overall IRR of between 10% and 30%. Debt financing will come in the form of a construction loan and a subsequent permanent loan.

INTRODUCTION

Ann Arbor

Ann Arbor, located on the Huron River, is the largest city in Washtenaw County and lies approximately 45 miles west of Detroit. It is a vibrant community of 115,000. The University of Michigan is the largest employer in the city, and the University and its attendant hospital bring and estimated 65,000 workers, patients, and students to the city daily.

As a result, Ann Arbor currently has the lowest unemployment rate of any metropolitan area in Michigan (Bureau of Labor Statistics). In addition, Ann Arbor ranks among Forbes Magazine's "10 Most Educated Cities in America," and rated 24th on a Popular Science list of "America's 50 Greenest Cities." A 2009 Kiplinger report lists Ann Arbor 7th nationally in the percentage of the workforce who are members of the "creative class." In short, there are few better places in America to create a vibrant, dense, modern community like Broadway Mills.

Lower Town and the Old Fourth Ward

Lower Town and the Old Fourth Ward are two neighborhoods to the northeast and north of Ann Arbor's downtown, respectively, with long frontages on the Huron River. More importantly, the area has easy access to two railroad lines, the north-south Ann Arbor Railroad line and the east-west Norfolk Southern line. Both lines have the potential to make Broadway Mills an even more at-



Map of Ann Arbor's 5th Ward (Lower Town) in 1861, showing the original path of the Huron and the dense street layout that had emerged by the mid-1800s.

Source: <http://www.artsofcitizenship.umich.edu/>

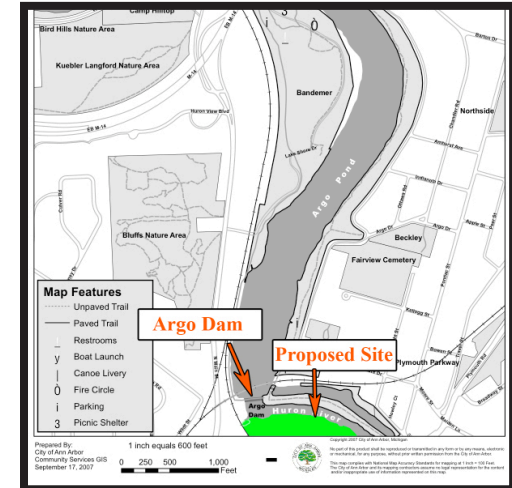
tractive place to live and work, with planned commuter trains between Detroit and Ann Arbor and the possibility of an eventual pedestrian linkage to downtown on the site of the current north-south tracks.

Huron Riverfront

The Huron River passes through much of northern Ann Arbor. Its dominant features are Argo Pond, created by the Argo Dam, and a series of riverfront parks – Riverside Park, Broadway Park, Nichols Arboretum, and others, loosely linked by a pedestrian and bicycle path on the north bank of the river. The Huron River area is used by a mixture of recreational groups, all of whom will need to be considered in site design: bicyclists, joggers, canoeists, and rowers, to name a few.

History of the Area

Ann Arbor's Old Fourth Ward and Lower Town areas, located to the northeast of the city's downtown core, were the site of some of the city's first settlement and commercial development. The Anson Brown building on Broadway, opened in 1832, is the oldest commercial building in the city, and the area contains many of Ann Arbor's oldest homes. Anson Brown himself, one of Ann Ar-



Map of Bandemere Park, Argo Nature area, and the Argo Dam - former a power supply, now a source of controversy
Source: www.arborwiki.org

INTRODUCTION

bor's first postmasters, intended to make Lower Town the cultural and commercial center of the city. In 1830 he built the Argo Dam across the Huron, using power from the river to drive a flour mill; although Anson Brown himself did not live to see it happen, over the next hundred years the Lower Town area became home to much of Ann Arbor's industry: breweries, slaughterhouses, tanneries, manufacturing, and eventually coal gasification (see Environmental section).

Current Uses

Today, Lower Town and the North Main St area contain a mixture of commercial, restaurant, and residential spaces, with DTE and MichCon occupying some of the last industrial spaces, including the original Sinclair Flour Mill. To the south, the revitalization of Kerrytown and the Old Fourth Ward have created a vibrant residential and retail community within walking distance of the Broadway Bridge. Depot / Fuller Street itself has a limited number of restaurants (most notably the Gandy Dancer in the former train station), as well as one underused park (Wheeler Park) and a relatively recent office building currently leased to a software development firm.

The overall character of the area is in flux; vacant lots and gas stations are as numerous as new developments or historic buildings, and several local parks lack linkages for a continuous greenway. In addition, the University of Michigan, which owns much of the area, has plans to expand its medical center into parts of Lower Town. This is an opportune moment to play a role in shaping the area's identity with a project as ambitious and forward-looking as Broadway Mills.

The Northeast Area Plan

Although Broadway Mills straddles the boundary between Ann Arbor's downtown and the Fifth Ward – the primary focus of the Northeast Area Plan – we feel that following the Northeast Area Plan's recommendations will provide a stronger connection between the Lower Town and downtown areas. Specifically, we aim to

- Build using sustainable techniques, focusing particularly on reducing stormwater runoff
- Increase density to promote transit penetration into the area
- Promote public stewardship and use of natural spaces



Boston's Emerald Necklace of parks provides walkable connections between natural spaces in the city

Source: www.activitiesinboston.com

SITE ANALYSIS

The proposed lot for Broadway Mills consists of three parcels:

1. The 11.38-acre MichCon site bounded by the Huron River on the North, the Norfolk Southern railway tracks on the south, and the Broadway Bridge to the south¹
2. The Amtrak parking lot directly southeast of the MichCon site and to the north of the Norfolk Southern tracks
3. The current Depot Street Amtrak station and parking lot on the south side of the railroad tracks

Following the city's decision to relocate the existing Amtrak train station to a site on Fuller Road, we anticipate negotiating with the City and with the current owner of the Amtrak sites (the National Railroad Passenger Corporation) for the development rights of both sites in exchange for the following public installations:

- The western half of the MichCon site to be donated to the city as a conservation easement, to become a public park (see Environmental Analysis), with pedestrian / bicycle trails developed to link Broadway Park, North Main, and the Argo Pond recreation area.
- The western third of the current Amtrak parking lot to be redeveloped into a public plaza.



Broadway Mills will be located to the north of downtown Ann Arbor
Source: Various

- Provide space on Depot Street for transit linkages to downtown, Lower Town, and the new Fuller Street train station.

Current Zoning & PUD

The MichCon site is currently zoned M-1 (Limited Industrial). Ann Arbor's current zoning code does not currently allow residential units in M-1 sites and requires a 40-foot front setback.

However, we feel that the maximization of the site's potential will require both residential use and limited setbacks along Broadway and Depot Streets. In order to move beyond these zoning limitations and gain additional flexibility with regard to mixed use and public-space designations, Edgewater LLC will seek to Planned Unit Development (PUD) status for the site. The PUD will provide limited exemptions from M-1 zoning requirements – specifically land use, setbacks, and height restrictions – in exchange for public amenities and design concessions (outlined above and in Site Analysis).²



The future of transit options in Ann Arbor: light rail & streetcars, commuter rail, hybrid buses, and bike / pedestrian commuters
Source: Various

SITE ANALYSIS

Transportation and Linkages

Entrance to the site is currently via a ramp leading from the Broadway Bridge to the current Amtrak and MichCon parking lots. We anticipate retaining the existing site entrance and adding a second access point from Depot Street. Although we aim to make Broadway Mills as pedestrian- and transit-friendly as possible, the current reality of limited transit access and little nearby parking suggests that a substantial amount of on-site parking will be required. To reduce the visual and environmental impacts of cars, however, the primary parking garage will be “hidden” on the Broadway Bridge side of the first two floors of the building, below the pedestrian boulevard and retail.

Although the Amtrak passenger rail station will be moved to the Fuller Road site, Broadway Mills will be well-positioned to take advantage of existing and planned transit opportunities. We feel that carefully-designed, pedestrian-oriented urban transit is the key to the long-term vitality of a city; with that in mind, our site design will incorporate the following elements:

- Transit stands at both primary site entrances for direct bus connections to downtown, the Hospital and rail station, and points north along Broadway
- Utility connections installed and future funds designated for potential streetcar stops at 5th and Depot (link to downtown) and on Broadway Bridge (link to points north)
- Covered bicycle parking on north and south ends of lot, with access to the central pedestrian street. Edgewater will work with the City to dedicate a portion of 5th Street to bicycle use.
- All automobile parking will take place in a two-floor garage adjacent to the Broadway Bridge, with entrances off Broadway Street and Depot Street (via an at-grade railroad track crossing)

- In order to encourage ride-sharing and meet LEED guidelines, 5% of parking spaces will be allocated to ZipCars, electric vehicles (EVs) and plug-in hybrid-electric vehicles (PHEVs)

Site Challenges

The most significant site-related challenge is its status as a brown-field (discussed at length in Environmental Analysis). Other challenges and opportunities:

Opportunities	Challenges
Brownfield improvement - TIF funding, etc	Floodway limits buildable space
Views of river	Hospital and community buy-in essential
Improve riverfront access	Need high FAR to justify land costs
Create connectivity between parks	Site bisected by railroad tracks
Bring transit to North Main, Lower Town	Unknown local utility infrastructure
Reliable job market at hospital, N Campus	Potential NIMBYism
Fill need for small grocer in North-east AA	Potential Argo Dam removal
Limited number of site owners	Broadway Bridge obscures view
MichCon facility to be demolished	Fast traffic on Broadway Bridge
Little existing development on site	Low-density development in area
	Risk of being first major local development

ENVIRONMENTAL ANALYSIS



Ann Arbor Gas Company facility in 1895, following an explosion in part of the plant. The facility relocated to the current MichCon site following the explosion
Source: Ann Arbor District Library, www.aadl.org

Healthy residents and a healthy ecosystem are our top priorities. Studies suggest that young professionals prefer to live and work in spaces built with sustainability in mind. Broadway Mills aims to integrate natural spaces and green design elements in a way that will maximize occupancy and rents, minimize costs, and reduce the community's overall environmental footprint.

Brownfield Considerations

One of the primary issues to be dealt with during the course of development is the site's former use as a manufactured gas plant, which has left portions of the site contaminated with various hydrocarbon residues. The Ann Arbor Gas Company, which purchased the site in 1898, operated a gasification facility on the site

until the 1940s; from 1915 to 1940, the company deposited contaminated soil in the existing Huron riverbed, functionally re-routing the river to its current path.

Broadway Mills offers a tremendous opportunity for MichCon and DTE to realize revenue from what would otherwise be a liability in perpetuity, per the Environmental Protection and CERCLA (Superfund) Acts. Moreover, the purchase of the property will be carefully structured to mitigate MichCon's ongoing groundwater liability, giving the company first right of refusal on the site's ground lease. The primary tools for purchasing the contaminated portion of the site will be a Baseline Environmental Assessment (BEA) – essentially a report outlining the pre-construction contamination present on the site – and a Brownfield Development Work Plan, which will detail risk-mitigation techniques and monitoring throughout the construction process. Throughout the process we will adhere to the highest standards of due care.^{1,2,3}



Bioswales can provide both stormwater runoff control and aesthetic appeal
Source: BelleWood Gardens, www.bellewood-gardens.com

ENVIRONMENTAL ANALYSIS

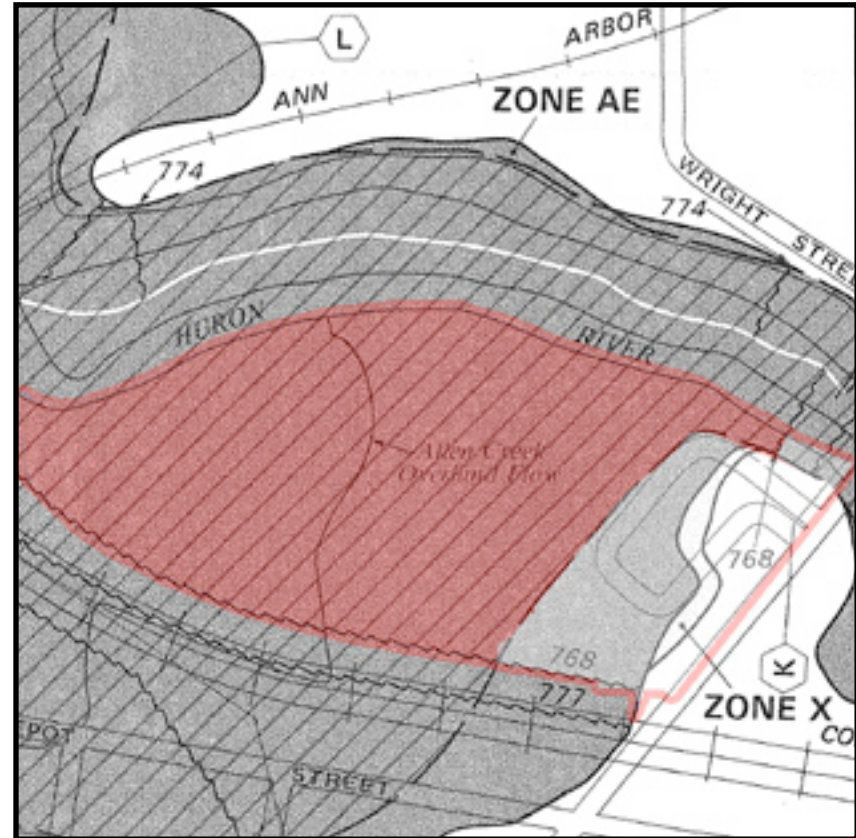
Specifically, the following primary steps will ensure a safe and healthy space for recreation and residence:

- “Cap” all areas of known or suspected contamination (following the BEA), likely with 1-3 feet of clean soil and a non-permeable membrane
- Donate the eastern half of the site to the city as part of a conservation easement and restrict residential development (via the PUD) to a defined footprint on the eastern third of the site
- Maintain the four existing monitoring stations and establish at least 36 additional stations per developed acre to ensure containment of site contamination⁴
- Add additional ground-floor ventilation and monitoring stations to reduce the risk of interior volatilization of organic compounds in groundwater moving across the site⁵

In order to minimize groundwater impacts, all hardscapes outside the “cap” footprint will be constructed of permeable materials – open-faced tiles, permeable concrete, or vegetated pavers. A native-vegetation swale between the east and west halves of the site will provide stormwater runoff control and a natural transition from the developed site to the “natural” western half.

Geologic and Floodway Considerations

Until the early part of the 20th century, the Huron River described a much broader arc south of the Argo Dam. Between 1915 and 1940, however, the Ann Arbor Gas Company backfilled much of the existing floodplain, redirecting the river to its current path. As a result, most of the western portion of the site is geotechnically unsuitable for construction.⁶ Additionally, much of the site lies directly in a FEMA-designated 100-year floodway (see map) and



FEMA floodmap showing areas of site in 100-year floodway (in red).

Source: www.fema.gov

is consequently off-limits to residential development. Donating these portions of the site to the city in exchange for development rights on the Amtrak lots will reduce MichCon's potential liability, minimize flooding risk, and provide the inhabitants of Broadway Mills with a spacious, natural “backyard.”

ENVIRONMENTAL ANALYSIS

LEED Certification

In order to demonstrate our commitment to the region's long-term economic and environmental health, Broadway Mills will seek LEED Gold certification. Planning for high indoor environmental quality – daylit spaces, non-volatizing materials, thermal controls – will maximize occupant health and productivity, our most important responsibility as developers. We feel that building to a high standard of sustainability also makes sound business sense, through lower vacancy rates and reduction of overall operating costs (primarily from improved energy systems performance). Although we are not currently including higher rents in our financial calculations, in a market as sustainability-friendly as Ann Arbor, we believe that we will see vacancy rates decreased by as much as 20% and rents increased by as much as 10% over their conventional counterparts.



Source: USGBC.org

“Lease-up rates for green buildings typically range from average to 20 percent above average”⁷

“On average, LEED buildings are delivering anticipated savings... [and] energy use 25-30% better than the national average”⁸

The largest steps toward LEED certification will be in overall energy performance (30% above the requirements of ASHRAE 2007); enhanced energy com-

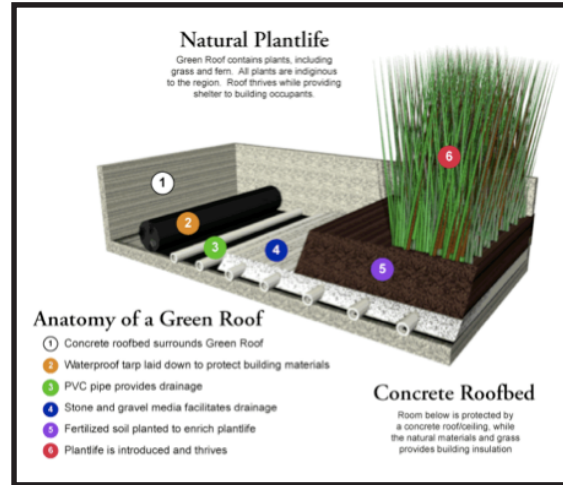


Diagram of green-roof layers at the Kresge Foundation headquarters in Troy, MI

Source: www2.jmolson.com

missioning and monitoring (in which building energy data is tracked, made available to tenants, and); and abundant transit options: bus connections, the nearby Amtrak station, bicycle storage lockers, and parking priority for alternative-fuel vehicles. “Green” or vegetated roof areas will and provide both thermal insulation and stormwater mitigation, as well as an appealing viewscape from residential units above (see Appendix 2: Anticipated LEED credits).

Based on the results from several green-building cost studies, we anticipate that LEED Gold certification will add an additional 5% to overall construction costs. Base construction costs of \$212 per square foot will add \$11 per square foot; however, similar reports suggest that annual energy savings alone will have a net present value of at least \$4 per square foot over the life of the buildings – nearly enough to offset the entire cost of building to LEED standards.^{9 10}

MARKET ANALYSIS

Demographics

Edgewater, LLC conducted a market analysis for Broadway Mills by looking at three concentric circles around the project site: the ½-mile market (the immediate area), the 1-mile market, (the walkable distance) and the 5-mile market (the expanded market that captures Metropolitan Ann Arbor).

We found similarities in the Immediate Area and Walkable distance, primarily that the target demographic is young, of moderate income, college educated, and generally without children (non-family). The Immediate and walkable areas are also very dense relative to the expanded area. Our expanded market consists of residents with more income, older in age (but still young), and highly educated.

Current Market, Emerging Trends, and Critical Needs

The current economic crisis has harshly affected the Midwest and particularly Michigan. Unemployment in the region has skyrocketed, businesses have been closing,



Map of Target Areas
Source: Demographics Now, SRC LLC

Demographics			
Category	½-Mile	1-Mille	5-Mile
Average Household Income	\$52,749	\$51,500	\$84,816
Median Age	26.7	24.5	31.2
Average Household Income	\$52,749	\$51,500	\$84,816
College Degree	77.6%	76.8%	74.7%

Source: Demographics Now

sales in most sectors are down, and the financial situation has stalled most development. Although Ann Arbor has been negatively affected by this situation, it has fared better than the state and its regional counterparts, likely due to its technology and healthcare-driven base and local educational institutions.

As of September 2009, Ann Arbor was experiencing traditionally high unemployment at 9.3% compared to 4.2% in 2004. However, these numbers are lower than the 14.8% state unemployment level and the 9.8% national level.¹

The strong presence of the Health Care sector in Ann Arbor provides the city with a competitive economic base. Nationally, the sector represents the largest industry with one of the most educated workforce and fastest growing occupations.² The project's close proximity to the University of Michigan Health Center will directly benefit from the increased activity associated with the opening of the Children's Hospital in 2012. Additionally, looking at the University of Michigan's recent Pfizer purchase presents an opportunity for nearby health care-related development, such as medical devices or biotech firms, in the North Downtown and Lower Town areas (See next page).

MARKET ANALYSIS

The Pfizer situation has played a major role in Ann Arbor's economy. At one time, Pfizer was one of Ann Arbor's largest private sector employers with over 2,000 employees working at its massive Ann Arbor facility. Pfizer is a national pharmaceutical developer and producer and worked closely with the University of Michigan. In late 2008, the plant closed with widespread effects on the economy.

- The Pfizer closure caused several real estate developments near the plant to come to a halt as demand for new construction and current real estate values dropped due to a loss in potential buyers, renters, and customers.
- Retail around the site has fallen due to a lack of incoming traffic that previously accompanied the daily operations of the plant. Restaurant traffic has clearly decreased, and other goods and services industries along Plymouth Road near the site have noticed significant losses in customers.

Shortly after Pfizer closed its doors in late 2008, the University of Michigan announced that it would purchase the 1.97 million square foot facility and convert it into a research space that will employ approximately 2,000 employees over the next ten years. UM expects the facility to better enable it to work with the private sector and attract more research and development firms to the region. This presents an opportunity for new retail, commercial, and residential space to house the growth from the university's purchase and spin-off industries.³



Current Layout of Pfizer Plant in Ann Arbor.

Source: Ann Arbor News. Tammie Graves

MARKET ANALYSIS

Retail

People in the immediate and walkable market area spend more of their income on retail purchases, and when adjusted for differences in income, we see that they spend much more per establishment. This indicates that we would expect a more dense

Retail Analysis			
Category	½-Mile	1-Mile	5-Mile
Total Retail Establishments	135	400	1466
Total People per Establishment	36	51	103
Total Retail Expenditure per person (Adjusted for Income)	\$13,708	\$11,420	\$9,829
Food Markets as a percentage of Total Retail Establishments	1.5%	2.3%	2.9%
Average household expenditure on food at home as a percentage of retail expenditures	8.40%	8.26%	7.48%
Average household expenditure on food away from home as a percentage of retail expenditures	14.9%	15.0%	15.3%
Bar and Restaurant establishments as a percentage of Total Retail Establishments	25.9%	29.3%	20.0%
Average Expenditure per Establishment	\$304,075	\$353,044	\$1,015,451
Source: Demographics Now			

retail market, which is shown by people per establishment. However, whereas the Metro Ann Arbor area serves primarily its immediate residents, we assume that the downtown Ann Arbor area captured by the walkable distance draws consumers from around Metropolitan Ann Arbor, not just in the downtown area.

The downtown Ann Arbor area is not devoid of retail establishments, but the market is saturated with boutique and collegiate apparel establishments. Many young consumers who either cannot afford the boutique establishments or simply do not find their service matches their tastes have to travel to the nearby Briarwood mall to access many of the more affordable apparel stores.

The area around the site is also saturated with bars and restaurants, but people spend much more of their income away from home on food and drink than at home, so this would be expected. However, the immediate area is much less saturated with bar and restaurant establishments than the walkable area (which captures all of downtown). Thus, if people are spending nearly the same at these establishments, but they are less concentrated in the immediate area, this indicates the possibility for more bar and restaurant establishments in the ½ mile market area.

Proximity to the river and greenway create new retail opportunities. A runner may demand shoes or a sports drink, a biker may need air in the tires, or water recreation enthusiasts may need a place to drop in or stop off for a bite to eat. Such buyers demand their recreational necessities, and a proximity to the river and greenway allows potential businesses to meet those demands by opening new stores, or providing recreation materials. A study done in Pennsylvania disclosed that each cyclist spent an average of \$25.86 per visit per day. ⁴

MARKET ANALYSIS

Residential

The immediate market area is very rental heavy, which is likely because of the high residential turnover and lack of long-term housing stability. Ann Arbor is looking to attract new economy firms, which employees in these high-tech high wage fields often look for rentals because of the fluid job market and constant mobility. They also prefer to rent because like employment in the new economy, the house/condo for sale market is relatively uncertain, so new economy employees prefer not to be tied down to a mortgage. Also, according to ULI's Emerging Trends report, "only rental apartments register fair prospects," with office and retail trailing behind.

New residential developments in the downtown area have been focused on the luxury loft/condo market, which because of the aforementioned situation has experienced relatively high vacancy. Some developments have tried to rent or rent-to-own to combat vacancy and capture the changing market preferences. The other rentals in the downtown area tend to be student-oriented and lack many of the amenities that new economy employees are looking for. Therefore, there is potential in the downtown market for amenity-driven apartments and luxury rentals.

Research also indicates that, in the last 20 years, open spaces and recreation opportunities have increased in importance to buyers and renters.⁵ Buyers and renters see parks, open spaces, and recreation as a way for them to spend their leisure time, and these places become amenities that factor into home prices and rental rates.⁶ A recent study found that the Little Miami Scenic Trail in Ohio increased sale prices by \$7.05 for every foot closer a property is located to the trail.⁷ Thus, proximity to the Huron River Greenway creates an added value to the development.

Retail Analysis			
Category	½-Mile	1-Mile	5-Mile
Population	4,815	20,364	151,455
Population Density (per square mile)	6,130.9	6,482.2	1,928.4
Expected Population Change (2009-2014)	4.76%	11.24%	6.68%
Non-Family Population	72.4%	66.8%	32.6%
Single Person Households	52.2%	51.3%	36.1%
Renter Occupied Housing	52.1%	50.1%	34.5%
College Degree	77.6%	76.8%	74.7%
Without a Vehicle	13.9%	15.9%	6.9%
Stability (% In Res 5+ Yrs)	15.1%	18.4%	29.9%
Residential Turnover (% Yearly)	29.2%	26.5%	17.7%

Source: Demographics Now

MARKET ANALYSIS

Commercial

As mentioned, Ann Arbor is looking to attract new economy firms, primarily focusing on life sciences, information technology, and print/online information. The city has experienced a trend of small and large firms locating downtown and near the river, most notably Google's Advertising arm, Barracuda Networks, and a set of small design and technology firms. Ross School of Business's Wolverine Venture Fund also promises an impact as graduates of the school start small businesses with the venture capital funds.⁸

Commercial Costs	
Class A Office	\$18-\$25
Class B Office	\$10-\$16
Light Industrial	\$5-\$11
Bio Lab Space	\$18-\$30

Source: Ann Arbor Spark

Recreation

The development around the site is surrounded by recreational and environmental amenities including a park along the river on the other side of the Broadway Bridge, the Huron River directly along the site, and Wheeler Park directly across Depot. The various recreation activities surrounding the site is one of its greatest assets with canoeing on the river, running and biking on the path, and family activities at Wheeler Park. Despite these outstanding amenities, placing tennis or basketball courts on the site, baseball/kickball fields, an outdoor concert/events venue, and an outdoor skating rink could greatly improve the recreation in the area for all seasons and for a larger demographic.



Bikers on Ohio's Little Miami Scenic Trail

Source: www.wusv2008.org

STAKEHOLDER ANALYSIS

In an effort to ensure the successful development of Broadway Mills, we have assessed the impact it will have on our key stakeholders.

DTE (MichCon & Detroit Edison)

DTE is the last industrial firm along Broadway Bridge. They are one of our primary stakeholders, as they own both the project site and the buildings along the north side of the River. One of the major concerns DTE has in selling the site is the ultimate responsibility for the contaminated sites. Broadway Mills has taken this concern into account and proposed building recreational spaces in these areas. By limiting development to park space, Broadway Mills will keep DTE's liability issues to a minimum.

Amtrak

We intend to work with the city to obtain development rights to the Amtrak property in exchange for public-space development on the site.. With their new rail station located at the medical campus, the primary concern from Amtrak is that our development does not interfere with the rail's operations. Broadway Mills does not foresee any potential conflicts and the development's design has highlighted the railway as an architectural treasure.



Ann Arbor Amtrak station 2008
Source: Ann Arbor District Library



University of Michigan Medical Campus
Source: University of Michigan website

University of Michigan Medical Campus

The University of Michigan Hospitals & Health Centers, one of our principal stakeholders, sits on nearly 128 acres and employs over 18,000 people. The new Children's Hospital slated to open in 2012, and, at 1.1MM square ft, will be the second largest construction project in Michigan.

Currently, the closest entertainment center that serves the Medical Campus is downtown Ann Arbor. Broadway Mills will provide both visitors and employees of the Campus with a riverwalk lined with dining options and shopping center within walking distance. The development should also be an attraction and recruitment tool for the Hospitals & Health Centers.

STAKEHOLDER ANALYSIS

Lower Town Business District

The Lower Town Business District extends north of the Broadway Bridge. It includes a variety of storefronts, ranging from restaurants to car repair shops. The Broadway Mills development will be an excellent complement to the existing retail outlets. For example, the proposed grocery store will bring a much-needed supermarket to the area since Kroger closed its Lower Town store several years ago. that will revive this commercial corridor.



Lower Town contains some of the oldest structures in Ann Arbor, including the Anson Brown Building, which dates to 1832.
Source: Ann Arbor District Library

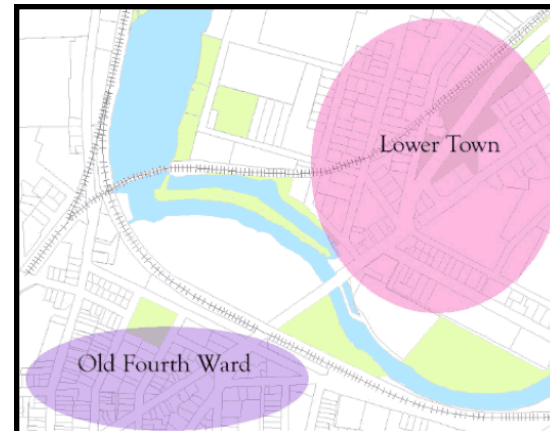
Lastly, Broadway Mills aligns well with the Lower Town Business Association's goals of brownfield remediation, pedestrian mobility, and creation of a connected greenway park system.

Neighborhood Residents

The residential communities that border the proposed project are Lower Town and the Old Fourth Ward. These neighborhoods, once closely linked, now represent two very different characteristics. The Lower Town area is a collection of different architectural eras primarily populated by students and young families associated with the Medical Campus; the Old Fourth Ward historic district possesses a more integrated and cohesive architectural feel and populated by a mix of short- and long-term residents.

Broadway Mills aims to connect these two disparate neighborhoods through its historic design features and rich retail amenities. The street-level retail shops along the Broadway Bridge will provide these two communities with a contiguous, densely populated feel. Additionally, the project's façade has been intentionally designed to align with the Old Fourth Ward Association's architectural specifications and match the character of the Lower Town business district.

A potential concern by the community could be the project's environmental impact. Since DTE no longer produces power at this site, it currently produces a negligible impact to the local community. The addition of the Broadway Mills development will generate a significant increase in traffic at and around the Broadway Bridge. However, we will mitigate this impact by integrating multiple car and pedestrian-friendly access points as well as controlling for traffic flow during rush hours.



Broadway Mills is bordered by the Lower Town and Old Fourth Ward neighborhoods

Source: Arts of Citizenship

STAKEHOLDER ANALYSIS

Broadway Park

Broadway Park is a recently renovated three-acre park that lies on the south bank of the Huron River and bordered by Broadway Bridge. Currently, the area lacks amenities that would increase foot traffic to the park. The Broadway Mills shopping and recreational outlets will be an excellent attraction to bring residents into this public space.



Broadway Park, on the south side of the Huron River, facing towards the UM Medical Campus
Source: ActiveRain.com

Stakeholder Chart		
Stakeholder	Relevant Interests	Project Impact
DTE	<ul style="list-style-type: none"> Minimal to no liability issues 	+Contaminated sites limited to recreational uses
Amtrak	<ul style="list-style-type: none"> Minimal impact on rail operations 	+Highlights railway as a historical relic, art piece
University of Michigan Medical Campus	<ul style="list-style-type: none"> Expanded housing options for employees, residents, faculty Close entertainment destination 	+High-end housing options for faculty +Riverwalk access to dining and retail options
Lower Town Business District	<ul style="list-style-type: none"> Increase foot traffic Attract new customers 	+Increase commercial and office activity
City of Ann Arbor	<ul style="list-style-type: none"> Linkage between Old Fourth Ward & Lower Town 	+Street-level level provides continuous commercial activity between neighborhoods +Historic façade provides architectural continuity
Neighborhood Residents	<ul style="list-style-type: none"> Additional retail, entertainment options Maintain current traffic level 	+New grocery store, retail and dining establishments -Increased environmental impact -Increased traffic congestion
Broadway Park	<ul style="list-style-type: none"> Increase park usage Additional recreation sites Amenities near park 	+North lot will be converted to sports use +Dining establishments along bridge and river

ARCHITECTURE + DESIGN

Introduction & Design Philosophy

At Edgewater, LLC, we believe that the following core principles should guide responsible, community-oriented design and development (adapted from the Charter of the New Urbanism)¹

1. Neighborhoods should be compact, pedestrian-friendly, and mixed-use
2. Architecture should reflect a clear sense of place and the local community, and should match well with local style
3. Developed and natural spaces should connect seamlessly
4. Transportation alternatives should be as varied and numerous as possible
5. Multiple uses should coexist in the same space
6. Streets and public spaces should be clearly defined as places of shared use

Public Spaces

One of our primary goals is opening up the riverfront to the public and creating active, easily accessible recreational areas. The park space includes plazas, an amphitheater for summer performance events and winter ice-skating, tennis courts, and paths for walking and biking. A public plaza on the old Amtrak site and an elevated crosswalk over the tracks will link the riverfront park to the new Depot Street plaza and a possible future connection point to the Allen Park Greenway. A riverfront walk will connect to Broadway Park and the Argo Pond Loop.

“Successful, active public spaces have been shown to increase the property value of surrounding buildings” – Project for Public Spaces²



Narrow streets, like Acorn Street in Boston's Beacon Hill neighborhood, create a sense of intimacy and excitement

Source: www.ronsaari.com



Pedestrian-friendly plazas, like this one in Oaxaca, Mexico, attract pedestrians and activities

Source: www.pps.org



Ice rinks are a creative way to attract the public during the winter months. This rink at City Hall in Paris is an example of good design.

Source: www.pps.org

ARCHITECTURE + DESIGN

Empowering the Pedestrian

One of the primary challenges facing the site lies in creating a suitably attractive and dynamic atmosphere for pedestrian use. Broadway Bridge already serves as the shortest on-foot route from Lower Town to downtown; in addition, the current MichCon site serves as a barrier to pedestrian traffic moving across the area. Broadway Mills will address these concerns in three ways:

1. Lure pedestrians off the Broadway Bridge with a tree-lined "urban canyon:" a pedestrian-only street cutting through the heart of the development, offering access to retail, dining spaces, public amenities, and a car-free walking experience. The "street" – in reality a second-floor walkway above two hidden levels of parking – will take design cues from Ann Arbor's own successful Main Street, as well as successful pedestrian-only spaces in other cities like Portland and Amsterdam. It will lead from the Lower Town entrance directly to the public Depot Street plaza, with easy pedestrian connection to downtown via Fifth St. To provide a greater sense of space, lines of sight will connect all portions of the "urban canyon" to natural spaces – the plazas at either end and the park to the west.³
2. Provide pathways between other key public spaces in the development; most notably, the riverfront area, the central plaza and skating rink / performance center, and the Depot Street plaza on the site of the former Amtrak parking lot.
3. Excite the spaces. We plan to partner with local artists– many of whom will ideally become tenants in our Depot Street incubator– to create complex and rewarding outdoor public spaces. In addition, wherever applicable we have designed building fronts to be as permeable as possible, with very limited setbacks.



Above: Pedestrian-only zones, if carefully designed, can bring energy to a development and dramatically increase retail traffic
Below: An example of waterfront pedestrian space.
Source: www.pps.org



ARCHITECTURE + DESIGN

Waterfront

In opening the site's riverfront space to public use, we have taken care to avoid the design choices that, according to the Project for Public Spaces, are the primary areas "where waterfronts go wrong": single-use development, domination by autos, and excessive public space without enough "destinations" to energize it. Instead, the riverfront portion of Broadway Mills aim to recreate a portion of other successful waterfront redevelopments (most notably in Portland and San Antonio): a mixture of many uses, from restaurants and shops to recreation. We are actively pursuing a possible partnership with the Argo Canoe Livery to provide rentals and recreation opportunities.



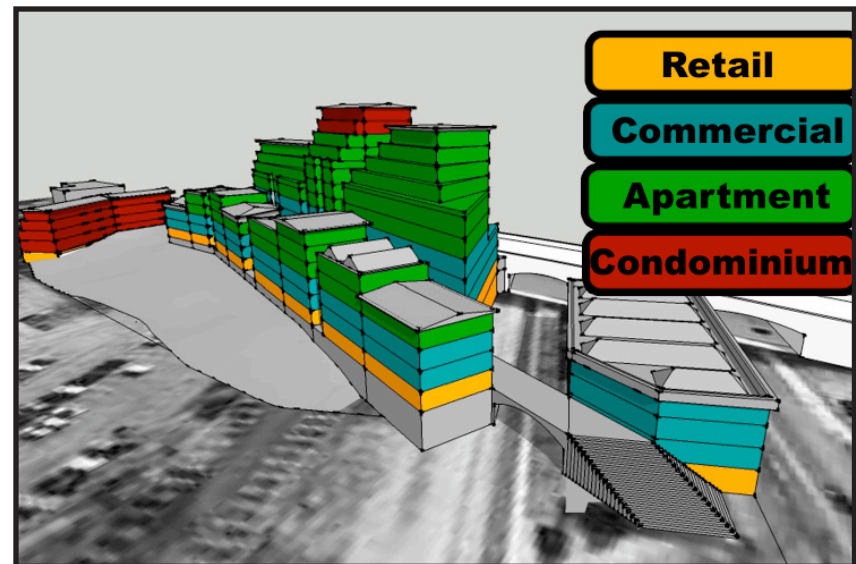
San Antonio's Riverwalk is an excellent example of a redeveloped, pedestrian-oriented, mixed-use waterfront
Source: www.wildnatureimages.com

Massing and Design

Broadway Mills aims to address the opposing tensions of return on investment and restraint in building by concentrating development on the eastern third of the site. The project is envisioned as a walkable urban village, with retail, office, residential rental units, and public recreation areas. The plan results in a total square footage of 431,000 with an FAR of 79%, with the distribution of uses shown below, plus a total of 540 parking spaces. Two

full floors of parking and mechanical space will be "concealed" against the mass of the Broadway Bridge, leaving upper levels available for "places for people."

In keeping with the industrial and historic character of much of northeast Ann Arbor, the buildings will consist of simple lines and street-level details to emphasize an attention to human scale, as well as locally sourced cladding and exterior materials to match the local design vernacular.



Massing and use diagram of Broadway Mills

ARCHITECTURE + DESIGN

Layout and Uses

There will be three primary structures on the site, each with distinct uses. Along the Huron River on the northeast portion of the site, a five-story building will combine riverfront restaurant and retail space with high-end condominiums, all with access to a plaza adjacent to the riverside walking / biking trail.

The site's primary structure will parallel Broadway Bridge along the eastern edge of the site. It will consist of three towers, between 11 and 13 stories tall (counting the parking below), with ground-floor retail, two stories of commercial space, and the remainder dominated by apartments. High-end apartments with private green-roof balconies will occupy the top levels, to take advantage of spectacular views of the region.

Across the "urban canyon" from the primary towers, three- and four-story mixed use spaces will counterbalance the site with a mixture of street-side retail and commercial, and rental residential on upper floors.

On the site of the current Depot Street train station, a warehouse-style building will contain a ground-floor grocer (ideally, a larger branch of the People's Coop); second-floor parking; and two additional floors of low-rent, flexible space for artists and new-venture incubation. We feel that providing below-market rents for entrepreneurs and art is one way to ensure a lively community and a continued supply of tenants for the site's other commercial spaces, once startups outgrow their initial office space.

See the page 22 for the mix of uses and page 23 for a site plan of the development.

Construction Phases

The construction will take place in three primary phases:

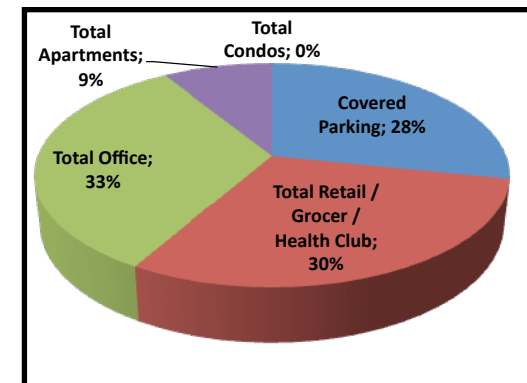
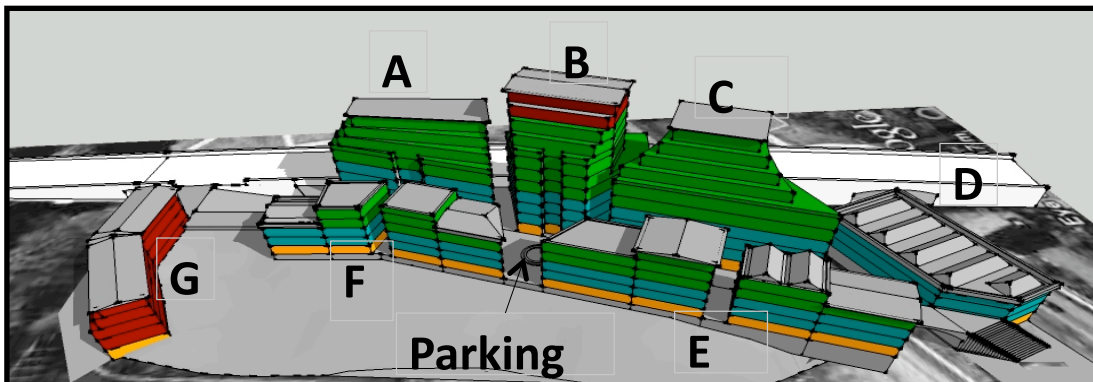
Construction Phases	
Phase 1	Demolition of Amtrak buildings (assuming MichCon maintenance building will be pre-demolished)
	Brownfield capping, initial soil addition and removal (care taken to avoid disturbing contaminated soil)
	Expansion of Broadway Street entrance, addition of railroad level crossings
	Utility connections, all foundation and drainage work
Phase 2	Construction of parking garage
	Construction of Depot Street building (Group A) following lease agreement with anchor grocer
	Construction of Group B and C buildings following 40% of retail and commercial space pre-lease
Phase 3	Construction of primary plazas and central pedestrian boulevard, initial landscaping (terraces, etc)
	Construction of riverfront building and plaza after 50% of condominiums pre-sold and 50% of ground-floor spaces pre-leased
	Completion of riverfront walk / bike trail, central plaza, amphitheater, and final art installation; final landscaping

ARCHITECTURE + DESIGN

BROADWAY MILLS

Mix of Uses

Building / Area	Floor	Use	Number of Units	Sq ft/unit	Total Area (ft ²)	Common Area (ft ²)	Effective Area (ft ²)	Effectiveness Ratio	% Common
A	1	Retail	14	1,000	15,000	1,500	13,500	90%	10%
A	2-4	Office	5	5,000	25,000	2,500	22,500	90%	10%
A	5-10	Apartments	55	5,000	35,000	3,500	31,500	90%	10%
B	1	Retail	4	3,000	14,000	1,400	12,600	90%	10%
B	2-4	Office	5	5,000	28,000	2,800	25,200	90%	10%
B	5-11	Apartments	60	600	40,000	4,000	36,000	90%	10%
B	12-13	Condominiums	6	1,500	10,000	1,000	9,000	90%	10%
C	1	Health Club	1	27,000	32,000	4,800	27,200	85%	15%
C	2-4	Office	7	3,000	22,000	2,200	19,800	90%	10%
C	4-5	Apartments	63	600	42,000	4,200	37,800	90%	10%
D	1	Ground-floor grocer	1	5,000	26,000	3,900	22,100	85%	15%
D	1	Retail	6	2,000	13,000	1,300	11,700	90%	10%
D	4-5	Office	5	5,000	25,000	2,500	22,500	90%	10%
E	1-7	Retail	2	4,000	10,000	1,000	9,000	90%	10%
E		Office	5	4,000	20,000	2,000	18,000	90%	10%
E		Apartments	27	600	18,000	1,800	16,200	90%	10%
F	1-7	Retail	2	4,000	8,000	800	7,200	90%	10%
F		Office	4	4,000	16,000	1,600	14,400	90%	10%
F		Apartments	21	600	14,000	1,400	12,600	90%	10%
G	1	Retail and Restaurants	9	1,000	10,000	1,000	9,000	90%	10%
G	2-4	Condominiums	21	1,200	30,000	4,500	25,500	85%	15%
Parking Deck	1-2	Covered Parking	450	300	135,000	135,000	-	0%	100%



ARCHITECTURE + DESIGN

Site Plan



Broadway Mills: Notable Features

1	Restaurants and shops will open onto a broad riverfront plaza adjacent to the new walking / biking trail.
2	A small amphitheater and a seasonal ice rink / fountain plaza will provide a central gathering and performance space
3	Depot Plaza will be a family-oriented space, with a splash fountain, climbable sculptures, and a playground
4	The Depot Street face of Broadway Mills will contain a mid-sized grocery, parking, and two floors of new-venture incubation space
5	The site's centerpiece will be its grand pedestrian boulevard, lined with "third-place" destinations like shops and cafes
6	Additional retail and commercial frontage will be face a sidewalk adjacent to Broadway Street
7	Cars will enter via Broadway Street and an at-grade crossing from Depot Street; the garage will be entirely hidden beneath the building.
8	Many of the structures in Broadway Mills will have vegetated ("green") roofs for thermal efficiency and stormwater management
9	Donating the western half of the site to the city will generate goodwill and create one of Ann Arbor's largest parks

FINANCIAL ANALYSIS

Summary

Edgewater LLC intends to create strong returns for our investors and targets a 20% return on investment. The current economic climate dictates a strategy of 90% rental units, with a holding period of at least four years. A four-year holding period should allow us to stabilize the property and sell in a more favorable economic cycle, although we anticipate an IRR of 23.2%, and a NPV of \$7,900,000.

Costs – Special Considerations

Land Acquisition

Estimation of land acquisition costs assumes that Edgewater, LLC will provide the full purchase cost of acquiring the MichCon property, the western half of which will be donated to the City of Ann Arbor as a conservation easement in exchange for the option to purchase development rights to the two Amtrak sites. Roughly half of the total property is allocated for public uses. Additionally, the MichCon site represents a significant challenge to the project due to the soil contamination present and MichCon's concerns about potential liability. In estimating the purchase price of the land, we started with an approximate fair market value for comparable clean land (\$4,000,000) and added additional consideration to be paid to MichCon to compensate the company for its additional liability following development on the land. Total planned land acquisition costs paid by Edgewater are \$6,000,000.

Site Preparation

Site work required prior to building construction includes demolition of existing structures (the two Amtrak buildings), clearing portions of the land and capping the soil as required to facilitate building on a brownfield site. Total anticipated site preparation costs are \$5,139,750, which reflects a contaminated-site premium for soil removal and enhanced construction-safety monitoring.

Building Costs

Per-square-foot building costs were estimated from RS Means num-

bers, increased by 10% to account for additional costs incurred due to Brownfield issues, particularly relating to foundation work which will require non-standard construction methods. An additional 5% was added to building costs to allow room in the budget to achieve our goal of LEED Gold certification.

Operating Costs

Assumed operating costs include flood insurance in the high risk rate category for the first 2 floors due to the proximity of the Huron river flood way. Operating costs for energy were reduced in anticipation of greater energy efficiency associated with an LEED gold certified building.

Financing

The project will be financed with a combination of equity from individual investors, institutional loans and Tax Increment Financing. A construction loan will be used, followed by a long term mortgage upon completion of the construction. Loans will be 70% LTV.

Revenue

Revenue sources and their anticipated gross potential income are summarized in the charts below.

APARTMENT REVENUE			
Space	Effective Area (ft ²)	Gross Rent per ft ² (YR 1 \$)	Rent (YR 1 \$)
Apartments	134,100	\$27.00	\$3,620,700
Parking (# of spaces)	180	\$1,200	\$216,000
Total	134,100		\$ 3,836,700

RETAIL & OFFICE REVENUE			
Space	Effective Area (ft ²)	Gross Rent per ft ² (YR 1 \$)	Rent (YR 1 \$)
Retail	112,300	\$26.00	\$2,919,800
Office	122,400	\$26.00	\$3,182,400
Total	234,700		\$ 6,102,200

FINANCIAL ANALYSIS

Tax Increment Financing

One of the goals of this development is to open up a large portion of riverfront land to the public, offering recreational activities and better connections between existing trails and pedestrian routes. Plans call for use of a TIF to help defray the cost of site preparation, landscaping public areas, infrastructure improvements and public parking. Anticipated property values result in a maximum TIF amount exceeding \$13M. We have planned to use approximately \$7.8M, allocated as shown here:

Costs Reimbursible To Developer

Soil Investigation	\$10,000
Site Engineering	\$70,000
Brownfield site preparation	\$500,000
Demolition	\$300,000
Clearing	\$25,000
Utilities	\$70,000
Landscaping	\$3,000,000
Paving	\$1,000,000
Public parking	\$2,835,000
Total	\$7,810,000

IRR & NPV Sensitivity Analysis

Sensitivity analysis indicates that building costs, rents and inflation rates will impact IRR in a similar magnitude. Varying any 1 of those 3 factors reduces the IRR to approximately 12%. Variations in interest rates and cap rates have somewhat less impact on the IRR. It is very unlikely that all the factors listed in the analysis will trend entirely positive or negative because they are inter-related. For example high interest rates are unlikely to coincide with low inflation rates, and higher building costs will probably be accompanied by higher rents.

Sensitivity Analysis		
Variables:	Pessimistic	Most Likely
Interest Rate	9.00%	8.00%
Cap Rate	9.0%	8.0%
Inflation Rate	1.50%	3.00%
Gross Rents	Nominal - 10%	Nominal
Building Costs	Nominal +10%	Nominal
Performance:		
NPV	(\$11,035,000)	\$7,932,000
IRR	-26.3%	23.2%

Pro Forma & Conclusions

The cash flow summary above is a pro forma for the complete project, ending with the sale of all property following year 4. With building costs increased 10% due to Brownfield issues and 5% to achieve LEED gold ratings, correspondingly higher rents are required to meet the goals of 20% IRR. A higher LEED rating does warrant a slight price premium, as does the natural beauty of this site. The rent levels assumed are on the high end of the market but we believe they are not overly aggressive, nor unprecedented in Ann Arbor. With an upturn in the economy and a positive public reaction to the development even higher rental rates are conceivable.

Broadway Mills Summary of Cash Flows				
Year	Year 1	Year 2	Year 3	Year 4
Cash Flow	(\$21,029,289)	\$5,114,376	\$1,513,887	\$29,682,211
IRR	23.2%			
NPV	\$7,932,000			

APPENDIX

List of Sources by Section:

Site Analysis

1. Washtenaw County parcel maps
2. Ann Arbor Zoning Code, Washtenaw County parcel maps

Environmental Analysis

1. Michigan Department of Environmental Quality website, <http://www.michigan.gov/deq>
2. "CERCLA Overview", US Environmental Protection Agency, <http://epa.gov/superfund/policy/cercla.htm>
3. Personal communication with Tom Wackerman (ASTI Environmental) 11/5/09
4. Ibid
5. Ibid
6. Ibid
7. Natural Resources Defense Council, www.nrdc.org
8. New Buildings Institute, "Energy Performance of LEED NC Buildings", 2008
9. Enermodal Engineering, "Costs and Benefits of LEED-NC," Oct 2006
10. Natural Resources Defense Council, www.nrdc.org

Market Analysis

1. Bureau of Labor Statistics.
2. Ibid.

3. Rigg, Sarah A. "University of Michigan buys former Pfizer site in surprise deal." MLive.com. January 1st, 2009.
4. National Park Service (NPS), 1990. Economic Impacts of Protecting Rivers, Trails, and Greenway Corridors. Hosted by AmericanTrails.org. <http://www.americantrails.org/resources/economics/NPSeconStudy.html> accessed on 4/6/2009.
5. Ibid
6. Ibid
7. Duygu Karadeniz 2008. "The Impact of the Little Miami Scenic Trail on Single Family Residential Property Values." Hosted by AmericanTrails.org. <http://www.americantrails.org/resources/economics/littlemiamipropvalue.html> accessed on 4/6/2009.
8. Zemke, John. 2009. "U-M's Wolverine Venture Fund makes \$2M from HandyLab sale." Concentrate Media Online. 12/2/2009.

Architecture and Design

1. Congress for the New Urbanism, www.cnu.org
2. Project for Public Spaces, www.pps.org
3. LEED for Neighborhood Development guidelines, available at www.usgbc.org

Cover Images

Bottom, Left to Right:
PPS.org, ActiveRain.com, PPS.org



LEED 2009 for New Construction and Major Renovation

Project Checklist

BROADWAY MILLS

24 Sustainable Sites Possible Points: 26

Y	N	?			
Y			Prereq 1	Construction Activity Pollution Prevention	
1			Credit 1	Site Selection	1
5			Credit 2	Development Density and Community Connectivity	5
1			Credit 3	Brownfield Redevelopment	1
6			Credit 4.1	Alternative Transportation—Public Transportation Access	6
			Credit 4.2	Alternative Transportation—Bicycle Storage and Changing Rooms	1
3			Credit 4.3	Alternative Transportation—Low-Emitting and Fuel-Efficient Vehicles	3
2			Credit 4.4	Alternative Transportation—Parking Capacity	2
1			Credit 5.1	Site Development—Protect or Restore Habitat	1
1			Credit 5.2	Site Development—Maximize Open Space	1
1			Credit 6.1	Stormwater Design—Quantity Control	1
			Credit 6.2	Stormwater Design—Quality Control	1
1			Credit 7.1	Heat Island Effect—Non-roof	1
1			Credit 7.2	Heat Island Effect—Roof	1
1			Credit 8	Light Pollution Reduction	1

4 Water Efficiency Possible Points: 10

Y	N	?			
			Prereq 1	Water Use Reduction—20% Reduction	
2			Credit 1	Water Efficient Landscaping	2 to 4
			Credit 2	Innovative Wastewater Technologies	2
2			Credit 3	Water Use Reduction	2 to 4

19 Energy and Atmosphere Possible Points: 35

Y	N	?			
Y			Prereq 1	Fundamental Commissioning of Building Energy Systems	
Y			Prereq 2	Minimum Energy Performance	
Y			Prereq 3	Fundamental Refrigerant Management	
10			Credit 1	Optimize Energy Performance	1 to 19
			Credit 2	On-Site Renewable Energy	1 to 7
2			Credit 3	Enhanced Commissioning	2
2			Credit 4	Enhanced Refrigerant Management	2
3			Credit 5	Measurement and Verification	3
2			Credit 6	Green Power	2

3 Materials and Resources Possible Points: 14

Y	N	?			
			Prereq 1	Storage and Collection of Recyclables	
			Credit 1.1	Building Reuse—Maintain Existing Walls, Floors, and Roof	1 to 3
			Credit 1.2	Building Reuse—Maintain 50% of Interior Non-Structural Elements	1
1			Credit 2	Construction Waste Management	1 to 2
			Credit 3	Materials Reuse	1 to 2

Materials and Resources, Continued

Y	N	?			
			Credit 4	Recycled Content	1 to 2
1			Credit 5	Regional Materials	1 to 2
1			Credit 6	Rapidly Renewable Materials	1
			Credit 7	Certified Wood	1

9 Indoor Environmental Quality Possible Points: 15

Y	N	?			
Y			Prereq 1	Minimum Indoor Air Quality Performance	
Y			Prereq 2	Environmental Tobacco Smoke (ETS) Control	
1			Credit 1	Outdoor Air Delivery Monitoring	1
1			Credit 2	Increased Ventilation	1
1			Credit 3.1	Construction IAQ Management Plan—During Construction	1
1			Credit 3.2	Construction IAQ Management Plan—Before Occupancy	1
			Credit 4.1	Low-Emitting Materials—Adhesives and Sealants	1
1			Credit 4.2	Low-Emitting Materials—Paints and Coatings	1
1			Credit 4.3	Low-Emitting Materials—Flooring Systems	1
			Credit 4.4	Low-Emitting Materials—Composite Wood and Agrifiber Products	1
			Credit 5	Indoor Chemical and Pollutant Source Control	1
1			Credit 6.1	Controllability of Systems—Lighting	1
1			Credit 6.2	Controllability of Systems—Thermal Comfort	1
1			Credit 7.1	Thermal Comfort—Design	1
			Credit 7.2	Thermal Comfort—Verification	1
			Credit 8.1	Daylight and Views—Daylight	1
			Credit 8.2	Daylight and Views—Views	1

1 Innovation and Design Process Possible Points: 6

Y	N	?			
			Credit 1.1	Innovation in Design: Specific Title	1
			Credit 1.2	Innovation in Design: Specific Title	1
			Credit 1.3	Innovation in Design: Specific Title	1
			Credit 1.4	Innovation in Design: Specific Title	1
			Credit 1.5	Innovation in Design: Specific Title	1
1			Credit 2	LEED Accredited Professional	1

1 Regional Priority Credits Possible Points: 4

Y	N	?			
1			Credit 1.1	Regional Priority: Specific Credit	1
			Credit 1.2	Regional Priority: Specific Credit	1
			Credit 1.3	Regional Priority: Specific Credit	1
			Credit 1.4	Regional Priority: Specific Credit	1

61 Total Possible Points: 110

Certified 40 to 49 points Silver 50 to 59 points Gold 60 to 79 points Platinum 80 to 110

BROADWAY MILLS

APPENDIX 2: ESTIMATED COSTS & FINANCING

	Total	Retail	Apartments	Condominiums	Office				
Total Allocation	100%	28%	33%	9%	30%				
Land Acquisition Costs									
Market value - developer portion	\$1,750,000	\$494,481	\$575,607	\$154,525	\$525,386				
Consideration to MichCon for lia	\$4,000,000	\$1,130,243	\$1,315,673	\$353,201	\$1,200,883				
Market value - developer portion	\$250,000	\$70,640	\$82,230	\$22,075	\$75,055				
Total Land Costs	\$6,000,000	\$1,695,364	\$1,973,510	\$529,801	\$1,801,325				
*Assume park & plaza space on the sites will be given to the city of Ann Arbor									
Soft Costs	Total	Retail	Apartments	Condominiums	Office				
Survey	\$10,000	\$2,826	\$3,289	\$883	\$3,002				
Soil Investigation	\$10,000	\$2,826	\$3,289	\$883	\$3,002				
Site Engineering	\$70,000	\$19,779	\$23,024	\$6,181	\$21,015				
Architectural (5% of Const)	\$4,253,710	\$1,201,931	\$1,399,123	\$375,603	\$1,277,052				
Environmental	\$500,000	\$141,280	\$164,459	\$44,150	\$150,110				
LEED fees	\$17,500	\$4,945	\$5,756	\$1,545	\$5,254				
Legal	\$75,000	\$21,192	\$24,669	\$6,623	\$22,517				
Insurance	\$60,000	\$16,954	\$19,735	\$5,298	\$18,013				
Prop taxes(year 1) (mil rate 59.29)	\$118,580	\$33,506	\$39,003	\$10,471	\$35,600				
Permits / fees	\$100,000	\$28,256	\$32,892	\$8,830	\$30,022				
Marketing	\$100,000	\$28,256	\$32,892	\$8,830	\$30,022				
Contingency 5% (soft cost)	\$254,810	\$71,999	\$83,812	\$22,500	\$76,499				
Total Soft Costs	\$5,569,600	\$1,573,750	\$1,831,943	\$491,797	\$1,672,109				
Hard Costs	Total	Retail	Apartments	Condominiums	Office				
Site Work									
Demolition	\$300,000	\$84,768	\$98,675	\$26,490	\$90,066				
Clearing	\$25,000	\$7,064	\$8,223	\$2,208	\$7,506				
Brownfield site preparation	\$500,000	\$141,280	\$164,459	\$44,150	\$150,110				
Utilities	\$70,000	\$19,779	\$23,024	\$6,181	\$21,015				
Landscaping / recreation	\$3,000,000	\$847,682	\$986,755	\$264,901	\$900,662				
Paving	\$1,000,000	\$282,561	\$328,918	\$88,300	\$300,221				
Contingency 5% (site work)	\$244,750	\$69,157	\$80,503	\$21,611	\$73,479				
Total Site Work	\$5,139,750	\$1,452,291	\$1,690,558	\$453,841	\$1,543,060				
Building Costs		Per Sq. Ft.	Total	Per Sq. Ft.	Total	Per Sq. Ft.	Total		
Building cost - usable area	\$70,796,800	\$114	\$12,834,286	\$186	\$24,904,286	\$224	\$7,721,429	\$207	\$25,336,800
Building cost - common area	\$5,331,238	\$80	\$1,256,000	\$110	\$1,631,905	\$138	\$759,524	\$124	\$1,683,810
Building cost - covered parking	\$0	\$70	\$0	\$70	\$0	\$70	\$0	\$70	\$0

Contingency 5% (building)	\$3,806,402	\$704,514	\$1,326,810	\$424,048	\$1,351,030
Total Building Cost	\$79,934,440	\$14,794,800	\$27,863,000	\$8,905,000	\$28,371,640
Total Hard Costs	\$85,074,190	\$16,247,091	\$29,553,558	\$9,358,841	\$29,914,700
Fees	Total	Retail	Apartments	Condominiums	Office
General Contractor Fee (5% of b	\$0	\$0	\$0	\$0	\$0
Developer Fee	\$0	\$0	\$0	\$0	\$0
Misc. Fees	\$0	\$0	\$0	\$0	\$0
Total Fees	\$0	\$0	\$0	\$0	\$0
Cost of Financing	Total	Retail	Apartments	Condominiums	Office
Amount to be financed	\$67,650,653	\$13,661,344	\$23,351,308	\$7,266,308	\$23,371,694
Origination Fee (1 pt)	\$676,507	\$191,154	\$222,515	\$59,736	\$203,101
Appraisal	\$10,000	\$2,826	\$3,289	\$883	\$3,002
Survey	\$10,000	\$2,826	\$3,289	\$883	\$3,002
Title	\$10,000	\$2,826	\$3,289	\$883	\$3,002
Recording Fee	\$5,000	\$1,413	\$1,645	\$442	\$1,501
Insurance	\$60,000	\$16,954	\$19,735	\$5,298	\$18,013
Total Finance Costs	\$771,507	\$217,997	\$253,763	\$68,124	\$231,622
Capital Requirements	Total	Retail	Apartments	Condominiums	Office
Total Project Cost	\$97,415,297	\$19,734,203	\$33,612,774	\$10,448,563	\$33,619,756
Amount Financed	(\$67,650,653)	(13,661,344.01)	(23,351,307.95)	(7,266,307.50)	(23,371,693.51)
Benefit from TIF	(\$4,975,000)	(1,405,739.51)	(1,636,368.65)	(439,293.60)	(1,493,598.23)
Capital Needed	\$24,789,644	\$4,667,120	\$8,625,097	\$2,742,962	\$8,754,464

Costs and Financing Assumptions and References

- * Land values estimated based on limited comp. sales of small parcels of vacant land in Ann Arbor (trulia.com), and adjusted values from Huron Views term project.
- * Building costs estimated using RS Means 2010 costs per SF, adjusted up 10% for environmental complications and up 5% for LEED gold target
- * Property tax millage rate obtained through city of Ann Arbor Assessor's website (www.a2gov.org)
- * Surrogate data used from past projects

Pro Forma Assumptions and References: (Baseline spreadsheet developed by MICA LLC and modified by Edgewater LLC)

Inflation rate - US Department of Labor, based on historical CPI data (www.bls.gov/CPI)

Flood insurance - National Flood Insurance Program (rates for commercial property) (www.fema.gov/business/nfip)

Gas & Electric - Based on past projects and Department Of Energy guidelines, reduced 10% for LEED efficiency

Property tax rates - City of Ann Arbor Assessor's website (www.a2gov.org)

Federal long term capital gain tax rate - www.irs.gov

Federal ordinary income tax rate - www.irs.gov

Michigan long term capital gain tax rate - www.michigan.gov/treasury

Michigan ordinary income tax rate - www.michigan.gov/treasury

BROADWAY MILLS

RESIDENTIAL UNITS PRO FORMA SUMMARY

REVENUE:	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Apartment Rent	\$3,620,700	\$3,729,321	\$3,841,201	\$3,956,437
Parking	\$216,000	\$222,480	\$229,154	\$236,029
Vacancy	\$0	(\$592,770)	(\$407,036)	(\$293,473)
Reimbursed CAM	\$0	\$1,187,736	\$1,250,440	\$1,287,953
Gross Effective Rent	\$0	\$4,546,767	\$4,913,759	\$5,186,946
OPERATING EXPENSES:				
Gas & Electric	\$0	(\$31,078)	(\$21,340)	(\$15,386)
Water & Sewer	\$0	(\$30,694)	(\$31,615)	(\$32,563)
Insurance	\$0	(\$46,041)	(\$47,422)	(\$48,845)
Flood Insurance	\$0	(\$43,048)	(\$44,340)	(\$45,670)
Maintenance	\$0	(\$76,735)	(\$79,037)	(\$81,408)
Janitorial	\$0	(\$115,103)	(\$118,556)	(\$122,112)
Property Taxes	\$0	(\$876,115)	(\$929,471)	(\$957,355)
Management Fees	\$0	(\$227,338)	(\$245,688)	(\$259,347)
Total Operating Exp	\$0	(\$1,446,152)	(\$1,517,468)	(\$1,562,686)

Net Operating Income	\$3,100,615	\$3,396,292	\$3,624,260
Less Debt Service	\$0	(\$3,118,472)	(\$3,118,472)
Before Tax Cash Flow	\$0	(\$17,857)	\$277,820
Plus: Principal	\$0	\$669,063	\$722,588
Less: Depr: Apts	\$0	(\$1,074,675)	(\$1,074,675)
Less: Depr: Condos	\$0	(\$340,321)	(\$340,321)
Taxable Income	\$0	(\$763,791)	\$211,508

CASH FLOW ANALYSIS:				
Tax Savings (Burden)	\$0	\$297,115	\$161,275	(\$82,276)
Before Tax Cash Flow	\$0	(\$17,857)	\$277,820	\$505,788
Less: Income Tax	\$0	\$297,115	\$161,275	(\$82,276)
Equity Investment	(\$11,368,060)	\$0	\$0	\$0
Sales Proceeds - Condo	\$3,760,354	\$3,984,967		
Sales Proceeds - Apts	\$0	\$0	\$0	\$6,523,000
Total Cash Flow	(\$7,607,706)	\$4,264,224	\$439,095	\$6,946,511
Return on Equity		-0.2%	2.4%	4.4%
Debt Service Coverage		99%	109%	116%

RESIDENTIAL NPV	\$2,066,174
IRR	22.06%
RETAIL/OFFICE NPV	\$5,866,098
IRR	23.63%

TOTAL NPV	\$7,932,272
TOTAL IRR	23.18%

APPENDIX 3: PRO FORMA PROJECT ANALYSIS

RETAIL AND OFFICE UNITS PRO FORMA SUMMARY

REVENUE:	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Retail	\$2,919,800	\$3,007,394	\$3,097,616	\$3,190,544
Office	\$3,182,400	\$3,277,872	\$3,376,208	\$3,477,494
Vacancy	\$0	(\$942,790)	(\$712,121)	(\$466,763)
Reimbursed CAM	\$0	\$1,906,723	\$1,963,925	\$2,022,842
Gross Effective Rent	\$0	\$7,249,199	\$7,725,628	\$8,224,118
OPERATING EXPENSES:				
Gas & Electric	\$0	(\$55,064)	(\$41,592)	(\$27,261)
Water & Sewer	\$0	(\$54,384)	(\$56,016)	(\$57,696)
Insurance	\$0	(\$81,576)	(\$84,023)	(\$86,544)
Flood Insurance	\$0	(\$21,343)	(\$21,983)	(\$22,642)
Maintenance	\$0	(\$135,960)	(\$140,039)	(\$144,240)
Janitorial	\$0	(\$203,940)	(\$210,058)	(\$216,360)
Property Taxes	\$0	(\$1,409,520)	(\$1,451,806)	(\$1,495,360)
Management Fees	\$0	(\$362,460)	(\$386,281)	(\$411,206)
Total Operating Exp	\$0	(\$2,324,247)	(\$2,391,797)	(\$2,461,310)

Net Operating Income	\$4,924,952	\$5,333,830	\$5,762,809
Less Debt Service	\$0	(\$3,771,897)	(\$3,771,897)
Before Tax Cash Flow	\$0	\$1,153,056	\$1,561,934
Plus: Principal	\$0	\$809,254	\$873,994
Less: Depreciation	\$0	(\$1,183,636)	(\$1,183,636)
Taxable Income	\$0	\$778,674	\$1,252,292

CASH FLOW ANALYSIS:				
Tax Savings (Burden)	\$0	(\$302,904)	(\$487,142)	(\$681,213)
Before Tax Cash Flow	\$0	\$1,153,056	\$1,561,934	\$1,990,912
Less: Income Tax	\$0	(\$302,904)	(\$487,142)	(\$681,213)
Equity Investment	(\$13,421,584)	\$0	\$0	\$0
Sales Proceeds	\$0	\$0	\$0	\$21,426,000
Total Cash Flow	(\$13,421,584)	\$850,152	\$1,074,792	\$22,735,699
Return on Equity		8.6%	11.6%	14.8%
Debt Service Coverage		131%	141%	153%

Exit Capitalization Rate	8.0%
Management Fees	5.0%
	(of Gross Rents)

GRAHAM BROWN

504 W Davis Ave • Ann Arbor, MI 48103
glbrown@umich.edu • 206.892.8084

EDUCATION

Ann Arbor, MI

UNIVERSITY OF MICHIGAN

Ross School of Business / School of Natural Resources

Master of Business Administration / Master of Science, April 2012

- Emphases in Environmental Strategy and Sustainability
- Committee leader on Erb Action Plan team
- Member of Net Impact, Real Estate Club, Energy Club, Student Sustainability Initiative
- GMAT: 770, 99th percentile. Analytical writing 6.0/6.0

STANFORD UNIVERSITY

Palo Alto, CA

Bachelor of Science in Product Design, June 2005

- GPA: 3.7 / 4.0

EXPERIENCE

Seattle, WA

2009

THE SCHUSTER GROUP

Sustainable Planning Administrator

- Analyzed regional trends in sustainable-construction policy, financing, and competition for Seattle-area condominium developer; strategic recommendations adopted by management team
- Designed internal "Schuster Index" trend-tracking database to assess overall health of building market and timing of investments; tool added to 2009 shareholder report

2008-2009

SELF-EMPLOYED

Seattle, WA

Manager / Site Supervisor

- Formed LLC, purchased site, developed detailed project schedule and budget, and performed full architectural design for \$300,000 duplex remodel; in process
- Hired and managed employees (one full-time, two part-time), contractors, and engineers

2006-2009

LAIRD NORTON COMPANY

Seattle, WA

Part-time

Family Council Committee Member

- Initiated review and designed initial layout for updated version of intra-family website for 153-year-old family company; saved \$10,000 in annual site hosting fees
- Planned and emceed social events for 250-person shareholder meetings in 2007-2009

2006-2008

DYNA CONTRACTING

Seattle, WA

Site Supervisor / Carpenter

- Supervised up to 15 subcontractors and employees on multiple construction sites for high-end custom home builder
- Researched green-building techniques and certification; performed logistical planning and analysis that led to company's first Built Green certified project
- Managed final close-out of \$1.5M condominium project and maintenance / upkeep of \$2.2M speculative property

2005-2006

THE RIEKES CENTER

Menlo Park, CA

Development Assistant / Athletic Coach

- Created grant application materials, donor management database, and fundraising mailings for new development office; raised \$22,000 in grants in first month
- Rebuilt outdated company website, increasing web traffic 300% and enabling new coordinated marketing plan

ADDITIONAL

- LEED Accredited Professional with experience in construction and real estate investing
- Co-chair of Climate Change focus area of \$25M Seattle foundation (volunteer position)
- Wilderness First Responder and graduate of 30-day backcountry skills course
- Performed with nation's only collegiate traditional square-dance exhibition team
- Avid pizza-baker & woodworker; intermediate guitar & bluegrass banjo player

Michael Patrick Combs

mcombs@umtich.edu
815 S. Main St. Apt. C3, Ann Arbor, MI 48104
Phone: 248-250-0591

Education:

University of Michigan—Ann Arbor
Master of Urban Planning: April 2010 (In Progress)
Real Estate Development Certificate: April 2010 (In Progress)
Concentration: Economic Development
Grade Point Average: 7.25
Honors: 2008 Graduate Student Fellowship

University of Michigan—Dearborn
Bachelor of Arts: December 2007
Major: Economics, Political Science, and Philosophy
Grade Point Average: 3.7
Honors: Dean's Scholar, Dean's list, Academic Honors, 2007-2008 Philosophy Department Award

Work Experience:

Hazel Park Community School District
Hazel Park, MI

June 2004 to Present

- Technology Assistant/Technician:
 - Repair of technology equipment, including computers, audio/video equipment, telephones, and any other technological device.
 - Assistance in purchase and implementation of technology equipment.
 - Creation of visual presentations to administrators and board members.
 - Organizing and supervising employees, as well as assisting in employment decisions for the technology department.
- Website Administrator:
 - Design, update, and maintenance of the web pages. Example: <http://www.hazelpark.k12.mi.us>.
 - Database management, including Excel and SQL.

Economic Development Agency: Community Economic Adjustment Program

Ann Arbor, MI

February 2009 to Present

- Graduate Project Manager:
 - Research plant closures and economic data for Midwest communities that are affected by plant closures.
 - Analyze quantitative and qualitative data to determine competitive advantages of communities.
 - Design and author profiles of communities and newsletters for the program.
 - Prepare documents, packets, and data for presentation to community leaders.

Skills:

- Software/Technology: GIS (arcGIS 9), Microsoft Office (All versions of Word, Excel, and PowerPoint), Demographics Now, ESRI Business Analyst, PHP, SQL, Adobe CS3 (Photoshop, InDesign).
 - Research: regression analysis, cost-benefit analysis, market analysis, extensive knowledge of Census data uses and NAICS codes.
 - Other: Very extensive computer and technology skills (both Apple and PC formats).
-

References provided upon request.

BRIAN TRUESELLE

btrue@comcast.net

Cell: 313-567-5948

SUMMARY

Engineering Professional with expertise in product development as a Lead Engineer, directing a small team of engineers and designers to ensure that all functional, mass and cost targets are met. Demonstrated record in meeting and exceeding crash performance requirements based on government regulations, durability, comfort and appearance. Consistently recognized for achieving results surpassing customer expectations, launching products on time and on budget while meeting quality objectives. Strong skills in:

- Mechanical Systems Design Integration
- Team Leadership
- DFMEA Creation
- Extensive Training in GD&T
- Intermediate CAD Skills (CATIA, IDEAS)
- Planning and Timeline Creation
- Plan-Do-Check-Act Problem Solving Discipline
- Relationship Building and Customer Focus
- Design For Assembly
- Product Development Budgeting

PROFESSIONAL EXPERIENCE

JOHNSON CONTROLS - Automotive Experience Division, Plymouth, MI **1996 – 2008**

A leading global supplier of automotive seating and interior products, with approximately \$18B in annual sales and 75,000 employees world-wide.

Lead Engineer (2000 – 2008)

Led teams of engineers and designers consisting of up to 5 members in the design and development of seats, in a new product development cycle of 2 – 3 years duration. Managed design for structural elements and plastic parts, together with integration of various mechanisms, foam, trim, and occupant restraint systems designed and manufactured by internal component groups and outside suppliers. Served as primary engineering contact for customers and suppliers. Led design reviews for assigned products.

- Led team of 4 engineers in re-design of the 2004 Ford F-150 rear seats, a critical product generating over \$100M in annual sales for Johnson Controls, receiving a Merit Award for outstanding achievement from Johnson Controls.
- Led design and development of the 2007 Nissan Altima rear seats, Nissan’s top selling vehicle and revenue producer.
- Released and implemented over \$1.3M in cost reductions on the 2008 model year Nissan Altima seats.
- Mentored 4 junior engineers, helping 2 designers transition into engineering positions.

Project Engineer (1998 – 2000)

Designed and released project-specific parts including structures, plastics, and foam components.

Managed the development of new and revised parts to ensure that all system-level seat requirements were met, and that assigned tasks were completed on time.

- Received Merit Award for outstanding achievement from Johnson Controls for designing and developing seats for the 1999 Ford F-150 Lightning, referred to by “Car and Driver” magazine as the best seats they had seen in a pickup.
- Recognized consistently for completing projects on time or ahead of schedule.

BRIAN TRUESELLE

Page 2

Cell: 313-567-5948

Johnson Controls (continued)

Test Engineer (1996 – 1998)

Assisted project engineering teams in setting up test plans. Scheduled testing for assigned projects and provided direction to technicians on how to set up tests. Wrote test reports and worked with engineering teams to interpret test results.

- Successfully supported several customers at the same time, acting as test engineer for Chrysler, Toyota, Honda, Nissan, Mercedes and Johnson Controls R&D projects.
- Established a reporting format for Honda test results which was accepted by Honda without revisions, a new customer at the time for Johnson Controls in North America.

THE STANDARD PRODUCTS COMPANY, Dearborn, MI

1994 – 1996

Later merged with Cooper to become Cooper-Standard Automotive, Standard Products was a leading supplier of weather stripping and body side molding to the automotive industry.

Warranty Engineer

This was a newly created position intended to provide the company with a better understanding of warranty performance and opportunities for improvement.

- Established warranty contacts at Chrysler and Ford to provide feedback to Standard Products on warranty performance and access to returned parts.
- Reduced warranty costs charged back to Standard Products by participating in warranty parts reviews with Chrysler to disposition failure modes.

EDUCATION

BS Degree in Mechanical Engineering
University Of Michigan, Dearborn, MI

PROFESSIONAL DEVELOPMENT

Johnson Controls' Leadership Development Series:

Selected by senior management in my business unit as one of two candidates
for participation in the program

EMILY TSIANG

808 Tappan Street, #4, Ann Arbor, MI 48104
emily.tsiang@gmail.com | 310.963.5965

EDUCATION

UNIVERSITY OF MICHIGAN

Stephen M. Ross School of Business
Master of Business Administration, April 2011
Emphasis in Organizational Strategy & Sustainable Development

ANN ARBOR, MI

UNIVERSITY OF CALIFORNIA

College of Letters & Sciences
Dual B.A. in Economics & East Asian Studies (China Concentration), minor in Education, June 2003
Graduated National Dean's List 2000-03
Elected President of Delta Sigma Pi, international business fraternity
Exchanged at HKUST Business School & Cambridge University

LOS ANGELES, CA

EXPERIENCE

2008 – 2009

E EKOS Principal Consultant

- Advise organizations on corporate responsibility and sustainable development strategies, specializing in supplier relationship management; Trained in Scandinavia on innovative renewable energy policies, waste management practices
- Delivered new sourcing opportunities for leading \$65.0MM eco-conscious home furnishings retailer; Produced market research used to engage suppliers on sourcing wood from responsibly managed forests
 - Conducted landscape analysis for a major Danish food retailer to assess feasibility of a carbon-labeling strategy to expand market share of eco-conscious consumers
 - Invited to speak at London Business School on “Sustainable Development: An Industrial Ecology Approach”

LOS ANGELES, CA

2006 – 2008

CITY OF NEW YORK Senior Manager

- Led strategic design and implementation of performance management system for nation's largest public workforce development program under Bloomberg Administration; Showcased in Harvard Business School case study of innovation in the public sector; Selected as 2006 Fellow for Emerging Leaders in Public Service
- Spearheaded division-wide strategic planning effort that resulted in the development of an integrated operating plan and performance management system; drove suppliers to increase job placements by 11% in six target sectors
 - Pioneered data-driven market research effort to link economic and labor trends in New York City; comprehensive findings used to direct over \$17.0MM of investments in business and workforce development programs

NEW YORK, NY

2003 – 2006

ICIC (INITIATIVE FOR A COMPETITIVE INNER CITY) Consultant

- Managed client teams for two capstone engagements, City of New York and Newark on urban economic development strategies; National social enterprise founded by Michael Porter to promote economic prosperity in America's inner cities; First employee in company history to be promoted to managerial role within two years
- Created economic growth strategy for Newark, NJ to optimize \$4.0B worth of infrastructure investments and to increase job growth in target sectors from 0.9% to 6.5% over a period of six years
 - Managed development of an integrated branding strategy for Brooklyn that resulted in an international model for how cities reposition their marketing efforts to serve as destinations for both people and businesses

BOSTON, MA

Analyst

- Led quantitative and qualitative market research—including modeling labor market data, interviewing key stakeholders, facilitating industry roundtables, and managing advisory groups—for all major engagements
- Developed SWOT analysis and presented strategic findings to coalition of 35 Fortune 500 CEOs and civic leaders
- Conducted and analyzed labor market data to identify and forecast job growth in target economic sectors

ADDITIONAL

Advisory Board for StartingBloc's Global Institute for Social Innovation
Launched USGBC's Emerging Green Builders Boston chapter
Chaired Civic Engagement Committee for Boston Mayor's Advisory Council
Enjoy freelancing as a food & travel writer, practicing anusara yoga and competing in scavenger hunts