



# Development Proposal

December 11, 2009

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December 9, 2009



Professor Peter Allen  
Stephen M. Ross School of Business  
University of Michigan  
701 Tappan Street  
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Dear Peter:

The Alliance Group, LLC proudly proposes our exciting concept to serve as the gateway to the city of Ann Arbor, The Arbor Depot Park. The redevelopment of the Arbor Depot Park will take place at the Fuller Road/Maiden Lane parking lot site in Ann Arbor, Michigan.

The Arbor Depot Park will contain a unique blend of residential and commercial amenities that cater to travelers as well as frequent visitors to the City of Ann Arbor and the University of Michigan. On the site will stand an enhanced train station with residential, hotel, office, and retail mixed-use space. The combination of luxury and affordable apartments, short-stay hotel, roof-top park, fitness center & spa, and host of retail shops and dining options will provide an active, multi-purpose, urban transit park.

The Arbor Depot Park will capitalize on existing traffic volumes – roughly 1.9 million hospital visits annually and approximately 145,000 passengers arriving/departing the existing Ann Arbor train station. Future traffic will be generated by the activation of the Ann Arbor to Detroit commuter rail, projected to begin operation in late 2010 to create a dynamic, transit oriented commercial and residential development that will serve as a gateway to Ann Arbor and the greater Metro-Detroit region. This multi-modal transportation hub will connect visitors by rail, bus, and streetcar, to the city of Ann Arbor and the University of Michigan. The site will further serve to enhance a seamless integration of the city and Michigan's flagship public university, giving visitors a sense of arrival at a vibrant, exciting and renowned destination.

The Alliance Group is a multi-dimensional team of design, planning, real estate and policy professionals dedicated to providing sustainable development solutions that lead to better communities. We are confident that the Arbor Depot Park will delight your imagination with an innovative community juxtapose with transit opportunities. We invite feedback from all the stakeholders in our common goal of advancing this dynamic city of Ann Arbor.

Sincerely,

Andrew Rogers, MPP/RECP  
Budget Director

Genevieve Sparby, MBA  
Project Manager

Jordan Twardy, MUP/RECP  
Lead Planner

Ying Ye, M. Arch/MUD  
Lead Designer

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## Executive Summary & Concept Introduction

### The Alliance Group

The Alliance Group is a multi-dimensional team of design, planning, real estate, and policy professionals dedicated to providing sustainable development solutions that lead to better communities. In designing and developing the Arbor Depot Park, we vow to adhere to the following guiding principles:

1. Research, promote, and execute sustainability
2. Facilitate healthy living practices
3. Preserve open spaces
4. Inspire inclusiveness

### Opportunity for 21st Century Growth in Ann Arbor

The Fuller Road site, future home to Arbor Depot Park, is at the center of one of the most opportunity-rich environments in the Midwest. With rail connections opening to Detroit, the stage is set for southeast Michigan to rise as one of America’s central bastions of economic recovery and innovation, with Ann Arbor at the center of it all. Ann Arbor has all the amenities that a 21<sup>st</sup> century community needs to attract residents and businesses; solid public transit, walkable neighborhoods and the support of a world-renowned university, to name a few.

Ann Arbor’s success is underlined by the location of successful firms such as Google within its borders; in the potential areas for growth in the coming years – healthcare, education and green engineering – Ann Arbor and the University of Michigan stand out as world leaders. Arbor Depot Park will link this talent and economic prowess to roughly 6 million residents in the immediate Detroit metropolitan area<sup>1</sup>, enabling Ann Arbor to fuel the growth of Michigan as a whole.



### Arbor Depot Park: “A Gateway to Ann Arbor”

Arbor Depot Park will transform what is currently just a parking lot into a dynamic, transit oriented commercial and residential development that will serve as a gateway to Ann Arbor and the greater Metro-Detroit region. Connecting visitors by rail, bus and streetcar to the city of Ann Arbor and the University of Michigan, Arbor Depot Park will seamlessly integrate the State of Michigan’s flagship university with one of its most vibrant, walkable cities, giving visitors a sense of arrival at an exciting and renowned destination.



### Multi-Modal Transit Hub

The Fuller Road site will capitalize on existing traffic volumes – 1.9 million hospital visits annually and over 140,000 visitors by rail annually. Future traffic generated by the activation of the Ann Arbor to Detroit commuter rail, spearheaded by SEMCOG is projected to begin operation in late 2010 and become the busiest transit hub in southeast Michigan.<sup>2</sup> The SEMCOG project, which will bring eight trips per day<sup>3</sup> in and out of the city, will not be the only transit capabilities at Arbor Depot Park. The site will also feature bus and streetcar connections to destinations such as downtown Ann Arbor, Kerrytown, UM North and Central Campuses, and regional attractions such as the Huron Riverfront and lower town and the Arboretum, making this a true transit hub that is seamlessly connected to the surrounding area. The proposed 1,000-car parking deck attached to the site and the 800-car additional deck buried beneath a grassy-hill facade will provide flexibility for automobile travelers with park-and-ride options and emergency vehicle access. Pedestrian paths and bike paths will connect visitors from the site to the Huron Riverfront and Lower Town. The site will also blend well with Ann Arbor’s future plans to provide light rail or streetcar service along Fuller Road.<sup>4</sup>



## Mixed-Use Development

Arbor Depot Park will contain a unique blend of residential and commercial amenities that cater to travelers as well as frequent visitors to the City of Ann Arbor and the University of Michigan. Three buildings will provide roughly 200,000 square feet of office space, luxury apartments, short-stay hotel pods, a fitness center and spa for residents and guests, a host of retail shops at grade level – from traveler convenience items to small grocers and boutiques – and a diverse mix of dining options. To make this development truly inclusive, a sizeable number of apartment units will be subsidized as affordable housing.



Arbor Depot Park Master Plan

### Master Plan Key

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Hotel (Retail, Restaurant, Café, Bar on the Ground Floor), 7F</li> <li>2. Office Building (Retail on the Ground Floor), 10F</li> <li>3. Mixed-use Residential Building (Bike &amp; Pedestrian Pathway, Restaurant on the Ground Floor), 15F</li> <li>4. Kid Friendly Garden, 1F</li> <li>5. Station with Leisure &amp; Green Park on top (Green Roof), 2F</li> <li>6. Parking Deck ( 800 space for car park), 6F</li> <li>7. Parking Deck Exit (with Small Retail and Café to serve the Medical Center), 2F</li> </ol> | <ol style="list-style-type: none"> <li>8. B2B Cyclist Storage and Shower Station, 2F</li> <li>9. Fountain Plaza (Secondary Plaza for Public Events)</li> <li>10. Central Plaza (for gathering or evacuating large number of people in emergency)</li> <li>11. City of Ann Arbor Parking Deck</li> <li>12. Temporary Parking Lot (until 11 is built)</li> <li>13. Pedestrian/Cyclist Sky Bridge</li> <li>14. Dedicated Bus Passageway</li> <li>15. Existing Medical Center Building</li> <li>16. Automobile Entrance</li> <li>17. Bus Entrance</li> </ol> |
|--|--|

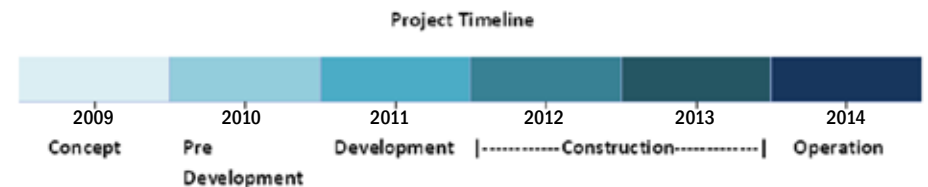
## Green Design

Arbor Depot Park will literally take sustainable, green design to new heights. In addition to meeting LEED standards in new construction and neighborhood development, Arbor Depot will have green roofs atop each building, and walkways built out as park space over the lowest portions of the built site. Residents and guests alike will enjoy quiet, serene parkland and beautiful views of Lower Town and the Huron River.



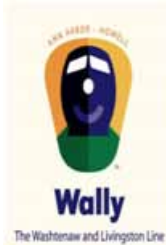
## Development Timeline

From the drawing board to the ribbon-cutting, Arbor Depot Park will take approximately five years to develop. Pre-development planning and securing of financing can be finished at a reasonable pace by the end of 2010, especially with an on-schedule opening for the Ann-Arbor Detroit line in October. The development and permitting process can then be completed by early 2012, with construction wrapping up by 2014.



## City/Regional Planning Considerations

Arbor Transit Park will rise in the midst of increased activity and investment in the direction of public transit initiatives. The SEMCOG-backed Ann Arbor-Detroit commuter rail line is set to be a three-year pilot project; after its first three years, it is possible that the service could be maintained, enhanced or scrapped based on its performance during the pilot period. The Arbor Depot site also takes advantage of its location along the regional Border-to-Border bike path network. Arbor Depot Park provides showers, locker rooms and secure bike storage for cyclists along the trail, as well as a convenient connection to the Huron Riverfront area. The City of Ann Arbor will also be pursuing a local connector light rail service that links to the SEMCOG project and extends 5 miles from Downtown Ann Arbor through the University of Michigan's campuses, past the former Pfizer site and ending at the Northeast Medical Campus.<sup>5</sup> In addition to the SEMCOG project, rail that runs through the site may eventually connect to the WALLY north-south commuter line running from Ann Arbor to Howell.<sup>6</sup>



## Financial Summary

The Alliance Group has put together an innovative development in Arbor Depot Park. The project is expected to generate an IRR of 24% upon three years of operations. The development and construction costs are financed with only \$6.4 million of private equity; this astonishing figure is allowed thanks to innovative funding strategies such as Tax Increment Financing, contributions from the Low Income Housing Tax Credit Program, and the Ann Arbor Affordable Housing Trust Fund, supplying \$35.5 million dollars of initial equity. Because of the strength of our government partners, The Alliance Group was able to minimize the amount of debt to finance the project, limiting debt to a \$61 million construction loan. Though it required additional investment up-front, our efforts to reach LEED Platinum certification ultimately create significant cost savings in the development and operation of the site.

## Design Details

### An Integration of Land Use & Landscape

The design of the transit hub uses the method of “borrowing”, which will “borrow” the nearby landscape such as vegetations and planting into the building design, by creating a “Green Roof”. This Green Roof will use the planting pattern of nearby existing landscape to create a park for people to walk on and have activities in it.

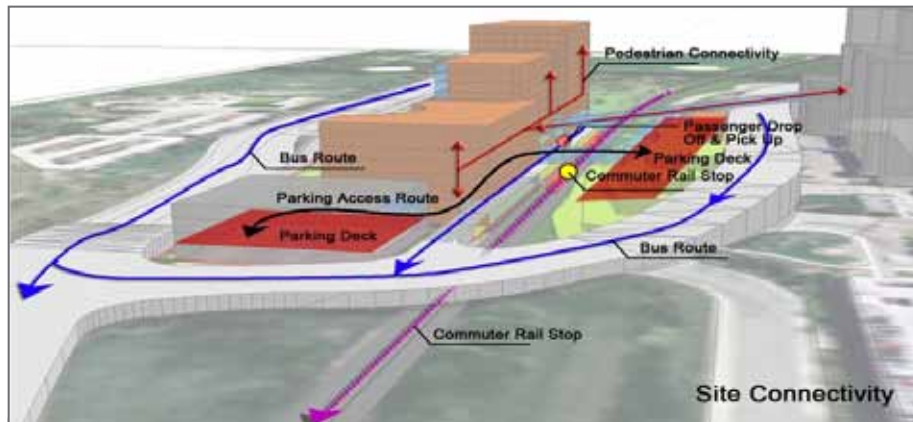


### Transportation and Connectivity

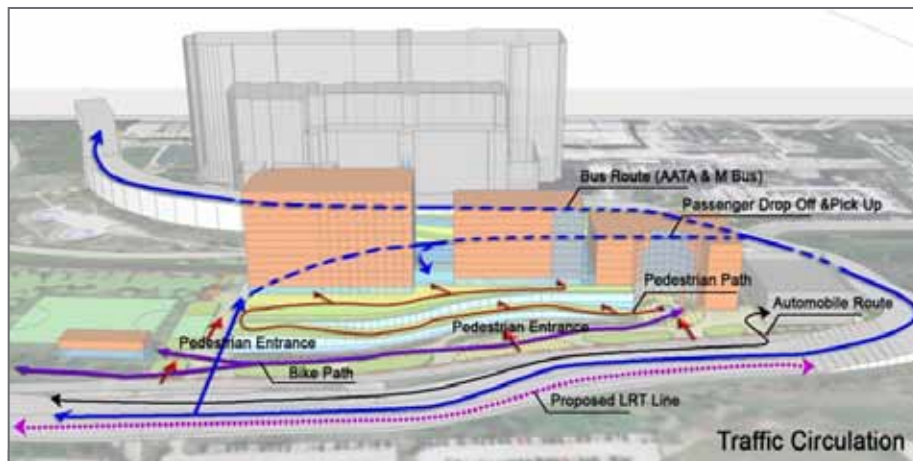
Arbor Depot Park features multiple transit options on each level. Commuter rail running at the lowest level of the site connects visitors with the UM Hospital and other nearby amenities of Ann Arbor and the University of Michigan, while AATA and M-Bus shuttle service is available on level two.

A pedestrian walkway connects an approximately 800-car parking garage to the rail platform and shuttle drop off points, allowing visitors to switch easily from car, train or bus.

These transportation options create multiple connections for visitors at all hours, with the Ann-Arbor to Detroit commuter connection running eight trips at morning, afternoon, midday and evening peak hours, M-Bus shuttle service every ten minutes to the University of Michigan North and Central Campuses along with Downtown Ann Arbor, and AATA service to the greater Ann Arbor area every thirty minutes.



Site Connectivity Rendering ~ The Alliance Group



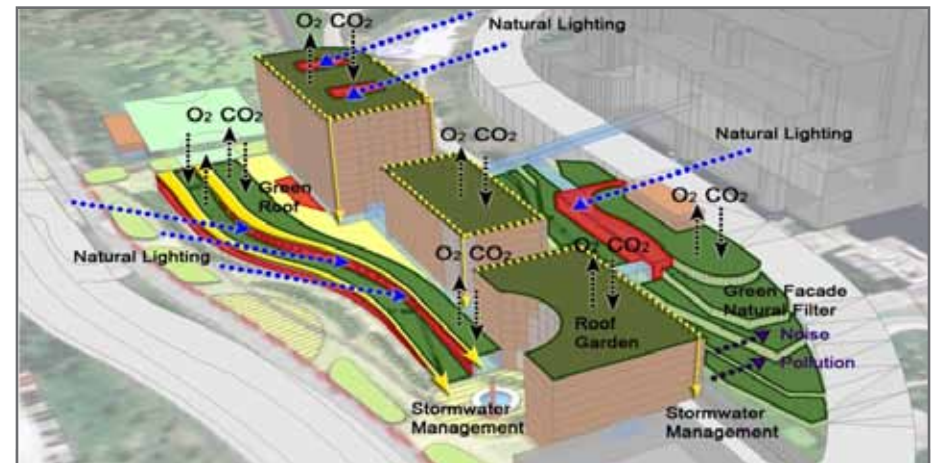
Traffic Circulation Rendering for Site ~The Alliance Group

### Green Building Techniques (LEED)



Using eco-design technique to achieve the green and energy efficiency in building scale level. Many regions and municipalities in the US and Canada now require LEED certifications for publicly-owned building projects.

At least 10 states have adopted LEED standards for new construction: our site will capitalize on the growing trend. In fact, Arbor Depot Park is projected to achieve LEED Platinum status – the highest level of LEED certification -- in both New Construction and Neighborhood Development. (See Appendix for Arbor Depot Park’s LEED Checklist.) The site does so in its innovative use of green roof technology, reducing the urban heat island effect and creating additional park and open space. It meets Ann Arbor’s unmet demand for affordable housing and integrates the University of Michigan, the UM Hospital and the City of Ann Arbor, enhancing access to education and job opportunities while promoting social integration in the region. Arbor Depot Park also uses recycled materials in construction and harnesses green, renewable energy sources. By facilitating increased use of non-automobile transportation options, Arbor Depot Park contributes to a healthier environment as well.



Ecological Green Roof Design Rendering ~ The Alliance Group

## Landscape

Arbor Depot Park takes a unique approach to landscape as well. In addition to creating public green space on the roof of some of its buildings, the site includes a generous amount of trees, water features and other amenities, including a clever, rolling hill façade to hide an 800-car parking garage. The landscaping preserves and enhances the magnificent views of Lower Town and the Huron Riverfront. This innovative strategy not only makes a massive impermeable parking structure disappear, it creates a soft landscape which acts as a natural filter against noise and air pollution. Arbor Depot Park’s landscaping features borrow from the surrounding landscape to create a development that is connected to the environment as well as all the exciting amenities that Ann Arbor has to offer.

## Functional Building Design

The building layout is designed to encourage a diverse mix of uses, from retail and office to residential. The site integrates these uses into an efficient traffic circulation system where pedestrians, buses, automobiles, trains and cyclists can get in and out quickly and comfortably, while providing access for emergency vehicles and maintaining safety for all visitors to the site. Pedestrian skyways also connect the site to the University of Michigan hospital, for a seamless, safe path between each site.

The site’s layout also takes advantage of prime public space for the inclusion of retail establishments, putting a variety of shops and dining options in the major pedestrian traffic areas and creating an opportunity for lucrative business opportunities that generate economic activity and create jobs.

Each building on the site is fully connected and accessible to the other buildings, allowing visitors to get anywhere in the site, with relative ease, providing outdoor paths and indoor routes for days when the weather is not ideal for a stroll outside.

## Walkability and Accessibility

The site is a five to ten minute walk to many places and activity centers nearby, such as the Huron Riverfront area and the network of parks along it, Lower Town neighborhoods, sports fields, the Medical Center, and more. Arbor Depot Park actually improves walkability on the site with its unique method for including public space and pedestrian greenways that connect each end of the site. Arbor Depot Park will add to the walkability and accessibility of the site by enhancing its role as a destination in the Border-2-Border trail network through the provision of bike storage, showers and changing rooms for cyclists. The design of all park and open spaces has also been done with the physically impaired in mind; the slope of the pedestrian-accessible green roof pathway has been made at an appropriate angle to allow for comfortable and convenient wheelchair access. In fact, the angle of this pathway exceeds the industry standard of 1/12 grade; our pathway sits at a highly accessible 1/16 grade.



Arbor Depot Park Rendering



## Site Description

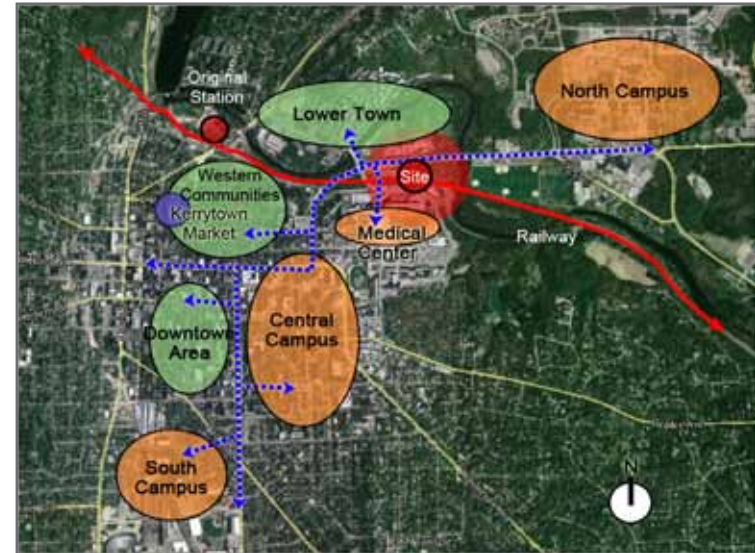
The Fuller Road Parking lot is a permit-only, 80,000 square foot parking lot owned by the City of Ann Arbor and leased to the University of Michigan. It makes the city \$15,000 in annual revenue with \$2,000 in annual maintenance costs<sup>7</sup>. The 18-acre lot is made up of approximately 4 acres of surface parking, 5 acres of wetland, and 9 acres of open space. It is positioned with Fuller Road and the Huron River due north. The Norfolk Southern railroad tracks and the University of Michigan Medical Center lie due south. The lot is bordered by Maiden Lane to the west and recreational fields and wetlands to the east. The recreational fields reside within the Washtenaw County Border-to-Border Trail. The Border-to-Border Trail aims to create 35 miles of continuous shared-use paths linking open spaces along the Huron River Greenway<sup>8</sup>.



Aerial Map of Site & Landscape Photograph

The two aerial contextual maps shown here illustrate the Fuller Road Site's exact positioning. The first contextual map reveals the site's placement in relationship to the University of Michigan campuses—midway between North and Central Campus. The second aerial map analyzes the walkability of the site to nearby attractions and amenities. The map shows that the site maintains optimal walkability distances to such destinations as Lower Town, Sports Fields, Park, and Medical Center

all in less than 10 minutes. This walkability convenience makes the Fuller Road parking lot an ideal site for future development.



Aerial Map of Site & U of M Campuses



Aerial Map of Site - Walkability Analysis

## Marketing Analysis

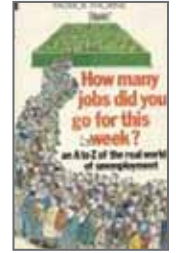
### Economics

The Arbor Depot Park will be constructed just in time for the economy to complete its turn-around and begin a trajectory of new growth. The Federal Government through the American Recovery and Reinvestment Plan estimates the creation of 3.5 million new jobs while reinvesting in healthcare, education, energy, and infrastructure<sup>9</sup>. Signs of economic recovery are already underway as the GDP rises 3.5% in the third quarter of 2009 marking the fastest growing quarter since Q3 of 2007<sup>10</sup>. Consumer sentiment also rose along with other indexes and achieved its highest level since January of 2008. The national housing market even expresses signs of recovery as Q3 of 2009 reaches the strongest number of home sales since July of 2007<sup>10</sup>. The Federal Reserve projects continued GDP growth of 2.8% to 4.8% over the next two years<sup>11</sup>.

Economic projections of Federal Reserve Governors and Reserve Bank presidents, November 2009<sup>11</sup> Percent

Variable	Central tendency <sup>1</sup>				Longer run
	2009	2010	2011	2012	
Change in real GDP	-0.4 to -0.1	2.5 to 3.5	3.4 to 4.5	3.5 to 4.8	2.5 to 2.8
June projection	-1.5 to -1.0	2.1 to 3.3	3.8 to 4.6	n.a.	2.5 to 2.7
Unemployment rate	9.9 to 10.1	9.3 to 9.7	8.2 to 8.6	6.8 to 7.5	5.0 to 5.2
June projection	9.8 to 10.1	9.5 to 9.8	8.4 to 8.8	n.a.	4.8 to 5.0
PCE inflation	1.1 to 1.2	1.3 to 1.6	1.0 to 1.9	1.2 to 1.9	1.7 to 2.0
June projection	1.0 to 1.4	1.2 to 1.8	1.1 to 2.0	n.a.	1.7 to 2.0
Core PCE inflation <sup>3</sup>	1.4 to 1.5	1.0 to 1.5	1.0 to 1.6	1.0 to 1.7	
June projection	1.3 to 1.6	1.0 to 1.5	0.9 to 1.7	n.a.	

While the national economy demonstrates strong signs for recovery, Michigan may lag national growth indexes. Michigan currently stands last in the 50 states in terms of unemployment; however in Q3 of 2009 the unemployment rate increase was significantly smaller than previous quarters<sup>10</sup>. Furthermore, Ann Arbor realizes the lowest unemployment rate across Michigan metro-areas demonstrating that it is the least hardest hit<sup>10</sup>. Many analysts point to the employment anchor of the University of Michigan and the U of M Medical Center for this benefit. According to U of M economist Professor George Fulton, “In Michigan, prolonged difficulties have become a way of life, but the Michigan economy is in a more encouraging position now than it was at the beginning of 2009.”<sup>12</sup>



Economists are typically cautious of predicting trends beyond a couple years, but the forecast indicates “we may see modest job gains for 2012.”<sup>14</sup> These predictions seem in line with SEMCOG’s analysis. SEMCOG estimated the population of Ann Arbor to be 113,521 in 2009 which is down 503 since 2000<sup>13</sup>. However, by 2015 SEMCOG estimates that Ann Arbor will already make up that loss<sup>13</sup>. By 2035, SEMCOG estimates job growth of 15% for Ann Arbor with the largest gains being in the education and health care sectors<sup>13</sup>.

“In Michigan, prolonged difficulties have become a way of life, but the Michigan economy is in a more encouraging position now than it was at the beginning of 2009.”

— George Fulton, Professor of Economics, University of Michigan



Forecasted Jobs by Industry	SEMCOG 2005	SEMCOG 2035	Change 2005-2035
Natural Resources & Mining	C	C	C
Manufacturing	1,247	878	-369
Wholesale Trade	1,879	1,684	-195
Retail Trade	10,406	8,230	-2,176
Transportation & Warehousing	1,249	1,409	160
Utilities	C	C	C
Information	4,408	6,314	1,906
Financial Activities	6,829	5,306	-1,523
Professional, Scientific, & Technical Svcs	19,943	17,154	-2,789
Management of Companies & Enterprises	1,436	1,335	-101
Administrative, Support, & Waste Services	9,926	12,272	2,346
Education Services	20,482	25,842	5,360
Health Care & Social Assistance	21,850	37,082	15,232
Leisure & Hospitality	11,924	12,388	464
Other Services	6,067	6,023	-44
Public Administration	5,193	5,863	670
<b>Total</b>	<b>123,268</b>	<b>142,064</b>	<b>18,796</b>

Due to these economic factors facing Ann Arbor, the Alliance group will spend the next two years working with stakeholders to refine plans for the Arbor Depot Park and complete all pre-construction and development phases prior to construction in 2012. (For detailed timeline see the Financial Analysis discussion.)

### Train Station

The Arbor Depot Park will serve as the new Amtrak Station site welcoming all to the City of Ann Arbor. Amtrak provides service to Ann Arbor three times daily in each direction on the Wolverine between Chicago and Pontiac, via Detroit. Amtrak reported that ridership gained 2.4% in 2007 on the Wolverine matching the national Amtrak average. This resulted in 449,000 passengers choosing rails over roads<sup>14</sup>.



“We are excited about increased interest in passenger rail travel,” said State Transportation Director Kirk T. Steudle. “Michigan reflects the national trend. Our ridership numbers have increased for the last five years, showing strong support for all three Amtrak routes in Michigan.”<sup>16</sup> Moreover, Ann Arbor represents the city with the highest number of tickets sold throughout Michigan. The Alliance Group estimates that ticket sales could easily double given the growth projections for Ann Arbor, and by giving commuters a superior station. One commuter noted, “I really wish they would have some different chairs, funky tables, and a chai stand at train departure times. Really a sad place, but you could turn it into a commuter haven with some raised tables, power outlets, and wifi.”<sup>15</sup> The Arbor Depot Park strongly addresses each of these concerns plus provides a number of additional amenities.

### Total Amtrak Tickets Sold to/from Michigan Station Stops 2007<sup>14</sup>

Albion, MI	1,490	Holland	38,457
Ann Arbor	144,114	Jackson	27,135
Bangor	3,786	Kalamazoo	107,251
Birmingham	19,404	East Lansing	48,518
Battle Creek	53,197	Lapeer	6,695
Dearborn	72,158	New Buffalo	2,476
Detroit	56,548	Niles	18,061
Dowagiac	2,579	Pontiac	16,450
Durand	8,361	Port Huron	12,544
Flint	23,718	Royal Oak	25,556
Grand Rapids	53,260	St. Joseph	8,445

### Hotel

The economic slowdown has caused devastating effects on the travel industry. US hotel occupancy levels have dropped by roughly 5% for 2008 from 2007.<sup>16</sup> Hotels across the nation have been using creative ways to mitigate their losses including slashing prices, offering enticing package deals, and/or free room upgrades. These tactics have been met with limited success for some markets. However, one new hotel concept seems to be gaining ground: the “pod” hotel. The “pod” hotel concept consists of shrinking the size of the hotel room to meet the customers’ basic needs akin to the discount airline business. Like a discount



airline, pod hotels usually do not offer extras such as room service, restaurant/ bar, or gym, though, the basics can be of high-quality.

The Alliance Group predicts that the pod hotel concept will work favorably at Arbor Depot Park due to its target, short-stay, budget-conscious, mid-tier market:

- Visitors to patients at U of M Medical Center
- Alumni attending sporting events
- Professionals attending U of M conferences
- Prospective medical students/doctors to U of M Medical Center
- Out-of-town, U of M patients undergoing multiple consultations/visits
- Recruiters
- Various medical professionals with business at U of M Medical Center
- Consultants

The A2 Pod Hotel will be a 195-room boutique hotel. The décor will be modern, minimalist, and nature-inspired. It will aim to echo its park-like surroundings. The hotel will adhere to innovative sustainable practices within the hotel industry such as water and energy conservation. The A2 Pod Hotel will utilize energy-efficient lighting and heating systems that automatically adjust when unable to detect a human presence. Each room will consist of 150 square feet which includes a small bathroom. The rooms will feature quality mattresses, high thread-count sheets, plasma TV's, wifi, but little else. Pod guests will have the entire Arbor Depot Park at their disposal, if they feel the need to stretch their legs.



Model Images of A2 Pod Hotel

## Residential

The recession, foreclosures, and harsh credit markets devastated the Ann Arbor real estate market in the last couple of years. The Ann Arbor Business Review stated that 2008 was the worst real estate market for Ann Arbor in the past decade with a 15.5% drop in value since 2007<sup>17</sup>. It will take years for the real estate market and consumer confidence to recover. In light of this economic reality, the Arbor Depot Park plans to incorporate residential apartments into its mixed-use development instead of condominiums. The residences will be made up of mostly 1 and 2 bedroom apartments at 1,000 square feet. These affordable units will rent for approximately \$10/square foot with mid-grade finishes (corian, standard appliances, carpet, etc). 40% of these units will be dedicated, subsidized housing. The residences will also offer a limited number of luxury 1 and 2-bedroom units at 1,500 square feet. These units will rent for approximately \$15/square foot with higher-end finishes, (granite, stainless steel, wood floors, etc.).

The target market for the residences at the Arbor Depot Park is summarized in the following table:

Target Market

Affordable Apartments	Luxury Apartments
- students	- residents, fellows
- medical staff, low wage earners (technicians, CNA's, support staff, clerical, etc.)	- medical staff, high wage earners (doctors, tenured nurses, professional staff members, etc. )
- university personnel, low wage earners (teaching assistants, support staff, etc.)	- university personnel, high wage earners (professors, professionals, etc.)



Affordable and Luxury Apartment Models

## Retail

Given the current economic landscape, opening new retail stores can be a risky business. However, the key to success is choosing *relevant* businesses that show signs of growth even in this bleak economy. Some retail stores that pass this test which will be included in Arbor Depot Park are Panera Bread and Edible Arrangements. Retail industry expert Barbara Farfan comments on Panera Bread's growth, "It's hard to believe that in the same year that the U.S. retail landscape became littered with shuttered, dark, and vacant spaces that a new Panera restaurant has opened just about every five days."<sup>18</sup> Arbor Depot Park guests, residents, and visitors alike can enjoy the healthy food options provided by Panera. CEO Ray Dellarco explains that he is very proud of his "antibiotic-free, all natural, organic, low fat breads, bagels and pastries baked fresh throughout the day"<sup>10</sup>. Dellarco also boasts about Panera's sales grow of 3.3%, its guest count rise 1.8%, and its average transaction increase 3.2% in its third quarter of 2009<sup>18</sup>.



Edible Arrangements which provides special arrangements of fruit bouquets maintains a similar financial story as Panera. Edible Arrangements should thrive at the Arbor Depot Park as it will provide an exciting and functional alternative to flowers for hospital patients. Additionally, Edible Arrangements is planning to expand its concept into smoothies and snacks with its new Frutation division. Both of these healthy options align well with the developmental principles of the Arbor Depot Park.



In addition to Panera Bread & Edible Arrangements, a number of supplementary retail stores will call Arbor Depot Park its home. For example travelers, residents and hotel guests will find a pharmacy/ convenience market handy. Due to the high rents commanded by pharmacies i.e. CVS in Ann Arbor, the addition of this retail outlet will be important for Arbor Depot's financial success. The Alliance Group plans to incorporate clothing boutiques such as ZARA which tops the 2010 list of the most number of new store openings<sup>18</sup>. In keeping with the local

essence of Ann Arbor, the Alliance Group will also look for non-chain, local businesses that can be incorporated into the available retail space. The Alliance Group plans to include additional clothing stores, boutiques, gift shops, restaurants, and coffee shops.



Arbor Depot Club & Spa Model

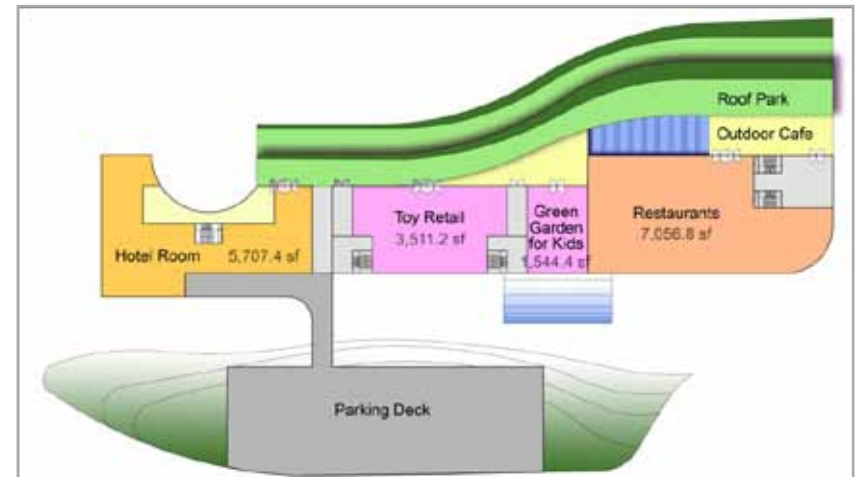
Within the residential tower of the Arbor Depot Park, the Alliance Group proposes to reserve retail space for a fitness center and spa, The Arbor Depot Club & Spa. The fitness center will feature executive-style memberships with personalized fitness programming. The fitness center would be the closest workout facility to the medical center with the Central Campus Recreational Center as the next closest .5 miles away. Since the Central Campus Recreational Center is open to all students and staff members, the Arbor Depot Club would differentiate itself by marketing to upper-level employees of the hospital and the luxury apartment residents. The spa component will feature the highest profit generating services such as massages & body treatments. Future service expansion could include lower margin services such as nails and facials. The spa concept will support the Arbor Depot Park developmental principles in its approach to supporting energy efficiency, using sustainably-grown spa products, and promoting healthy living.



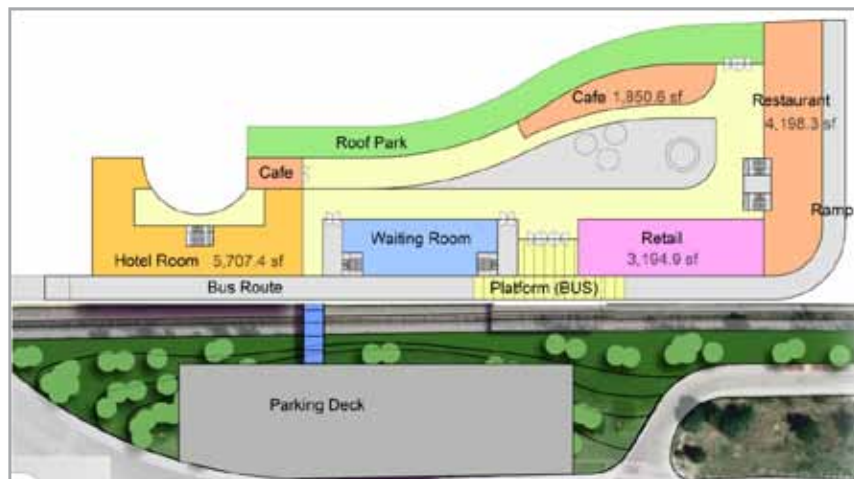
# Arbor Depot Park Structural Floor Plans



Ground Floor



Third Floor



Second Floor



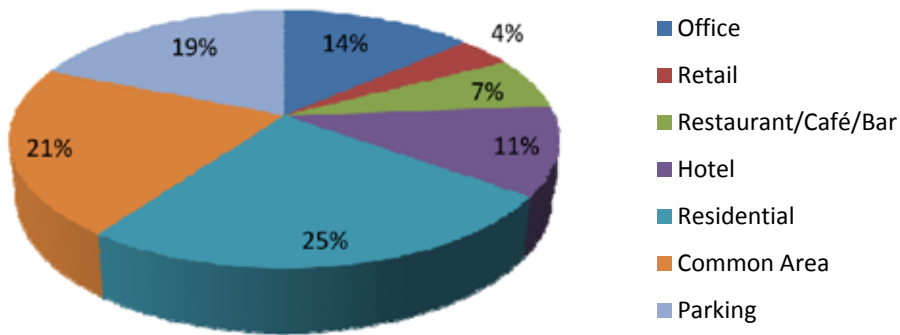
Residential Floor Model

## Commercial

There was a steady fall in the Ann Arbor commercial real estate market in 2008 ending in a slight up tick in the last quarter. According to Neal Warling of Bluestone Realty Advisors, “there are some indications that overall activity - while dramatically slower than earlier this decade - also is making some small improvements over a year ago”<sup>19</sup>. With this promising news, The Alliance Group will focus on renting commercial space in the health care, hospitality, high-tech, education, and business sectors. Economists Fulton and Grimes predict job growth for Ann Arbor will be double in the “knowledge economy” compared to economies not requiring a college education<sup>20</sup>.



## Arbor Depot Park: Use as % of Total Space



## Political Analysis

### Stakeholder Analysis

The Alliance Group is committed to creating a community resource with Arbor Depot Park—a structure that in many ways serves as a symbol of social and economic progress in southeast Michigan. While Alliance will hold the title to this magnificent building, it is our vision that each of the building’s guests and its neighbors will take ownership of the ideals Arbor Depot Park represents: social integration and inclusion, efficient transportation, new economy synergies, and environmental harmony. Early and frequent interaction with our guests and neighbors has assisted in developing a stakeholder strategy that integrates the highest and best desires of southeast Michigan social, economic, and political leaders and stakeholders. Our commitment to stakeholder outreach has helped condense our timeline for realization of the Arbor Depot Park concept and has helped us fine tune our vision to the wants and needs of our guests and neighbors. Key stakeholders throughout this process have included:

- City of Ann Arbor
- Ann Arbor Transportation Authority
- University of Michigan
- University of Michigan Health System
- University of Michigan Parking and Transportation Services
- Ann Arbor residents

### City of Ann Arbor

The City of Ann Arbor has agreed to partner with Alliance on several issues critical to Arbor Depot Park’s success: Land conveyance and zoning, creation of a TIF district, and recreation integration.

Land conveyance and zoning: The city currently owns the site on which Arbor Depot Park will be built. Zoned for Public Land, private development is not currently possible. Additionally, Arbor Depot Park’s mixed-use concept and combination of public and private spaces with transit opportunities is not a clear fit with any traditional zoning formats contained within the City of Ann Arbor Zoning Code. To



achieve maximum innovation in the design and construction, a zoning change from Public Land to Planned Unit Development (PUD) is necessary to facilitate the project—a change that may only be authorized by the City of Ann Arbor. The city’s current zoning guideline allows for PUDs in situations where development plans demonstrate: Land use innovation and efficiency; preservation and utilization of existing and natural site features; positive contributions to the city’s employment and housing needs; and innovative transportation alternatives.<sup>21</sup> Alliance is very proud that Arbor Depot Park meets and exceeds these standards.

Months of negotiation on development details, including parking availability, recreation opportunities and public access has created a sense of excitement and optimism among city officials, including long-time transit proponent Mayor John Hieftje. Development plans have been modified to include an additional 800-space parking deck on the site to augment a 1000-space University of Michigan/City of Ann Arbor parking deck also on the site that is currently in pre-construction.<sup>22</sup> Additionally, the Ann Arbor City Council has long sought affordable housing opportunities in the city, as evidenced by inclusionary zoning requirements and the creation of the City’s Affordable Housing Trust Fund<sup>23</sup>. Alliance shares this commitment to community housing and has agreed to set aside 50-percent of all initial housing units for below-market-rent tenants. Through these accommodations, Alliance has secured Ann Arbor City Council support for our PUD development proposal.



The City of Ann Arbor also has agreed to partner with Alliance on infrastructure and specific construction aspects of Arbor Depot Park. Specifically, the City has agreed to authorize an appropriate Local Development Financing Authority to create and administer a TIF district around the Arbor Depot Park project.<sup>24</sup> The City plans to issue municipal bonds to raise capital for the construction of aspects of Arbor Depot Park with clear public benefits, including the central transit station area, a portion of the proposed parking garage, and transit-related road improvements. Without the City of Ann Arbor’s support on these aspects of the project, Arbor Depot Park would not be a viable development opportunity.

### Ann Arbor Transportation Authority



In many ways, 2009 has been a watershed year for the Ann Arbor Transportation Authority (AATA). A long search for a new chief executive officer concluded with the hiring of Michael Ford, who brings a new mandate and vision to the local transit agency.<sup>25</sup> AATA also worked to further refine its desired future role in Ann Arbor and Washtenaw County: a countywide transit system funded by a countywide millage.<sup>26</sup> Additionally, regional and statewide emphasis on transit and transportation reached new levels as federal aid flowed to cities and states through the \$787 billion American Recovery & Reinvestment Act.<sup>27</sup> A reinvention of the AATA is truly underway and Alliance is an eager partner through the Arbor Depot Park.

Our unique transit station design embraces the AATA’s ambitions. Alliance has agreed to provide shared rail and bus station space and roadway at Arbor Depot Park so AATA can participate in our multi-modal transit system vision. In exchange, beginning with the opening of Arbor Depot Park, AATA has agreed to provide both fixed route and flexible bus scheduling to facilitate the flow of Arbor Depot Park residents and guests through the city of Ann Arbor and Washtenaw County. We project increased ridership and visibility for the AATA as it pursues a grander mission, primarily flowing from rail traffic that will be channeled through shared platform and transit station space at Arbor Depot Park.

### University of Michigan

The dominant Ann Arbor employer, the University of Michigan’s Ann Arbor campus employs 40,000 people, including approximately 32,215 Washtenaw County residents. In total, the University’s payroll tops \$3.2 billion annually, representing the overwhelming majority of its \$4.85 billion annual operating budget. It’s also a leader in job creation, even in the down economy. An economic engine of the city and region, the University has been responsible for over 1,750 patent-class inventions and 58 new start-up companies—and those numbers only account for University activities between 2003 and 2009!<sup>28</sup> The University also controls an endowment that has varied in value from \$5.6 billion to \$7.6 billion in 2009—one of the largest university endowments in the world.<sup>29</sup> Research activities in the University amounted to \$876 million in 2007-08.<sup>30</sup>





Additionally, the University of Michigan is the premiere educational institution in the state of Michigan. In 2008, 5,608 freshmen enrolled at the university, increasing the total student population to 41,028. The university's top ranked graduate schools were home to 4,821 students in 2008. Its Ann Arbor campus is comprised of 3,070 acres, 483 major buildings, and 1,082 units of housing.<sup>31</sup>

In recognizing its importance to the region and viability of Arbor Depot Park, Alliance has established a solid partnership with the university. Situated between its North and Central campuses and immediately adjacent to its Medical Campus, Arbor Depot Park is in a geographically prime area to serve the University and its guests. Our partnerships with two divisions of the university are of vital importance to Arbor Depot Park's success: The University of Michigan Health System and University of Michigan Parking and Transportation Services. The University has expressed enthusiastic interest in this project and visualizes the transit, residential and office aspects of our project design as particularly valuable to the University and its mission. Specifically, guests, students, and employees of the University will directly benefit from increased transit opportunities, which in turn mitigate several current University challenges, including limited and expensive parking options. The ability of University constituents to utilize Arbor Depot Park as a gateway to the world is unprecedented in Ann Arbor, where automobile-free access to Detroit Metro Airport has consistently been a challenge. It employs a staff of 19,000 people and comprises 5,568,090 square-feet of space.<sup>32</sup>

### University of Michigan Health System (UMHS)

Consistently recognized as one of the nation's leading hospitals (14<sup>th</sup> overall in 2008), UMHS has emerged as a primary supporter of Arbor Depot Park.<sup>33</sup> UMHS is responsible for 1.7 million patient visits each year, includes the University of Michigan Medical School, three hospitals and some 120 health centers and clinics. And the hospital system is primed for unprecedented growth.



The University's recent \$108 million purchase of the former Pfizer complex initiated a plan to hire an additional 3,000 healthcare researchers and support staff within 10 years.<sup>34</sup> Additionally, an expansion of the primary medical campus is underway. In spring 2011, a new \$523 million replacement facility for the C.S. Mott Children's and Women's Hospital will open, setting the stage for additional expansion of UMHS.

Plans already are being developed to link the off-campus former Pfizer facility with the existing medical campus and University as a whole. Arbor Depot Park is pleased to be a hub of this linkage. In addition to facilitating a flow of professionals between campuses, Arbor Depot Park also will open new opportunities for patient and employee transportation. As UMHS expands, Alliance also will help meet the system's space needs with the inclusion of quality office space in our development. Our partnership with UMHS is a valued and exciting aspect of the Arbor Depot Park project!

### University of Michigan Parking and Transportation Services (PTS)

Ground soon will break on a 1,000 spot parking garage on the west side of the Arbor Depot Park spot that will primarily serve patients and employees of the University of Michigan Health System. A joint project of the City of Ann Arbor and PTS, the structure will remain as part of the Arbor Depot Park grounds. Our continued partnership with PTS will ensure the efficient allocation of parking space within this structure and an additional 800-space Alliance structure. Additionally, as the operator of University of Michigan and UMHS shuttle bus services, Alliance has pledged its cooperation with PTS in streamlining transit services throughout the University and its medical campus. Arbor Depot Park will serve as a primary stop on PTS shuttle bus routes that connect highly traveled areas of the University's sprawling campus.



## Ann Arbor Residents

The Most important aspect of Arbor Depot Park for the Alliance Group is that our development is accepted as a community asset and resource. We also hope to win the trust of all Ann Arbor residents through responsible development and stewardship of the city-owned parcel of land that serves as the foundation of our project. To accomplish this goal, Alliance has included a number of innovative features in Arbor Depot Park, the most stunning feature being a 12,700-square-foot green rooftop that will be outfitted as a public park. The roof, resembling a broad linear park, will be accessible at ground level to pedestrians and bicyclists. As they ascend its gentle incline, park users will be greeted on the south by quaint, quality retail and dining options, and on the north, spectacular views of the Huron River. Our innovative hillside parking garage concept will cover essential parking infrastructure with an artificial hillside to better blend the site with the surrounding natural area, including Nichols Arboretum. A walking/biking trail—part of the local Border-to-Border trail initiative—will link Arbor Depot Park with these amazing recreational resources. To the north and across Fuller Road, a city-operated pool will be accessible by a future pedestrian bridge.



Additionally, naming rights for the rooftop park will be sold to fund programming based in Arbor Depot Park that will offer unprecedented and exciting ways for guests and residents to interact with the rich local environment. Shuttle bus service will be provided from Arbor Depot Park to the city pool and the riverfront area, which may soon be undergoing its own exciting development. Guides will provide informative tours of Nichols Arboretum and the botanical gardens adjacent to Arbor Depot Park. Gardening programs for Arbor Depot Park will convert non-parkland rooftops into resident-operated community garden space.



Through these innovations Alliance has demonstrated its commitments to the citizens of Ann Arbor. Eventually, Alliance will expand Arbor Depot Park to encompass additional acreage on the east side of the

development's planned location. The land, presently used for recreational fields, may only be developed if city voters approve of its conversion in a public vote. Alliance is confident that it's demonstration of responsible stewardship and innovation in recreational opportunities will convince Ann Arbor residents they will gain, not lose, recreational opportunities by allowing the further development of this additional acreage.

## SEMCOG

The Southeast Michigan Council of Governments, a regional organization to which Washtenaw County belongs, has a very large role in shaping Arbor Depot Park. SEMCOG's Ann Arbor to Detroit Commuter Rail, scheduled to open in October, 2010, adds the major transit component to our site and will be a significant source of traffic to and from it.

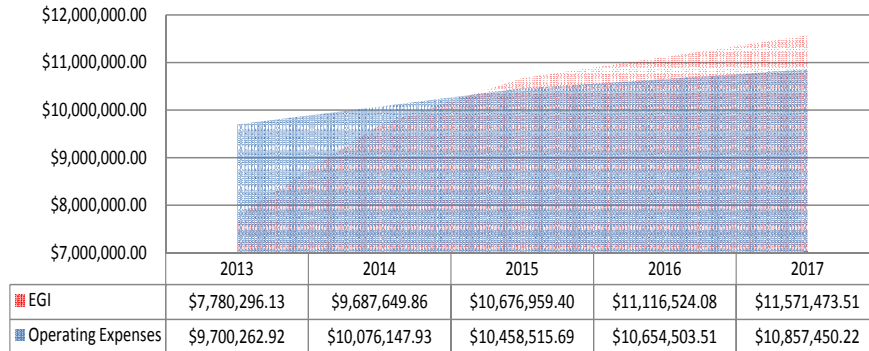


SEMCOG has led the way in pursuing regional transit initiatives for Southeast Michigan, and the Ann Arbor to Detroit Line is an important component in the effort to bring mass transit to Michigan. The project, set to serve as a three-year pilot, will serve SEMCOG in providing ridership data and other market data that will justify financing for future transit projects in the region. SEMCOG has a vested interest in the success of the site and has contributed mightily to its advancement, making its support of our development crucial.

## Financial Analysis

The Alliance Group projects a positive cash flow for Arbor Depot Park beginning in its third year of operations. Overall, the property performs well financially. Realistic market projections result in an IRR of 24%, assuming disposal after three years of full operations in 2017.

### Arbor Depot Park: Operating Revenue vs. Expenditures



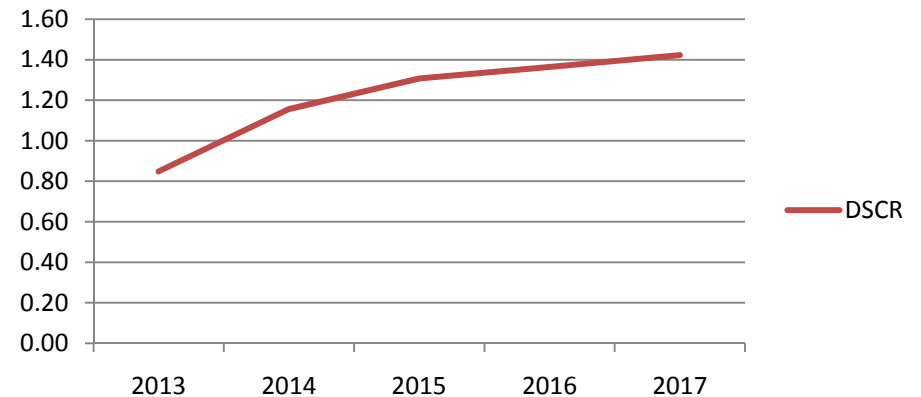
A host of methods have been employed to reduce private initial equity in the project to only \$6.4 million, which will be supplied by private members of The Alliance Group, LLC. In addition to Alliance private contributions to the project, another \$35.5 million of initial equity is generated through Tax Increment Financing, the Low Income Housing Tax Credit program contributions (securitized at a rate of \$.70 on every \$1), and a contribution from the City of Ann Arbor Affordable Housing Trust Fund. With slightly more than 40% of all housing in Arbor Depot Park set aside for low-income residents, the project meets a social need at the same time it generates public equity support.

Total Construction Cost:	\$ 102,796,809
TIF Proceeds	\$ (27,433,323)
LIHTC	\$ (7,554,215)
City Affordable Housing Trust Fund Contribution	\$ (500,000)
Construction Loan	\$ (60,915,924)
The Alliance Group Equity Contribution	\$ 6,393,346.65

While decreasing potential residential cash flow, the abundance of affordable housing in Arbor Depot Park creates a socially and economically diverse community with immediate access to mass transit. Achieving these social goals is important but so is the bottom line. Alliance's initial \$6.4 million equity investment returns a NPV of just over \$4.85 million after five years of operation. Without our government partners in this project, initial equity requirements would reach \$60 million—an increase of 1,237%.

Key Assumptions:	
Inflation	3.5%
Non-Hotel Vacancy Allowance	30.0% for 2013; 10.0% all other years
Hotel Occupancy Rate	40.0% for 21013; 33.3% for 2014; 25% for all other
Financing Interest Rate	8.0%
Investment Hurdle Rate	10.0%
Exit Cap Rate	8.0%
LIHTC Securitization Price/Value Ratio	70.0%

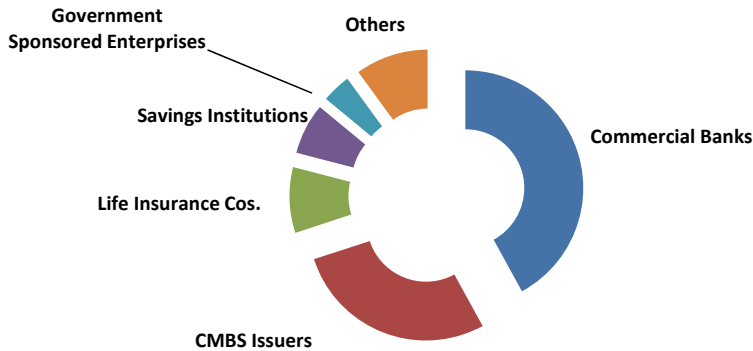
### Debt Service Coverage Ratio



Construction costs are representative of a current market analysis, drawing from sources including RS Means cost estimates. In addition to customary construction cost items, a 2.5% premium on hard costs has been added to account for LEED-Platinum rated materials. Our investment in LEED technology is estimated to save an estimated 14% on utility expenses—savings that allow us to reduce our operating expenses and slightly increase rents over market rates while still providing great value to our tenants. Financing has been secured through a \$61 million

construction loan (8% rate, 60% LTV), which will be converted to a mini-perm or perm loan. A commercial bank, the predominant lender for multifamily housing projects, will provide the construction and perm loans. Creative aspects of construction financing include the planned sale of naming rights to the rooftop parkway to an Ann Arbor corporation, offsetting a portion of our landscaping expenses.

### Holders of Commercial & Multifamily Mortgage Loans (2007)



Source: Federal Reserve, Flow of Funds

Alliance plans to sell the entire Arbor Depot Park complex in 2017, when the market cap rate is expected to be 8%. A history of positive cash flows and a prominent place in the community, as well as potential upgraded transit operations utilizing the Arbor Depot Park transit station will help make the development marketable and profitable at sale. The transit-oriented nature of Arbor Depot Park provides stability against drastic and unexpected market changes. If cap rates in Ann Arbor should fall, a hold strategy may be necessary until the overall market improves. Sensitivity analysis has demonstrated a positive NPV outcome is robust despite swings in cap rate and vacancy rates, and across a variety of discount rates.

Vacancy Rate Sensitivity Analysis		
Vacancy Rate (% Change)	NPV	IRR
-30%	\$ 3,075,510.00	19%
-20%	\$ 3,627,428.00	21%
-10%	\$ 4,179,347.00	22%
0%	\$ 4,850,898.05	24%
10%	\$ 528,183.00	26%
20%	\$ 5,835,102.00	27%
30%	\$ 6,387,020.00	29%

Cap Rate Sensitivity Analysis	
Cap Rate	NPV
10%	\$ (5,045,008.48)
9%	\$ (888,618.20)
8%	\$ 4,731,264.96
7%	\$ 12,194,310.71
6%	\$ 21,623,904.77

Discount Rate Sensitivity Analysis	
Discount Rate	NPV
7.00%	\$6,488,150.51
8.00%	\$5,909,300.79
9.00%	\$5,364,268.62
10.00%	\$4,850,898.05
11.00%	\$4,367,186.73
12.00%	\$3,911,273.77
13.00%	\$3,481,428.63

Alliance has chosen to operate, rather than lease the hotel space located within Arbor Depot Park. We believe this hotel will generate a marginally improved occupancy rate over other Ann Arbor hotel properties due to the ease of travel to Arbor Depot Park through transit connections. Attracting a hotel management firm through a revenue sharing arrangement, hotel-generated cash flow offset negative cash flow in the Station Building which is predominantly public space. Within the station, Amtrak, AATA and other transit agencies will operate from a modern, comfortable

space that is completely subsidized by The Alliance Group. Transit is the heart of Arbor Depot Park and providing no-fee space to transit agencies helps ensure they are healthy and able to expand in the future, in turn further cementing Arbor Depot Park as a valuable community asset, perhaps even a “third place.”

During The Alliance Group’s holding period, rents are assumed to be consistent with Ann Arbor downtown comparables. Downtown properties experience similar traffic flow to that anticipated at Arbor Depot Park from transit, pedestrian, and

Arbor Depot Park: Rent by Use	
Use:	Rent/ft <sup>2</sup>
Office	\$ 21.00
Retail	\$ 29.00
Restaurant/Pub/Café	\$ 27.00
Market Rate Residential	\$ 17.00
Affordable Rate Residential	\$ 10.00
Parking Permit (annual)	\$ 150.00

and automotive sources. Rates have been slightly increased to represent expected utility savings and demand premiums related to LEED-Platinum status. Rents are adjusted each year to reflect inflation.

Timeline	Year 1 (2009-10)				Year 2 (2011)				Year 3 (2013)				Year 4 (2013)				Year 5 (2014)			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Finalize Concept and Site Plan	█																			
Site Prep	█				█															
Stakeholder Negotiations	█				█				█											
Secure Funding Sources	█				█				█				█							
Infrastructure Construction	█				█				█				█							
Exterior Building Construction	█				█				█				█							
Interior Construction/Improvements	█				█				█				█							
Lease Negotiations	█				█				█				█							
Beginning of Leases	█				█				█				█							
Stabilization Period	█				█				█				█							
Initial Marketing	█				█				█				█							
Disposal	█				█				█				█							

## Appendix

Construction Budget: Arbor Depot Park	
<b>Hard Costs</b>	
<b>General Construction</b>	
Building & Site Preparation @ \$9.89 per ft2 land	\$ 800,719
Landscaping	\$ 1,000,000
Building A	\$ 7,991,640
Building B	\$ 7,678,585
Building C	\$ 15,528,366
Station Building	\$ 7,880,585
Parking Garage	\$ 22,400,000
	\$ 63,279,895
<b>Infrastructure</b>	
Roadway/Rail Track	\$ 2,000,000
Hospital Skyway	\$ 250,000
Traffic Signaling/Control Devices	\$ 439,450
	\$ 2,689,450
<b>Fees &amp; Contingency</b>	
Contractor Fee @ 5%	\$ 3,298,467
Hard Cost Contingency @ 6%	\$ 3,958,161
LEED Premium @ 2.5%	\$ 1,830,649
<b>Subtotal Construction Hard Costs</b>	<b>\$ 73,225,973</b>
<b>Soft Costs</b>	
Survey @ \$5007/Acre	\$ 9,306
Soil Investigation	\$ 32,500
Environmental	\$ 10,000
Legal Fees	\$ 100,000
Advertising	\$ 100,000
Site Engineering @ 0.1%	\$ 73,226
Architectural Fees @ 5%	\$ 3,661,299
Insurance Cost @ 0.1%	\$ 73,226
Permits & Fees @ 1%	\$ 732,260
Developer Fee @ 6%	\$ 4,393,558
Leasing Commissions @ 6%	\$ 4,393,558
Soft Cost Contingency @ 5%	\$ 3,661,299
<b>Subtotal Soft Costs</b>	<b>\$ 17,240,232</b>
<b>Total Hard &amp; Soft Costs</b>	<b>\$ 92,296,855</b>
Land Lease @ 10% Construction Cost	\$ 9,229,685
<b>Loan Fees</b>	
Construction Loan Fee	\$ 609,159
Perm Loan Fee	\$ 661,109
<b>Total Construction Cost:</b>	<b>\$ 102,796,809</b>

**Construction Cost by Building & Use**

Arbor Depot Park: Construction Costs by Building

<b>Building 1</b>				
<i>Total ft<sup>2</sup></i>	47480			
<u>Use</u>	<u>ft<sup>2</sup></u>	<u>Cost/ft<sup>2</sup></u>	<u>Upgrades/ft<sup>2</sup></u>	<u>Construction Cost</u>
Office	0	\$ 153.30	\$ 1.00	\$ -
Retail	0	\$ 153.30	\$ 1.00	\$ -
Restaurant/Café/Bar	3031	\$ 153.30	\$ 1.25	\$ 468,441
Hotel	33742	\$ 173.00	\$ 1.00	\$ 5,871,109
Residential	0	\$ 156.37	\$ 1.00	\$ -
Common Area	10707	\$ 153.30	\$ 1.00	\$ 1,652,090
Parking	19% of Parking Construction Cost			\$ 4,292,104
<b>Total Cost</b>	<b>\$ 12,283,744.23</b>			
Total Residential Cost	\$ -			
Total Non-Residential Cost	\$ 12,283,744.23			

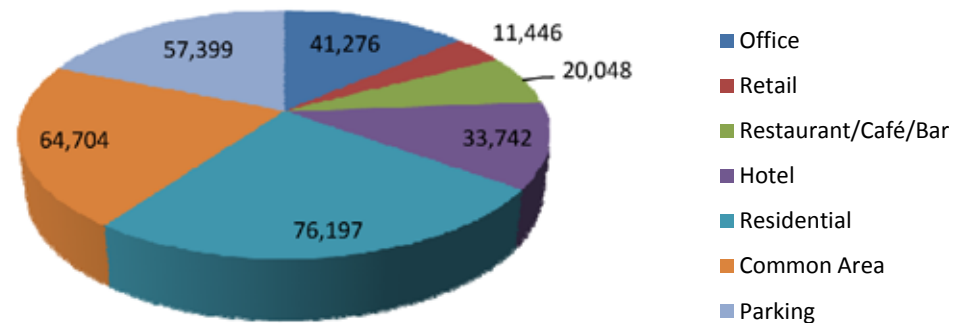
<b>Building 2</b>				
<i>Total ft<sup>2</sup></i>	49764			
<u>Use</u>	<u>ft<sup>2</sup></u>	<u>Cost/ft<sup>2</sup></u>	<u>Upgrades/ft<sup>2</sup></u>	<u>Construction Cost</u>
Office	41276	\$ 153.30	\$ 1.00	\$ 6,368,887
Retail	3511	\$ 153.30	\$ 1.00	\$ 541,747
Restaurant/Café/Bar	0	\$ 153.30	\$ 1.25	\$ -
Hotel	0	\$ 173.00	\$ 1.00	\$ -
Residential	0	\$ 156.37	\$ 1.00	\$ -
Common Area	4977	\$ 153.30	\$ 1.00	\$ 767,951
Parking	20% of Parking Construction Cost			\$ 4,507,117
<b>Total Cost</b>	<b>\$ 12,185,701.71</b>			
Total Residential Cost	\$ -			
Total Non-Residential Cost	\$ 12,185,701.71			

<b>Building 3</b>				
<i>Total ft<sup>2</sup></i>	219112			
<u>Use</u>	<u>ft<sup>2</sup></u>	<u>Cost/ft<sup>2</sup></u>	<u>Upgrades/ft<sup>2</sup></u>	<u>Construction Cost</u>
Office	0	\$ 153.30	\$ 1.00	\$ -
Retail	0	\$ 153.30	\$ 1.00	\$ -
Restaurant/Café/Bar	7057	\$ 153.30	\$ 1.25	\$ 1,090,659
Hotel	0	\$ 173.00	\$ 1.00	\$ -
Residential	76197	\$ 156.37	\$ 1.00	\$ 11,990,817
Common Area	15858	\$ 153.30	\$ 1.00	\$ 2,446,889
Parking	40% of Parking Construction Cost			\$ 8,976,556
<b>Total Cost</b>	<b>\$ 24,504,921.83</b>			
Total Residential Cost	\$ 11,990,817.10			
Total Non-Residential Cost	\$ 12,514,104.73			

<b>Station Building</b>				
<i>Total ft<sup>2</sup></i>	51057			
<u>Use</u>	<u>ft<sup>2</sup></u>	<u>Cost/ft<sup>2</sup></u>	<u>Upgrades/ft<sup>2</sup></u>	<u>Construction Cost</u>
Office	0	\$ 153.30	\$ 1.00	\$ -
Retail	7935	\$ 153.30	\$ 1.00	\$ 1,224,371
Restaurant/Café/Bar	9960	\$ 153.30	\$ 1.25	\$ 1,539,318
Hotel	0	\$ 173.00	\$ 1.00	\$ -
Residential	0	\$ 156.37	\$ 1.00	\$ -
Common Area	33162	\$ 153.30	\$ 1.00	\$ 5,116,897
Parking	21% of Parking Construction Cost			\$ 4,624,223
<b>Total Cost</b>	<b>\$ 12,504,808.39</b>			
Total Residential Cost	\$ -			
Total Non-Residential Cost	\$ 12,504,808.39			

<b>Parking Garage</b>				
<i>Total ft<sup>2</sup></i>	57399			
<u>Use</u>	<u>Number of Spaces</u>	<u>Cost/Space</u>	<u>Upgrades/space</u>	<u>Construction Cost</u>
Parking	800	\$ 28,000.00	\$ -	\$ 22,400,000
<b>Total Cost</b>	<b>\$ 22,400,000.00</b>			

**Arbor Depot Park: Space by Use (ft<sup>2</sup>)**



**Arbor Depot Park: Perm Loan**

Loan Fee Rate	1.00%
Loan Fee	\$661,109
Principle	\$66,110,927
Interest Rate	8.00%
Term (years)	30
Payment (Annual)	\$ 5,872,463.93

<u>Period</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>	<u>Balance</u>
				66110926.61
2013	\$ 583,589.80	\$ 5,288,874.13	\$ 5,872,463.93	\$ 65,527,336.81
2014	\$ 630,276.98	\$ 5,242,186.95	\$ 5,872,463.93	\$ 64,897,059.83
2015	\$ 680,699.14	\$ 5,191,764.79	\$ 5,872,463.93	\$ 64,216,360.69
2016	\$ 735,155.07	\$ 5,137,308.86	\$ 5,872,463.93	\$ 63,481,205.62
2017	\$ 793,967.48	\$ 5,078,496.45	\$ 5,872,463.93	\$ 62,687,238.14
2018	\$ 857,484.88	\$ 5,014,979.05	\$ 5,872,463.93	\$ 61,829,753.26
2019	\$ 926,083.67	\$ 4,946,380.26	\$ 5,872,463.93	\$ 60,903,669.59
2020	\$ 1,000,170.36	\$ 4,872,293.57	\$ 5,872,463.93	\$ 59,903,499.23
2021	\$ 1,080,183.99	\$ 4,792,279.94	\$ 5,872,463.93	\$ 58,823,315.24
2022	\$ 1,166,598.71	\$ 4,705,865.22	\$ 5,872,463.93	\$ 57,656,716.53
2023	\$ 1,259,926.61	\$ 4,612,537.32	\$ 5,872,463.93	\$ 56,396,789.92
2024	\$ 1,360,720.74	\$ 4,511,743.19	\$ 5,872,463.93	\$ 55,036,069.18
2025	\$ 1,469,578.40	\$ 4,402,885.53	\$ 5,872,463.93	\$ 53,566,490.78
2026	\$ 1,587,144.67	\$ 4,285,319.26	\$ 5,872,463.93	\$ 51,979,346.11
2027	\$ 1,714,116.24	\$ 4,158,347.69	\$ 5,872,463.93	\$ 50,265,229.87
2028	\$ 1,851,245.54	\$ 4,021,218.39	\$ 5,872,463.93	\$ 48,413,984.33
2029	\$ 1,999,345.18	\$ 3,873,118.75	\$ 5,872,463.93	\$ 46,414,639.15
2030	\$ 2,159,292.80	\$ 3,713,171.13	\$ 5,872,463.93	\$ 44,255,346.35
2031	\$ 2,332,036.22	\$ 3,540,427.71	\$ 5,872,463.93	\$ 41,923,310.13
2032	\$ 2,518,599.12	\$ 3,353,864.81	\$ 5,872,463.93	\$ 39,404,711.01
2033	\$ 2,720,087.05	\$ 3,152,376.88	\$ 5,872,463.93	\$ 36,684,623.96
2034	\$ 2,937,694.01	\$ 2,934,769.92	\$ 5,872,463.93	\$ 33,746,929.95
2035	\$ 3,172,709.53	\$ 2,699,754.40	\$ 5,872,463.93	\$ 30,574,220.42
2036	\$ 3,426,526.30	\$ 2,445,937.63	\$ 5,872,463.93	\$ 27,147,694.12
2037	\$ 3,700,648.40	\$ 2,171,815.53	\$ 5,872,463.93	\$ 23,447,045.72
2038	\$ 3,996,700.27	\$ 1,875,763.66	\$ 5,872,463.93	\$ 19,450,345.45
2039	\$ 4,316,436.29	\$ 1,556,027.64	\$ 5,872,463.93	\$ 15,133,909.16
2040	\$ 4,661,751.20	\$ 1,210,712.73	\$ 5,872,463.93	\$ 10,472,157.96
2041	\$ 5,034,691.29	\$ 837,772.64	\$ 5,872,463.93	\$ 5,437,466.67
2042	\$ 5,437,466.60	\$ 434,997.33	\$ 5,872,463.93	\$ 0.07

**Arbor Depot Park: Construction Loan**

LTV	60%
Construction Interest Rate	8.00%
Construction Loan Fee Rate	1.00%
Construction Loan Fee	\$609,159
Principle	\$60,915,924

			<b>Loan Draws</b>		
	<b>End of Month</b>	<b>% of Loan Drawn</b>	<b>Project Costs</b>	<b>Construction Interest</b>	<b>Loan Balance</b>
2011	0	0%	\$0	\$0	\$0
2011	1	12.500%	\$7,614,491	\$0	\$7,614,491
2011	2	12.500%	\$7,614,491	\$50,763	\$15,279,744
2011	3	12.500%	\$7,614,491	\$101,865	\$22,996,100
2011	4	12.500%	\$7,614,491	\$153,307	\$30,763,898
2011	5	12.500%	\$7,614,491	\$205,093	\$38,583,481
2011	6	12.500%	\$7,614,491	\$257,223	\$46,455,194
2012	7	2.083%	\$1,269,082	\$309,701	\$48,033,978
2012	8	2.083%	\$1,269,082	\$320,227	\$49,623,286
2012	9	2.083%	\$1,269,082	\$330,822	\$51,223,189
2012	10	2.083%	\$1,269,082	\$341,488	\$52,833,759
2012	11	2.083%	\$1,269,082	\$352,225	\$54,455,066
2012	12	2.083%	\$1,269,082	\$363,034	\$56,087,181
2012	13	2.083%	\$1,269,082	\$373,915	\$57,730,178
2012	14	2.083%	\$1,269,082	\$384,868	\$59,384,127
2012	15	2.083%	\$1,269,082	\$395,894	\$61,049,103
2012	16	2.083%	\$1,269,082	\$406,994	\$62,725,179
2012	17	2.083%	\$1,269,082	\$418,168	\$64,412,429
2012	18	2.083%	<u>\$1,269,082</u>	<u>\$429,416</u>	<u>\$66,110,927</u>

### Income Summary by Building

		2013		2014		2015		2016		2017
<b>Building 1: Non-Hotel</b>										
NOI	\$	28,352.14	\$	51,078.23	\$	52,865.97	\$	54,716.27	\$	56,631.34
Total Cash Flow	\$	(103,115.07)	\$	(11,863.92)	\$	(10,076.18)	\$	(8,225.87)	\$	(12,785.83)
<b>Building 1: Hotel</b>										
NOI	\$	3,912,385.12	\$	4,719,321.72	\$	5,534,739.78	\$	5,794,326.77	\$	6,062,999.30
Total Cash Flow	\$	1,431,552.72	\$	2,718,298.35	\$	3,252,799.81	\$	3,421,400.93	\$	53,485,577.16
<b>Building 2</b>										
NOI	\$	415,628.64	\$	691,253.81	\$	715,447.70	\$	740,488.37	\$	766,405.46
Total Cash Flow	\$	(1,245,705.58)	\$	(104,138.00)	\$	(79,944.11)	\$	(54,903.44)	\$	(61,146.05)
<b>Building 3</b>										
NOI	\$	648,668.55	\$	1,226,339.20	\$	1,269,261.07	\$	1,313,685.21	\$	1,359,664.19
Total Cash Flow	\$	(6,666,223.01)	\$	(2,275,788.65)	\$	(2,232,866.78)	\$	(2,188,442.64)	\$	(25,584,346.25)
<b>Station Building</b>										
NOI	\$	(25,322.45)	\$	101,052.33	\$	104,589.16	\$	108,249.78	\$	112,038.52
Total Cash Flow	\$	(1,729,822.51)	\$	(715,005.86)	\$	(711,469.03)	\$	(707,808.41)	\$	(8,098,805.57)
<b>Property Total</b>										
NOI	\$	4,979,712.00	\$	6,789,045.29	\$	7,676,903.67	\$	8,011,466.39	\$	8,357,738.81
Total Cash Flow	\$	(8,313,313.45)	\$	(388,498.07)	\$	218,443.71	\$	462,020.57	\$	19,728,493.46

### Tax Increment Financing Summary: Arbor Depot Park

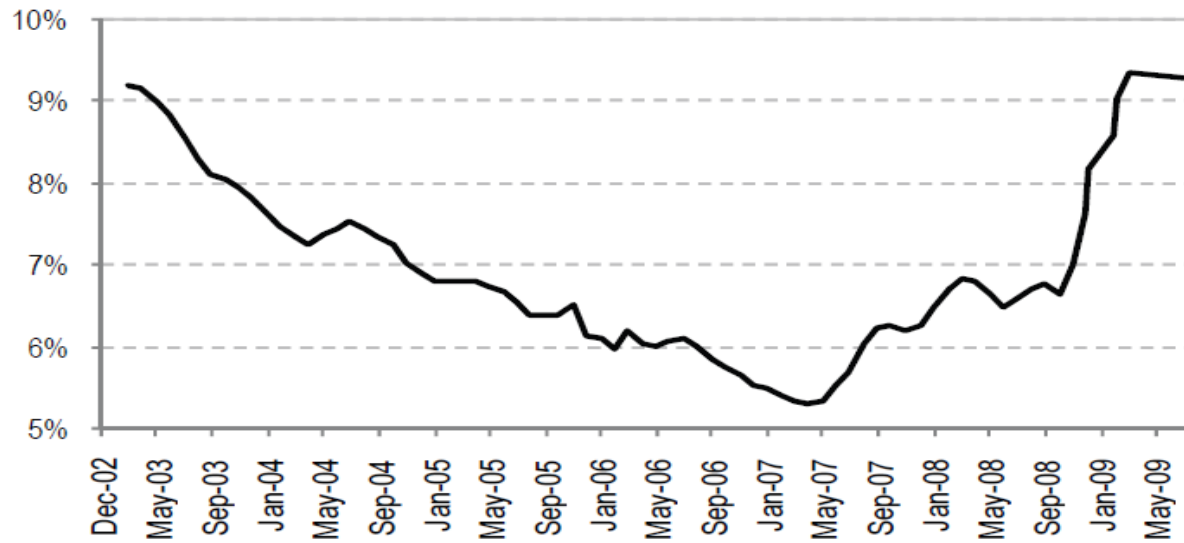
Construction Item		Construction Cost		% Paid by TIF		\$ Paid by TIF
Parking Garage	\$	22,400,000.00		100%	\$	22,400,000
Transit Station Construction	\$	7,880,585.10		100%	\$	2,446,889
Roadway/Rail	\$	2,000,000.00		80%	\$	1,600,000
Landscaping	\$	1,000,000.00		73%	\$	736,434
Hospital Skyway	\$	250,000.00		100%	\$	250,000
<b>Total (NPV over 25 years):</b>					<b>\$</b>	<b>27,433,323</b>



## Hotel Operating Statement

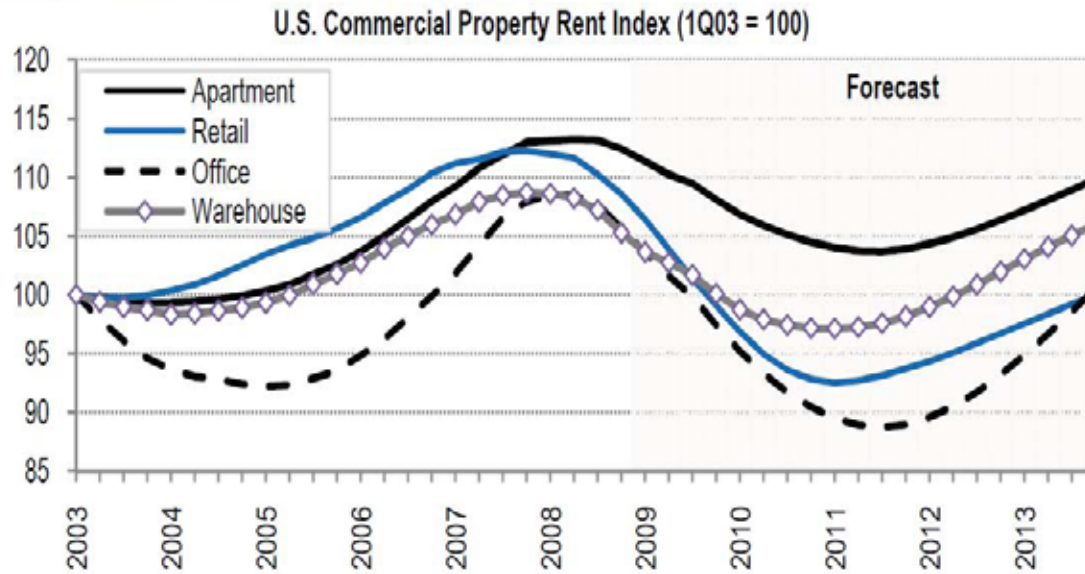
<i>Hotel Operating Statement</i>	2013	2014	2015	2016	2017	2018	2019
<b>Revenue:</b>	\$	-					
Hotel (Pod Rooms)	\$ 6,570,000	\$ 6,799,950	\$ 7,037,948	\$ 7,284,276	\$ 7,539,226	\$ 7,803,099	\$ 8,076,207
Hotel (Conventional Rooms)	\$ 958,125	\$ 991,659	\$ 1,026,367	\$ 1,062,290	\$ 1,099,470	\$ 1,137,952	\$ 1,177,780
<b>Potential Gross Rents</b>	\$ 7,528,125	\$ 7,791,609	\$ 8,064,316	\$ 8,346,567	\$ 8,638,697	\$ 8,941,051	\$ 9,253,988
Less vacancy allowance	\$ (3,011,250)	\$ (2,446,641)	\$ (1,882,031)	\$ (1,882,031)	\$ (1,882,031)	\$ (1,882,031)	\$ (1,882,031)
<b>Effective Gross Income</b>	\$ 4,516,875	\$ 5,344,969	\$ 6,182,284	\$ 6,464,536	\$ 6,756,665	\$ 7,059,020	\$ 7,371,957
<b>Operating Expenses</b>							
Gas & Electric	\$ (23,513)	\$ (24,336)	\$ (25,187)	\$ (26,069)	\$ (26,981)	\$ (27,926)	\$ (28,903)
Water & Sewer	\$ (11,234)	\$ (11,627)	\$ (12,034)	\$ (12,455)	\$ (12,891)	\$ (13,342)	\$ (13,809)
Insurance	\$ (13,481)	\$ (13,952)	\$ (14,441)	\$ (14,946)	\$ (15,469)	\$ (16,011)	\$ (16,571)
Maintenance	\$ (22,093)	\$ (22,866)	\$ (23,667)	\$ (24,495)	\$ (25,352)	\$ (26,240)	\$ (27,158)
Janitorial	\$ (33,327)	\$ (34,493)	\$ (35,701)	\$ (36,950)	\$ (38,244)	\$ (39,582)	\$ (40,967)
Property Taxes	\$ (274,999)	\$ (284,624)	\$ (294,586)	\$ (304,896)	\$ (315,567)	\$ (326,612)	\$ (338,044)
Management Fees	\$ (225,844)	\$ (233,748)	\$ (241,929)	\$ (250,397)	\$ (259,161)	\$ (268,232)	\$ (277,620)
Total Operating Expenses	\$ (604,490)	\$ (625,647)	\$ (647,545)	\$ (670,209)	\$ (693,666)	\$ (717,944)	\$ (743,072)
<b>Net Operating Income</b>	\$ 3,912,385	\$ 4,719,322	\$ 5,534,740	\$ 5,794,327	\$ 6,062,999	\$ 6,341,075	\$ 6,628,884
Less Debt Service	\$ (695,944)	\$ (695,944)	\$ (695,944)	\$ (695,944)	\$ (695,944)	\$ (695,944)	\$ (695,944)
Before Tax Cash Flow	\$ 3,216,441	\$ 4,023,378	\$ 4,838,796	\$ 5,098,383	\$ 5,367,055	\$ 5,645,131	\$ 5,932,940
Plus: Principal	\$ 69,161	\$ 74,694	\$ 80,669	\$ 87,123	\$ 94,093	\$ 101,620	\$ 109,750
Less: Depreciation	\$ (282,050)	\$ (282,050)	\$ (282,050)	\$ (282,050)	\$ (282,050)	\$ (282,050)	\$ (282,050)
<b>Taxable Income</b>	\$ 3,003,552	\$ 3,816,022	\$ 4,637,415	\$ 4,903,456	\$ 5,179,098	\$ 5,464,702	\$ 5,760,640
<b>Cash Flow Analysis:</b>							
Taxes owed/deductable	\$ 1,027,215	\$ 1,305,079	\$ 1,585,996	\$ 1,676,982	\$ 1,771,252	\$ 1,868,928	\$ 1,970,139
Before Tax Cash Flow	\$ 3,216,441	\$ 4,023,378	\$ 4,838,796	\$ 5,098,383	\$ 5,367,055	\$ 5,645,131	\$ 5,932,940
Less: Income Tax	\$ 1,027,215	\$ 1,305,079	\$ 1,585,996	\$ 1,676,982	\$ 1,771,252	\$ 1,868,928	\$ 1,970,139
After Tax Cash Flow	\$ 2,189,226	\$ 2,718,298	\$ 3,252,800	\$ 3,421,401	\$ 3,595,804	\$ 3,776,203	\$ 3,962,801
Equity Investment	\$ (757,674)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 49,889,773	\$ -	\$ -
<b>Total Cash Flow</b>	\$ 1,431,553	\$ 2,718,298	\$ 3,252,800	\$ 3,421,401	\$ 53,485,577	\$ 3,776,203	\$ 3,962,801
<i>Debt Service Coverage</i>	5.62	6.78	7.95	8.33	8.71	9.11	9.53

### Implied Ann Arbor Cap Rates (3-month moving average)



Source: Mike Schick, Citizens Bank (Ann Arbor)

### Commercial Rents Falling Across Property Type



Source: Mike Schick, Citizens Bank (Ann Arbor)

**Master Assumptions & Parameters**

Inflation		0.035	
<b>Vacancy Allowance</b>			
	2013	30%	Based on Ann Arbor comps
	2014	10%	Adjusted downward to reflect ease of acces from transit
	2015	10%	Adjusted downward to reflect ease of acces from transit
	2016	10%	Adjusted downward to reflect ease of acces from transit
	2017	10%	Adjusted downward to reflect ease of acces from transit
	2018	10%	Adjusted downward to reflect ease of acces from transit
	2019	10%	Adjusted downward to reflect ease of acces from transit
Gas/Electric Cost/ft2	\$	0.54	Adjusted rate from past term project (Damon Dance)
Total project ft2		424,812.01	
Parking ft2		57,399.00	
Property tax rate		3%	Peter Allen in class
Price paid for land as % of construction costs		10%	Peter Allen in class 12/7/09
# of years for depreciation--residential		27.5	
# of years for depreciation--non-residential		39	
Global Interest Rate		8%	Peter Allen in class 12/7/09
Hurdle Rate		10%	Reasonable hurdle rate for investment (used as discount rate in NPV)
Sales fees		6%	Past projects
Depreciation recapture		25%	Rob Cory, UP 566
Federal Long Term Capital Gains Tax Rate		15%	
Michigan Long Term Capital Gains Tax Rate		4%	
Management Fee as % EGI		5%	Rob Cory, UP 566
Exit Capitalization Rate		8%	Peter Allen in class 12/7/09
Cost/ft2: Decorative Concrete Block--Steel Frame	\$	153	RS Means
Cost/ft2: Decorative Concrete Block--Conc. Frame	\$	157	RS Means
Construction cost multiplier--Residential/ft2	\$	1	RS Means
Construction cost/ft2 hotel	\$	173	Hotel Development Cost Survey, 2008-HVS Consulting, HVS.com
Water Cost/ft2	\$	0.26	Past Projects (adjusted down by 14% to account for LEED-related efficiencies)
Insurance Cost/ft2	\$	0.31	Past Projects (adjusted down by 14% to account for LEED-related efficiencies)
Maintenance Cost/ft2	\$	0.51	Past Projects (adjusted down by 14% to account for LEED-related efficiencies)
Janitorial Cost/ft2	\$	0.77	Past Projects (adjusted down by 14% to account for LEED-related efficiencies)
Ordinary Federal Tax Rate		30%	
Ordinary Michigan Tax Rate		4%	
<b>Rental rates/ft2</b>			
Office A	\$	21.00	Market analysis research, www.loopnet.com
Retail A	\$	29.00	
Rest./Pub A	\$	27.00	
Market Rate Residential	\$	17.00	
Workforce Rate Residential	\$	12.50	
Affordable Rate Residential	\$	10.00	
Naming Rights Proceeds-Parkland	\$	500,000	
Site work & utility work/ft2 land	\$	9.89	Derived from past term projects on per-square-foot basis
ft2 of land		80,962.50	
Acres of land		1.858643251	
Landscaping costs	\$	1,000,000	Estimate
Roadway/track construction	\$	2,000,000	Estimate based on elevated freeway build costs in Michigan, Michigan Department of Transportaiton, www.michigan.gov/mdot
Hospital skyway	\$	250,000	Estimate based on \$200/ft2
Number of traffic control devices needed		2	Site plan
Cost per traffic control device	\$	219,725	RS Means
Contractor Fee		5%	Past projects, Peter Allen

**Master Assumptions & Parameters**

Hard Cost Contingency	6%	Past projects, Peter Allen
Survey/acre	5,007.00	RS Means
Soil Investigation	32,500.00	Derived from past projects
Environmental Assessments	\$ 10,000	Derived from past projects
Legal Fees	\$ 100,000	Derived from past projects
Advertising	\$ 100,000	Derived from past projects
Site Engineering	0%	Derived from past projects
Architectural Fees	5%	Derived from past projects
Insurance Cost	0%	Derived from past projects
Permits & Fees	1%	Derived from past projects
Developer Fee	6%	Derived from past projects
Leasing Commissions	6%	Derived from past projects
Soft Cost Contingency	5%	Derived from past projects
Cost of parking garage construction/space	\$ 28,000	Adapted from David Miller, Director, University of Michigan Parking and Transportation Services
Parking Garage ft <sup>2</sup>	57,399	
Number of spaces in new parking garage	800	
Parking permit fee (annual)	\$ 150	Derived from current revenue for existing parking lot on site
Loan Fees (%) Construction, Mini-Perm	1%	Derived from past projects
<b>Hotel Room Size</b>		
Pod ft <sup>2</sup>	150	Consistent with "pod" hotel concept
Suite ft <sup>2</sup>	449.467	Market comps
Year of disposal	2017	5 years of operation history

Sunlight/Shadow Analysis of Site ~ The Alliance Group





# LEED for New Construction v 2.2 Registered Project Checklist

Project Name: Arbor Depot Park (The Alliance Group)

Project Address: Fuller Road, Ann Arbor, MI

Yes	?	No		
52		7	<b>Project Totals (Pre-Certification Estimates)</b>	<b>69 Points</b>
PLATINUM			<b>Certified:</b> 26-32 points	<b>Silver:</b> 33-38 points
			<b>Gold:</b> 39-51 points	<b>Platinum:</b> 52-69 points

Yes	?	No		
13		1	<b>Sustainable Sites</b>	<b>14 Points</b>
Yes			Prereq 1	<b>Construction Activity Pollution Prevention</b> Required
1			Credit 1	<b>Site Selection</b> 1
1			Credit 2	<b>Development Density &amp; Community Connectivity</b> 1
		1	Credit 3	<b>Brownfield Redevelopment</b> 1
1			Credit 4.1	<b>Alternative Transportation, Public Transportation</b> 1
1			Credit 4.2	<b>Alternative Transportation, Bicycle Storage &amp; Changing Rooms</b> 1
1			Credit 4.3	<b>Alternative Transportation, Low-Emitting &amp; Fuel Efficient Vehicles</b> 1
1			Credit 4.4	<b>Alternative Transportation, Parking Capacity</b> 1
1			Credit 5.1	<b>Site Development, Protect or Restore Habitat</b> 1
1			Credit 5.2	<b>Site Development, Maximize Open Space</b> 1
1			Credit 6.1	<b>Stormwater Design, Quantity Control</b> 1
1			Credit 6.2	<b>Stormwater Design, Quality Control</b> 1
1			Credit 7.1	<b>Heat Island Effect, Non-Roof</b> 1
1			Credit 7.2	<b>Heat Island Effect, Roof</b> 1
1			Credit 8	<b>Light Pollution Reduction</b> 1

Yes	?	No		
5		0	<b>Water Efficiency</b>	<b>5 Points</b>
1			Credit 1.1	<b>Water Efficient Landscaping, Reduce by 50%</b> 1
1			Credit 1.2	<b>Water Efficient Landscaping, No Potable Use or No Irrigation</b> 1
1			Credit 2	<b>Innovative Wastewater Technologies</b> 1
1			Credit 3.1	<b>Water Use Reduction, 20% Reduction</b> 1
1		0	Credit 3.2	<b>Water Use Reduction, 30% Reduction</b> 1



# LEED for New Construction v 2.2 Registered Project Checklist

Yes	?	No		
9		1	<b>Energy &amp; Atmosphere</b>	<b>17 Points</b>
Yes			Prereq 1	<b>Fundamental Commissioning of the Building Energy Systems</b> Required
Yes			Prereq 1	<b>Minimum Energy Performance</b> Required
Yes			Prereq 1	<b>Fundamental Refrigerant Management</b> Required
<b>*Note for EAC1: All LEED for New Construction projects registered after June 26, 2007 are required to achieve at least two (2) points.</b>				
4			Credit 1	<b>Optimize Energy Performance</b> 1 to 10
			Credit 1.1	10.5% New Buildings / 3.5% Existing Building Renovations 1
			Credit 1.2	14% New Buildings / 7% Existing Building Renovations 2
			Credit 1.3	17.5% New Buildings / 10.5% Existing Building Renovations 3
			Credit 1.4	21% New Buildings / 14% Existing Building Renovations 4
			Credit 1.5	24.5% New Buildings / 17.5% Existing Building Renovations 5
			Credit 1.6	28% New Buildings / 21% Existing Building Renovations 6
			Credit 1.7	31.5% New Buildings / 24.5% Existing Building Renovations 7
			Credit 1.8	35% New Buildings / 28% Existing Building Renovations 8
			Credit 1.9	38.5% New Buildings / 31.5% Existing Building Renovations 9
			Credit 1.10	42% New Buildings / 35% Existing Building Renovations 10
2			Credit 2	<b>On-Site Renewable Energy</b> 1 to 3
			Credit 2.1	2.5% Renewable Energy 1
			Credit 2.2	7.5% Renewable Energy 2
			Credit 2.3	12.5% Renewable Energy 3
1			Credit 3	<b>Enhanced Commissioning</b> 1
		1	Credit 4	<b>Enhanced Refrigerant Management</b> 1
1			Credit 5	<b>Measurement &amp; Verification</b> 1
1			Credit 6	<b>Green Power</b> 1



## LEED for New Construction v 2.2 Registered Project Checklist

Yes	?	No		
8		4	<b>Materials &amp; Resources</b> 13 Points	
Yes			Prereq 1	<b>Storage &amp; Collection of Recyclables</b> Required
		1	Credit 1.1	<b>Building Reuse</b> , Maintain 75% of Existing Walls, Floors & Roof 1
		1	Credit 1.2	<b>Building Reuse</b> , Maintain 95% of Existing Walls, Floors & Roof 1
		1	Credit 1.3	<b>Building Reuse</b> , Maintain 50% of Interior Non-Structural Elements 1
1			Credit 2.1	<b>Construction Waste Management</b> , Divert 50% from Disposal 1
		1	Credit 2.2	<b>Construction Waste Management</b> , Divert 75% from Disposal 1
1			Credit 3.1	<b>Materials Reuse</b> , 5% 1
1			Credit 3.2	<b>Materials Reuse</b> , 10% 1
1			Credit 4.1	<b>Recycled Content</b> , 10% (post-consumer + 1/2 pre-consumer) 1
1			Credit 4.2	<b>Recycled Content</b> , 20% (post-consumer + 1/2 pre-consumer) 1
1			Credit 5.1	<b>Regional Materials</b> , 10% Extracted, Processed & Manufactured 1
			Credit 5.2	<b>Regional Materials</b> , 20% Extracted, Processed & Manufactured 1
1			Credit 6	<b>Rapidly Renewable Materials</b> 1
1			Credit 7	<b>Certified Wood</b> 1

Yes	?	No		
14		1	<b>Indoor Environmental Quality</b> 15 Points	
Yes			Prereq 1	<b>Minimum IAQ Performance</b> Required
Yes			Prereq 2	<b>Environmental Tobacco Smoke (ETS) Control</b> Required
1			Credit 1	<b>Outdoor Air Delivery Monitoring</b> 1
1			Credit 2	<b>Increased Ventilation</b> 1
1			Credit 3.1	<b>Construction IAQ Management Plan</b> , During Construction 1
1			Credit 3.2	<b>Construction IAQ Management Plan</b> , Before Occupancy 1
1			Credit 4.1	<b>Low-Emitting Materials</b> , Adhesives & Sealants 1
1			Credit 4.2	<b>Low-Emitting Materials</b> , Paints & Coatings 1
1			Credit 4.3	<b>Low-Emitting Materials</b> , Carpet Systems 1
1			Credit 4.4	<b>Low-Emitting Materials</b> , Composite Wood & Agrifiber Products 1
1			Credit 5	<b>Indoor Chemical &amp; Pollutant Source Control</b> 1
1			Credit 6.1	<b>Controllability of Systems</b> , Lighting 1
1			Credit 6.2	<b>Controllability of Systems</b> , Thermal Comfort 1
1			Credit 7.1	<b>Thermal Comfort</b> , Design 1
1			Credit 7.2	<b>Thermal Comfort</b> , Verification 1
1			Credit 8.1	<b>Daylight &amp; Views</b> , Daylight 75% of Spaces 1
		1	Credit 8.2	<b>Daylight &amp; Views</b> , Views for 90% of Spaces 1



## LEED for New Construction v 2.2 Registered Project Checklist

Yes	?	No		
3			<b>Innovation &amp; Design Process</b> 5 Points	
1			Credit 1.1	<b>Innovation in Design</b> : Provide Specific Title 1
1			Credit 1.2	<b>Innovation in Design</b> : Provide Specific Title 1
			Credit 1.3	<b>Innovation in Design</b> : Provide Specific Title 1
			Credit 1.4	<b>Innovation in Design</b> : Provide Specific Title 1
1			Credit 2	<b>LEED® Accredited Professional</b> 1

## End Notes

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- <sup>1</sup> US Census 2008 pop estimates
- <sup>2</sup> Conversation With Eli Cooper at Construction Site, November 2009
- <sup>3</sup> SEMCOG Presentation at UM/ULI Real Estate Forum, November 2009
- <sup>4</sup> Conversation With Eli Cooper
- <sup>5</sup> City of Ann Arbor, Model for Mobility Kit
- <sup>6</sup> [www.theride.org/wally](http://www.theride.org/wally)
- <sup>7</sup> Per Peter Allen, Riverfront Village Presentation
- <sup>8</sup> [http://www.ewashtenaw.org/news/2007/border\\_to\\_border.html](http://www.ewashtenaw.org/news/2007/border_to_border.html)
- <sup>9</sup> <http://www.whitehouse.gov/issues/economy>
- <sup>10</sup> <http://www.michigan.gov/treasury>
- <sup>11</sup> <http://www.federalreserve.gov/monetarypolicy/fomcminutes20091104ep.htm>
- <sup>12</sup> <http://www.annarbor.com/business-review/michigan-economic-forecast-released-at-university-of-michigan-conference/>
- <sup>13</sup> <http://www.semco.org/Data/bycommunity.cfm>
- <sup>14</sup> <http://www.amtrak.com>
- <sup>15</sup> <http://annarborchronicle.com/2009/05/14/amtrak-station>
- <sup>16</sup> <http://www.plunkettresearchonline.com>
- <sup>17</sup> [http://www.mlive.com/businessreview/annarbor/index.ssf/2009/01/ann\\_arbor\\_housing\\_market\\_suffe.html](http://www.mlive.com/businessreview/annarbor/index.ssf/2009/01/ann_arbor_housing_market_suffe.html)
- <sup>18</sup> <http://retailindustry.about.com/b/2009/11/17/u-s-retail-industry-numbers-477-store-closings-167-openings-5100-expansion-plans-in-2010-reveal-struggle-for-retail-relevance-twmc-pnra-anf-bks-bgp.htm>
- <sup>19</sup> <http://www.annarbor.com/business-review/ann-arbors-commercial-real-estate-markets-hopes-to-sustain-upswing/>
- <sup>20</sup> [http://blog.mlive.com/ann\\_arbor\\_news\\_extra/2008/03/golden\\_years\\_of\\_growth.html](http://blog.mlive.com/ann_arbor_news_extra/2008/03/golden_years_of_growth.html)
- <sup>21</sup> City of Ann Arbor Zoning Code: Section 5.80
- <sup>22</sup> Personal communication of David Miller, Director UM Parkign & Transportation Services; Dec. 10, 2009.
- <sup>23</sup> Personal interview of John Hieftje, conducted by Andrew Rogers; Dec. 11, 2008.
- <sup>24</sup> <http://www.michigan.gov/taxes/0,1607,7-238-43876-154664--F,00.html>
- <sup>25</sup> <http://www.mlive.com/news/annarbornews/index.ssf?/base/news-32/1240497654116150.xml&coll=2>
- <sup>26</sup> <http://annarborchronicle.com/2009/11/19/aata-adopts-vision-countywide-service/>
- <sup>27</sup> [http://www.fta.dot.gov/index\\_9440.html](http://www.fta.dot.gov/index_9440.html)
- <sup>28</sup> <http://mmd.umich.edu/forum/michigan.php#economic>
- <sup>29</sup> [http://www.mlive.com/news/ann-arbor/index.ssf/2009/05/university\\_of\\_michigans\\_endowm\\_1.html](http://www.mlive.com/news/ann-arbor/index.ssf/2009/05/university_of_michigans_endowm_1.html)
- <sup>30</sup> <http://mmd.umich.edu/forum/michigan.php#economic>
- <sup>31</sup> <http://mmd.umich.edu/forum/michigan.php#economic>
- <sup>32</sup> <http://www.med.umich.edu/1busi/facts.htm>
- <sup>33</sup> <http://www.med.umich.edu/1busi/bests.htm>
- <sup>34</sup> [http://www.mlive.com/news/ann-arbor/index.ssf/2009/06/new\\_university\\_of\\_michigan\\_hea\\_1.html](http://www.mlive.com/news/ann-arbor/index.ssf/2009/06/new_university_of_michigan_hea_1.html)



## EDUCATION

**University of Michigan , Gerald R. Ford School of Public Policy** Ann Arbor, MI  
**University of Michigan, Taubman College of Architecture and  
Urban Planning**

*Master of Public Policy*

April 2010

*Graduate Certificate in Real Estate Development*

- Coursework includes policy analysis and development, public administration, public budgeting/finance, real estate development principals and finance.
- 8.071/8.0 cumulative GPA.
- Recipient 2009 Gerald R. Ford School of Public Policy Lee C. Bollinger Award (recognition of exceptional academic performance) and 2009 University of Michigan Rackham Graduate School John Malik Award (recognition of future potential).

**Eastern Michigan University**

Ypsilanti, MI

*Bachelor of Arts, Political Science (summa cum laude)*

December 2007

- Minor in Management.
  - Honors: 4.0 cumulative GPA, Pi Sigma Alpha Political Science Honor Society, Golden Key International Honour Society.
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## EXPERIENCE

**City of Seattle, WA**

Seattle, WA

*Municipal Government Intern – Dept. of Information Technology (DoIT)* Summer 2009

- Tasked with a review of DoIT's internal chargeback and allocation rates.
- Conducted national survey of government/non-profit IT rate structures.
- Compiled a comprehensive report of survey findings to inform future IT rate-setting practices.

**Office of the Governor, State of Michigan**

Lansing, MI

*Public Policy Intern – Michigan Leadership Development Program* Summer 2008

- Performed policy analyses on topics including public transit, litigation strategy, corrections reform and handicap accessibility compliance.
- Assisted the Governor's policy advisers with policy evaluation and development.
- Participated in forums with top Executive Office and State of Michigan personnel.

**The Daily Telegram**

Adrian, MI

*Staff Writer*

2005-2007

- Served as key government reporter covering local, state and federal issues.
- Earned 1<sup>st</sup> place award for reporting in 2006 Michigan Press Association Better Newspaper Contest in Spot News category and 2<sup>nd</sup> place award for reporting in 2005 Michigan Associated Press news reporting contest in Breaking News category.

**The Monroe Evening News**

Monroe, MI

*Reporter*

2004-2005

- Served as the organization's primary government reporter, covering local, state and federal issues with specific emphasis on enterprise reporting.

**The Pioneer**

Big Rapids, MI

*Senior Staff Writer*

2002-2004

- Served as the newspaper's only police and courts reporter for a three-county area, with emphasis on serious criminal prosecutions and high-profile civil litigation.
  - Earned 3<sup>rd</sup> place award in 2003 Michigan Associated Press news reporting contest in Breaking News category and 3<sup>rd</sup> place award in News Photography category.
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## MEMBERSHIPS

- Membership: International City/County Management Association (ICMA); American Society for Public Administration (APSA); Association for Public Policy Analysis and Management (APPAM).

# Jordan D. Twardy

13146 Rosselo, Warren, MI 48088 • (586)751-1126 • jdtwardy@gmail.com

## EDUCATION

**University of Michigan**, Ann Arbor, MI, 2009-Present  
Masters in Urban Planning, Real Estate Development Certificate  
Projected Completion: 2011/2012

**Oakland University**, Rochester, MI, 2009  
BA International Relations, BA History  
GPA: 3.61/4.0

**Georgetown University**, Washington, D.C.  
Certificate of Completion: The Fund for American Studies, Bryce Harlow Institute on Business and Government Affairs  
(06/2006—08/2006)

## WORK AND VOLUNTEER EXPERIENCE

*City of Warren Tax Increment Finance Authority, Warren, MI (05/2009 – Present)*

### Special Projects Intern

- Assisted DDA/TIFA Director on various tasks, from helping firms and entrepreneurs to researching and applying for grants
- Coordinated the renovation/revitalization of the city-owned Peacock Building at 21045 Van Dyke
- Coordinated the solicitation and review of submitted proposals for the redevelopment of the Van Dyke Corridor, from 8 Mile to Stephens

*The Office of Mayor James R. Fouts, City of Warren, MI (11/2007 – Present)*

### Part-Time Clerical Assistant

- Assisted in transition of new mayor and his staff and explained day-to-day elements of the office
- Continued to perform the same functions and responsibilities as done in Mayor Steenbergh's Office
- Coordinated the Mayor's Student Advisory Committee for Warren High Schools

*Student Association of Michigan (05/2007 – Present)*

### President (04/2009 – Present)

- Establishing standing committees for monitoring legislation, conducting issue research and recommending board action
- Coordinating member-wide "blitz" in Lansing to educate legislature on SAM and its purpose/constituency/membership
- Coordinating a strategy for individual campuses to collaborate in the effort to address constant tuition increases

### Vice-President (06/2008 – 04/2009)

- Chaired meetings of the Association and set its agenda in collaboration with the President
- Coordinated efforts between member universities in idea-sharing and goal setting

*The Office of Mayor Mark A. Steenbergh, City of Warren, MI (10/2006 – 11/2007)*

### Intern/Clerical Assistant

- Answered phones and e-mails addressed to the mayor, assisting residents with various requests
- Interacted with city departments on a regular basis to complete and follow up with various tasks
- Wrote text for official proclamations, city informational handouts and brochures
- Helped prepare communications and other logistics for the city's 50<sup>th</sup> Birthday Celebration

*The Committee to Elect Jordan Twardy, Warren, MI (05/2007—08/2007)*

### Campaign Manager and Candidate for Warren City Council

- Planned and executed all campaign activities, including city-wide door-to-door campaigning and fundraising
- Tracked all contributions/expenditures and filed my own campaign finance reports
- Directed the design and purchase of campaign supplies such as literature, lawn signs, etc.
- Researched issues facing Warren and developed a personal platform

*Oakland University Student Congress, Rochester, MI (09/2006 — 05/2009)*

### Student Body Vice-President (11/2008 – 05/2009)

- Worked with other members of the Executive Board with their initiatives and helped President oversee them
- Assisted President with his day-to-day responsibilities and helped steer the organization
- Met regularly with university administrators and deans to discuss campus initiatives
- Established and Chaired the Shuttle Service Exploratory Committee, working with university administration to investigate the feasibility and execute the establishment of a campus transit system.

### Student Services Director (10/2006 – 05/2008)

- Held regular meetings with university administrators to ensure quality of campus services such as dining
- Managed a committee and allocated the budget for my office toward initiatives aimed at helping students
- Crafted a competition where teams of students designed an environmentally friendly residence hall

*America's Health Insurance Plans, Washington, D.C. (06/2006—08/2006)*

### Intern/ Office Support

- Compiled data on health insurance PAC contributions to office holders and studied competitive rates
- Attended U.S. Congressional hearings related to healthcare and reported notes
- Sat in on AHIP staff meetings with health insurance representatives

## LANGUAGE SKILLS

### Foreign Language Proficiency

- Basic to Intermediate fluency in oral and written French

## ACHIEVEMENTS AND HONORS

People for the American Way, YP4 2009 Fellow - OUAA Working Student Scholarship, 2008 - OU Dean's List; 2004-05, 2007-08

# RESUME

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## Personal Information

Name: **YING YE**  
Date of Birth: Nov. 20<sup>th</sup>, 1981  
Sex: Female  
Tel: 734-757-3368

Address:  
707A apt, 2222 Fuller Ct.  
Ann Arbor, MI48105 USA  
Email: yeying@umich.edu

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## Education

Jun. 2009- Present      MUD, Taubman College of Arch. and Urban Planning,  
University of Michigan  
Sep. 2005- Jun. 2008,    M. Arch, School of Architecture,  
South China University of Technology (SCUT)  
Sep. 2000-Jul. 2005,    B. Arch, School of Architecture,  
South China University of Technology (SCUT)

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## Research Experience

Research Works (Graduate Study):

2006    Post-game Use and Sustainability of Sports Centers Chinese Cities  
2007    Post-game Reconstruction and Real Estate Market of Asian Game Villages  
2007    Environmental Preservation of Urban Villages in Guangzhou City  
(Subject of the BAS-SCUT International Workshop, 2007)  
2008    Architectural Design of Velodromes (Subject of M.Arch Diploma Paper)  
2008    Joint-development for Stadiums and Real Estate Development

## Working Experience

2004-2008    Architectural and Urban Design Research Institute, SCUT.  
Position: Assistant Architect, Project Leader  
2008-2009    CApol International Associates LTD, Guangzhou, China  
Position: Assistant Architect

## Real Estate Development-related Projects

2007    Joint-development of New Sports Center and Real Estate Development,  
Chengdu City, China  
2008    Shi Li Fang Yuan Garden Design and Planning, Heshan, China  
2009    TOD Planning and Development Strategies for Chengde City, China

## Publication

*Urban Design and TOD Strategies for Fenghuang Bridge, Nansha Region*, 7<sup>th</sup>  
Architectural Academic Seminar Publication of Graduate Students, April.2008

# Genevieve R. Sparby

440 E. Southlawn Blvd • Birmingham, MI 48009 • Phone (248)593-8202 •  
Cell (248) 200-8871 • gsparby@umich.edu

## Areas of Expertise

**Wellness-** Professional career and personal interests centered around healthcare, fitness, spa therapies, and healthy living.  
**Management-** Manage small teams and large departments with the business acumen of a tenured management consultant.  
**Finance-** Adept at P&L Statement Analysis, Inventory Management, Budget/Forecast Formulation, Business Accounting, etc.  
**Marketing-** Develop comprehensive marketing strategies appropriate for each target market segment. Partner with public relations firms, marketing departments, promotional firms, and the press to achieve market position.

## Education

University of Michigan, Ross School of Business	2007- Current
M.B.A. Nonprofit, Entrepreneurial Studies	
Vanderbilt University, Nashville, TN	1998
B.A. Psychology (3.9 GPA), 24 hr. minor Business Administration; Graduated Cum Laude (3.5 GPA)	
University of Leeds, England	1997
Coursework in Marketing and Psychology	

## Professional Experience

Plus One Health Management –New York, NY **General Manager** February 2003- August 2004  
Plus One serves as a premier management company for fitness, wellness, spa, nutritional, and physical therapy services.

### *The Plaza Spa*

- ◆ Promoted to Plaza Spa Director position achieving 15% revenue growth in 4 months upon assuming leadership role.
- ◆ Reduced overall expenses by 5% in first 6 months by implementing process change in inventory management.
- ◆ Managed daily operations of 7,500 square ft. spa & fitness center, which included 40+ staff members.
- ◆ Collaborated with Plus One Senior Management to devise new pay and incentive structure for employees significantly enhancing employee performance.
- ◆ Researched and launched high-end esthetics line, which contributed to increased revenues.
- ◆ Partnered with P.R. firm and internal marketing department to strategically enhance media exposure.
- ◆ Provided oversight for \$300,000 worth of renovations to spa in 2004.
- ◆ Created an Excel-based budget model that became the template used by all Plus One spa and fitness sites.

### *The Regent Wall Street Hotel & Spa*

- ◆ Launched the 5-star, 3,000 sq. ft. Regent Spa and Fitness Center and served as Spa Director.
- ◆ Realized 400% revenue increase and achieved 40% profit margin after first five months of opening to the public.
- ◆ Led planning phase including feasibility study, budget formulation, and menu creation.
- ◆ Hired and trained spa staff. Created positive team culture through cooperative team building activities.
- ◆ Responsible for creative design concept for 800 square foot *Sensory Lounge* to augment spa amenities.
- ◆ Implemented marketing initiatives in collaboration with PR firm, advertising company, and launch company.
- ◆ Developed comprehensive spa marketing material, organized promotional events, and achieved widespread media exposure.
- ◆ Established key relationships with retail vendors increasing retail sales by 70% in first quarter.

Hyatt Regency Pier Sixty Six, Spa LXVI- Fort Lauderdale, FL **Interim Spa Director** May 2002 - August 2002

- ◆ Managed daily operations of the exclusive 4 star, 6,800 square foot resort spa and fitness center.
- ◆ Increased profit margin by 5% in 3 months after implementing spa promotions and expense controls.

- ◆ Completed competitor analysis and launched new marketing strategies to capture local and resort markets, which resulted in 10% monthly revenue increase.
- ◆ Developed extensive training program. Increased team's effectiveness and reduced turnover by 25%.
- ◆ Researched and completed spa improvement project of \$50K.

Stockamp & Associates – Portland, Oregon

**Senior Associate** July 1998 – May 2002

Stockamp & Associates is a division of **Huron Consulting Group** specializing in revenue-cycle consulting for nonprofit healthcare systems.

- ◆ Achieved 3%-4% in P&L benefit through implementation of solution methodology.
- ◆ Consistently contributed \$7+ million in accounts receivable reduction.
- ◆ Responsible for performance of over 100 client staff ranging from representative to Director levels.
- ◆ Managed internal teams of 3-7 consultants on specific projects. Directly responsible for associate career development.
- ◆ Responsibilities included detail financial analyses, process redesign, solution implementation, and client co-management.
- ◆ Considered company expert on bad debt and outsourcing solutions based on extensive client experience.
- ◆ Key clients included: University of Iowa Hospitals & Clinics, Boston Children's, St. Raphael Hospital, Moses Cone Health System, NY-Presbyterian Hospital/Weill Cornell Medical College, St. Joseph's Hospital, Henry Ford Health System.

### Community-Based/Non-Profit Experience

<i>St. James Park Association</i>	Birmingham, MI
<i>Vice President</i> (2004- Current): coordinate neighborhood activities and devise new park plans	
<i>Heart to Heart</i>	Chicago, IL
<i>Board of Directors- Member</i> (2002- Current): provide counsel for outreach trips to Africa	
<i>Dakin Condominium Association</i>	Chicago, IL
<i>Board of Directors- President</i> (2004-2006): directed all aspects of property management	
<i>New Mother's Playgroup</i>	Chicago, IL
<i>Lead &amp; Social Chair</i> (2004-2006): group leader for new mothers and social event organizer	
<i>Alternative Spring Break</i>	Nashville, TN
<i>Volunteer</i> (1995): worked with nonprofits in Atlanta, GA addressing issue of homelessness	
<i>Break Away</i>	Nashville, TN
<i>Coordinator</i> (1994-1996): responsible for organizing alternative spring break trips at over 26 universities	
<i>Prison Project</i>	Nashville, TN
<i>Volunteer</i> (1994): counseled prisoners through the Decisions Methodology	

### Affiliations & Professional Training

Veg Michigan- member since 2008  
 Michigan Women in Business- member since 2007  
 Net Impact- member since 2007  
 St. James Park Association- member since 2006  
 Junior League of Birmingham, MI- supporter since 2006  
 Great Lakes Soccer League- player 2008  
 Plus One University Seminars –Art of Negotiation 2003, Introduction to Sales 2003, Fitness Facility Management 2003  
 Mike Monahan Seminars- Introduction to Supervision Training 2000, Advanced Supervision Training 2001  
 Franklin Covey Seminars- Introduction to Organization & Prioritization 1998, Seven Habits of Highly Effective People 1998