

QUESTIONS AND CONCERNS

1. There is no proposed site plan signed and sealed by the architect or engineer. Council received an 8.5 x 11 photocopied conceptual plan in a 3-ring binder. The Zoning Ordinance requires City Council approval for any site plan in the downtown center. (See City of Warren Zoning Ordinance Sec. 21B.84). Prior to City Council approval, the site plan must be considered by the Planning Department and the Planning Commission is required to have a public hearing and make a recommendation to City Council. There is no signed/sealed site plan proposal that has been provided.

At the site plan stage, a site plan will be submitted to the Planning Commission and Council for final approval, pursuant to City ordinances.

At this phase, we are merely asking for collaborative support for the downtown plan. Informational materials were submitted so Council can make an informed decision on the merits of the downtown model. As the plan advances, Council will be asked for formal action on certain aspects of the development, such as possible tax incentives and site plan approval. Without the unified support of the Council, Administration and DDA, this project may very well never move forward.

Council's support on the front end is critical before project plans are initiated. The developers will be committing significant finances, time and effort into this project. The unified support of both the Council, Mayor and DDA is significant to their investment.

The resolution merely requests Council to declare its support in terms of: "we like what we see, and will consider, in good faith, the merits of all matters brought before us that are consistent with this development plan"

This is all our developers require at this point to remain committed to the project, and secure the private financing to move forward. Without that support, this plan is in jeopardy, and a downtown in Warren will remain a vision when it could be a reality.

2. Is the proposed plan consistent with the zoning ordinance and will any zoning variances be required? Yes, the proposal is consistent with the newly adopted Master Plan. City of Warren zoning ordinances will be followed. The proposed agreement provides for consultation period with the City and Developer on site plan specifics and the process for complying with Section 21B of the City of Warren Zoning Ordinance.

3. The City Council has not been provided with a proposed development agreement with the developer. When will the draft of that agreement be provided? Once Council signifies its support for the project, the draft development agreements will be sent to the DDA for approval, and available for review.

4. The Retail Market study provided to City Council was dated October 4, 2016 and is now five (5)

years old. The study concluded that there is an “existing” demand for an additional 73,200 sq/ft of retail development. But is that still true in 2021? In the past five years, the retail landscape has transformed dramatically due to Amazon and this transformation has been accelerated due to the impact of the pandemic. The Mall at Partridge Creek in Clinton Township is a walkable outdoor shopping area with higher-end retail and restaurants. News reports earlier this year indicated that Partridge Creek was financially distraught and heading into receivership. One news report explained the mall’s failures were due to “an explosion in online shopping” that “pushed corporate retailers to accelerate exits from bricks-and-mortar spaces.” Further, the five-year-old Retail Market study indicated that nearby Tech Plaza, at 12 Mile and Van Dyke, is home to 24 stores. It appears that there are now only 17 stores including Walmart. Before contributing \$30 million tax dollars, do we have any post-pandemic studies to show whether retail is feasible in this location given all these factors? (The plans provided to the council include a link to a news article entitled “The ‘retail apocalypse’ is a myth” but this was dated December 26, 2019, which is pre-COVID.) [The study clearly indicates a need for upscale shopping, dining and entertainment. With the expected travel for TACOM, GM, Ascension and Cadillac, the team feels that small shop and restaurants will be a vibrant as Rochester, Birmingham, Plymouth and other locations similar.](#)

5. Are there any letters of intent, leases, or other written commitments from retailers or restaurants to locate in this proposed space? [A number of retailers and restaurants have expressed interest. Once Council supports this project, the developer will secure the commitments from the retailers and restaurants. At a minimum, the hotel will include an upscale restaurant and convenience store. We anticipate a community theater to be included in the downtown.](#)
6. The Grocery portion of the concept plan shows a large space dedicated for a grocery store. The grocer “Papa Joe’s” has been mentioned for this space. Are there any letters of intent, leases, or other written commitments from a grocer for this space? [We are in final phases of negotiations. Until Council supports this project, the grocer will not execute the letter of intent.](#)
7. Who is responsible for finding tenants and what are the terms and conditions of this agreement? [The retail developer will be securing their tenants.](#)
8. The hotel feasibility study provided to City Council states that “the proposed subject hotel will reportedly operate under a franchise agreement with Marriot International, Inc. as a Tribute Portfolio Hotel.” Where is the franchise agreement with Marriott or other written commitment

to enter into the franchise agreement? [Yes, pre-approval has been given by Marriott.](#)

9. The hotel feasibility study indicates that an “equity investor” is contributing \$16.7 million to the total construction cost of \$55.0 million, which is roughly 30% of the total cost. Who is this equity investor and what equity are they receiving? [Equity investors include Barton Malow and Piper Jaffray.](#)

10. The summary provides that the city is contributing \$12.5 million from the bond proceeds for the hotel development, \$14.5 million for the multifamily development, and \$3 million for the retail center development. To whom will the funds be dispersed? Will the funds be dispersed at the outset of the project or will they be dispersed based upon project milestones? Other than completing the project, what conditions are attached to the funding? [This is outlined in the agreements. There will be specific milestones to reach and payments will be a fraction of the bank draw during construction. Plante Moran will oversee this process on behalf of the City/DDA.](#)

11. The hotel feasibility study concludes that the project is “NOT FEASIBLE” without the financial incentive of \$16.7 million from the city. Is there a more affordable/feasible option that has been discussed without the city subsidizing the hotel construction project for \$16.7 million? [Yes, much discussion and negotiations brought that number down to \\$11.75 Million from the City.](#)

12. The plan states that the DDA will “supply the land.” What is the property conveyance plan? The subject property is 14.7 acres, 4 separate parcels, and currently owned by the DDA. Is the property going to be owned by the developer and leased to the end-users? In each development, who will own the real estate? Will there be deed restrictions? How do we prevent the property owners from “flipping” the property to other investors or developers and/or leasing spaces to undesirable businesses such as smoke shops or dollar stores? Can the DDA hold the property and lease it? [The property will be leased pending completion of the development. The final conveyance will occur after the architect delivers a signed certificate of substantial completion. The conveyance will be subject to the plan and deed restrictions against certain uses, standard to the sale of most city land. The City’s zoning ordinances enumerates the permitted uses within the Towne Center property.](#)

13. If the city or DDA is doing a property “giveaway”, how is this consistent with the city charter Section 9.23 and Sec 2-346 of the Code of Ordinances that govern real property disposition? [Once the City created the DDA, though State legislation, the DDA has the Authority to acquire and dispose of real and personal property as it deems necessary. The land would not be conveyed for value through the accomplishment of a vibrant downtown, the stimulus to our tax base and the dining, housing and entertainment accommodations for our community.](#)

The residential/retail developer is providing a personal guarantee to secure completion.

14. Will the city or DDA retain any ownership rights of the subject property? No.

15. Other than direct subsidies to private developers/businesses for construction, what publicly owned improvements or elements will be incorporated in the project? The project will see new LED lighting, 5g connectivity, electric charging area, a residents viewing area near the fountain/ice rink, new landscaping and new signage for the Towne Center area.

16. There has been discussion on an assessment cap for the subject properties. What is the detail of this proposed arrangement, and does it comply with the General Property Tax Act? The developer understands that we will not commit to a minimum assessment, and must follow the law. In the agreement, we would agree that if the residential parcel assessment exceeds \$15 Million in the first taxable year, and our increases over the next five years exceed a threshold, the City will provide financial incentives to offset the increased amount. This has been a negotiable item, and we reached an agreement that the City is not capping the assessment. In turn, we will look for other means of incentives to help grow the area during its incubation period, if needed.

17. The Economic Impact analysis states that there is an optional \$3 million connector bridge to connect the project to the GM Tech Center. Is this included in the \$30 million city contribution? Is there a feasibility study for the bridge? Will the general public be permitted to walk on the bridge or only GM employees? It has been decided there is no bridge needed.

18. The Economic Impact analysis states that there will be 230 multifamily units constructed in Phase 1 and an additional 250 multifamily units in phase 2 for a total of 480 units. The city will be contributing \$14.5 million toward the construction of the multifamily units plus donating the land. Will the \$14.5 million be allocated for both Phase 1 and Phase 2? The city would be contributing over \$30,000.00 per unit for the construction of the apartments/lofts. Are there any similar projects where a city has donated over \$30,000 per unit to build apartments? (This does not include value of land). Has a more modest plan been considered? Are there developers willing to build residential units without a subsidy? This is a Transformational project. No, there are no other multifamily project similar to this in Warren. However, Council did recently approve a brownfield tax credit as an incentive to build apartments on Cole Street in the area. In, order to achieve the density of this project, we put out a specific RFP and Flaherty Collins was the winning proposal.

19. Are all of the multifamily units projected to be rental properties? Yes

20. What is the value of the land that is being contributed by the city? There is currently no assessed value as it is DDA-owned property. Is the value of the land increased because there are four (4)

adjacent parcels being packaged together? We feel the value of the land may be over \$1.5 million. The parcels will not be combined for this project. This project will convert vacant City land into an economic powerhouse, providing up to \$2.5 Million dollars per year in taxes.