OPEN FOR BUSINESS
NORTHWEST DETROIT COMMERCIAL REVITALIZATION PROPOSAL
AGENDA

5:00 PM  REFRESHMENTS & NETWORKING
5:30 PM  SGGCDC INTRODUCTION, ELEANORE EVELETH, SGGCDC
5:40 PM  WAYNE STATE UNIVERSITY INTRODUCTION, PROFESSOR RAYMAN MOHAMED
5:45 PM  NWDCR GUIDEBOOK PRESENTATION NICHOLAS DUPUIS, SHELBY HOLMES, CHRISTINA IGNASIAK & KRISTIN SHAW

6:10 PM  Q & A
6:30 PM  PRESENTATION CONCLUDES
Proposes strategies to revitalize the commercial corridor of Six Mile and Schaefer Highway surrounding the Sinai-Grace Guild Community Development Corporation (SGGCDC)

Builds off of the Northwest Detroit Neighborhood Revitalization Vision and Strategic Framework (NRSF) (Sept. 2017)
The study area extends along McNichols Road between the Lodge Freeway (M-10), and Hubbell Avenue, and along Schaefer Highway between Outer Drive and Grove Street.

For the purpose of this guidebook “Northwest Detroit” includes the Belmont, Bethune, College Park, Crary/ St. Mary’s/ Harmony Village, Hubbell-Puritan, Schulze and Winship neighborhoods.
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NWD Commercial Revitalization Guidebook Goals

1. Build out an entrepreneurial pipeline
2. Create a commercial community land trust
3. Implement the Northwest Detroit Business Improvement District
NORTHWEST DETROIT NEIGHBORHOOD REVITALIZATION VISION & STRATEGIC FRAMEWORK

COMPONENTS

- BUILDING COMMUNITY WEALTH (2-3 YEARS)
- COMMUNITY LAND TRUST (3-5 YEARS)
- BUSINESS INCUBATOR
- BUSINESS IMPROVEMENT DISTRICT (1-2 YEARS)
- ESTABLISHED BUSINESS NETWORK
- STEWARDS COMMERCIAL PROPERTIES
- IMPLEMENT CORRIDOR IMPROVEMENT PROJECTS
- EXPANDS EMPLOYMENT LANDSCAPE
- ATTRACT NEW BUSINESS
- RETAIN & EXPAND EXISTING BUSINESS
BUSINESS INCUBATOR
- Creating an entrepreneurial pipeline to serve the 6-mile economic corridor will be a fruitful and inspiring endeavor for a hard working community such as Northwest Detroit.
- Two-phase process: Incubator & Graduate Spaces
- Entrepreneurial pipeline = Business Incubator
● A physical location that provides a defined set of services to individuals or small companies

● Business Incubators:
  - Mitigate startup risks
  - Provide infrastructure
  - Support growth
  - Educate entrepreneurs
  - Networking
PHASE 1

- Last sold in 1999 for $1,007,071
- Currently listed in a package deal for $3,100,000
- Former department store
Real estate listings conceptual site plans
Costs involved:

- Pre-operating expenditures
- Physical facilities
- Equipment
- Human resources
- General expenditures
- Reserves
● Building is roughly 31,000 sq. ft.

● Food and retail with a community kitchen, a makerspace, a training center, offices, co-working space and community gathering space.
Food and Retail Booths
Community Kitchen
Makerspace
Office and Training Center
$4,650,000 - $6,200,000

- Minimal abatement of hazardous materials (assumes some flooring and minimal pipe insulation)
- Renovation would include full demolition of interior walls and finishes
- Existing electrical and HVAC systems would be demolished and replaced
- Finishes to be minimal
- Does not include full roof replacement
- Includes new glazing and exterior cladding
- Does not include exterior signage
- Does not include phasing of renovation
Partnering with local Detroit incubators, national and local organizations, local business, and local community groups to support the education and growth of budding entrepreneurs is paramount in the incubation process.

- Tech Town
- Ponyride
- National Business Incubator Association
- Michigan Business Innovation Association
- Wayne State University
● Offer classes
  - Business Plans
  - Marketing
  - Finance
  - Legal
● List of supporting organizations
● National Business Incubator Association
  - Platinum - $1,200
  - Gold - $695
  - Silver - $525
● Local business mentorship
• Information Campaign
• Partner with local incubators for overflow
• Partner with local educational institutions
• Partner with local universities
• Partner with religious institutions and community groups
- Rent Model
- Equity Model
- Royalty Model
- Deferred Debt Model
- Hybrid Model
● Placing graduated entrepreneurs into their own spaces.

● Nodes 2 & 3

● Single story attached commercial
● Future nodes

● Less risk, more freedom

● B2 zoning
• Majority of the same funding principles to fund Phase 2.

• Michigan Economic Development Corporation programs to help businesses find and inhabit viable spaces
  - Motor City Match
  - Motor City Restore
- Activating vacant space
- Opening a new business location
- New or existing business
- Max grant $100,000
- Average project size $25k-$500k

- Improving commercial corridors
- Facade improvements
- Businesses open 1+ years
- Max grant $25,000
- Average project size < $50k
What is a Community Land Trust (CLT)?
Community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land.

How does a CLT benefit the community?
- Conserving affordability
- Stabilizing the neighborhood
- Building community assets

Who will the CLT serve?
- The CLT will serve the Northwest Detroit’s entrepreneurs by providing them with affordable professional commercial space that will allow them to launch and grow their businesses.
• **Model A: Ownership Model**
  - CLT acquires properties and separates them into legal plats
  - Business owners purchase the space with a down payment and bank financing
  - Provides stable rent and creates wealth for business owner
  - Allows for ownership with less initial capital investment

• **Model B: Lease Model**
  - CLT acquires properties to lease to businesses on long-term stable cost terms
  - Does not involve ownership or limited equity issues
  - Supports wealth and job creation through stable, affordable rent structure

• **Other Models**
  - Cooperative: Can involve both lease and/or ownership structures
  - Coworking: A structure based on shared space and the sharing of building costs
Critical Functions of a CLT

- The Holding of the Property
- The Stewardship of the Property
- The Community Ownership of the Property

Functions of the CLT

- Acquiring Vacant Properties
- Whiteboxing Commercial Properties
- Providing Affordable Commercial Space
- Predictable Rent Structures
- Assistance with Building Costs
- Spearheading New Development Projects
Mission Statement
To develop a prosperous community through acquiring and then providing accessible commercial space to revitalize and promote economic development along the McNichols commercial corridor.

Northwest Detroit CLT Goals
1) To counter any future gentrification, the NWD CLT will provide long-term affordable commercial space to promote an equitable neighborhood.
2) Interact with surrounding community to identify neighborhood needs and preferred types of usage for the CLT.
3) To provide a prototypical framework of a successful CLT that can be applied to other neighborhoods across Detroit.
4) To be an anchor institution and help stimulate economic development of the McNichols commercial corridor.
**Business Planning Worksheet**
The Commercial CLT Business Planning Worksheet offers the SGGCDC a series of questions to assist in developing the CLT model and business plan to best fit the organization’s target service area and businesses.

**Bylaws Example Template**
The Bylaws Template provides an example of what a Bylaws document could look like for the Northwest Detroit Commercial CLT.

**Start-up Budget Template**
The Start-up Budget Template provides an editable worksheet in Excel format that can be used to plan for start-up and operating expenses for the establishment of the Northwest Detroit Commercial CLT.

**Lease Example Template**
The Lease Template provides an example of what a lease between the CLT and a business could look like. It was adapted to the commercial context from a residential CLT sample lease.
• Sustainable funding for an agreed period of time
• Private sector to work with partners to deliver projects aimed at improving their business environment
• Allows additional marketing, infrastructure improvements, and operational offsets to positively impact individual businesses
SGGCDC informs and petitions community to form BID.

Land owners agree (60%) to form BID.
City Council approves BID's annual budget.

Land owners are taxed annually by the Wayne County.

The City distributes assessment revenue to the BID.

Assessment funds are gathered by the City annually.

BID spends funds on services for their district.
Funding Recommendations

- **1.75% assessment**
  - ~$100,000

- Hospital covers BID costs CLT owned commercial properties (approx. $8,000)

- Option to have a cap and a floor

Benefits

- Capital Improvements
- Landscaping
- Community Service
- Maintenance
- Public Safety/Hospitality
- Marketing

RECOMMENDATIONS
The brand for the NDCRG was developed to represent an all encompassing and transferable identity along the corridor and the neighborhoods it serves. It is intended to be used as a standalone as well as in tandem with the SGGCDC existing brand.
BRAND

LOGO SHAPE REPRESENTS 2-STORY COMMERCIAL CORRIDOR ARCHITECTURE

'BRICK & BLUE' COLOR SCHEME WAS CHOSEN BASED ON PREDOMINATELY BRICK RESIDENTIAL BUILDINGS

MARKER INCLUDED TO DESIGNATED THE AREA AS A DESTINATION

BLUE IS INCLUDED IN THE BRAND TO REPRESENT THE ANCHOR INSTITUTION: DMC SINAI-GRACE HOSPITAL
The secondary logos are to be used when referring to individual areas in the district.
1st Beauty Supply
13125 W McNichols Rd, Detroit, MI 48238
(313) 347-0313

After All Auto
13151 W McNichols Rd, Detroit, MI 48235
(313) 346-2400

Big J Market
16811 Schaefer Hwy, Detroit, MI 48235
(313) 864-3877

Big Time Rentals
13926 Meyers Rd Detroit, MI 48227
(313) 779-8938

BLO Beauty
14638 W McNichols Rd, Detroit, MI 48238
(313) 367-7214

Bob Farr's Florist
14149 W McNichols Rd, Detroit, MI 48235

BOOST Mobile
21400 W McNichols Rd, Detroit, MI 48219

Burger King
13600 W McNichols Rd, Detroit, MI 48235
(313) 313-8191
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THANK YOU!
Prepared for
Sinai-Grace Guild Community Development Corporation (SGGCDC)

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Wayne State University
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