

West Broadway Revitalization Project Update

Summer, 2006



Restoration of the historic Borden Building site began in November 2005, when voters approved the sale of City Hall with the proceeds to be used to help pay for its renovation. As the West Broadway Revitalization Project progresses, residents will see the Borden Building adaptively reused to house City offices and other commercial uses. [Connections](#) and the City's website will be used to keep all residents informed of progress as it becomes known.

Purchase Agreement Subjected to Fine-Toothed Comb

In the months between March, when the City Commission gave the go-ahead to start drafting terms and conditions of a final purchase agreement with the J.E. Johnson Group, and later this summer, many t's are being crossed and i's dotted to make the *West Broadway Revitalization Project* a "go".

The City Commission expects to review an agreement in July that will spell out exactly what the City will pay for its space in the renovated Borden Building. That figure will need to include all renovation costs as well as interior walls and furniture. The City's overall "not to exceed" number must consider environmental clean-up, parking lot construction, streetscape, landscaping, equipment, and financing costs.

Discussions in 2005 centered around a \$6 million price tag for the City. Although construction estimates were several months old even then, negotiators spent all spring sharpening their pencils in an effort to stay within those parameters. Because some reductions have already been agreed to by both parties, the City is confident that the numbers provided by the developer for the City Hall space will be in line with the budget that was proposed. However, other issues that require the approval of the state and federal partners in the project have added much extra time to this phase.

For instance, no renovations can take place without the approval of the State Historic Preservation Office. SHPO officials must review all plans and prints and sign off on any detail that could affect the historic character of the building including its 200 + windows. Concerns for energy conservation and limiting annual operating costs can sometimes clash with a strict adherence to historical interpretation.

The *West Broadway Revitalization Project*, however, is not just about the Borden Building. Part and parcel of this deal is the construction of a private development known as *Riverplace on Broadway*. Before the City Commission will agree to a purchase agreement for office space in the Borden Building, they are requiring certain parameters be met by the developer for the mixed use facility that will be next door. *Riverplace* is planned to be a mixed use development with residential condominiums on the top floors and businesses on the lower level.

The successful construction of this new addition to downtown is critical to the project for two primary reasons. First, taxes generated from *Riverplace* are to be used to cover the payment on the bonds for purchasing the newly-renovated space for city offices. Second, the grants and tax credits that make this project feasible are only available because of the private investment from the new project. In addition, the influx of businesses and people from *Riverplace* will help the Central Business District continue to thrive.

So, while the City has no investment in the private development, the Commission will not execute the purchase agreement on the Borden Building without analyzing all designs, construction values, and marketing plans for *Riverplace*. Part of that analysis includes the data that will be available from a housing needs study being conducted by an independent outside firm. AEG Group has been hired by the City, J.E. Johnson and the Michigan State Housing Development Authority to test the overall housing market in the city. A portion of their research will determine the market for the *Riverplace* proposal. Their final report may not be available until the end of June.

The City had set a target date of July 15th to make a final determination by both the developer and the City as to whether or not the project is economically feasible and within the budget parameters set by the City Commission over a year ago.

Source: Connections Newsletter, Summer 2006