



# Central Michigan Developers, LLC

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## Question #1 – Overview, Collaboration, Investment

In the fall of 2003, we, (The J. E. Johnson Group of Midland, Michigan) negotiated an “option to purchase” agreement with the Economic Development Corporation of the City of Mt. Pleasant for the nearly 100 year old Borden Creamery Building, also known locally as the Borden and/or Bader Building, that had stood vacant for nearly 40 years.

Our intention was to craft a plan to rehabilitate the structure through a historic restoration process, develop the site and design, and construct a new mixed-use structure on an adjacent vacant site directly to the west. The Borden Building and its site are referred to, in all planning documents as “Parcel A”. “Parcel B” is the vacant site west of Parcel A.

After executing site plans, building evaluation drawings, and preliminary due diligence, we approached the City once again in January of 2005. To proceed with the plans to renovate the old creamery and to secure the economic development incentives to make the project feasible, it was necessary to identify viable building occupants. The City of M. Pleasant agreed to investigate moving City offices to the renovated historic site if, and only if, such a move was deemed to be the lynchpin for successfully saving the Borden Building. Subsequently, we designed an interior building layout that would accommodate City functions and address the future space needs as identified in the Otto/Duffy Space Needs Study (commissioned by the City in 2001) for the next 20 years.

On July 25, 2005, we brought detailed plans to the City Commission requesting their support and partnership. The project as proposed would complete renovation of the Borden Building and its surrounding site. Such renovation would spur the development of Parcel B next door with a significant (and private) new development project which would create new jobs and add the new project the tax rolls. Incumbent on moving the proposal forward would be the City’s agreement to relocate its offices, purchasing 28,000+ square feet (roughly 75% of the building) at a cost of approximately \$3.5 million. In addition, in order to proceed, the City had to first hold a special election in which the citizens would be asked to grant the City permission to sell the existing City Hall. In effect, a positive vote would grant it the authority to proceed with the Borden project by proxy. Ultimately, voter approval was given by a landslide margin, garnering 65.25% of the popular vote. We then had a green light to proceed.

As the project was developed through the design phase, costs were identified for both the City’s portion of the building as well as our 25% “tenant space”. We consulted closely with the SHPO office and Mr. Robb McKay, Historic Architect, while designing a rehabilitation plan that specifically adhered to the Secretary of the Interior’s Historic Rehabilitation Standards.

Experienced and skilled craftsmen from all trades were utilized. Most importantly, specialists in the historic masonry restoration trades; our company’s own craftsmen (and women) working with historic galvanization and soldering methods in the recreation of the cupola spires and “bull nose” flashings; and custom historic window design specialists were utilized. In addition, the entire original roof deck (which is visible from the interior) was replaced due to deterioration. Custom, rough hewn, 2” x 6” x 12’ tongue & groove, Southern Yellow Pine planks were specially milled for this project in Atlanta, Georgia, and shipped directly to the site for historic reconstruction.

Now that final cost calculations have been completed on the Borden Project (for both the City and our tenant space), the total investment approximates as follows:

City	\$7,221,510.00
CMD	<u>\$1,600,000.00</u>
<b>Total Investment</b>	<b>\$8,821,510.00</b>

\*\*Please note: The above figures do not account for any additional future private investment for the development of the adjacent Parcel B.....

**Question #2 - Project Profile/Impact on the Community:**

The Borden Building (also known as the “West Broadway Revitalization Project” which combines both Parcels A and B) provides significant impact to the local community as follows:

- Development of Parcels A and B rehabilitates an environmentally contaminated, long vacant, and blighted area on the downtown’s west end. Such development will lead to further successful development in the downtown’s western edge.
- Completion of work on Parcel A, revitalization of the Borden Building, assures the long term practical utilization of the city’s oldest surviving industrial site as well as indefinitely preserving a treasured historic landmark building.
- Development of this portion of Broadway Street serves to draw more people to the downtown area, keeps them there longer and increases customer traffic for existing businesses. It also provides easier utilization of the community park system and riverfront.
- Parcel B will be privately owned, developed, and provide substantial job creation.
- Development of Parcel B is dependent upon the successful revitalization and reconstruction of Parcel A.
- Completion of the Parcel A project has added 195 parking spaces to the downtown area.
- Development of Parcel A provides added parking and better access for the residents of the Riverview Apartment complex (next door to Borden), subsequently opening up additional parking spaces in other lots in the downtown district.
- The Borden Building renovation of a historically significant structure makes the City eligible for additional streetscape and “Cool Cities” grant funds.

- This project has already brought in nearly \$1,400,000 in state funds and has provided for construction of a new sewer lift station to benefit the west end of the City, and at the same time has cleaned up two environmentally contaminated sites and constructing public parking.
- At the end of five years, the City will be gifted the title to the newly renovated Borden Building and the real property it sits on as represented by Parcel A.
- Development of Parcel B will contain a privately owned commercial or residential structure that will add new tax capture to the downtown district.
- Upon its completion, tax revenue from development of Parcel B will be based on the final value of the development. A portion of this tax revenue will be captured by the City's Downtown Tax Increment Finance Authority (TIFA) and will be used to support City costs for the Borden project, or for other identified eligible activities.
- The projects (both Parcels A and B) have received enthusiastic support from several State of Michigan agencies (MEDC, SHPO, and MSHDA). Private development of Parcel B also generated new state matching funds, as MSHDA committed financing to compile a housing needs and inventory study for the entire community.
- The primary financial risk of all development is in our hands as the Developer, not the City.
- Sale of the current city hall building puts that property back on the tax rolls.
- Development, as planned for Parcels A and B, follows the Hyett-Palma Plan for community rehabilitation and redevelopment as supported by the Downtown Development Board, the City Commission, Downtown Coordinating Committee, and Downtown Business Association.
- The City obtains title to the railroad right-of-way contiguous to the two parcels for public use.
- Landscaping designed for the east side of the Borden Building site will provide a picturesque site available for public uses.
- The Chippewa River Walk will be extended on the south edge of the river to the Oak Street Bridge thus allowing easy access to Island Park for the senior residents of Riverview Apartments.

### **Question #3 – How was the Project received on the community?**

As was evidenced by the overwhelmingly positive vote back in November of 2005, the community as a whole strongly wanted the West Broadway Revitalization Project to succeed. The key would be the successful rehabilitation of the Borden Building and its conversion into a "landmark" building and; as the anchor which would in turn, revitalize the City's entire Downtown District.

Its transformation has been simply nothing short of amazing. Onlookers, supporters, well-wishers, and even just the curious all stopped by the site daily to observe the reconstruction process and to chat with City representatives, our Project Managers, and even the sub-contractors own employees (when available and safely outside of the jobsite barricading). They always had so many questions and were continually fascinated by the rehabilitation process. Even our own site management team was honorarily "adopted" by the residents of the City's senior living hi-rise

located next door to the Borden Building. Scarcely a day passed in which folks stopped by to visit or the errant tray of home-made cookies or brownies didn't show up in the job trailer. Our site superintendent swore that he needed this job to end soon so he could begin to lose some weight!!!

As we stated above, by and large, the Project and its rehabilitation process was strongly supported and closely followed by the community. The City published detailed updates in its quarterly newsletter (which was mailed to every home in the City); the local newspaper offered timely updates through print feature articles and editorials; and bi-monthly, detailed updates were provided in person to the City Commissioners by the City's Project Manager at the beginning of each City Commission meeting. These Commission meetings are telecast live and are watched voraciously by the local residents.

Perhaps last, and most importantly, the Borden Building's rehabilitation and conversion as a resource for the citizens of Mt. Pleasant has simultaneously accomplished two intangible goals in addition to the numerous previously stated benefits: this project has served to generate immense community pride through the return of a treasured community landmark from more than 40 years of blight, decay, and failed revival efforts; and, has greatly enhanced citizen support for investing in the community's heritage for the present and for the future. All of us at JEJ and CMD are extremely proud and honored to have been a part of that process as a partner with the citizens of Mt. Pleasant. It has been a pleasure.....