

## The International Village

A Unique Opportunity for Ypsilanti and the Water Street Redevelopment Area



## Developments since May

### 120-day due diligence period started May 21, ends Sept 21 (Thursday)

- Concept design and programming
- Construction estimates and schedules
- Geotechnical investigations
- Environmental analysis
- Opened discussions with AAATA
- Investor visits to site

### City Goodwill trip was delayed

- August 2<sup>nd</sup> ballot measure was an important priority
- Goodwill trip is critical to secure full investor support

## Developments since May

### International project team solidified

- Mix of **subordinate investment and direct senior equity**
- **China Vanke Co., Ltd.** engaged as international development consultant.
- **Vanke Architecture** developed conceptual design
- **Shanghai Tongtuan Real Estate (TOSPUR)** is International marketing team

vanke 万科



## Developments since May

### Domestic Team

- Spence Brothers: Construction Manager
  - Next year is 125<sup>th</sup> anniversary in business
  - Ann Arbor for over 85 years
- Little Diversified Architectural Consulting
  - Headquartered in Charlotte, NC
  - Office in Beijing
- KerrRussell: Real Estate/Legal counsel
  - Headquartered in Detroit
  - Extensive work in immigration law







# Developments since May

## Domestic Team

- Subconsultants
  - Architects/individual buildings
  - Engineering
  - Landscape architecture
- Construction subcontractors
  - Labor
  - Materials suppliers
- Operations team
  - Property management
  - Property maintenance

## Contingency Period Timeline

### **Contingency period deadline is December 31, 2017.**

- Allows City to perform due diligence and make Goodwill trip.
- Intend to arrive at agreement sooner to enable **public hearing/council consideration in Nov/Dec.**

### **The Resolution tonight does not bind the City.**

- Development agreement would require another public hearing.
- Final agreement would have to be approved by City Council.

## NEXT STEPS

- Complete development agreement by Contingency Period Deadline
  - **Simultaneously...** design development will continue
- 
- Site plan approval and permitting process starts immediately after development agreement
  - Goal is to be ready for site construction by Summer 2018

# 谢谢

(Thank you!)

## Questions?

[Design Approach](#)

[Design Concepts](#)

[Sources of Funding/Schedule](#)

[Existing Conditions](#)

[International Engagement](#)

[Why Ypsi?](#)



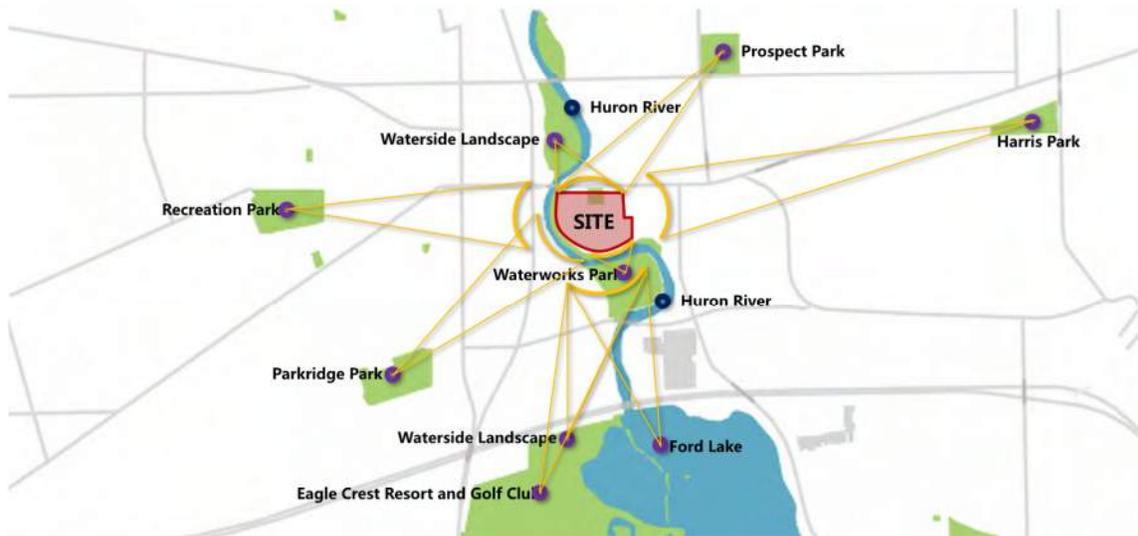
**A comfortable community is the objective, meet all needs in the whole day, 24/7**

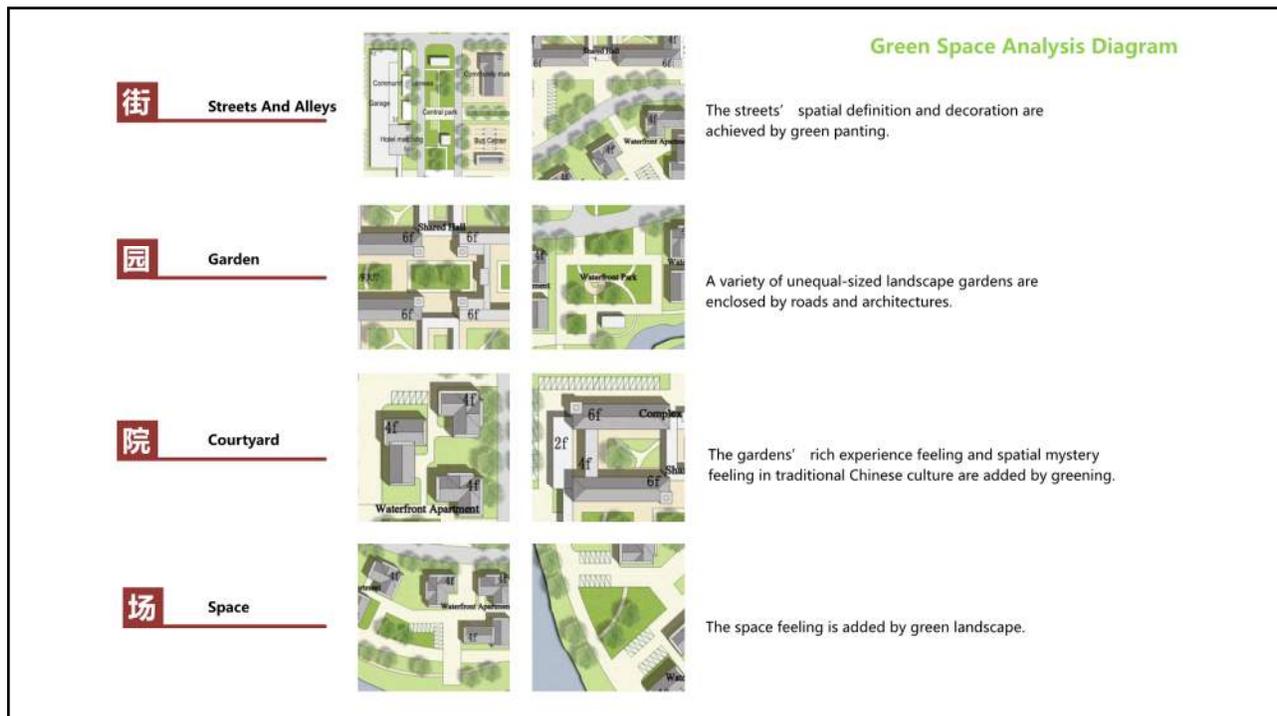
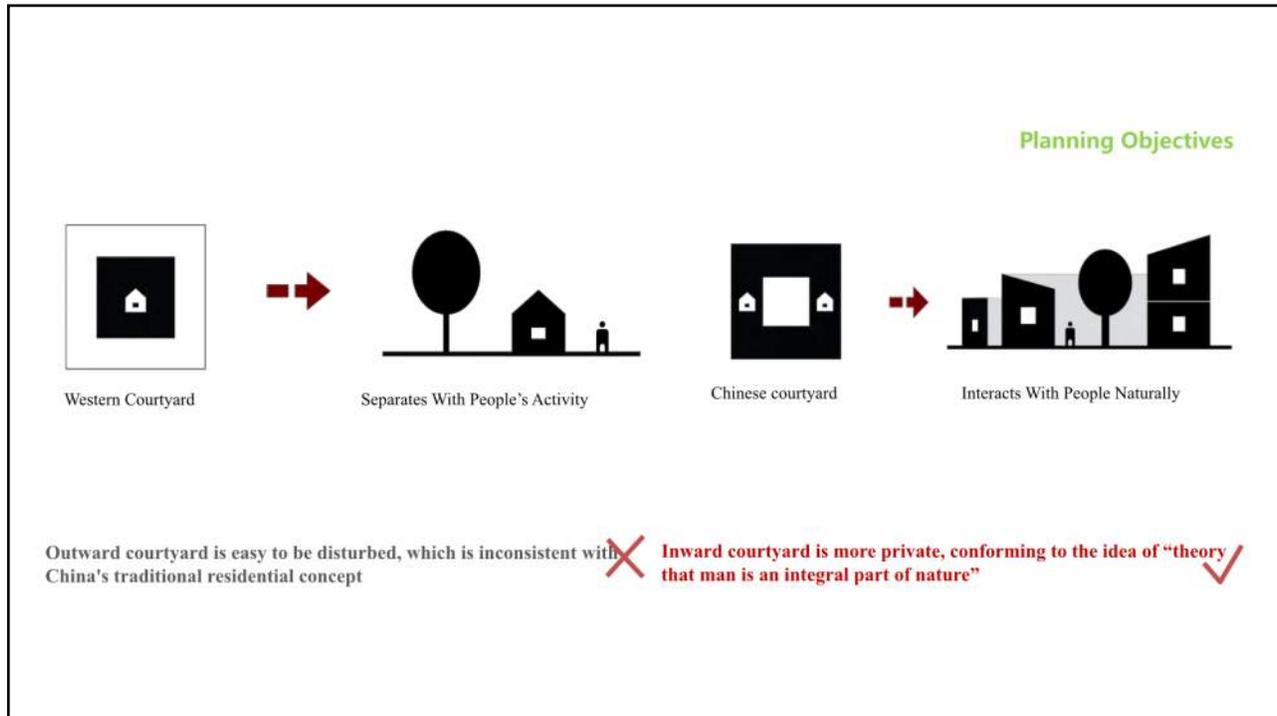


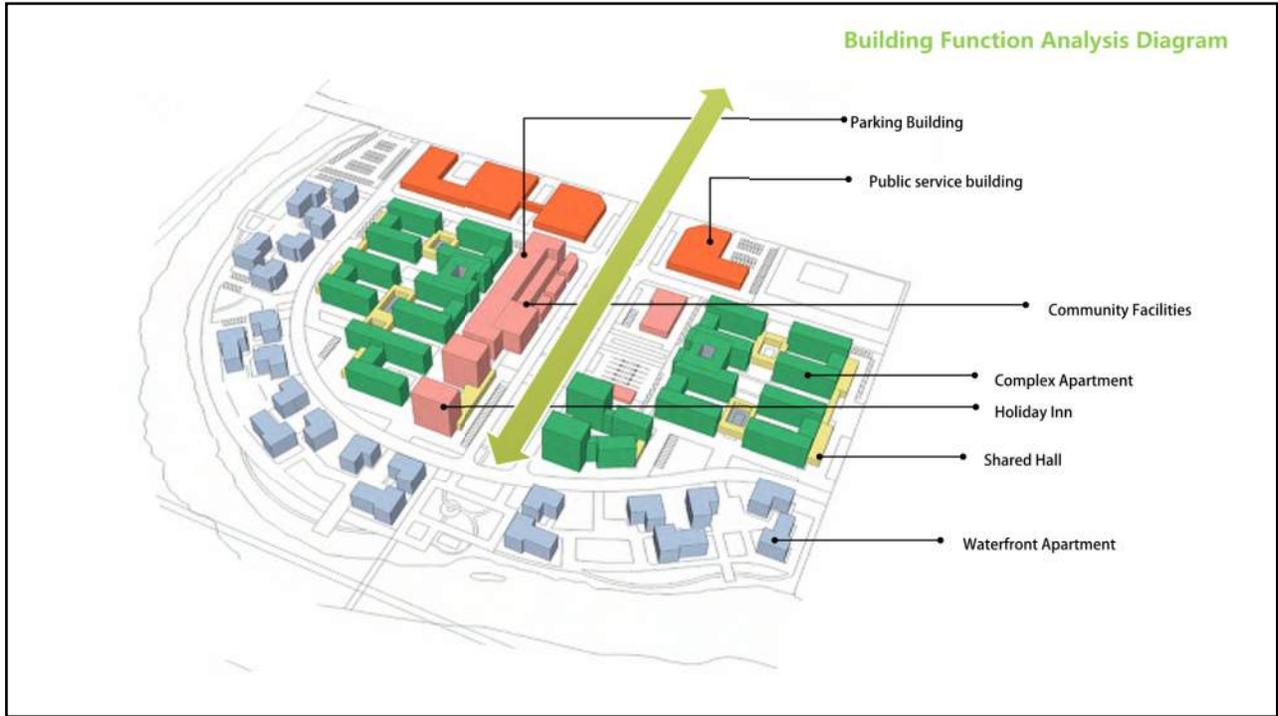
**An efficient and interconnected island--diverse in transportation and convenient in route  
Safety and walkability--for student, professional and family.**

### Analysis of Landscape Resources around the Project

Landscape resources exist on a north-south axis from the development. Two sides are surrounded by Huron River and Ford Lake has existing connections to the development. The surrounding numerous parks form the landscape pattern of "one belt-nine views".











### International Gate

2-story structures at Michigan Ave  
Boulevard section into development  
Mixed use commercial building on west side of Boulevard  
Supermarket with restaurant(s) on east side of Boulevard





**Student Housing**

4-6 story structures connected with student halls  
Up to 4 bedroom units, includes 1,2,3 bed and studio models.



**Condominiums**

Built along river and new Water Street  
Mix of studio, 1,2,3 bedrooms  
Mix of garages and on-street parking





**Housing types**

Development has several levels of living choice  
Common theme is variable elevations and connected  
buildings via covered greenspace.



**Student Housing**

Development has several levels of living choice  
Options for those with and without vehicles



## How do we intend to finance this development?

### Direct Foreign Investment (EB-5)

- Underutilized in Michigan
- Targets job creation and direct investment in American enterprises
- Focused on *Targeted Employment Areas*

^Ypsilanti qualifies

### Regional Center program

- Pooled investment
- Vetted investment

## How do we intend to finance this development?

### Direct Foreign Investment (EB-5)

- No visas are provided if job creation **is not proven**.
- No visas are provided **until** job creation is proven.
- Puts the EB-5 investor **at risk** for the duration of the project.
- The At Risk period for International Village will be **3-5 years**.
- **Subordinate** to all other forms of investment in the deal.

**Investors are seeking** a much lower rate of return than traditional financing.

**In return**, they invest in a unique development serving the needs of a diverse International Village.

## How do we intend to finance this development?

### Direct Foreign Investment (EB-5)

- Each investor is **vett**ed by the United States Customs and Immigration Service (USCIS) through a **526 Petition**
- Identifies the source of funds invested
- Includes background information on income, holdings, employment, etc.

## How do we intend to finance this development?

### Direct Foreign Investment (EB-5)

EB-5 Investment target is **\$130 million**. This means **260 EB-5 investors**.

**Minimum** total job creation to meet this target is **2,600 jobs created**.

**Minimum** total project cost to meet this target is **\$325 million**.

# How do we intend to finance this development?

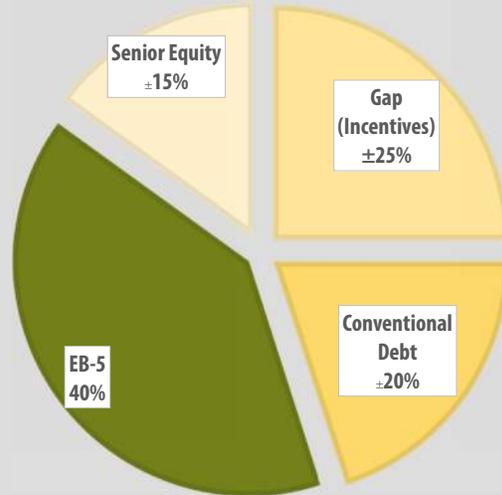
## Direct Foreign Investment (EB-5)

EB-5 Investment target is \$130 million.

Senior Equity from investors.

Conventional debt for remainder.

Incentives for revenue gap.



# What is the Total Cost of International Village?

Work Category	Total Estimated Cost
<b>Site/Environmental</b> Mass Site Grading, Remediation, Utilities, Roads, etc.	\$19 million
<b>Parking Deck/Mixed Use Building</b> River St parking deck and connected mixed use.	\$25 million
<b>Office/Retail Building</b> Mixed-use building with underground parking on Mich Ave.	\$31 million
<b>Supermarket/Restaurant</b> Supermarket at Michigan Ave. with additional retail/restaurant space.	\$7.5 million
<b>Hotel/Conference Center</b> 4-star hotel and conference center.	\$35 million
<b>Community Cultural Center</b> Public community center near gate of development.	\$4.5 million
<b>Transit Center*</b> Intermodal transit center.	\$2.5 million
<b>Apartments</b> Apartments and halls throughout the center area of the development.	\$216 million
<b>Condominiums</b> Condominium buildings along Water St and pathway.	\$89 million
<b>Total</b>	<b>\$429.5 million</b>

### Includes:

- Construction Costs
  - Labor
  - Materials
  - Remediation
- Soft Costs
  - Architectural/Eng.
  - Environmental
  - Legal
  - Furniture/Equipment
  - Financing Costs
  - Development costs
  - Operating Reserves
  - Rent-up Reserves

← Estimate of the concept design

# What is the Schedule of International Village?



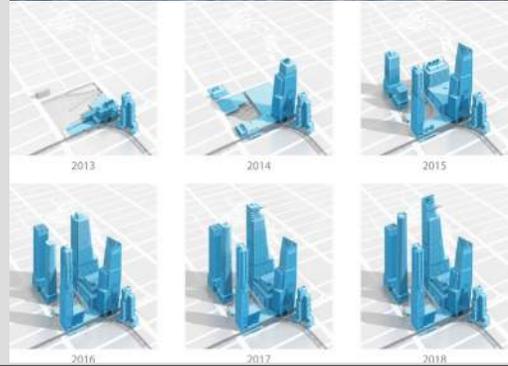
# What is the Schedule of International Village?





# Hudson Yards

- Manhattan
- 17 million square feet
- \$20 billion project
  - Utilized \$800 million in EB-5 financing
  - Accounted for 1/3 of total EB-5 market at one time



# Trump Bay Street

- Kushner-led development in Jersey City, NJ
- \$195 million project
- \$50 million in EB-5 investment



## The Inn at Harbor Shores

- First and only EB-5 Development in Michigan
- St. Joseph, MI
  - Lost more than 15,000 jobs over 10 years
  - Whirlpool Corporation
- \$135 million total investment
- Utilized EB-5 investment as part of overall capital structure
  - At-risk
  - Subordinate debt
- MEDC provided funding



## International Village

- Led by International team, not merely a domestic development team.
- Seeking very low return on investment in comparison to other developments.
- Goals and values consistent with original purpose of EB-5 program
  - Stimulate US economy
  - Revitalize challenged areas
- This project would remain competitive with proposed reforms.





