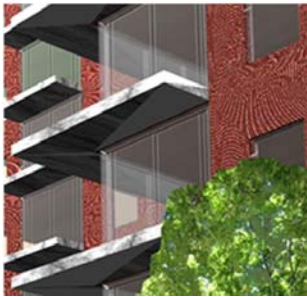


Washington Square





Washington Square



Dear Peter,

The members of WIVA, LLC are pleased to present to you a well-planned proposal for First and Washington Streets in Ann Arbor, Michigan.

Our proposal embodies the goals laid-out in the City of Ann Arbor's Request for Proposal, as well as the visions of individual stakeholders in the area. WIVA, LLC is confident that this proposal will benefit the area by providing much needed low and moderate-income downtown housing, as well as a strong entertainment identity for First Street.

We are certain that we have made this site programmatically beneficial, environmentally responsive, technologically innovative and aesthetically pleasing. It will be a unique addition to the downtown area. We are proud this class project can contribute to the development of downtown Ann Arbor.

Thank you for your enthusiasm and guidance throughout the semester.

Sincerely,

Jon Ippel, MUP
Stakeholder & Technology/Site Research

Christina Anderson, MArch
Architecture Design & Construction

Xuan Wang, MUD
Site Design

Charlotta Vinson, MBA
Financial Analysis & Marketing

W I V A

.2.



Washington Square



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Washington Square



EXECUTIVE SUMMARY

WIVA, LLC has been commissioned to study the redevelopment of the property on the corner of First and Washington Streets in downtown Ann Arbor, which will be referred to as Washington Square. This site was previously zoned 'P' as a parking structure; however the City of Ann Arbor is in the process of removing the structure and rezoning it as 'C2A' in consistency with the surrounding properties. The City has plans to sell this land to a developer, and will send out a Request for Proposal (RFP) in January.

WIVA's proposal carefully considers the City of Ann Arbor's goals and visions of the site as listed in the RFP:

- Increase downtown residential density
- Residential diversity through affordable units
- Replace public parking spaces on site
- Pedestrian friendly
- Activate the area
- Create a functional alleyway
- 6-8 stories in height

The property will contain a mix of residential, entertainment retail, and public parking. The proposal assumes the sale of an adjacent property to be included in the site: an office building at 208 W. Liberty. The businesses of 208 W. Liberty will be relocated to nearby vacant office spaces.

WIVA, LLC has compiled a variety of studies, including market research, site analysis, and social concerns. Stakeholders have contributed valuable

information in making informed concept/design decisions. These stakeholders include:

- The City of Ann Arbor
- Downtown Development Authority (DDA)
- Ponce de Leon— owner of adjacent properties: 200 S. Ashley and 208 W. Liberty
- First Martin Corporation – owner of the parking lot at 220 W. Washington and other properties in close proximity
- Entertainment venues on First street
- Downtown and Old West Side residents

First and Washington will be an 9-story structure with a courtyard setback on the First Street side. The building will be LEED Gold certified. The programs are divided as follows:

- 46,000 ft² of retail on two levels
- One underground parking level serviced by a parking elevator for a total of 197 spaces. Public spaces will be sold back to the DDA.
- Seven floors of residential, each floor totaling 25,824 ft². Individual units range from 665 ft² to 1,160 ft² with a medium of 875 ft².

From a realistic perspective, this development's projected total IRR is 16% with an approximate NPV of \$6,759,993 after the end of the first year, making Washington Square a sound investment. The public parking will be sold back to the city at cost plus a 10% fee. Construction contingencies are included in the overall financial analysis in an effort to cover any unexpected occurrences during the construction phases of the project. Overall, Washington Square is projected to cost approximately \$41 million and bring in 18% profit for the developer.



Washington Square



INTRODUCTION

Amidst downtown Ann Arbor's renaissance, Washington Square, a WIVA LLC project, plans to capitalize on this resurging excitement. Property values have risen rapidly in college towns across the nation over the past 5 years. Ann Arbor has experienced similar value increases. The cost of land downtown and the resurging demand for urban living have produced an influx of proposed downtown development projects over the past 12 months. However, most of the proposed projects will cater towards higher than normal income earners. The WIVA project will cater to individuals earning closer to the Area Median Income (AMI) by constructing smaller units with simpler furnishings. Despite the reduced price, our development still caters to Ann Arbor's community goals of green development, urbanity, mixed-use, and a reduced visual impact of the parking structure.

SITE ANALYSIS

The Parcel



The site at 1st and Washington site contains one of the oldest parking structures in Michigan which held approximately 160 parking spaces. The DDA decided that the parking structure was not worth the \$100,000 in repairs needed to reinforce the concrete, and closed the structure in the fall of this year. The City will issue an RFP for the site in January and tentatively choose a developer in April. The City

approved several goals for redeveloping the First and Washington site.¹ These goals include the following:

- Promote the development of housing that would not be as expensive as many of the units that have emerged in the past.
- Encourage downtown workers to live downtown by leveraging smaller unit sizes and providing resident parking at the new First & William structure, rather than on site.
- Provide affordable housing in 15% of the units for those making 60% of the AMI with subsidies from the DDA and City Housing Funds.
- Build a minimum of 160 public parking spaces contingent on a DDA buyback.

Surrounding neighborhood

Two key uses surround the site that should impact the design, future success, and integration of the project into the surrounding neighborhood. Located immediately to the north of Washington Street is a surface parking lot which covers the entire block. The property is privately owned by First Martin and currently is rented out to the DDA for public use. The site will likely contain one of the tallest buildings in Ann Arbor when market conditions allow it. Design of the First and Washington site will need to compliment the potential height and massing of this future structure.

¹ http://www.ci.ann-arbor.mi.us/DDA/Projects/1stwash_redevelopment.html



Washington Square



Map 1: Downtown Ann Arbor. The red boundary represents the DDA jurisdiction.

Directly across from the site on First Street sit entertainment venues popular to university students, including the Blind Pig, Eight Ball, and the Millennium Club. These venues tend to attract customers throughout the week and at late hours. Any project on the First and Washington site should accommodate synergistic uses and expand the concept of an entertainment district. Although urban dwellers typically are more accommodating of late-night entertainment, residential units facing First Street will have to adequately minimize any potential nuisance caused by the venues.

Transportation

First Street currently runs south only, making vehicular circulation around the site difficult. The City is exploring reorienting the street to accommodate two-way traffic in the Huron Street Traffic and Design Study.² As the City actively expands the bike-lane network, First Street should receive a bike lane in the near future. Since traffic tends to speed down First Street, traffic calming devices such as pedestrian peninsulas or a nicely decorated traffic circle would improve pedestrian traffic and the aesthetics of the intersection immensely.



Mass transit: The area is served by the AATA #1 bus on Washington and the Link along Ashley. The Link is a downtown circulator bus that provides free transportation at regular and frequent intervals. The Link stops at spaces from Kerrytown to South University. Affordable and frequent bus services will greatly improve the viability of reducing parking in the structure.



² <http://www.ci.ann-arbor.mi.us/DDA/Projects/fifthdivhuron.html>



Washington Square



MARKET ANALYSIS

Residential

Ann Arbor's downtown residential area is inhabited by a small population of undergraduate and graduate students, business executives, specialized professionals, and others who are attracted to the historic neighborhoods, restaurants, and the convenience. The population living within the DDA boundaries has increased at a faster rate than the other areas of Ann Arbor between 1990-2000. There are three market segments to cater towards: empty nesters, young professionals, and alumnae returning to Ann Arbor.

The unit prices of Ann Arbor's condos are currently in the \$400,000 + range. The largest segment of demand is for units costing less than \$300,000. WIVA's goal is to stay within a range of \$275,000-\$400,000 catering to the young professionals. This demographic would be most conducive to and tolerant of the nightlife area. Because of the lower housing cost, space will be at a premium.

City Population	114,024
Downtown Residents	Approximately 2,800
% of Population Downtown	2.5%
Area Downtown (acres)	268 acres (67 blocks)
% of Land Area Downtown	1.5%
Density Downtown	10.5 residents/acre

Table 1: Residential makeup in downtown Ann Arbor³
Downtown Ann Arbor Business Mix

Business Type	Ann Arbor (2005)
Financial, Insurance, & Real Estate	9.1%
Professional Offices	28.7%
Restaurant	12.4%
Retail-Apparel, books, & music	19.1%
Services	21.5%
Manufacturing & Research	.3%
Miscellaneous/General Office	8.8%
Total number of downtown businesses	100% or 1197

Table 2: Current commercial use downtown³

WIVA will offer condominiums for sale and lease retail space to contribute to residential development in downtown Ann Arbor. The target market for this space will be graduate students and professionals who desire a feel for urban living, a diverse mix of retail, and a close proximity to amenities and their work places.

³U.S. Census Bureau. 2000. "Factfinder." Online at: <http://factfinder.census.gov>



Washington Square



Condominium units cost anywhere from \$200/S.F. to \$500/S.F. in most Ann Arbor neighborhoods. Current projects include:

Current Planning and Projects going on downtown

Kingsley Lane: Located on the corner of Ashley and Kingsley, these condominium units will consist of over 52 loft units and 4 penthouses that range from 580 to 1,400 square feet, priced from \$236,000 and up.⁴



Loft 322: Located on East Liberty Street, these lofts provide outdoor balconies and terraces, secure parking, and an onsite fitness center. All 21 units are currently sold out.⁵

Liberty Lofts: Located on west of First Street on West Liberty Street, this former Eaton factory consists of 68 units that range from 800 to 2,000 square feet.⁶



Ashley Terrace: Located on the corner of Ashley & Huron, will offer 94 units and 10,000 sq.ft. of retail in the 10 story structure.⁷

Lowertown: Perhaps the most ambitious project proposed for Ann Arbor, this mixed-use development stretches the boundary of downtown across the Broadway bridge. The project includes 215,000 s.f. of residential, 85,000 s.f. of retail, 20,000 s.f. of office space, a hotel, and athletic club.⁸



Glen Ann: Located at the corner of Glen & Ann, this project would contain 13,000 s.f. of retail, 18,000 s.f. of office space, and 120 apartment units. The developers recently withdrew their appeal to the A.A. Historic Commission and the developers intent is unknown at this time.⁹



The former YMCA site: Located at the corner of Liberty & 5th, developer proposals include 60 to 150 market-rate units, including a large portion of “very-affordable” units, and an expanded central bus station.¹⁰



4 www.kingsleylane.com

5 www.loft322.com

6 www.libertyloftsannarbor.com

7 www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2

8 www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2

9 www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2

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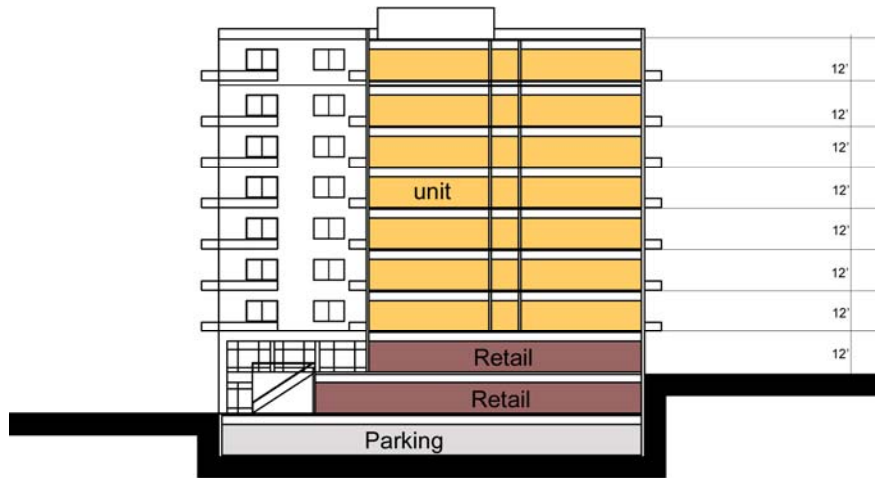


Washington Square



Our Building Strategy

For this site, WIVA is going to construct a 9-story building with two floors retail and 161 residential units on 7 floors. The condominiums will range in square footage and floor plans and will be housed on floors three through nine. The two floors of retail can both be accessed from grade.



All units will contain balconies and will have various views of the downtown area. There will be 24 affordable units that will range from 665 to 875 square feet, located on floors three through five. All 24 affordable units will be priced at 50% below the area median income.

The price per square foot of the units depends on the floor; the higher the floor, the more expensive. Prices will also vary with regard to the view and location. The total square foot is 221,497, including parking and 14,000 s.f. of common area.

Retail

Downtown Ann Arbor's retail market affords a unique experience to suit the needs of every consumer in the surrounding from specialty and national stores, restaurants, boutiques, art galleries and more. However, the downtown area currently lacks some main staples such as a drug store, grocery store and a hardware store. Calthorpe's research suggests that the area currently lacks the demand for both goods and services in the near term.¹¹ In our development promoting condo-owner freedom from the car, WIVA, LLC has had difficulty with this issue. We initially sought-out a small grocer, Trader Joe's, to occupy the 10,000 s.f. of the retail level. After consultation, it was deemed too risky of a venture because of the lowered rents typically commanded by grocers. We decided against this venture for 3 reasons: We did not feel we could afford the risk with a moderate income building. Only 2 blocks away Peter Allen & Associates is working to entice a grocer into a beautiful old factory building. We feel there are enough existing services to draw tenants to this location.

However, further analysis of the Calthorpe plan indicates that the addition of 500 units downtown would support approximately 19,000 s.f. of grocery space. Ann Arbor will likely reach that number within the next few years, indicating that the market will have the capacity to support a Trader Joe's-sized grocery store downtown.¹²

¹¹ www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2

¹² www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2



Washington Square



Unique shops and entertainment that surround the First and Washington site are:

Mainstreet Ventures: It has served as a key player in shaping Ann Arbor's downtown district with the development of upscale restaurants such as Chop House, Gratz, Real Seafood Company, and Palio.¹³

The Blind Pig: Over the past 30 years, The Blind Pig, a popular local nightclub and concert venue, has played an instrumental role in the ushering in and showcasing of this musical activity in Downtown Ann Arbor. Since its inception, The Blind Pig has gone through several phases, each of which has been equally notable in Ann Arbor's cultural configuration.¹⁴

Bab's Underground Lounge: This is a cocktail lounge featuring martinis and cigars in a casual atmosphere with pool tables.

Ann Arbor Art Center: Gallery shop showcasing original, one of a kind artwork, fiber, jewelry, ceramics and paintings from local and regional artists. The exhibition gallery showcases the talents of different Michigan artists each month in individual and group exhibits and themed competitions.¹⁵

Sweetwaters: A coffee and tea shop which offers deserts and a blend of premium and organic coffee, specialty teas.

¹³ www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2

¹⁴ www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2

¹⁵ www.josephfreed.com/property_detail.html?id=57&state=Michigan&t=2

Three Chairs: Furniture store specializing in contemporary, traditional, and customized home furnishings.

Our Retail Strategy

With Washington Square, we plan on developing an attractive mix of retailers to draw the diverse consumers in the Ann Arbor area. WIVA envisions the retail area to be a mix of entertainment venues to compliment the area's nightlife, and contemporary specialty stores that draw a day-time crowd. All stores will compliment the offerings in the surrounding area. They will also support our theme of retail targeting 'those who live within their means but aspire to be more.' WIVA plans to house a several national retailers to attract a mass of shoppers to the local stores within the building and the surrounding area. Retail rents around Main Street vary from \$20/S.F. to \$40/S.F. For Washington Place, we should be able to obtain rates close to \$30/S.F.

Some anchor store possibilities include:

Apple Store: Attracts people who are both technologically savvy and those who enjoy fashion-forward, image products. This store fits with our overall strategy because it has a chic appeal, is attainable, and draws in the young professional and student target-audience.





Washington Square



Z-Gallerie: Appeals to individuals who desire to exhibit a sense of style through offering them a variety of high-quality, reasonably priced merchandise for the home, including furniture, artwork, lighting, tabletop items, textiles and decorative accessories from around the world.



Crate&Barrel: Robert Gibbs stated and as the owner of Sweetwater proclaimed, 'Crate&Barrel would be a highly attractive store to appeal to the growing market in Ann Arbor through offering home furnishing products with an innovative and high-quality design.'



Other ideal occupants would be clothing retailers, such as a trendy shoe and apparel store like Puma, and urban clothing stores which attract a young, vibrant culture who have a need for functionality.

Some entertainment venues include:



Benihana: Japanese cuisine which reflects the diverse tastes within Ann Arbor and draws in the urban crowd by offering an entertaining style of dining at a reasonable price.

Wine Bar and Tapas Restaurant: A Spanish flavor to further diversify the cultural options in downtown Ann Arbor.



Local Bars, Restaurants and Venues: Because the unique character of downtown Ann Arbor is based on small, unique retail, we are excited to house independent entertainment venues. We encourage these places to keep the same hours as the surrounding entertainment district. We hope to have anything from a new bar to a pizza place serving the late-night patrons.

Downtown Development Strategies

The proposed development is generally in-line with the height, design, and use outlined in the ongoing Downtown Development Strategies performed by Calthorpe & Associates, an internationally acclaimed urban planning and design firm. Preliminary results indicate that the downtown area could accommodate approximately 2,500 new residential units in the next 20 years with building heights reaching 15 stories tall. The housing projections include vacant parcels and under-utilized parcels only. In the plan the tallest buildings would be positioned along Liberty, Huron, and South University. Although no universal consensus exists amongst residents, design and mixed-use seem to trump height and massing of structures as the key concern. The consultants also recommended



Washington Square

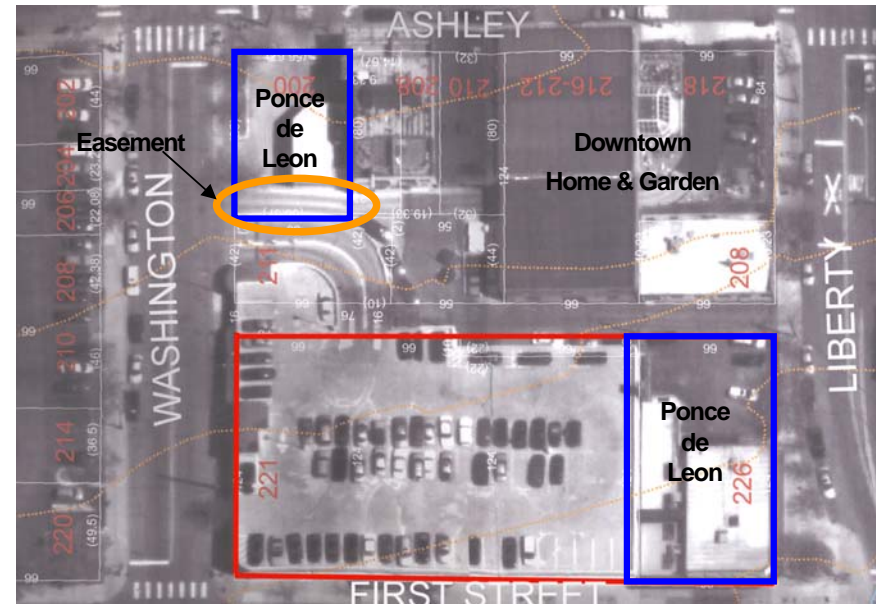


several steps to make the development process more straightforward while better achieving city goals. Some of the key recommendations include:

- Offer FAR premiums for desired outcomes
- Implement design guidelines
- Create downtown overlay zones to maintain specific characteristics of the respective neighborhoods
- Draw national and regional retailers that compliment the existing retail mix (Recommended Policy Framework for Downtown Ann Arbor)¹⁶

As trend-setting retailers and thematic restaurants aim to expand, Ann Arbor presents an attractive opportunity. The mixed-use setting, various price ranges and layout of Washington Square will allow us to rent at our asking price, while enabling us to profit from the increasing demand of downtown living. We will ultimately become a staple for the downtown area, while making a positive impact and contribution to the community.

STAKEHOLDER ANALYSIS



Ponce de Leon Family - The Ponce de Leon family owns the parcels on the corner of Washington & Ashley (vacant) and a two-story office building on First & Liberty.

The City approved a site plan for the site at Washington & Ashley, but the small size of the parcel and an easement held by Downtown Home and Garden made the project cost-prohibitive. The easement will continue to cause problems until

¹⁶ Draft "Recommended Policy Framework for Downtown Ann Arbor". Calthorpe & Associations. December 5, 2005.



Washington Square



Downtown Home and Garden no longer needs egress at the back of their structure unless an archway spans the driveway. Dax Ponce de Leon values the Washington & Ashley site at around \$750,000 and \$1,500,000 for the First & Liberty site. He states that they will be reluctant to sell the property and therefore will likely have to be included as a partner in the project.¹⁷ Possible scenarios to develop the Ponce de Leon property(s) include:

- Purchasing air rights for the residential portion of the project
- Including the Ponce de Leon's as equity partners in the project
- Purchasing the property after further negotiations.

The City of Ann Arbor - The City does not stand to directly benefit from the development through tax revenues onsite, since the DDA TIF captures all additional taxes above the baseline amount of 1984. However, the site has the potential to meet several community goals including greater numbers of affordable units within the city, reduced run-off into Allen's Creek, reduce suburban sprawl, and strengthened retail activity downtown at the street-level. Washington Square will also create the ancillary impact of increasing property values nearby, both within the DDA boundary and in the nearby Old West Side.

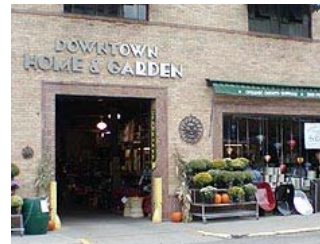
DDA - The DDA will regain vital public parking spaces and an increase in tax-revenues from the project. Although some restaurants and stores in the vicinity will likely experience some competition, Washington Square should

produce a net economic gain by the additional residents downtown and regional retail attractions. Per the required public parking spaces in the RFP, the DDA will purchase the public parking spaces.



Blind Pig and Millennium Club – Since the Blind Pig and Millennium Club are owner-occupied, rises in property value created by Washington Square should not adversely impact the entertainment venues in the near-term (assuming minimized construction

nuisances). However, the design and proposed retail uses could potentially be a boon or major hindrance to their business. The proposed retail uses of Washington Square try to complement and expand on the concept of an entertainment destination. While Washington Square caters to a slightly different market, the two do not necessarily conflict.



Downtown Home and Garden – Mark Hodesh has owned Downtown Home and Garden for over 30 years. He wants to see more retail on the site of first and Washington, including the possibility of national chains. He believes 8 to 10 stories is an appropriate height for the site and wants to see moderate income housing onsite. Although the

issue does not directly impact his business, most businesses are adversely impacted by the lack of public parking or quality public transportation. Of greatest

¹⁷ Conversation with Dax Ponce de Leon



Washington Square



potential impact to the First and Washington site, and the Ashley and Washington site, he does not foresee releasing the easement held on the Ponce de Leon parcel because it would adversely affect egress from his business, even with the straightening-out of the alley.¹⁸ Long-term, he plans to redevelop his site to a more intensive-use when market-conditions can support it.

Old West Side Neighbors - Historically, the biggest political opposition to new development on the west side of downtown has come from anti-growth residents in Ann Arbor's Old West Side concerned about traffic congestion, environmental impacts in the Allen's Creekshed, and blocking or altering views and daylight. However, opinions range widely within the Old West Side, and the recent Calthorpe events suggest that many individuals within the area are generally more concerned about quality design than height and density per se.¹⁹

DESIGN & CONSTRUCTION



The physical design of a building is often the difference between whether or not the project is accepted by the City and local parties. A pleasing architectural proposal can also help sell-out the rentable spaces faster. This particular design must satisfy a variety of interests and concerns including:

- Create residential units that are appealing but will sell for a modest price
- Create retail units that are easily accessible and have desirable street-frontage
- Link First Street to Ashley

¹⁸ Conversation with Mark Hodesh

¹⁹ Christine Bummer, president of the Old West Side Neighborhood Association. A.A. News, December 4, 2005.



Washington Square



- Expand the concept of an entertainment district at First Street.
- Create a façade that is pleasing to everyone, but especially the Old West Side residents.
- Compliment the future height and massing of the building that will be on the First Martin property
- Meet the requirements of the City's RFP, including parking
- Use a fast, economical and sustainable construction method
- Create an environmentally friendly and healthy building

Residential Affordability

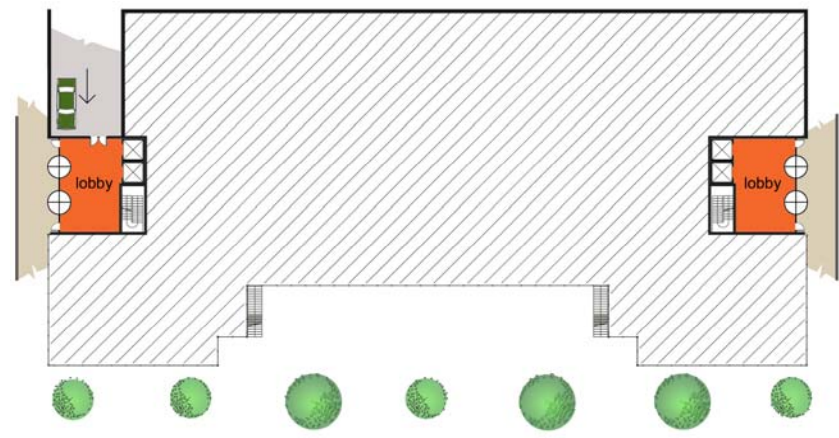
The architectural desirability of residential units is determined by layout and the quality of day-lighting and views. With an open floor plan and bright space, size can be overlooked. Because Washington Square caters to moderate-income residents, the typical unit size is 875 sq.ft. (shown right).

The main space (orange) has a floor-to-ceiling glass curtain-wall. A light shelf is used to further bounce light into the room. The private space (purple) has an ample-sized window in the brick façade. The quality of material finishes is also



TYPICAL CONDO FLOOR PLAN
Unit Size in Square Feet

important. In Washington Square, material concerns are chosen by their environmental, low-emissive and non-resin nature. This will be discussed in the LEED section. Above is a typical condo floor plan with square footages. Below is the access to the units from Washington, Liberty and the parking elevator.



LOBBY ENTRIES (1.5 FLOOR)

W I V A



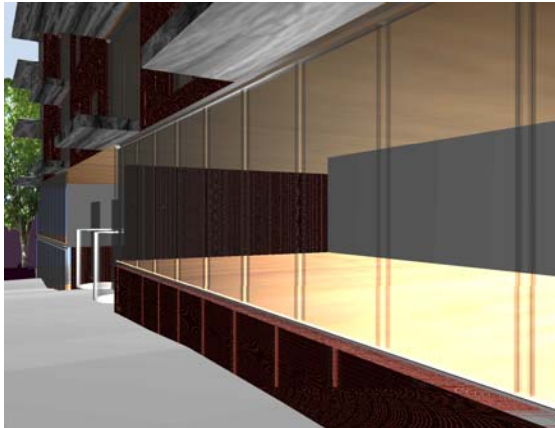
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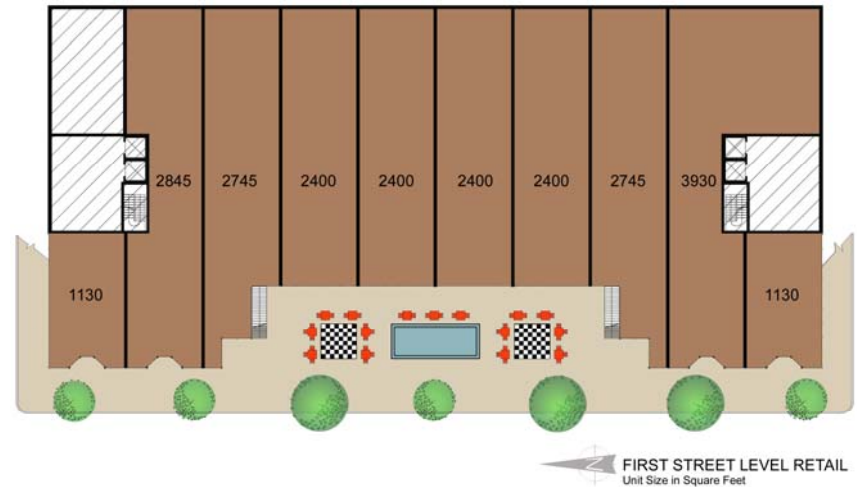
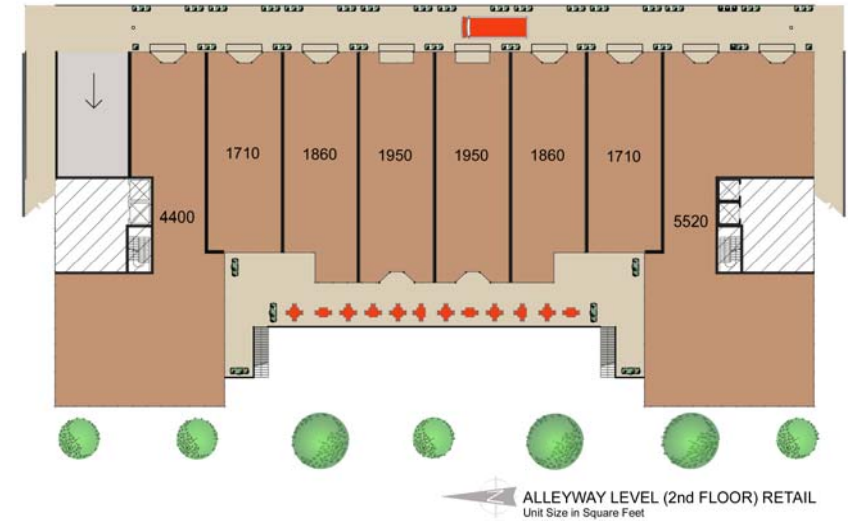
Maximizing retail

The key to retail success is street visibility and access. Because it is important to enhance the entertainment district on First Street and address Washington and Liberty as links from Ashley, a strong retail presence was created on all four sides of the building.

A challenge with this site is the 10 foot slope from the alley to First Street. This challenge turns out to be an advantage as the slope allows two floors of retail. As pedestrians walk along Washington or Liberty down the hill, they see one level of retail at the top and two levels of retail as they approach First Street (see rendering).



This grade change also allows retail on all four sides of the building. By beautifying the alleyway and creating a pedestrian-friendly environment, both floors of retail have grade access. The alley will be closed to traffic during store-hours and opened to deliveries at all other times. The lower level retail is accessed at grade on First Street (see lower plan). The second level is accessed by a small ramp or a few steps up from the alley grade level (see upper plan). The second level can also be accessed by stairs in the First Street atrium space.





Washington Square



The intent with facing the atrium towards First Street is to maximize the entertainment area. The first level atrium and second level walkway may double as outdoor seating for restaurants and bars (see rendering). Because the space is inset from the road, it is a more pleasant area to relax than along the highly trafficked First Street. A jumping water fountain and two large chess sets are added to entice passer-bys to stop, and create a fun environment for patrons. A glass canopy can be seen over the retail to limit noise disturbance to the residential units above, and allow the space to be used when raining.

Ashley and Washington property at this time, a proposal to best link Ashley to First is a corner building with pedestrian access through it to the alley. This would provide another option for pedestrians to move through the retail areas.

Façade

The building's façade must be sensitive to the existing downtown fabric, but also have a character of its own. Glass and redbrick are used in keeping with the surrounding context. However, the building does not attempt to mimic the ornamental stylings of the old buildings. Also, solid glass curtain walls both in the residential units and on the retail levels create a modern, airy feeling from both inside and out.

Building Massing



The building massing was created to maximize the FAR, take advantage of the downward slope and edge-of-downtown location, compliment the future First Martin property proposal, and create an entertainment/residential light court on the western exposure.

WIVA, Inc. anticipates greater acceptance of density downtown following the recent recommendations by Calthorpe & Associates. The proposal recommended an allowance of 6.6 as-of-right at the First and Washington site with FAR bonuses when including community goals as referenced in the chart on the next page. The WIVA proposal is currently 9-stories and has an FAR of 7.48. Some residential opposition is expected, but the area business-owners are generally in favor of an 8-10 story structure and City



Despite the fact that a deal was not reached with Ponce de Leon regarding his



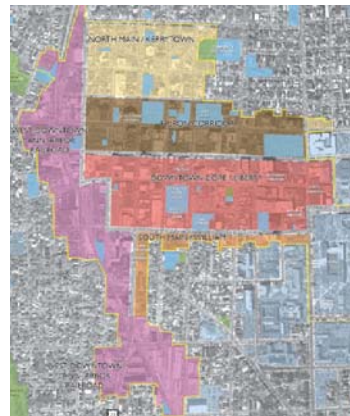
Washington Square



administration seem to becoming more accepting of the larger massing. Furthermore, the lower grade level at the western edge of downtown will lessen the impact on the Ann Arbor skyline. The map shows the FAR proposed bonuses. Goals reached by Washington Square are highlighted in blue.

The system actually reduces cost because one level of underground parking was eliminated. WIVA will sell back 160 spaces to the DDA at the reduced cost, plus a developer's fee, with the assumption that they agree to pay for the increased operating expenses of the system.

Community Goal	Estimated FAR Bonus
Affordable Housing (10%)	100%
Ground Floor Retail	100%
Open Space	50%
Tower Design	100%
Trans.f.er of Development Rights	200%
Underground Parking	100%



Parking

The development will include 197 underground parking spaces using an innovative technique seen in only 3 developments in the United States today. Cars will be stacked and shuffled with a robotic system that allows cars to be packed two times as densely as normal parking spaces. SpaceSaver Parking of Chicago provides the system for about \$20,000 per stall in addition to the hard cost of the underground structure.²⁰

Compared on the next page is the underground parking structure plan versus the parking elevator plan for the Washington Square site.

Since Washington Places targets young professionals in the Ann Arbor area, WIVA will sell the remaining parking spaces separately from the condominiums. Other owners will have the option of renting DDA-owned spaces within the building or forgoing car ownership all together. Residents will receive a bicycle and a monthly transit pass to encourage alternative modes of transportation. The GetDowntown program targets costs riders \$5/month. As stated by Peter Allen, the bike is

²⁰ <http://www.spacesaverparking.com/projects/automaticparkingdebut>



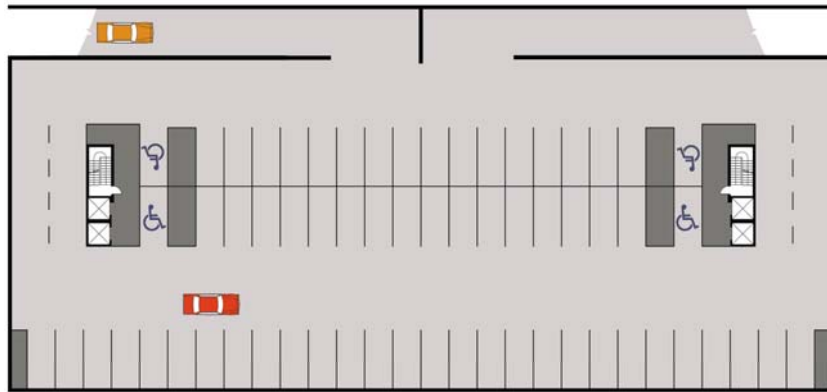
Washington Square



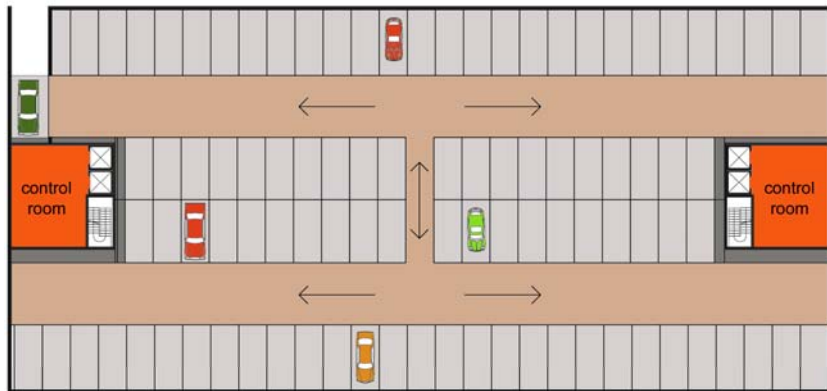
largely a symbolic gesture to demonstrate our market niche of young, active, urban residents.



The success of the reduced parking spaces will hinge primarily on the neighborhood car rental concept. Zipcar, a nationwide neighborhood car rental company, expresses interest in expanding into denser areas of economically growing communities. Through client analysis, one Zipcar has been found to eliminate 7 to 10 privately-owned cars in its markets, by giving people the ability to not own a car by have the convenience to use one when needed.²¹ Cars are placed in strategic locations around the city for maximum convenience and developers can subsidize the operating costs to allow a Zipcar at their location. Clients make reservations online or by phone and open the vehicle by a credit card-sized identification. Prices range from \$8-\$10/hr and include gas and insurance. Car-sharing was also cited in the Calthorpe recommendations as a method to reduce the demand of parking.²² The People's Co-Op of Ann Arbor also runs a car-share program that currently has 5 cars within the City. They estimate that one car support 12 separate users 95% of the time.²³



UNDERGROUND PARKING STRUCTURE PLAN



UNDERGROUND PARKING ELEVATOR PLAN

²¹ www.zipcar.com

²² Draft "Recommended Policy Framework for Downtown Ann Arbor". Calthorpe & Associates. December 5, 2005. p. 47

²³ <http://www.a2c3.org/>

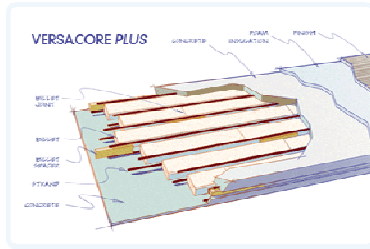


Washington Square



Construction

The construction of the building will be entirely pre-fabricated concrete panels. It is a fast, economical method of construction. These panels are highly insulating and durable as rigid foam insulation can be sandwiched in-between the concrete. They come in different thickness and can be used for both interior and exterior walls.²⁴



As shown in the following photos of a hotel in Detroit, the entire structure can be erected in less than a month.²⁵



The panels are mass-produced in the factory and include any window or door specifications. All concrete will include fly-ash, a by-product of coal burning, as recommended by LEED. They are then shipped to the site on flatbed trucks. For economic and environmental reasons, the fabrication plant must be close to

the site. Also, LEED awards points towards certification for using nearby resources. Two manufactures have been found: Kerkstra/ Spancrete is located in Jenison, Michigan and Fabcon is located in Camel, Indiana; Allentown, Pennsylvania; and Grove City, Ohio.

Building Green

Green buildings use resources such as energy more efficiently than standard buildings. Healthier working and living environments are created with more natural light, less toxic chemicals, and cleaner air. Studies have shown occupant health, comfort, and productivity to increase. Although the initial cost to developers is greater, long-term operating costs are less. Since green design components can widely range in price and scale, it is difficult to determine an overall construction percentage increase. It is accepted that greening adds 4%-11% to a project's construction cost, roughly corresponding to the level of LEED certification received.²⁶ Sustainability fits well with the overall image of Ann Arbor, and WIVA believes that this large building will be more accepted, and the units will sell faster with the certification.

LEED - stands for Leadership in Energy and Environmental Design. LEED is sponsored by the U.S. Green Building Council and is voluntary, consensus-based national standard for developing sustainable buildings. Many cities in the U.S. are adopting LEED standards, and even requiring certification for buildings over a certain number of gross square feet. WIVA will obtain a gold standard which requires 39-51 points out of 69 points possible.

²⁴ www.fabcon-usa.com

²⁵ www.kerkstra.com

²⁶ Analyzing the Cost of Obtaining LEED Certification, The American Chemistry Council, April 6, 2003



Washington Square



Green Features

- Pressed-straw cabinets and woodwork, similar to particle board but without the toxic-resins
- Low-emissive adhesives, sealants, paints, carpet, and wood composites
- Fly-ash, a coal by-product, in concrete
- Local and regional materials
- Low-flush toilets
- Rooftop chiller to cool water for air-conditioning
- Ventilation effectiveness
- Environmental controls
- Light-shelves in residences and retail
- Solar-powered lights in outdoor common spaces
- Above-code insulation
- Bikes for all residents
- Monthly transit passes for all residents
- Rental cars available to residents
- Underground parking to reduce heat island effect
- Green roof to reduce heat island effect and storm water management
- Parking capacity meets but not exceeds local requirements
- Reduced building footprint with atrium
- Light pollution reduction by carefully aiming and covering lights

Project Checklist

Sustainable Sites		14 Possible Points
<input checked="" type="checkbox"/>	Prereq 1 Erosion & Sedimentation Control	Required
<input checked="" type="checkbox"/>	Credit 1 Site Selection	1
<input type="checkbox"/>	Credit 2 Urban Redevelopment	1
<input type="checkbox"/>	Credit 3 Brownfield Redevelopment	1
<input checked="" type="checkbox"/>	Credit 4.1 Alternative Transportation, Public Transportation Access	1
<input checked="" type="checkbox"/>	Credit 4.2 Alternative Transportation, Bicycle Storage & Changing Rooms	1
<input checked="" type="checkbox"/>	Credit 4.3 Alternative Transportation, Alternative Fuel Vehicles	1
<input checked="" type="checkbox"/>	Credit 4.4 Alternative Transportation, Parking Capacity	1
<input checked="" type="checkbox"/>	Credit 5.1 Reduced Site Disturbance, Protect or Restore Open Space	1
<input checked="" type="checkbox"/>	Credit 5.2 Reduced Site Disturbance, Development Footprint	1
<input checked="" type="checkbox"/>	Credit 6.1 Stormwater Management, Rate and Quantity	1
<input checked="" type="checkbox"/>	Credit 6.2 Stormwater Management, Treatment	1
<input checked="" type="checkbox"/>	Credit 7.1 Heat Island Effect, non-Roof	1
<input checked="" type="checkbox"/>	Credit 7.2 Heat Island Effect, Roof	1
<input checked="" type="checkbox"/>	Credit 8 Light Pollution Reduction	1
Water Efficiency		5 Possible Points
<input checked="" type="checkbox"/>	Credit 1.1 Water Efficient Landscaping, Reduce by 50%	1
<input type="checkbox"/>	Credit 1.2 Water Efficient Landscaping, No Possible Use or No Irrigation	1
<input type="checkbox"/>	Credit 2 Innovative Wastewater Technologies	1
<input checked="" type="checkbox"/>	Credit 3.1 Water Use Reduction, 20% Reduction	1
<input checked="" type="checkbox"/>	Credit 3.2 Water Use Reduction, 30% Reduction	1
Energy & Atmosphere		17 Possible Points
<input checked="" type="checkbox"/>	Prereq 1 Fundamental Building Systems Commissioning	Required
<input checked="" type="checkbox"/>	Prereq 2 Minimum Energy Performance	Required
<input checked="" type="checkbox"/>	Prereq 3 CFC Reduction in HVAC&R Equipment	Required
<input checked="" type="checkbox"/>	Credit 1 Optimize Energy Performance	1-10
<input type="checkbox"/>	Credit 2.1 Renewable Energy, 5%	1
<input checked="" type="checkbox"/>	Credit 2.2 Renewable Energy, 10%	1
<input type="checkbox"/>	Credit 2.3 Renewable Energy, 20%	1
<input type="checkbox"/>	Credit 3 Additional Commissioning	1
<input checked="" type="checkbox"/>	Credit 4 Ozone Depletion	1
<input type="checkbox"/>	Credit 5 Measurement & Verification	1
<input type="checkbox"/>	Credit 6 Green Power	1

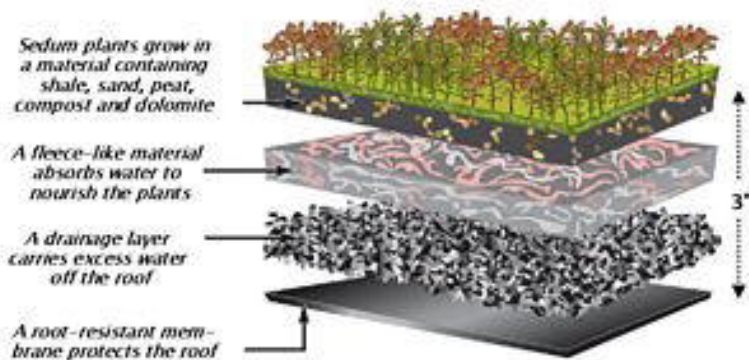
Materials & Resources		13 Possible Points
<input checked="" type="checkbox"/>	Prereq 1 Storage & Collection of Recyclables	Required
<input type="checkbox"/>	Credit 1.1 Building Reuse, Maintain 75% of Existing Shell	1
<input type="checkbox"/>	Credit 1.2 Building Reuse, Maintain 100% of Shell	1
<input type="checkbox"/>	Credit 1.3 Building Reuse, Maintain 100% Shell & 50% Non-Shell	1
<input checked="" type="checkbox"/>	Credit 2.1 Construction Waste Management, Divert 50%	1
<input checked="" type="checkbox"/>	Credit 2.2 Construction Waste Management, Divert 75%	1
<input type="checkbox"/>	Credit 3.1 Resource Reuse, Specify 5%	1
<input type="checkbox"/>	Credit 3.2 Resource Reuse, Specify 10%	1
<input checked="" type="checkbox"/>	Credit 4.1 Recycled Content, Specify 5% (p.c. + 1/2 p.l.)	1
<input checked="" type="checkbox"/>	Credit 4.2 Recycled Content, Specify 10% (p.c. + 1/2 p.l.)	1
<input checked="" type="checkbox"/>	Credit 5.1 Local/Regional Materials, 20% Manufactured Locally	1
<input checked="" type="checkbox"/>	Credit 5.2 Local/Regional Materials, of 20% in MRCS, 50% Harvested Locally	1
<input checked="" type="checkbox"/>	Credit 6 Rapidly Renewable Materials	1
<input checked="" type="checkbox"/>	Credit 7 Certified Wood	1
Indoor Environmental Quality		15 Possible Points
<input checked="" type="checkbox"/>	Prereq 1 Minimum IAQ Performance	Required
<input checked="" type="checkbox"/>	Prereq 2 Environmental Tobacco Smoke (ETS) Control	Required
<input checked="" type="checkbox"/>	Credit 1 Carbon Dioxide (CO ₂) Monitoring	1
<input checked="" type="checkbox"/>	Credit 2 Ventilation Effectiveness	1
<input checked="" type="checkbox"/>	Credit 3.1 Construction IAQ Management Plan, During Construction	1
<input checked="" type="checkbox"/>	Credit 3.2 Construction IAQ Management Plan, Before Occupancy	1
<input checked="" type="checkbox"/>	Credit 4.1 Low-Emitting Materials, Adhesives & Sealants	1
<input checked="" type="checkbox"/>	Credit 4.2 Low-Emitting Materials, Paints	1
<input checked="" type="checkbox"/>	Credit 4.3 Low-Emitting Materials, Carpet	1
<input checked="" type="checkbox"/>	Credit 4.4 Low-Emitting Materials, Composite Wood	1
<input checked="" type="checkbox"/>	Credit 5 Indoor Chemical & Pollutant Source Control	1
<input checked="" type="checkbox"/>	Credit 6.1 Controllability of Systems, Perimeter	1
<input checked="" type="checkbox"/>	Credit 6.2 Controllability of Systems, Non-Perimeter	1
<input checked="" type="checkbox"/>	Credit 7.1 Thermal Comfort, Comply with ASHRAE 55-1992	1
<input checked="" type="checkbox"/>	Credit 7.2 Thermal Comfort, Permanent Monitoring System	1
<input checked="" type="checkbox"/>	Credit 8.1 Daylight & Views, Daylight 75% of Spaces	1
<input checked="" type="checkbox"/>	Credit 8.2 Daylight & Views, Views for 90% of Spaces	1
Innovation & Design Process		5 Possible Points
<input checked="" type="checkbox"/>	Credit 1.1 Innovation in Design	1
<input checked="" type="checkbox"/>	Credit 1.2 Innovation in Design	1
<input type="checkbox"/>	Credit 1.3 Innovation in Design	1
<input type="checkbox"/>	Credit 1.4 Innovation in Design	1
<input type="checkbox"/>	Credit 2 LEED™ Accredited Professional	1
Project Totals		69 Possible Points
<input type="checkbox"/>	Certified 26-32 points	Silver 33-38 points
<input type="checkbox"/>	Gold 39-51 points	Platinum 52-69 points

Green Roof - Not only does the roof improve storm water management, energy efficiency, air quality and the urban ecology, it is also a place for residents. Plant size and selection depends on the depth of the roof, planting medium and local climate, but the plants are almost always drought tolerant. WIVA Development will use extensive green roofs ranging from as little as 1 to 5 inches in soil depth.

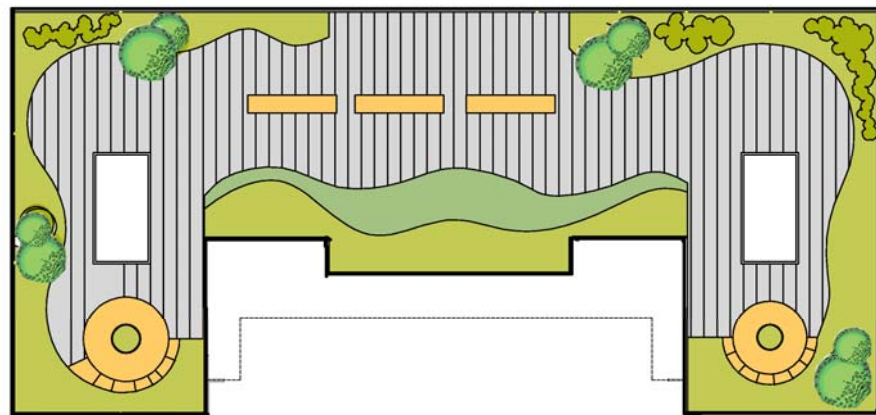




Washington Square



Depending on the soil depth and type of substrate, loads can vary from 15 lbs/s.f. to 50 lbs/s.f. As green roofs are not usually designed for public use, walkways and public areas have been planned into the Washington Square roof for residents.



GREEN ROOF PLAN

LEGAL ANALYSIS

The City chose our company for the development of the First and Washington site through an RFP process. As stipulated by the RFP, we provided sufficient public parking and affordable housing units as well as expanded on the current uses adjoining the site.

The City lot provided insufficient area to create an economically viable project when combined with the City requirements. Therefore, the adjoining lot on First and Liberty was purchased from the Ponce de Leon family to allow for ample public parking. The City currently has both lots zoned as C2B, with approved FAR of 200%, but with non-urban front setbacks of 40 feet. However, City Council would likely rezone the project site as a PUD as long as the minimum 15% affordable housing, public parking was provided per the RFP, and the massing did not overwhelm the neighborhood.²⁷

Ponce de Leon will be reluctant to sell the property and therefore will likely have to be included as a project in the project. Possible scenarios include purchasing the air rights for the residential portion of the project or developing the project jointly with the Ponce de Leon's.

²⁷ Analyzing the Cost of Obtaining LEED Certification, The American Chemistry Council, April 6, 2003



Washington Square



FINANCIAL ANALYSIS

WIVA plans on including Ponce de Leon as an equity partner so the \$1.5 million it requires to acquire the land will be included in the deal. The anticipated tax credit is \$2,859,956 due to making 15% of the total residential units 50% below the area median income (ami). We assume that Ponce de Leon would come in as an equity investor at 25%. Additionally, the public parking will be sold back to the city at cost plus a 10% fee. Further negotiations and research would need to be done with this family in order to confirm this assumption. The remainder of the financing necessary to finish the project would come from private investors and institutional lenders.

From a realistic perspective, this development's projected total IRR is 16% with an approximate NPV of \$6,759,993 after the end of the first year. Construction contingencies are included in the overall financial analysis in an effort to cover any unexpected occurrences during the construction phases of the project. Following are key financial measures used in analyzing this project.

The price per square foot of the residential condos was derived from benchmarking analyses and market research and varies from \$320 to \$460 per square foot – including retail.

Low Income Tax Credits	
Residential Dev Cost	\$20,743,438
Less Land Cost	\$3,840,624
Eligible Basis	\$16,902,814
% of Affordable Units	20%
Qualified Basis	\$3,380,563
Applicable Credit %	9%
Annual Credit	\$304,251
Period of Credit	10
Total Credit for 10 yrs	\$3,042,507
Going rate of syndicated credits (on the \$)	0.94
\$ received for affordable units	\$2,859,956

20% of units must be affordable	
Total Land Cost	4186742
Gross s.f	175517
Gross residential s.f.	161007
Residential land cost	3840624



Washington Square



PRO FORMA SUMMARY

	<u>Pessimistic</u>	<u>Realistic</u>	<u>Optimistic</u>
Gross sales			
income	\$51,637,536	\$52,297,640	\$57,527,404
Land cost	\$4,605,416	\$4,186,742	\$3,977,405
Sitework cost	\$772,728	\$702,480	\$632,232
Building cost	\$25,974,002	\$23,612,729	\$21,251,456
Soft cost	\$6,069,675	\$5,517,887	\$5,038,675
Pre const holding costs	\$887,520	\$653,721	\$485,387
Construction Financing			
costs	\$2,843,868	\$1,880,243	\$1,155,417
Sales Financing			
Costs	\$2,263,427	\$913,845	\$366,081
Sales commission / closing			
costs	\$6,950,676	\$3,563,338	\$1,877,669
GROSS PROFIT /			
(LOSS)	\$1,270,224	\$11,266,656	\$22,743,081
Tax Expense (Shield) [34%]	\$431,876	\$3,830,663	\$7,732,647
Tax Credits		\$2,859,956	
NET INCOME /			
(LOSS)	\$838,348	\$7,435,993	\$15,010,433
(Profitl %)	1.66%	18.12%	43.15%
(Ave Land cost /			
unit)	\$27,577	\$25,070	\$23,817
(Total Construction (Hard)			
costs)	\$31,352,146	\$28,501,951	\$25,861,093
(Total project costs)	\$50,367,312	\$41,030,984	\$34,784,323

FINANCIAL RETURNS

	<u>Pessimistic</u>	<u>Realistic</u>	<u>Optimistic</u>
Total Costs	\$50,367,312	\$41,030,984	\$34,784,323
Total Profits	\$838,348	\$7,435,993	\$15,010,433
Discount			
Rate	12%	10%	8%
NPV	\$748,524.86	\$6,759,993.33	\$13,898,549.41
IRR	1%	16%	40%

Risks

- Decreased or oscillating market demand for the types of residential units constructing, which could be a factor or employment and shifts in preferences in terms of size and amenities
- Limited resources from a financial and human perspective of the contractors which often result from over-committing to other projects or underestimating on the amount of time to complete the project. This can hinder the time it takes to move in tenants and require the developer to put forth extra funds
- Market conditions such as inflation and a spike in interest rates

Overall, Washington Square is projected to cost approximately \$41 million and bring in 18% profit for the developer.



Washington Square



Smart Napkin

LAND COST ASSUMPTIONS

	Pessimistic	Realistic	Optimistic
Land Cost	\$4,605,416	\$4,186,742	\$3,977,405
Land Area in sf	29600	29600	29600
Land Area in Acres	0.73	0.73	0.73

FINANCIAL ASSUMPTIONS

	Pessimistic	Realistic	Optimistic
Interest Rate	5.50%	5.00%	4.50%
Pre const land holding duration - months	3.8	3	2.3
Construction duration - months	22.5	18.0	13.5
Months to sell after construction	12.0	6.0	3.0

CONSTRUCTION (HARD) COST ASSUMPTIONS

	Pessimistic	Realistic	Optimistic
Demolition	\$356,048	\$323,680	\$291,312
Clearing	\$0	\$0	\$0
Utilities	\$284,900	\$259,000	\$233,100
Landscaping	\$82,500	\$75,000	\$67,500
Paving (% of lot cover) 35%	\$49,280	\$44,800	\$40,320
Retail Stores	\$1,279,363	\$1,163,057	\$1,046,751
Restaurants	\$2,102,993	\$1,911,812	\$1,720,631

GENERAL SALES DATA

	Pessimistic	Realistic	Optimistic
Sales Commissions (%) 3%	\$6,806,676	\$3,403,338	\$1,701,669
Closing Costs	\$57,600	\$64,000	\$70,400
Title - Recording	\$86,400	\$96,000	\$105,600

UNIT DATA

Description	SF/Unit	# of Units	Total SF
A	665	16	10,640
A+	665	12	7,980
B	800	8	6,400
B+	800	6	4,800
C	875	28	24,500
C+	875	21	18,375
D	1,000	8	8,000
D+	1,000	6	6,000
E	1,030	8	8,240
E+	1,030	6	6,180
F	1,060	8	8,480
F+	1,060	6	6,360
G	1,080	8	8,640
G+	1,080	6	6,480
H	1,138	8	9,104
H+	1,138	6	6,828
Retail - I	3,860	4	15,440
Restaurant - J	6,535	2	13,070

SOFT COST ASSUMPTIONS

	Pessimistic	Realistic	Optimistic
Contract Project Management Fee	\$800,337	\$727,579	\$654,821
Survey	\$5,500	\$5,000	\$4,500
Soil Investigation	\$33,000	\$30,000	\$27,000
Site Engineering	\$1,558,440	\$1,416,764	\$1,275,087
Architectural (% of Const) 6.0%	\$1,746,191	\$1,587,446	\$1,428,701
Environmental	\$0	\$0	\$0
Legal	\$82,500	\$75,000	\$67,500
Insurance	\$55,000	\$50,000	\$45,000
Prop taxes/year (mil rate) 15	\$16,595	\$15,086	\$13,577
Permits / fees	\$175,424	\$159,476	\$143,528
Construction Contingency	\$1,596,689.60	\$1,451,536	\$1,378,959.20

TOTALS 167 175,517



Washington Square



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Discount Rate	12%	10%	8%
NPV	\$748,524.86	\$6,759,993.33	\$13,898,549.41
IRR	1%	16%	40%

	Pessimistic	Realistic	Optimistic
Sales Price Per sf - Unit A	\$288	\$320	\$352
Sales Price Per sf - Unit A+	\$293	\$325	\$358
Sales Price Per sf - Unit B	\$306	\$340	\$374
Sales Price Per sf - Unit B+	\$311	\$345	\$380
Sales Price Per sf - Unit C	\$315	\$350	\$385
Sales Price Per sf - Unit C+	\$324	\$360	\$396
Sales Price Per sf - Unit D	\$338	\$375	\$413
Sales Price Per sf - Unit D+	\$342	\$380	\$418
Sales Price Per sf - Unit E	\$351	\$390	\$429
Sales Price Per sf - Unit E+	\$356	\$395	\$435
Sales Price Per sf - Unit F	\$360	\$400	\$440
Sales Price Per sf - Unit F+	\$369	\$410	\$451
Sales Price Per sf - Unit G	\$378	\$420	\$462
Sales Price Per sf - Unit G+	\$383	\$425	\$468
Sales Price Per sf - Unit H	\$392	\$435	\$479
Sales Price Per sf - Unit H+	\$401	\$445	\$490
Sales Price Per sf - Unit I	\$410	\$455	\$501
Sales Price Per sf - Unit J	\$414	\$460	\$506

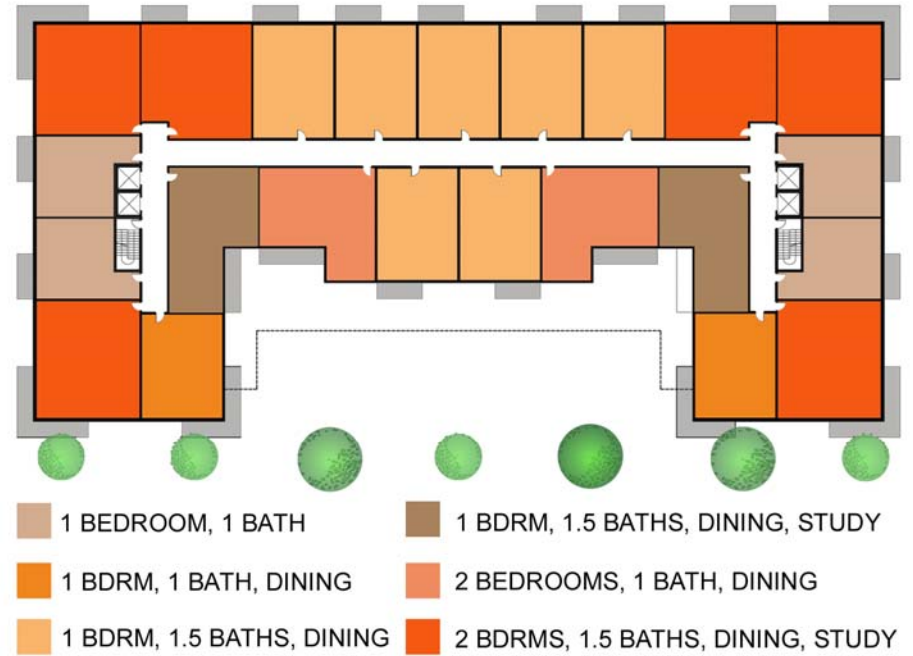
	Pessimistic	Realistic	Optimistic
AVE PRICE / SF	\$352	\$391	\$430
Sales Price Per Unit A	\$191,520	\$212,800	\$234,080
Sales Price Per Unit A+	\$194,513	\$216,125	\$237,738
Sales Price Per Unit B	\$244,800	\$272,000	\$299,200
Sales Price Per Unit B+	\$248,400	\$276,000	\$303,600
Sales Price Per Unit C	\$275,625	\$306,250	\$336,875
Sales Price Per Unit C+	\$283,500	\$315,000	\$346,500
Sales Price Per Unit D	\$337,500	\$375,000	\$412,500
Sales Price Per Unit D+	\$342,000	\$380,000	\$418,000
Sales Price Per Unit E	\$361,530	\$401,700	\$441,870
Sales Price Per Unit E+	\$366,165	\$406,850	\$447,535
Sales Price Per Unit F	\$381,600	\$424,000	\$466,400
Sales Price Per Unit F+	\$391,140	\$434,600	\$478,060
Sales Price Per Unit G	\$408,240	\$453,600	\$498,960
Sales Price Per Unit G+	\$413,100	\$459,000	\$504,900
Sales Price Per Unit H	\$445,527	\$495,030	\$544,533
Sales Price Per Unit H+	\$455,769	\$506,410	\$557,051
Sales Price Per Unit I	\$1,580,670	\$1,756,300	\$1,931,930
Sales Price Per Unit J	\$2,705,490	\$3,006,100	\$3,306,710
AVE PRICE / UNIT	\$325,677	\$361,864	\$398,050



Washington Square



Total sales - Unit A	\$3,064,320	\$3,404,800	\$3,745,280
Total sales - Unit A+	\$2,334,150	\$2,593,500	\$2,852,850
Total sales - Unit B	\$1,958,400	\$2,176,000	\$2,393,600
Total sales - Unit B+	\$1,490,400	\$1,656,000	\$1,821,600
Total sales - Unit C	\$1,653,750	\$8,575,000	\$9,432,500
Total sales - Unit C+	\$5,953,500	\$6,615,000	\$7,276,500
Total sales - Unit D	\$9,450,000	\$3,000,000	\$3,300,000
Total sales - Unit D+	\$2,052,000	\$2,280,000	\$2,508,000
Total sales - Unit E	\$7,592,130	\$3,213,600	\$3,534,960
Total sales - Unit E+	\$2,196,990	\$2,441,100	\$2,685,210
Total sales - Unit F	\$3,052,800	\$3,392,000	\$3,731,200
Total sales - Unit F+	\$2,346,840	\$2,607,600	\$2,868,360
Total sales - Unit G	\$2,449,440	\$3,628,800	\$3,991,680
Total sales - Unit G+	\$2,478,600	\$2,754,000	\$3,029,400
Total sales - Unit H	\$3,564,216	\$3,960,240	\$4,356,264
Total sales - Unit H+	\$2,734,614	\$3,038,460	\$3,342,306
Total sales - Unit I	\$6,322,680	\$7,025,200	\$7,727,720
Total sales - Unit J	\$5,410,980	\$6,012,200	\$6,613,420
TOTAL SALES	\$51,637,536	\$52,297,640	\$57,527,404



Affordable housing

The RFP stipulates that 15% of residential units must be affordable to those making 60% of the Area Median Income (AMI). WIVA believes that the long-term economic and social viability of downtown Ann Arbor will best be served if residential opportunities exist for individuals of a wide range of incomes. Calthorpe recommended 10% units marked affordable as a more feasible requirement. However, WIVA will provide 20% of units to those in the 50-60% AMI range in



Washington Square



order to receive Low Income Housing Tax Credits (LIHTC). The tax credits stipulate that units remain affordable for 18 years, when they may be sold at market rate.

CONCLUSION

WIVA is convinced this is a solid, and economically viable solution that will tie the area together and reinforce its character. Although every large building in downtown Ann Arbor will receive criticism, we believe that a building with these many positive characteristics will outweigh the opposition.

Table 3:

	Income (1 person)	Rent	Income (4 person)	Rent
Area Median Income (AMI)	\$54,400	\$1,360	\$77,700	\$1,943
Low Income (50% AMI)	\$27,700	\$680	\$38,850	\$971

