

An architectural rendering of a modern urban development. The central focus is a large, multi-story building with a glass and metal facade, featuring a prominent corner with a glass tower. The building has several levels with greenery and walkways. In the background, a tall, slender skyscraper with a blue glass facade rises against a clear sky. To the left, a brick building with arched windows is visible. The foreground shows a busy street with pedestrians, cars, and a bus. Street signs for 'Woodward' and 'Grand Street' are visible. The overall scene is a vibrant, modern city environment.

HUDSON'S SITE

NEIGHBORHOOD ADVISORY COUNCIL
UPDATE

NOVEMBER 2018

HUDSON'S SITE NAC UPDATE

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INTRODUCTION AND WHY WE'RE HERE

DESIGN AND PROGRAM UPDATES

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NEXT STEPS

Q & A

CBO OVERVIEW

Review

Per the Community Benefits Ordinance, the Planning Director shall facilitate at least one meeting per calendar year between the NAC and the Developer to discuss the status of the Tier 1 project for the time period identified in the Community Benefits provision.

For the full Community Benefits Ordinance text, please see the Planning Department's website:

detroitmi.gov/cbo

DESIGN AND PROGRAM UPDATES

PROJECT OVERVIEW

INTRODUCTION

TEAM Bedrock
SHoP
Hamilton Anderson Associates
Barton Malow Construction

SITE 2.1 acres

BUILDING PROGRAM¹ 251,000 sq ft Residential
501,000 sq ft Hotel
77,000 sq ft Exhibition
343,000 sq ft Office
185,000 sq ft Event
73,000 sq ft Retail

ZONING B5 / Major Business District

HISTORIC DISTRICTS Lower Woodward Ave Historic District
NRHP #99000051
Detroit City Code Sec. 25-2-139

¹Excludes Parking, Loading, and Service





URBAN STRATEGY

meridian

HUDSON'S SITE UPDATE
ISSUED BY BEDROCK // 2018

6 to 58

URBAN STRATEGY

DESIGN PRIORITIES

LINK

In addition to filling the most significant urban voids along the Woodward corridor, connect the dense retail experience of Woodward Avenue and the burgeoning arts and culture district of Library Square.

INTEGRATE

Design the development to create unique urban experiences that relate to other public destinations such as the Shinola Hotel, Skillman Public Library, and Monroe Blocks development.

ACTIVATE

Minimize and consolidate service functions along the streetfront in order to maximize activation of the public realm through retail, an open-air market, public art, and thoughtful landscaping.

REINFORCE

Take cues from the surrounding architectural context, utilizing materials, rhythms, and scales of adjacent historic blocks while introducing world-class progressive architecture that complements the modern skyscrapers of the Financial District.

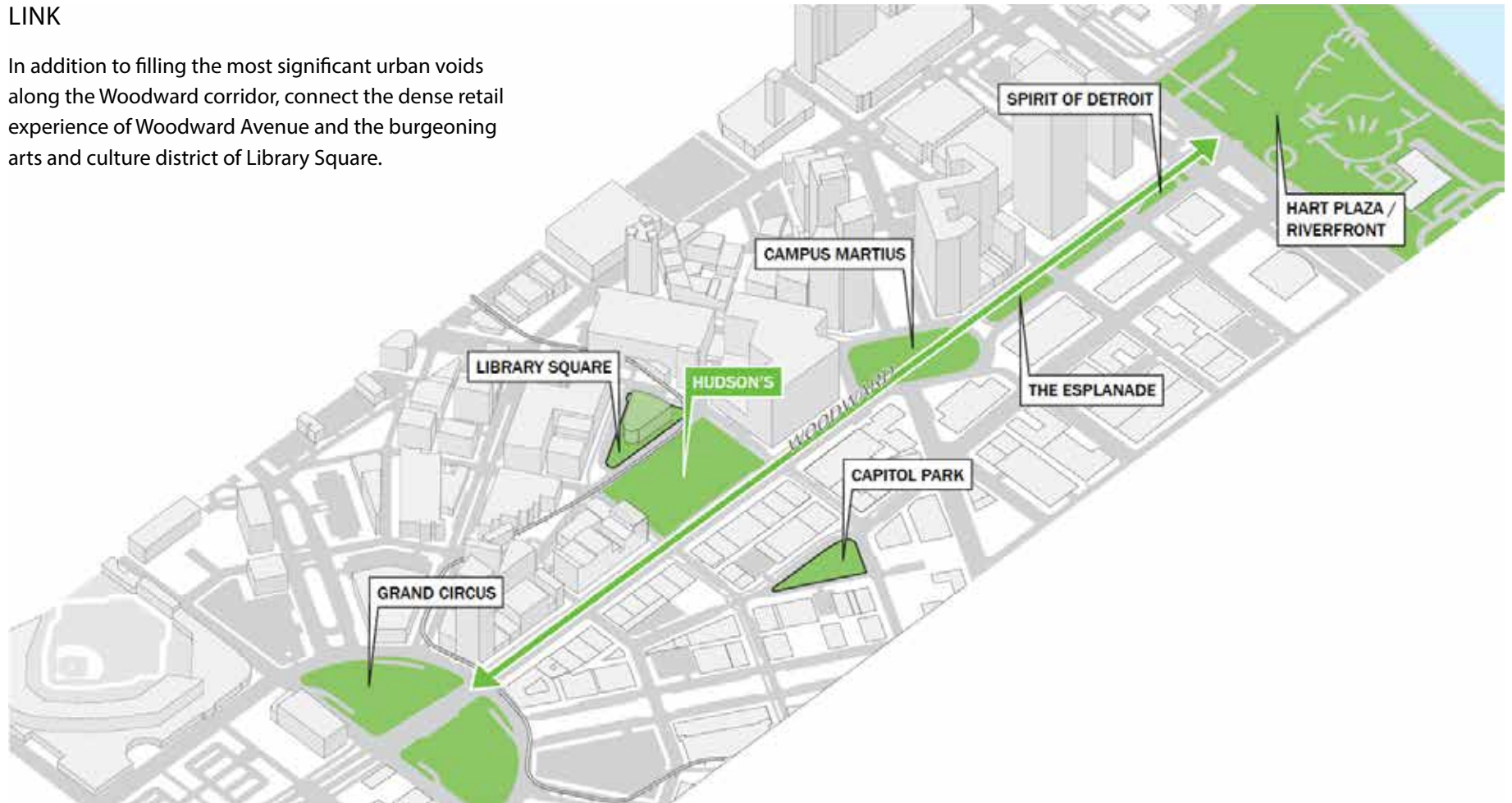


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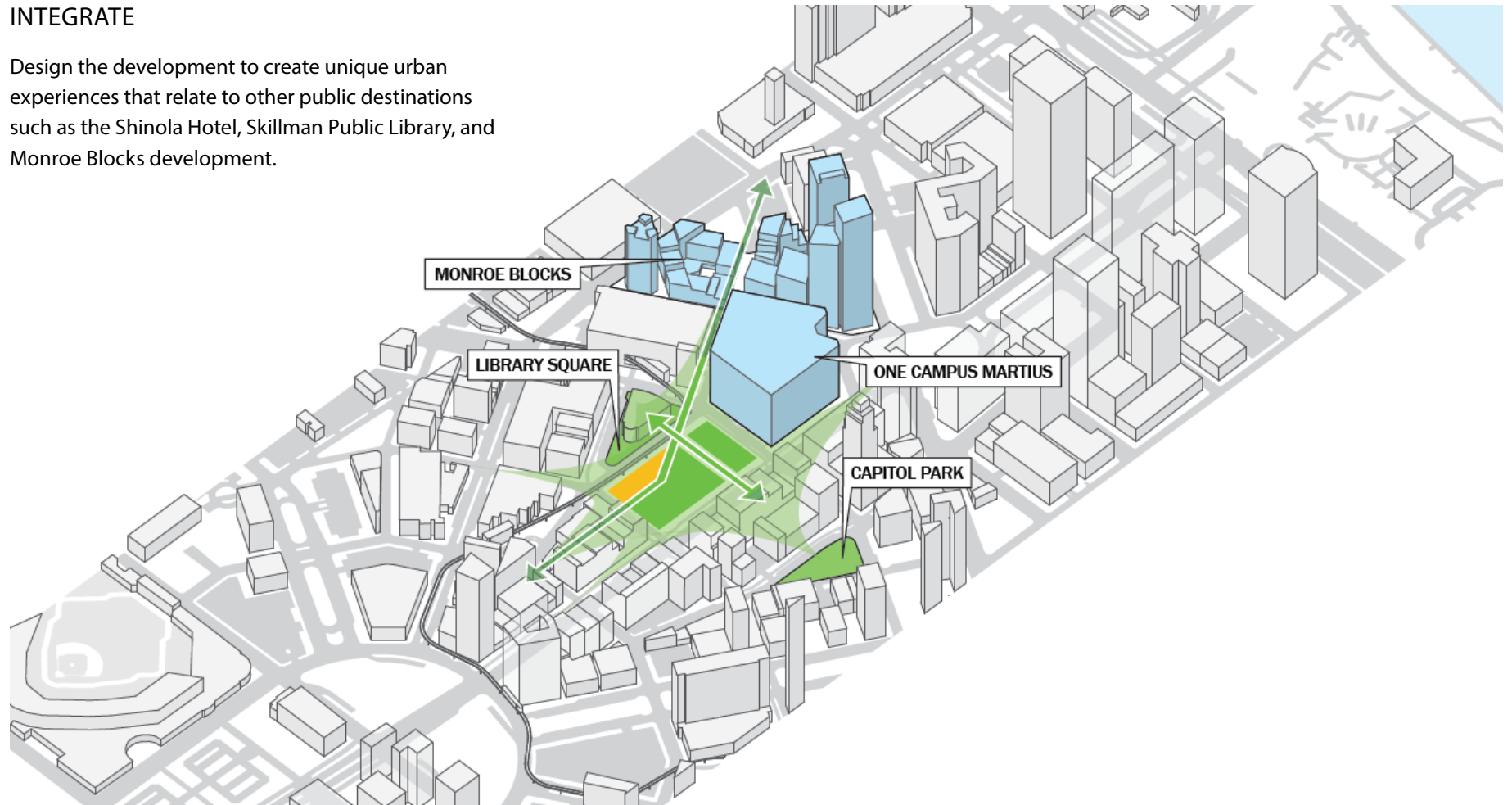


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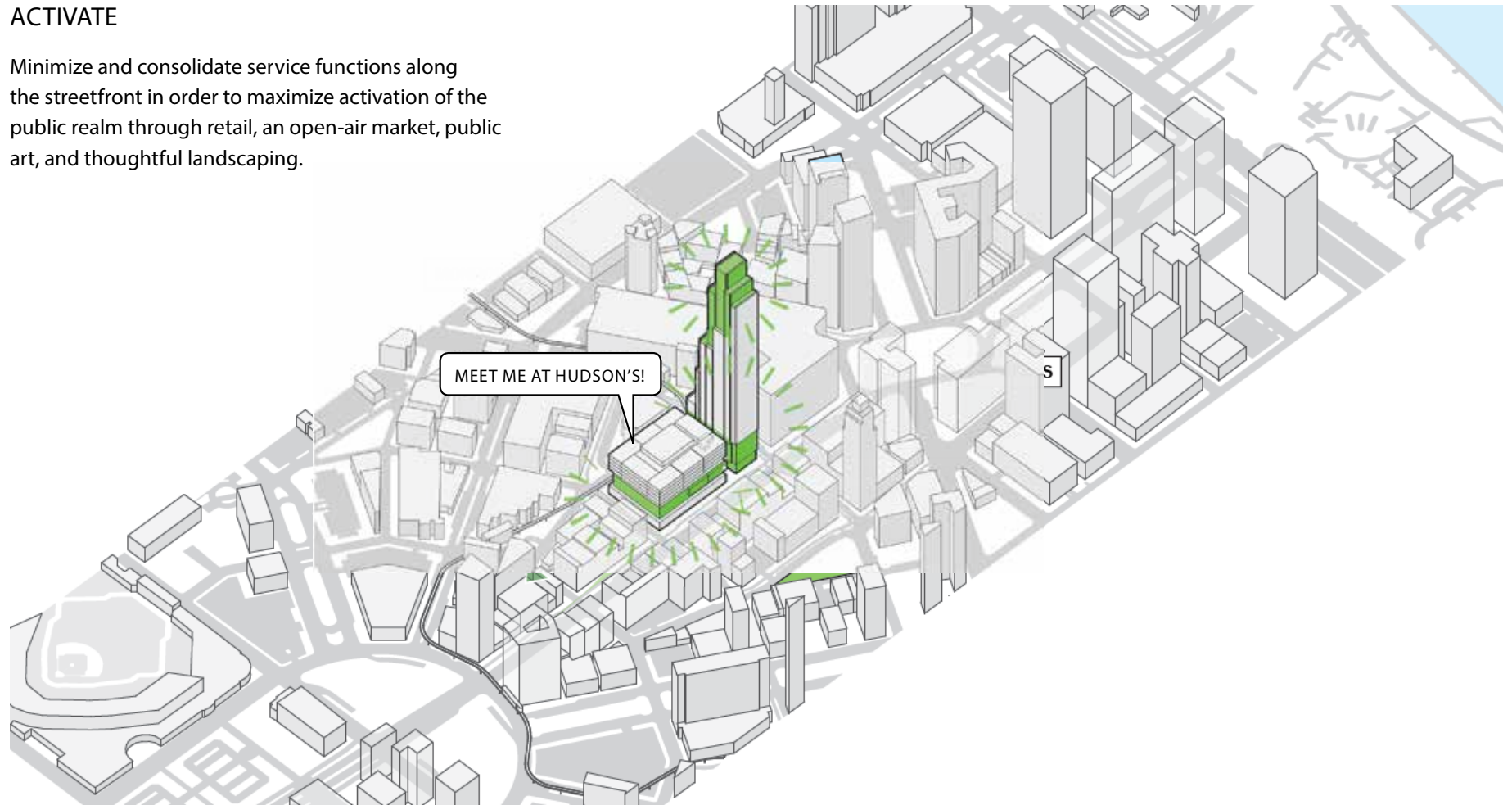


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DESIGN UPDATE

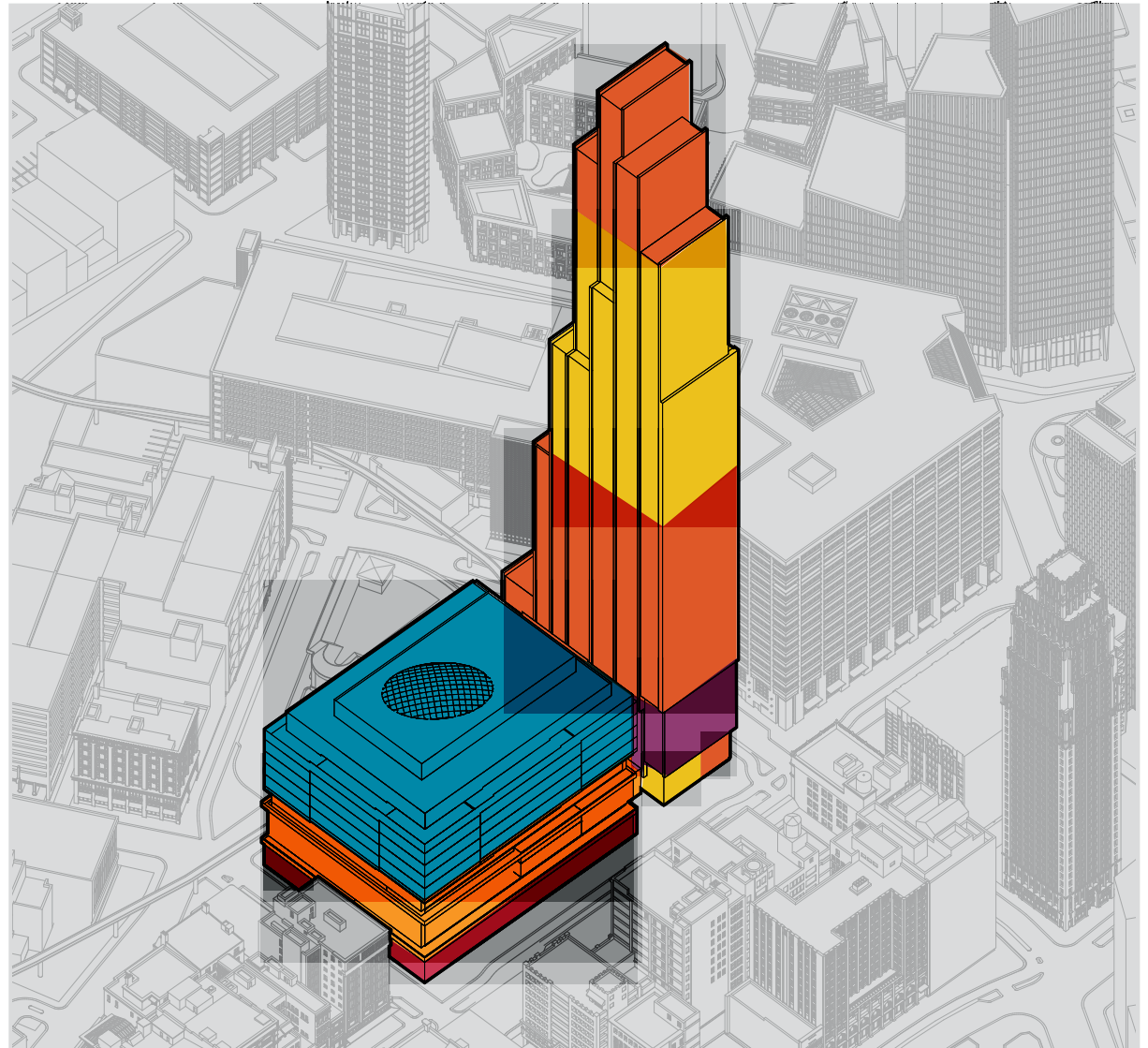
HUDSON'S SITE UPDATE
ISSUED BY BEDROCK // 2018

12 to 58

DESIGN UPDATE

PROGRAMMING

RETAIL	
Total Retail Area	73,300 sf
EVENT	
Total Event Area	185,500 sf
OFFICE	
Total Office Area	343,000 sf
EXHIBITION	
Total Exhibition Area	77,100 sf
RESIDENTIAL	
Total Residential Area	251,400 sf
Total Residential Units	250
HOTEL	
Total Hotel Area	500,700 sf
PARKING	
Total Parking Spaces ¹	700+
TOTAL	
Total Building Area ²	1,431,000 sf

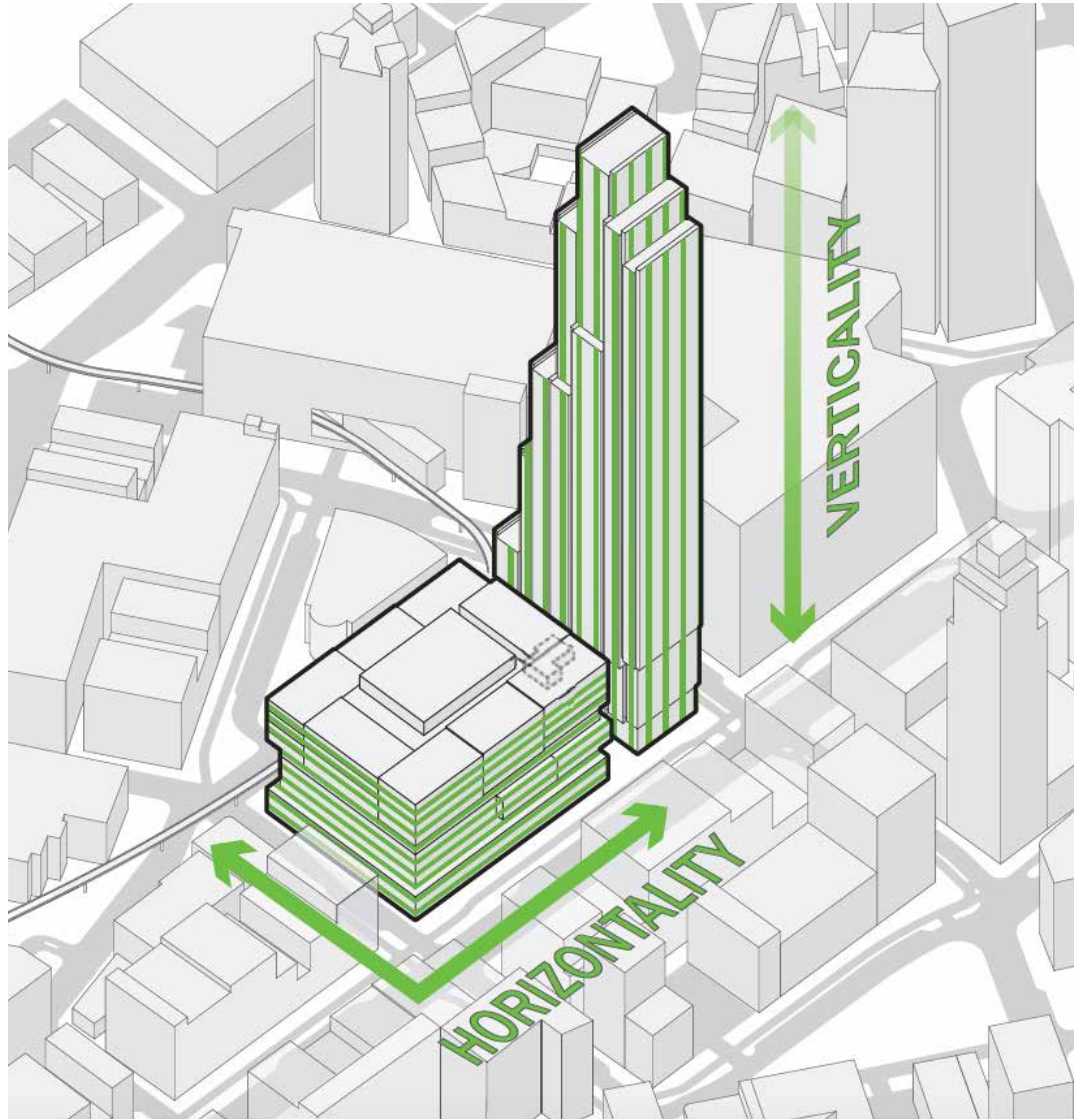


¹Parking located below-grade on two levels across entire site

²Excludes parking and BOH

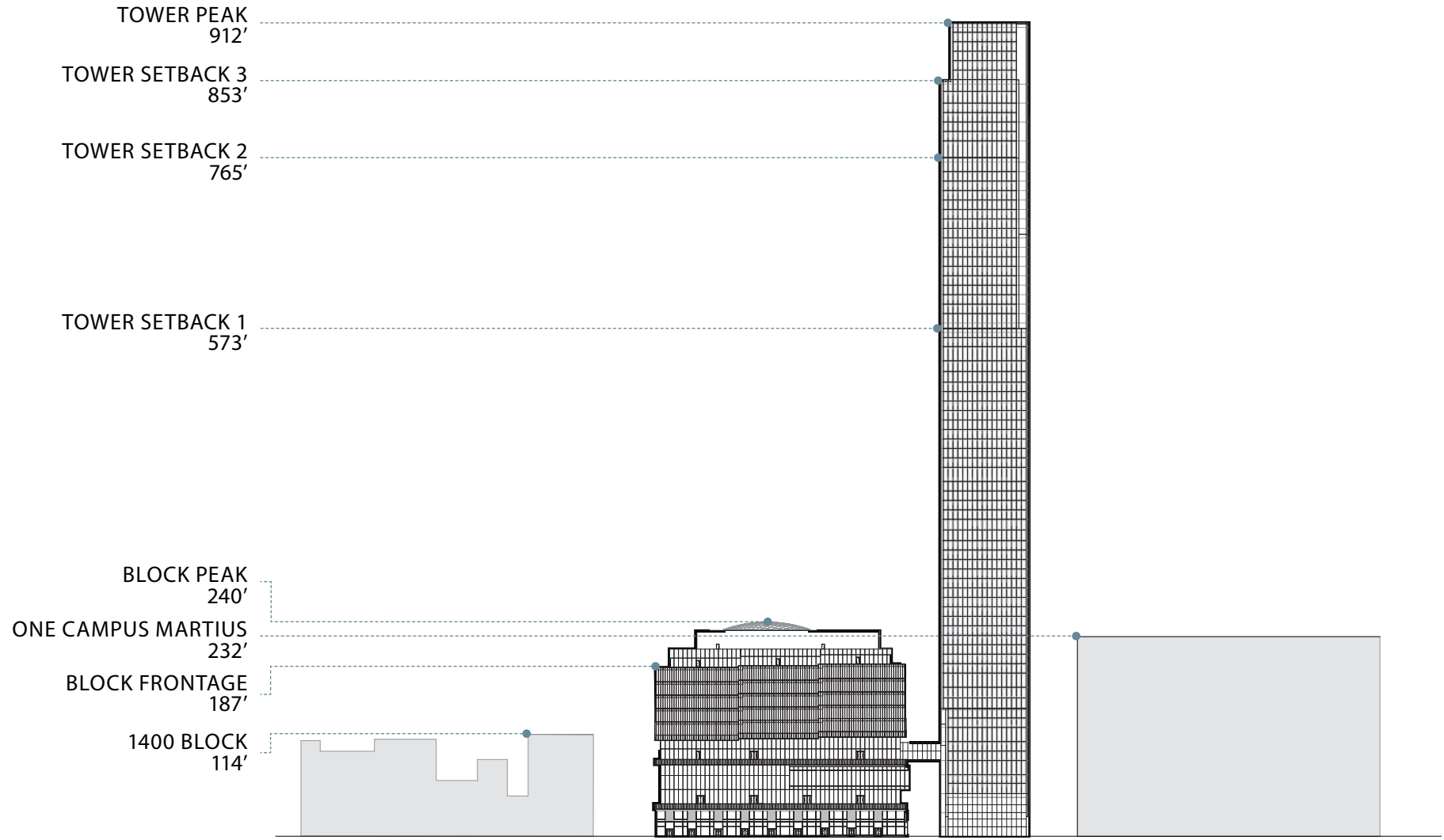
DESIGN UPDATE

MASSING



DESIGN UPDATE

WOODWARD ELEVATION





HUDSON'S SITE UPDATE
ISSUED BY BEDROCK // 2018

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HUDSON'S SITE UPDATE
ISSUED BY BEDROCK // 2018

17 to 58



HUDSON'S SITE UPDATE
ISSUED BY BEDROCK 7/2018

18 to 58



HUDSON'S SITE UPDATE
ISSUED BY BEDROCK // 2018

19 to 58

COMMUNITY BENEFITS UPDATES

NAC QUESTIONS & UPDATES

HUDSON'S SITE



AFFORDABILITY



NAMING RIGHTS /
BRANDING



LOGISTICAL IMPACTS
/ COMMUNICATION



NOISE AND
DISTURBANCES



HAZARDS AND
SAFETY



COMMUNITY
ENGAGEMENT



ECONOMIC IMPACT /
FINANCIALS

AFFORDABILITY



NAC QUESTIONS:

Marketing, communication around affordable residential opportunities

BEDROCK UPDATE:

We do not anticipate marketing to tenants until closer to the project completion date. When we do, we will ensure compliance with Fair Housing and other applicable laws.

Bedrock works with third party companies to market and lease our affordable rental units. They will solidify the marketing plan for the project.

A contact form for other Bedrock residential opportunities can be found on the Bedrock website: <http://www.bedrockdetroit.com/contact>. The leasing team can also be reached at 833-729-5824.

AFFORDABILITY



BEDROCK UPDATE:

Per Bedrock's affordable housing agreement approved by City Council, we commit that 20% of our residential units across Bedrock's portfolio will be affordable at or below 80% AMI for at least 30 years.

At the end of 2018, we will have 516 total residential units, 149 of which are affordable, or 29%.

AFFORDABILITY



NAC QUESTIONS:

Impact on existing rents, potential for project to get its own zip code in order to mitigate rent increases

BEDROCK UPDATE:

Due to the uniqueness of the offering and the absence of a true comparable residential product, the project is not expected to adversely impact existing rents in the area.

The USPS established some “vanity zip codes” in the early 2000s, but that practice has fallen out of favor and is reserved for buildings with very large mail deliveries such as the CIA.

Zip codes will not impact the rents charged by landlords in the downtown Detroit area regardless.



**Establish Affordable
Housing Policy
Framework**

2014

**Established
affordability
requirements for
projects with City
investment**

2017

**Inclusionary
housing ordinance
adopted**

2017

**Creation of
affordable housing
development and
preservation fund**

**Affordable Housing
Preservation and
Development**

2015-2017

PRESERVED

1,772

**EXISTING
AFFORDABLE
HOUSING
UNITS**

CREATED

895

**NEW
AFFORDABLE
HOUSING
UNITS**

**Multi-Family
Affordable Housing
Strategy**
Goals

1. ALFH

Establish the
affordable Housing
Leverage Fund

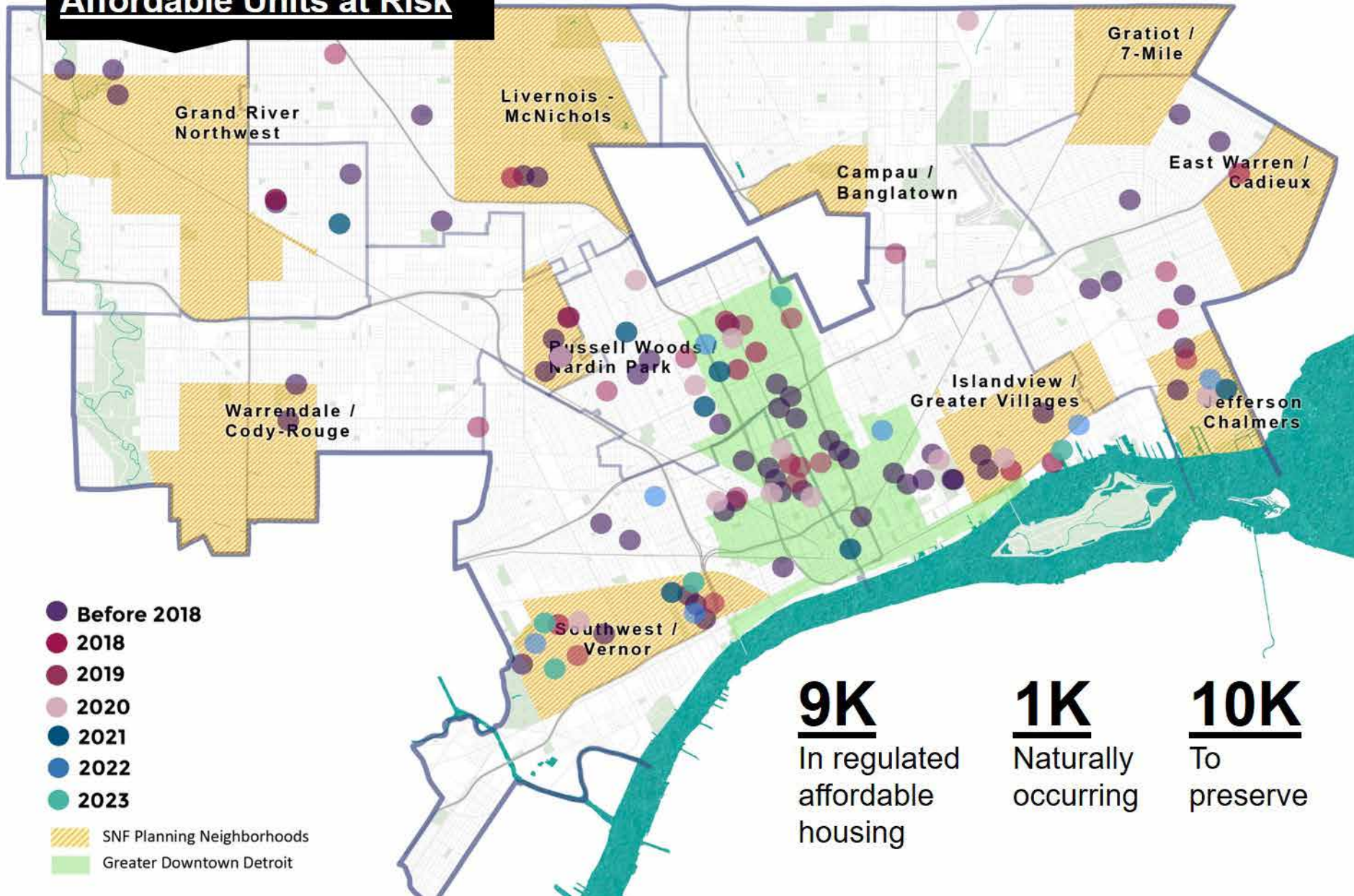
**2. Preserve &
Create**

10,000 existing units
and create 2,000
units of affordable
housing

3. Policy

Adopt policies to
achieve goals

Inventory of Regulated Affordable Units at Risk



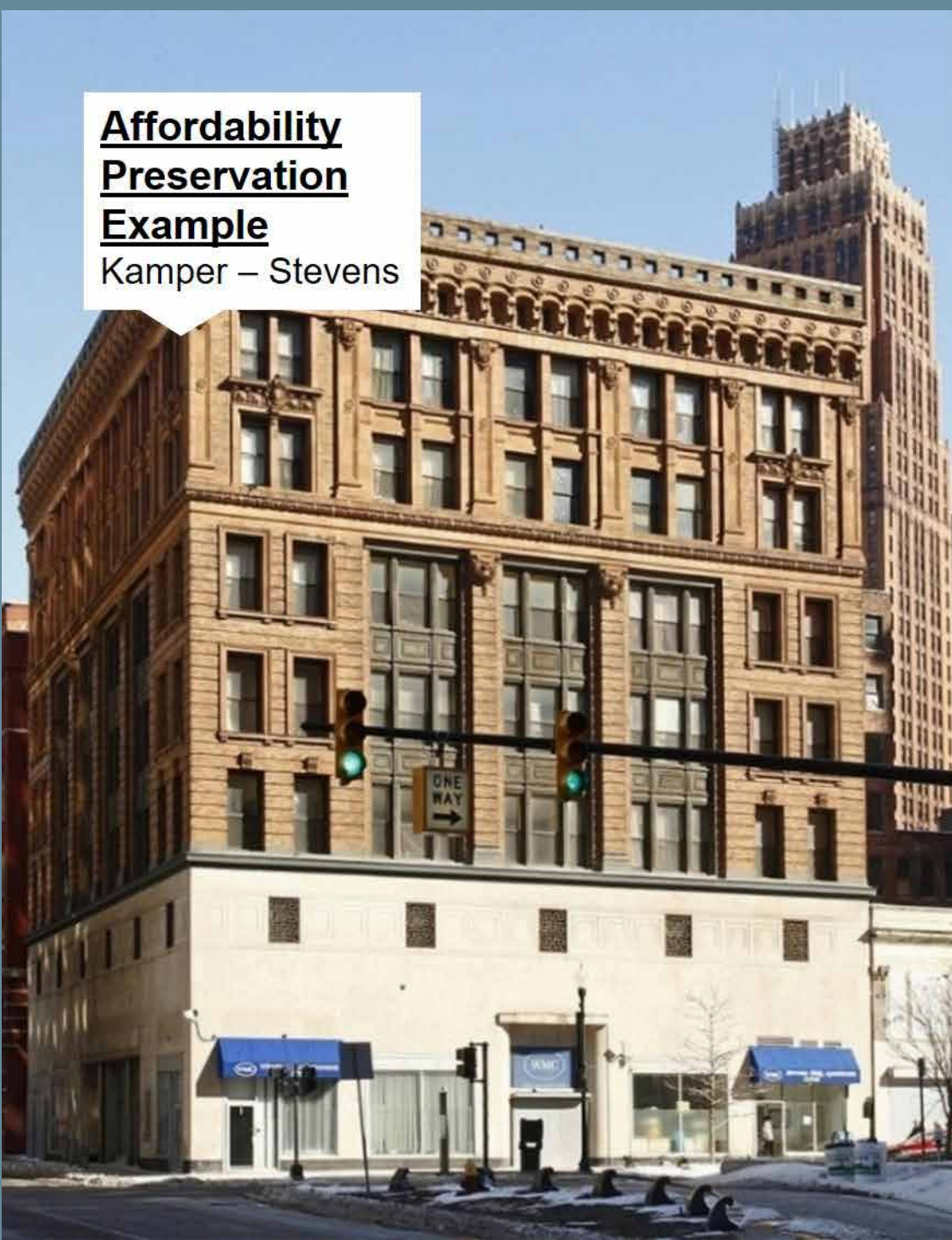
9K
In regulated
affordable
housing

1K
Naturally
occurring

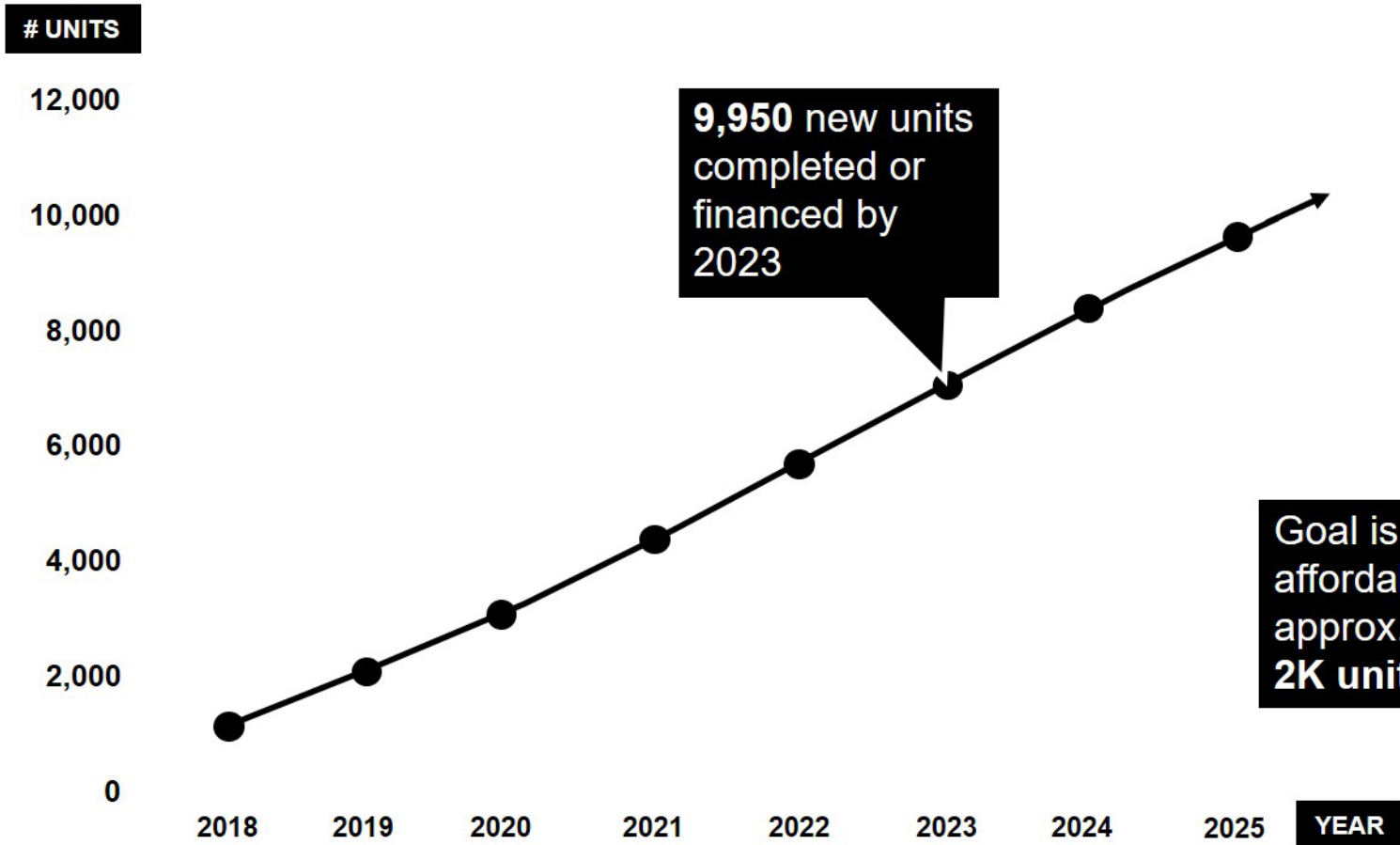
10K
To
preserve

Affordability
Preservation
Example

Kamper – Stevens



Forecast of New Housing Unit Construction 2018-2025



Multi-Family
Affordable Housing
Strategy
Goals

PRESERVE

10K

EXISTING
AFFORDABLE
HOUSING
UNITS

CREATE

2K

NEW
AFFORDABLE
HOUSING
UNITS

**Total Affordable
Housing Investment**

\$765M

TOTAL

PRIVATE EQUITY

\$76M

CONVENTIONAL DEBT

\$168M

9% & 4% LOW-INCOME TAX
CREDIT & MICHIGAN STATE
HOUSING DEPARTMENT
AUTHORITY EQUITY

\$271M

**DEBT+EQUITY
\$515M (Leverage)**

LOW-COST CAPITAL

\$150M

PHILANTHROPIC GRANTS
CITY OF DETROIT

\$50M

\$50M

**AFFORDABLE
HOUSING LEVERAGE
FUND
\$250M (Raise)**

NAMING RIGHTS / BRANDING



NAC QUESTION: S

Potential names for the development, avoiding future marketing that could be offensive

BEDROCK UPDATE:

We have not yet determined the final name for the development.

Bedrock will be considering all options including paying tribute to J.L. Hudson.

Bedrock is committed to creating opportunities for all Detroiters and demonstrating that they are represented in all of our marketing.

We have taken a hard look at company processes, from recruitment to collateral review, and have added layers of review to ensure our company's values are accurately represented in everything we do.

LOGISTICAL IMPACTS



NAC QUESTIONS:

Methods for communicating street closures and construction activities, how traffic and pedestrians will be routed

BEDROCK UPDATE:

Bedrock has been providing information on construction and related activities in connection with Hudon's to mitigate the impact on the downtown community via email blasts to the NAC as well as via the DDP's Traffic & Parking Coordination Committee.

The DDP's weekly street closure distribution has been shared with the NAC.

We understand that the City has expanded a partnership with Waze to share and receive real-time traffic information, and the DDP is monitoring to determine if an additional app or other communication method is necessary.

LOGISTICAL IMPACTS

HUDSON'S SITE



BEDROCK UPDATE

Bedrock has proposed a traffic logistics plan related to pedestrian and vehicular traffic to the City for review and approval. Beyond just Hudson's, a coordinated traffic plan was created to address the impact of multiple downtown projects.

See handouts.

NOISE AND DISTURBANCES



NAC QUESTIONS:

Noise impacts during construction, light pollution

BEDROCK UPDATE:

Bedrock and its contractors have continued to follow the City of Detroit's noise ordinance, which allows working hours between 7am and 10pm, and Michigan Occupational Safety and Health Administration's (MIOSHA) requirements.

We have taken steps to ensure that time restraints are placed on activities known to exceed the acceptable sound pressure level readings and considerations given for alternative methods for certain construction activities (e.g., welding machines with mufflers or containment, enclosures for louder activities, etc.)

Bedrock will complete light pollution and shadow studies as required by the City as project design progresses.

HAZARDS AND SAFETY



NAC QUESTIONS:

Dust control, mitigation of other contaminants

BEDROCK UPDATE:

Dust control has taken place using multiple methods including:

- Managing physical dust generating activities to reduce dust creation
- Suppression of any dust, typically using water fog
- Removal of road dirt through street sweepers

Soil borings and testing has been completed in limited areas, and to date, no new site contaminants have been encountered.

If we encounter contaminants during construction they will be handled using protocols established by MIOSHA and other governmental agencies.

HAZARDS AND SAFETY



NAC QUESTIONS:

Mitigating risk of falling objects

BEDROCK UPDATE

To date, we have been using concrete barriers and screening fences / panels to create a safety zone around the site.

As the project progresses, additional measures will be taken, in particular to ensure fall protection and protect from falling debris during the tower construction.

Examples of the safety systems that can be used include cantilevered debris netting and enclosures for engineered scaffolding.

COMMUNITY ENGAGEMENT



NAC QUESTIONS:

Opportunities to engage DPS

BEDROCK UPDATE

The Family of Companies continues to lead programs that provide opportunities to DPS students. For example, our Day of Innovation, which aims to bring every 6th grade student downtown and provide hands on programming and exposure to our work environment, brought 2,125 students downtown in 2018.

We also provide technology training through our QSTEM program, and support career training through Grow Detroit's Young Talent and the Urban Alliance program, which provide paid professional internships to students. We currently support 30 students through Urban Alliance.

COMMUNITY ENGAGEMENT

Bedrock is supporting initiatives that provide both students and adults with the skills necessary to take advantage of the construction and long-term jobs available.

Bedrock has supported the DPS Randolph School Career Technical Programs with a \$250,000 investment to help more students build careers in the skilled trades.

Bedrock has also made a \$1M investment in DPS's Breithaupt school, which trains students in the culinary arts, hospitality, cosmetology, and automotive repairs - all areas that have a growing number of jobs.



COMMUNITY ENGAGEMENT



COMMUNITY ENGAGEMENT



NAC QUESTIONS:

Executive Order 2016-1, Bedrock's plans to meet it

BEDROCK UPDATE:

Construction on the Hudson's site is subject to Executive Order 2016-1.

To date on the project, Detroiters have made up 44% of the work hours.

According to the City, fines paid pursuant to Executive Order 2016-1 now go to support workforce training.

COMMUNITY ENGAGEMENT

HUDSON'S SITE



BEDROCK UPDATE:

In addition to Bedrock's support of the Randolph and Breithaupt schools, Bedrock has been working with its construction managers to market jobs available on Bedrock projects, such as the recent Ready, Set, Build Expo on Nov. 14th at Cobo Center, which attracted approximately 3,000 locals looking for job opportunities in the trades.

For Hudson's specifically, the Barton Malow outreach team is engaged on multiple fronts:

- We have held business outreach events to search for local firms and to allow opportunities for networking and potential partnering. We have created a database of business contacts along with information such as Detroit registered, Wayne County registered, etc. and have made it available on our Barton Malow webpage.
- We have been meeting with community partners such as DESC, SEMCA, MI Building Trades, union halls, etc.
- Last week, Barton Malow participated in the Wayne County Roundtable.

READY, SET BUILD!



FINANCIALS



NAC QUESTION:

Success metrics, gap financing, incentives

BEDROCK UPDATE

The MiThrive legislation allows for projects to keep a portion of the new state tax revenue they generate to help close the gap between high redevelopment costs and what market rents can support.

For Hudson's, we are anticipating the gap to be roughly \$100M.

The MiThrive incentive for Hudson's will remain the same regardless of potential project cost increases.

The most important metric for Bedrock will be the number of visitors that come from Michigan, across the country, and all over the world to the project. These visitors will help support the local economy and help generate tax revenue for the City and the State.

NEXT STEPS

ONCE CBO MEETINGS ARE COMPLETED

FINALIZE THE NEGOTIATED BENEFITS PACKAGE WITH THE DEVELOPER AND THE NAC WITHIN 2 WEEKS OF THE FINAL MEETING

LETTER OF SUPPORT FOR COMMUNITY BENEFITS PACKAGE SIGNED BY NAC

DEVELOPMENT PACKAGE GETS SUBMITTED TO CITY COUNCIL ALONG WITH COMMUNITY BENEFITS REPORT & COMMUNITY BENEFITS PROVISIONS SIGNED BY THE DEVELOPER

PDD SUBMITS COMMUNITY BENEFITS REPORT TO COUNCIL WITH INCENTIVES REQUEST



Community Benefits reports is sent the NAC & posts to website

Enforcement period; PDD hosts annual check-ins with the NAC and developer

Enforcement Mechanisms for the Community Benefits Provision

*Ex. Claw-back of City-provided-benefits,
revocation of land transfers or land sales,
penalties and fees*

The Procedure for Community Members to Report Violations of the Community Benefits Provision to the NAC

Length of Time for Annual Compliance Reports

Community Engagement Requirements

THE ENFORCEMENT COMMITTEE IS LED BY THE CORPORATION COUNSEL & IS MADE UP OF:

Corporation Counsel for; or their designee



+

Representative from the Law Department



+

Representative from the Human Rights Department



+

Representative from the Planning & Development Department



Must be a minimum of one individual from each department

DURING THE ENFORCEMENT PERIOD...

The Enforcement Committee shall provide a biannual compliance report to the City Council and the NAC for the time period identified in the Community Benefits Provision

The Planning & Development Department will facilitate at least one meeting per year between the NAC and the developer to discuss the status of the project for a two-year period



REPORTING VIOLATIONS OF THE COMMUNITY BENEFITS PROVISION

The NAC Should Report All Complaints from the Community About Violations to the Community Benefits Provision to the Enforcement Committee in Writing.

***The findings of the Enforcement Committee will be presented to the NAC within 21 days from the date that the violations were reported to the Enforcement Committee, unless the need for additional time is reported to City Council and the NAC within the original 21 day time frame.*

Image Source: Detroit Free Press

THE ENFORCEMENT COMMITTEE WILL INVESTIGATE REPORTED VIOLATIONS & PRESENT FINDINGS BASED ON:

1.

**Whether the Developer
is in compliance with
the Community
Benefits Provision**

2.

**How the Community
Benefits Provision will
be enforced or how
violations will be
mitigated**

If the NAC disagrees with the findings or determines that the Enforcement Committee is not pursuing enforcement steps, the NAC may send notice to the Enforcement Committee.

***The Enforcement Committee then has 14 days from receipt of notice to respond to the outlined concerns.*

City Council may elect to hold a hearing; or reference the written information submitted to determine if the Enforcement Committee has made reasonable efforts to ensure that the developer has complied with the Community Benefits Provision

If City Council determines that the enforcement committee HAS made reasonable efforts, then City Council will notify the NAC and the Enforcement Committee of their findings.

OR

If City Council determines that the enforcement committee HAS NOT made reasonable efforts, City Council will work to determine the steps that need to be taken to comply with the Community Benefits Provision.

The Enforcement Committee will provide City Council and the NAC with monthly updates on compliance actions until City Council declares that the developer is in compliance with the Community Benefits Provision or has taken adequate steps to mitigate violations.

***City Council may hold additional hearings related to enforcement of the Community Benefits Provision as needed.*

THANK YOU